

Welcome to Medicare 2020



Module 3: Supplementing Original Medicare – Medigaps and Part D

Presented by Contra Costa HICAP

April 16, 2020

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What is HICAP?

Health **I**nsurance **C**ounseling and **A**dvocacy **P**rogram

- All things Medicare
 - Education, Counseling & Advocacy
- Primarily a Volunteer Organization
 - Initial and Ongoing Training
 - Registered with California Department of Aging
- Funded by California and Federal Gov't
- No affiliation with Insurance Companies
 - No Policies Sold or Endorsed
- Free to you!



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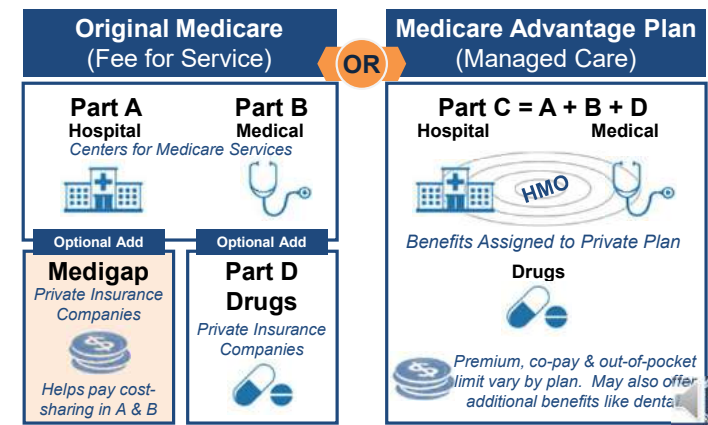
After This Module You Will Know

- ✓ Medicare Supplement Policies (Medigaps)
-
- ✓ Medicare Part D: Prescription Drug Coverage and Costs



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Decide How to Get Medicare Coverage



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Medicare Supplement Policies aka Medigap Plans

- Optional
- Fills the "gaps" in Original Medicare – cost sharing in Parts A and B



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Medicare Supplement Policies aka Medigap Plans

- Private insurance policy covers some of the cost-sharing in Medicare coverage
- Need Parts A & B Medicare
 - No medical decisions – pays only when and if Medicare pays
 - Use anywhere Medicare is accepted
 - Guaranteed renewable if premium paid
 - Premiums adjusted for age and inflation
 - Part D drug coverage not included



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Medigap Plans Standard Plans

- Coverage is standardized; varies by 10 plan types (A-N)

MEDIGAP BENEFITS	MEDIGAP PLANS									
	A	B	C	D	F	G	K*	L*	M	N
Medicare Part A Coinsurance and hospital costs up to an additional 365 days after Medicare benefits are used up	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Medicare Part B Coinsurance or Copayment	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Blood (First 3 Pints)	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Part A Hospice Care Coinsurance or Copayment	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Skilled Nursing Facility Care Coinsurance			✓	✓	✓	✓	50%	75%	✓	✓
Medicare Part A Deductible	✓	✓	✓	✓	✓	✓	50%	75%	50%	✓
Medicare Part B Deductible		✓	✓	✓	✓	✓				
Medicare Part B Excess Charges					✓	✓				
Foreign Travel Emergency (Up to Plan Limits)			✓	✓	✓	✓			✓	✓



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Medigap Plans Innovative Plans

- 'Innovative' / 'Extra' plans offered by some companies
- Includes additional benefits on top of Standard plans (dental/vision/hearing)
- So far Plans F and G only
- Premium may be higher or lower than Standard plans



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Medigap Plans



- Not regulated by CMS but by the States
- Timing and rules to sign up or switch different from Part C and Part D



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Medigap Plans – Timing Guaranteed Issue

When can I first sign up?

- Guaranteed issue for any policy sold within 6 months after Part B enrollment or after leaving an Employer or Retiree Plan
- Otherwise, subject to health screening



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Medigap Plans – Timing Other Guaranteed Issue Rights

- Medicare Advantage (MA) plan leaves area
- Move out of Advantage plan area (County)
- MA plan cost increases exceed thresholds



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Medigap Plans – Timing Outside of Guaranteed Issue Periods

- If you don't apply in a guaranteed issue period
 - Will be subject to health screening
 - Plan may decline coverage or charge more



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Medigap Plans – Timing Birthday Rule

Can I change plans later?



