

The Ins & Outs of Efficiently Transitioning to Medicare

Medicare Eligible

- People (65) or older
- People under (65) after 24 months of Social Security Disability
- Immediately with disability of:
 - End Stage Renal Disease (ESRD)
 - Lou Gehrig's Disease (ALS)

Initial Enrollment Period (IEP)

Example: Let's say you turn 65 in June:

<u>Month of Enrollment :</u>	<u>Your coverage would be effective:</u>
March	June 1st
April	June 1st
May	June 1st
June = Birthday Month	July 1 st = 1 st of following month
July	September 1 st = enrollment + 1 mo
August	November 1 st = enrollment + 2 mo
September	December 1 st = enrollment + 2 mo

Delayed Part B Enrollment

- You can delay your Part B enrollment if you are covered under a “qualified” employer or union group plan as an active employee or spouse of employee...no penalty would accrue
 - The group needs to have (20) or more enrollees to qualify as “Primary Insurer”
 - If the group has less than (20) enrollees, then Medicare A & B will be “Primary”
 - If Medicare is due to disability, Medicare is “Primary” if group has less than (100) enrollees

Please Note

Coverage based on current employment does NOT include:

- **COBRA**
- **Retiree coverage**
- **VA coverage**
- **Individual health coverage**

Part B – Special Enrollment forms

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

Form Approved
OMB No. 0938-1230
Expires 02/21

APPLICATION FOR ENROLLMENT IN MEDICARE PART B (MEDICAL INSURANCE)

1. Your Medicare Number _____

2. Do you wish to sign up for Medicare Part B (Medical Insurance)? ☐ YES

3. Your Name (Last Name, First Name, Middle Name) _____

4. Mailing Address (Number and Street, P.O. Box, or Route) _____

5. City _____ State _____ Zip Code _____

6. Phone Number (including area code)
() - -

7. Written Signature (DO NOT PRINT)
SIGN HERE _____

8. Date Signed
/ /

IF THIS APPLICATION HAS BEEN SIGNED BY MARK (X), A WITNESS WHO KNOWS THE APPLICANT MUST SUPPLY THE INFORMATION REQUESTED BELOW.

9. Signature of Witness _____

10. Date Signed
/ /

11. Address of Witness _____

12. Remarks _____

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1230. The time required to complete this information is estimated to average 15 minutes per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, Attn: PRA Reports Clearance Officer, 7500 Security Boulevard, Baltimore, Maryland 21244-1850.

CMS-408 (04/19) 2

To be completed by Beneficiary

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

Form Approved
OMB No. 0938-0787

REQUEST FOR EMPLOYMENT INFORMATION

SECTION A: To be completed by individual signing up for Medicare Part B (Medical Insurance)

1. Employer's Name _____

2. Date
/ /

3. Employer's Address _____

City _____ State _____ Zip Code _____

4. Applicant's Name _____

5. Applicant's Social Security Number
- -

6. Employee's Name _____

7. Employee's Social Security Number
- -

SECTION B: To be completed by Employers

For Employer Group Health Plans ONLY:

1. Is (or was) the applicant covered under an employer group health plan? ☐ Yes ☐ No

2. If yes, give the date the applicant's coverage began. (mm/yyyy)
/

3. Has the coverage ended? ☐ Yes ☐ No

4. If yes, give the date the coverage ended. (mm/yyyy)
/

5. When did the employee work for your company?
From: (mm/yyyy) / To: (mm/yyyy) / Still Employed: (mm/yyyy) /

6. If you're a large group health plan and the applicant is disabled, please list the timeframe (all months) that your group health plan was primary payer.
From: (mm/yyyy) / To: (mm/yyyy) /

For Hours Bank Arrangements ONLY:

1. Is (or was) the applicant covered under an Hours Bank Arrangement? ☐ Yes ☐ No

2. If yes, does the applicant have hours remaining in reserve? ☐ Yes ☐ No

3. Date reserve hours ended or will be used? (mm/yyyy)
/

All Employers:

Signature of Company Official _____ Date Signed
/ /

Title of Company Official _____ Phone Number
() - -

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Form CMS-L564 (CMS-8-297) (09/16) 2

To be completed by Employer

Return to Social Security for processing – average 3 to 4 weeks

Part B – General Enrollment Period

- If you did not sign up for Part B during your Initial Enrollment period and you don't qualify for a Special Enrollment period, you can sign up for Part B from January 1st – March 31st
- Part B will not be effective until July 1st
- You may have to pay a late enrollment penalty
 - 10% for each full (12) months you could have had Part B but didn't enroll
 - Penalty is applied for as long as you have Part B

Questions on
Eligibility or
Enrollment timelines?

2021 Part A & B premiums

- Part A is typically “premium free” if you paid Medicare taxes for (40) quarters
 - 30-39 quarters, you will pay \$259 per month
 - Less than (30) quarters, you will pay \$471 per month
- Part B is \$148.50 per month in 2021
 - If you are deemed a “High Income Earner” you could pay between \$207.90 to \$504.90 per month

Part B – IRMAA

(Income Related Monthly Adjustment Amount)

If your yearly income in 2019 (for what you pay in 2021) was			You pay each month (in 2021)
File individual tax return	File joint tax return	File married & separate tax return	
\$88,000 or less	\$176,000 or less	\$88,000 or less	\$148.50
above \$88,000 up to \$111,000	above \$176,000 up to \$222,000	Not applicable	\$207.90
above \$111,000 up to \$138,000	above \$222,000 up to \$276,000	Not applicable	\$297.00
above \$138,000 up to \$165,000	above \$276,000 up to \$330,000	Not applicable	\$386.10
above \$165,000 and less than \$500,000	above \$330,000 and less than \$750,000	above \$88,000 and less than \$412,000	\$475.20
\$500,000 or above	\$750,000 and above	\$412,000 and above	\$504.90

Part D - IRMAA

Beneficiaries who file individual tax returns with income:	Beneficiaries who file joint tax returns with income:	Applicable percentage	Part D income-related monthly adjustment amount
Less than or equal to \$88,000	Less than or equal to \$176,000	N/A	\$0.00
Greater than \$88,000 and less than or equal to \$111,000	Greater than \$176,000 and less than or equal to \$222,000	35%	\$12.30
Greater than \$111,000 and less than or equal to \$138,000	Greater than \$222,000 and less than or equal to \$276,000	50%	\$31.80
Greater than \$138,000 and less than or equal to \$165,000	Greater than \$276,000 and less than or equal to \$330,000	65%	\$51.20
Greater than \$165,000 and less than \$500,000	Greater than \$330,000 and less than \$750,000	80%	\$70.70
Greater than or equal to \$500,000	Greater than or equal to \$750,000	85%	\$77.10

IRMAA Life-Changing Event

- Social Security will re-evaluate premiums each year and notify you in December
- If your “current” estimated income is lower than your assessment year, you can file the Life-Changing Event form

Form SSA-44 (11-2019)
Discontinue Prior Editions
Social Security Administration

Page 1 of 8
OMB No. 0960-0784

Medicare Income-Related Monthly Adjustment Amount - Life-Changing Event

If you had a major life-changing event and your income has gone down, you may use this form to request a reduction in your income-related monthly adjustment amount. See page 5 for detailed information and line-by-line instructions. If you prefer to schedule an interview with your local Social Security office, call 1-800-772-1213 (TTY 1-800-325-0778).

Name

Social Security Number

Form SSA-44 (11-2019)

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STEP 1: Type of Life-Changing Event

Check **ONE** life-changing event and fill in the date that the event occurred (mm/dd/yyyy). If you had more than one life-changing event, please call Social Security at 1-800-772-1213 (TTY 1-800-325-0778).

- | | |
|---|--|
| <input type="checkbox"/> Marriage | <input type="checkbox"/> Work Reduction |
| <input type="checkbox"/> Divorce/Annulment | <input type="checkbox"/> Loss of Income-Producing Property |
| <input type="checkbox"/> Death of Your Spouse | <input type="checkbox"/> Loss of Pension Income |
| <input type="checkbox"/> Work Stoppage | <input type="checkbox"/> Employer Settlement Payment |

Date of life-changing event: _____
mm/dd/yyyy

Medicare – Part A

(Hospital Insurance)

- Inpatient hospital care
 - Days 1-60 = \$1,484 (Part A Deductible)
 - Days 61-90 = \$371/day
 - Days 91+ = \$742/day
 - Costs are per occurrence
- Inpatient care in a skilled nursing facility for Rehab
 - Days 1-20 = \$0
 - Days 21 – 100 = \$185.50/day
 - Not meant for custodial or long-term care

Medicare – Part A

Continued...

- Blood Transfusions (calendar year)
 - You pay first (3) pints
 - Medicare pays if (4) or more pints are used
- Home health care services
 - You pay nothing
 - Limited benefit
- Hospice care services
 - You pay nothing
 - Limited

Medicare – Part B (Medical Insurance)

■ Outpatient Services

- Doctor Visits
- Outpatient surgeries and services
- Emergency & Urgent care services
- Outpatient Diagnostics – i.e. Labs & Imaging
- Durable Medical Equipment
- Emergency Transport (ground and air)
- Part B Drugs

You pay Part B deductible (\$203 for 2021)

and 20% of the remaining costs...No Out of Pocket Max!

Questions on Medicare Part A & B Coverage or Costs?