- Change your existing plan to the same or lower plan 60 days after your birthday each year
- CA-specific guaranteed issue right
- Not subject to Medicare fall open enrollment (discussed later)

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Choosing a Medigap Plan

- See HICAP website for copy of current Medigap chart: <https://cchicap.org/medicare-plans-overview/medigap-plans/>
- Choose chart for either under or over age 65

2020 Medicare Standard Supplement (Medigap) Plans (For Ages 65 and Older)

Medicare Cost Sharing with NO Supplement		Your Obligation with a Standardized Medigap Supplement Plan												
		Plans Available to All Applicants										Plans Available Only to Those Eligible for Part A before 2020		
% US Population choosing in 2018		G	GHIJ	N	B	D	A	K	L	M	F*	C*	F(H)(J)	
		19%	New	11%	2%	1%	1%	+0.5%	+0.5%	+0.5%	54%	6%	2%	
PART A - HOSPITALIZATION														
Hospital Deductible: Day 1 of any benefit period		\$1,000	\$0	\$0	\$0	\$0	\$0	\$1,400	\$704	\$302	\$704	\$0	\$0	\$0
Hospital Coinsurance: Days 1-60		\$0/day	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Hospital Coinsurance: Days 61-90		\$300/day	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Hospital Coinsurance: Days 91-180*		\$704/day	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Hospital Coinsurance: Days 181-360**		All needs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PART A - OTHER COVERAGE														

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How to read Medigap chart

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- Left column shows the Medicare service
- 2nd column shows your cost for the service without a plan
- Letters across the top show plans in order of popularity
 - Note plans F and C are on the far right as not available to everyone
- Under each letter is your cost for the service with that plan
- Subsequent pages show company sample premiums for plans by age groups
- Not all companies sell all plans

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	Plans Available to All Applicants											Plans Available Only to Those Eligible for Part A before 2020	
	G	GH	HD	N	B	D	A	K	L	M	F*	C*	F1(HD)
% US Population choosing in 2018	19%	New	11%	2%	1%	1%	+0.5%	+0.5%	+0.5%	0.4%	6%	2%	
PART A - HOSPITALIZATION	Yearly	\$0	\$0	\$0	\$0	\$0	\$1,600	\$704	\$352	\$704	\$0	\$0	\$0
Hospital Deductible, Day 1 of any benefit period	\$1,000	\$0	\$0	\$0	\$0	\$0	\$1,600	\$704	\$352	\$704	\$0	\$0	\$0
Hospital Coinsurance, Days 1-90	\$0/day	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Hospital Coinsurance, Days 91-90*	\$350/day	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Hospital Coinsurance, Days 91-365*	\$700/day	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Hospital Coinsurance, Days 181-365*	All years	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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Choosing a Medigap Plan

- Select the plan type you want (A-N)
 - Plans F, G and N are most common
 - Plans C & F sold only if eligible for Medicare Part A before 2020
 - Plans F(HD) and G(HD) are lowest cost options
- Choose some companies based on lowest premium price for that plan type
- Call companies (or agent) to get updated prices and discounts
- Free 30 day look



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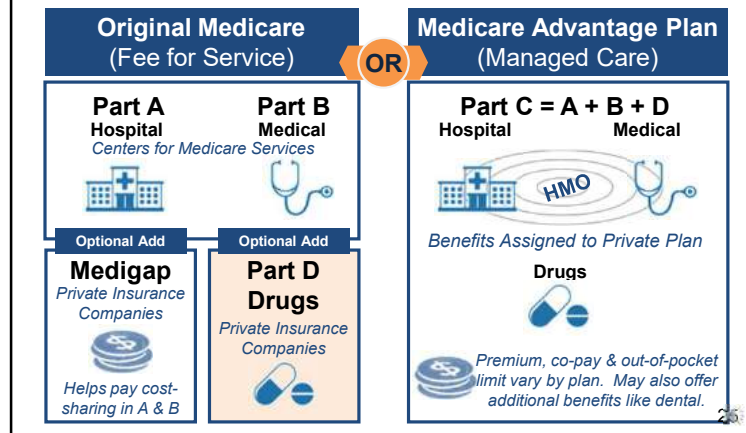
Medigap Plans

- Drug coverage not included
 - Except Parts A and B drugs
 - Need separate Part D plan for prescription drugs



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Decide How to Get Medicare Coverage



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Part D – Prescription Drugs

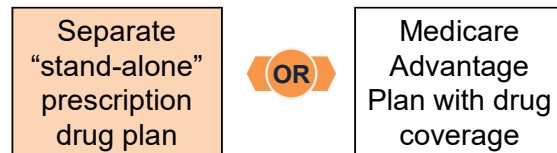
- Optional Prescription Drug Coverage for Everyone on Medicare



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Part D – How to Get It?



(will be covered in detail now)

(to be covered in module 4)

- Usually cannot have double coverage – Medicare keeps track

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Part D – How Does It Work?

- Optional but recommended
 - Penalty if late enrollment
 - Possible delay in coverage



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Part D – How Does It Work?

- Optional but recommended
- Need Part A or Part B to get Part D



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Part D – How Does It Work?

- Optional but recommended
- Need Part A or Part B to get Part D
- Join a plan to get coverage; sold by private insurance companies



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Part D – How Does It Work?

- Optional but recommended
- Need Part A or Part B to get Part D
- Join a plan to get coverage; sold by private insurance companies
- Pay a monthly premium for the plan
- Pay the pharmacy any co-pays or annual deductible



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Part D Standard Benefits and Formularies

- Medicare has a standard Part D model
- Plans may vary but they must be at least equivalent to this standard model
- All plans have distinct formularies
 - must include a range of drugs in each category



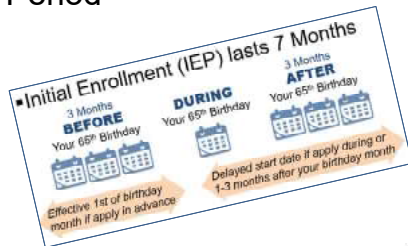
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Part D – Timing

When can I first sign up?

- During your 7-month Initial Enrollment Period for Parts A and B



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Part D – Timing

Can I sign up/switch plans later on?

- 2-month Special Enrollment Periods (e.g. losing group coverage, moving)
- Open Enrollment Period (Oct 15 – Dec 7)
 - Can change plans or newly join one
 - Coverage starts Jan 1
 - Penalty may apply
- Without a qualifying event, you are locked-in to a plan for the current year

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Part D – Creditable Coverage

- Late enrollment penalty for each month you had neither Part D nor creditable coverage
- Creditable coverage means an Rx plan (e.g., employer, retiree) that is at least as good as the Medicare standard Part D plan



- Save notices!

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Part D – What Does It Cost?

- Premiums vary widely
 - \$13 to \$118/mo in 2020
 - Persons with higher incomes also pay premium surcharge
- Will also have costs at the pharmacy
 - Annual deductibles and copays
 - Vary by plan and tier. Some copays are fixed dollar, some are percent of retail cost



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Part D – Premium Adjustment

Your Annual Income		2020 Monthly Adjustment
Individual Tax Return	Joint Tax Return	
\$87,000 or less	\$174,000 or less	\$0
\$87,001 - \$109,000	\$174,001 - \$218,000	\$12. ²⁰
\$109,001 - \$136,000	\$218,001 - \$272,000	\$31. ⁵⁰
\$136,001 - \$163,000	\$272,001 - \$326,000	\$50. ⁷⁰
\$163,001 - \$499,999	\$326,001 - \$749,999	\$70. ⁰⁰
\$500,000 or above	\$750,000 or above	\$76. ⁴⁰

- Premium Adjustment is paid directly to SSA; separate from plan premium
- 2020 adjustment is based on 2018 Modified Adjusted Gross Income
- You can request a new determination of Part D premium from Social Security for life changes (SSA-44)

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Part D – Need Extra Help?