Medicare Supplements – (Medigap)

	Medicare Supplement Insurance (Medigap) Plans									
Benefits	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)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Medicare Part B coinsurance or copayment	100%	100%	100%	100%	100%	100%	50%	75%	100%	100% ***
Blood (first 3 pints)	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
Part A hospice care coinsurance or copayment	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
Skilled nursing facility care coinsurance			100%	100%	100%	100%	50%	75%	100%	100%
Part A deductible		100%	100%	100%	100%	100%	50%	75%	50%	100%
Part B deductible			100%		100%					
Part B excess charges					100%	100%				
Foreign travel emergency (up to plan limits)			80%	80%	80%	80%			80%	80%
							Out-of-pocket limit in 2020**			
							\$5,880	\$2,940		

Medicare Supplements continued

- Plans C and F are not available to people who are Medicare eligible on or after January 1, 2020
- Plans F* and G* also offer high-deductible plans in some states
 - Client must pay the first \$2,340 of Medicare covered costs before plan pays anything
- Plan N pays 100% of the Part B coinsurance, except for \$20 for office calls and \$50 for ER

Commonly used “Guarantee Issue” Opportunities for Medicare Supplements

- Guaranteed Issue at age 65 (3 months before birthday month, month of birthday and 5 months after)
- Open enrollment if disabled (timeline same as above)
- Open enrollment if you have lost group coverage (63 days)
- Open enrollment if you join MA plan on your Medicare eligibility and then apply for Supplement in first (12) mo.
- Open enrollment if you lose MA coverage i.e. move out of the service area, plan leaves the market, etc...(63 days)

Questions on Medicare Supplements?

Medicare - Part C

(Medicare Advantage Plans)

- Medicare Advantage Plans, sometimes called Medicare health plans, offered by private companies approved by Medicare
- If you enroll in a Medicare Advantage Plan, the plan becomes your “primary” insurer and provides all your Part A (Hospital Insurance) and Part B (Medical Insurance) coverage
- May also include Part D coverage

Medicare Advantage continued

- Managed care utilizing a provider network
- Must cover the same medically necessary services as Part A&B
- Beneficiary will have cost shares, such as copays & coinsurance (percentage of costs)
- Must have an “annual” out of pocket maximum
- Can cover additional services, such as:
 - Routine Vision, Routine Hearing, Routine Dental, Fitness membership, Alternative care, etc.

Different Types of MA Plans

- Health Maintenance Organization (HMO) Plans
- Preferred Provider Organization (PPO) Plans
- Point of Service (HMO-POS) Plans
- Special Needs Plans (SNP)
- Private Fee-for-Service (PFFS) Plans
- Medical Savings Account (MSA) Plans

Medicare Advantage Enrollment Opportunities

- Initial Election Period
 - Age 65 (3 months before birthday, month of, 3 months after)
 - Disability (3 months before, month of eligibility, 3 months after)
- Annual Election Period
 - October 15th – December 7th
- Open Enrollment Period (only available to current MA clients)
 - January 1st – March 31st
- Special Election Period – typically (60) days...some examples are
 - Moved out of the area, loss of group coverage, plan leaves the market

Questions on Medicare Advantage Plans?

Medicare Part D

- Two options to purchase Medicare prescription drug coverage:
 - Stand Alone PDP – for consumers who have Original Medicare or specific Medicare Advantage plans such as Medicare Cost Plans, PFFS Plans and MSA Plans
 - Medicare Advantage w/Rx coverage - also known as Medicare Advantage Prescription drug plan MAPD
 - Typically with an HMO or PPO style plan

Beneficiary pays annual deductible
2021 Maximum Allowed = \$445

Initial Coverage Phase

Beneficiary

Private Insurance Carrier

Rx Copays (actuary value 25%)

Balance (75% actuary value)

Total Rx Retail Cost =

\$4,130

Coverage Gap OR “Donut Hole”

Generic = 25% Brand = 25%

**Balance - Generic 75% & Brand 5%
* 70% MF discount**

True Out of Pocket =

\$6,550

Catastrophic Phase

**The greater of
\$3.60 Generic/\$8.95 Brand OR 5%**

Balance OR 95%

Medicare Part D continued

- All Medicare Part D drug plans are regulated by the same “basic structure” described in previous slide
- Plans will differ based upon several factors:
 - Formulary (list of covered drugs)
 - Premiums, deductible, copays and restrictions
 - Preferred pharmacies
 - Customer Service

Part D Late Enrollment Penalty

- The late enrollment penalty is accrued at 1% for each month you do not have “credible” prescription drug coverage as of your IEP
- Penalty is calculated using the "national base beneficiary premium" (\$30.50 in 2021)
- **Example – $24\% \text{ LEP} \times \$30.50 = \$7.32$**
 - Monthly plan premium would be increased by \$7.32 per month, re-calculated annually

Part D - Creditable Coverage

- To avoid the late enrollment penalty, you need to prove you had “credible prescription drug coverage” from the time you were eligible, without more than a (63) day break in coverage
 - You could get “credible” drug coverage from current or former employer or union, TRICARE, VA or Indian Health Services
 - You should be notified annually if your plan offers “credible” prescription drug coverage

Questions on Medicare Part D?

Two Medicare Options

Option #1

Original Medicare
Part A & B

You can add
Part D (Rx coverage)

You can add
supplemental
coverage (Medigap)

Option #2

Medicare-Part C
Medicare Advantage

Most plans
include Part D

Typically include
extra benefits

Thank you...

Lisa Lettenmaier



Questions? Call or Email

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