- “Extra Help” for prescription drugs is available for people with limited income and assets



- Income¹ less than \$1,615 (S) / \$2,175 (M)
- Assets² less than \$14,610 (S) / \$29,160 (M)

- Make an appointment with HICAP for more assistance with Extra Help

¹2020 income. Some can be excluded; ²House and vehicle not included

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Part D – Choosing a Plan if You Are Not Taking Any Medications

- See HICAP website for a copy of the current PDP chart: <https://cchicap.org/medicare-plans-overview/pdp-plans/>

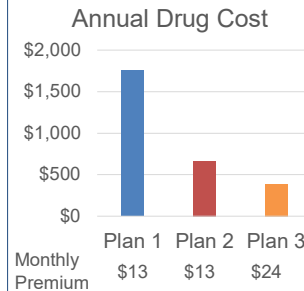
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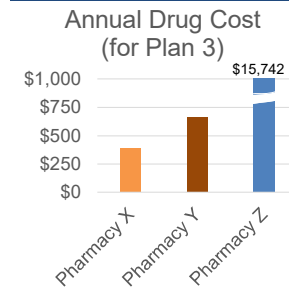
Part D - The Importance of Choosing a Plan to Fit Your Needs

- 5 generic drugs in zip code 94523

Don't Shop Based on Premium Only



Look Beyond Closest Pharmacy



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Part D – Choosing a Plan Based on Your Medications

- Unless you take only one or two generics, you need to find a plan that covers your drugs
- Medicare.gov Plan Finder tool is the best way
 - Lets you find the lowest cost plan for your meds



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Part D – Choosing a Plan Based on Your Medications

- Plan Finder compares ALL available plans based on your individual, regular meds



- Reports lowest overall cost to year end and specific costs
- Includes plan ratings and restrictions
- Out of network pharmacies noted as well as preferred pharmacies

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Part D – How to Use Plan Finder

- HICAP can assist you using your drug list



- Or use HICAP instructions and try yourself



- see <https://cchicap.org/medicare-plans-overview/pdp-plans/#compare-plans>
- Or call 1-800-Medicare

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Part D – How to Use Plan Finder

- Best with My Medicare account
 - Uses your past claims history as starting point
 - Can save results and modify later
 - See HICAP website for instructions on setting up an account: <https://cchicap.org/create-a-my-medicare-account/>



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Part D – Open Enrollment



Review your Part D plan each year!

- Plans change their coverage & costs every year
- Plans add/drop medicines covered in their formularies
- You may have started on a new drug not covered on your current plan

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Part D – Open Enrollment

HICAP can help!



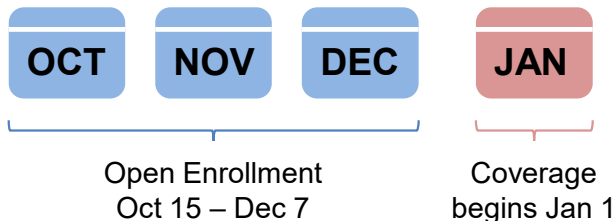
- At just one event we saved people \$1,600, \$4,000 and \$12,000



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Part D – Open Enrollment



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Helpful References

Resource	Website	Telephone
HICAP	cchicap.org	(925) 602-4163 or (800) 510-2020
Medicare	Medicare.gov (use GOV!)	800-Medicare [(800) 633-4227]
California Health Advocates	cahealthadvocates.org	
Medicare Rights Center	medicareinteractive.org	
Social Security	ssa.gov	(800) 772-1213
Calif. Dept. Insurance	insurance.ca.gov	
Veteran's Benefits		(800) 827-1000
Medi-Cal		(800) 709-8348
"Medicare & You"	Printed publication	

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Next Up...

View Module 4:

Medicare Advantage Plans
and Choosing Your Medicare Path



- ✓ Medicare Advantage (Part C)
- ✓ How do I choose: Medigap vs Medicare Advantage?
- ✓ When Can I Switch Paths?

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