

# New to Medicare

# SHIBA



**2021-2022**

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# Brought to you by ...

# SHIBA



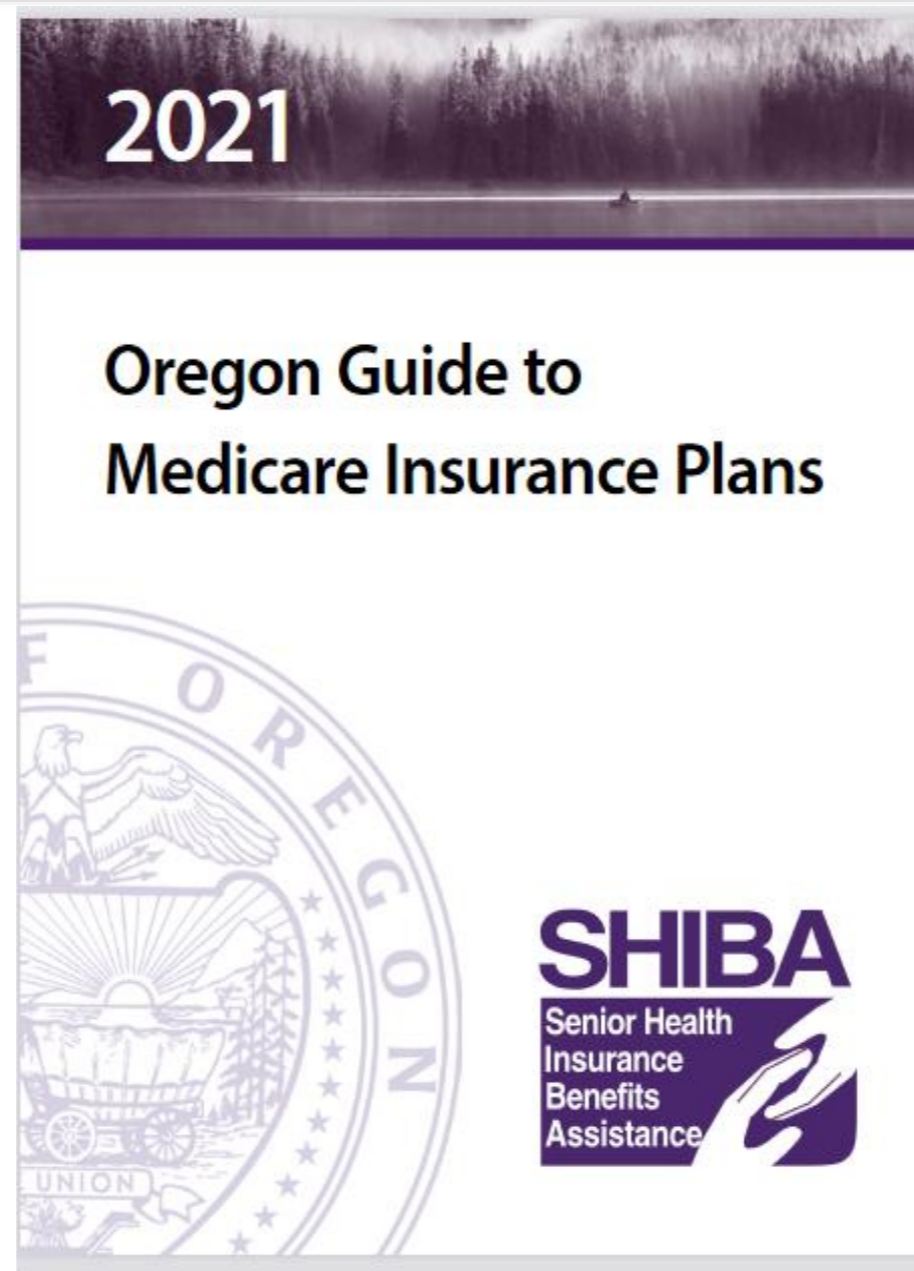
**Educate**

**Advocate**

**Refer**

- Federally sponsored non-profit program
- Free classes and individual phone appointments
- Certified SHIBA volunteers
  
- (800) 722-4134, enter zip code or stay on the line for Medicare answers

# SHIBA Medicare Guide



Available online:

[https://shiba.oregon.gov/Documents/2021\\_Medicare\\_Guide.pdf](https://shiba.oregon.gov/Documents/2021_Medicare_Guide.pdf)

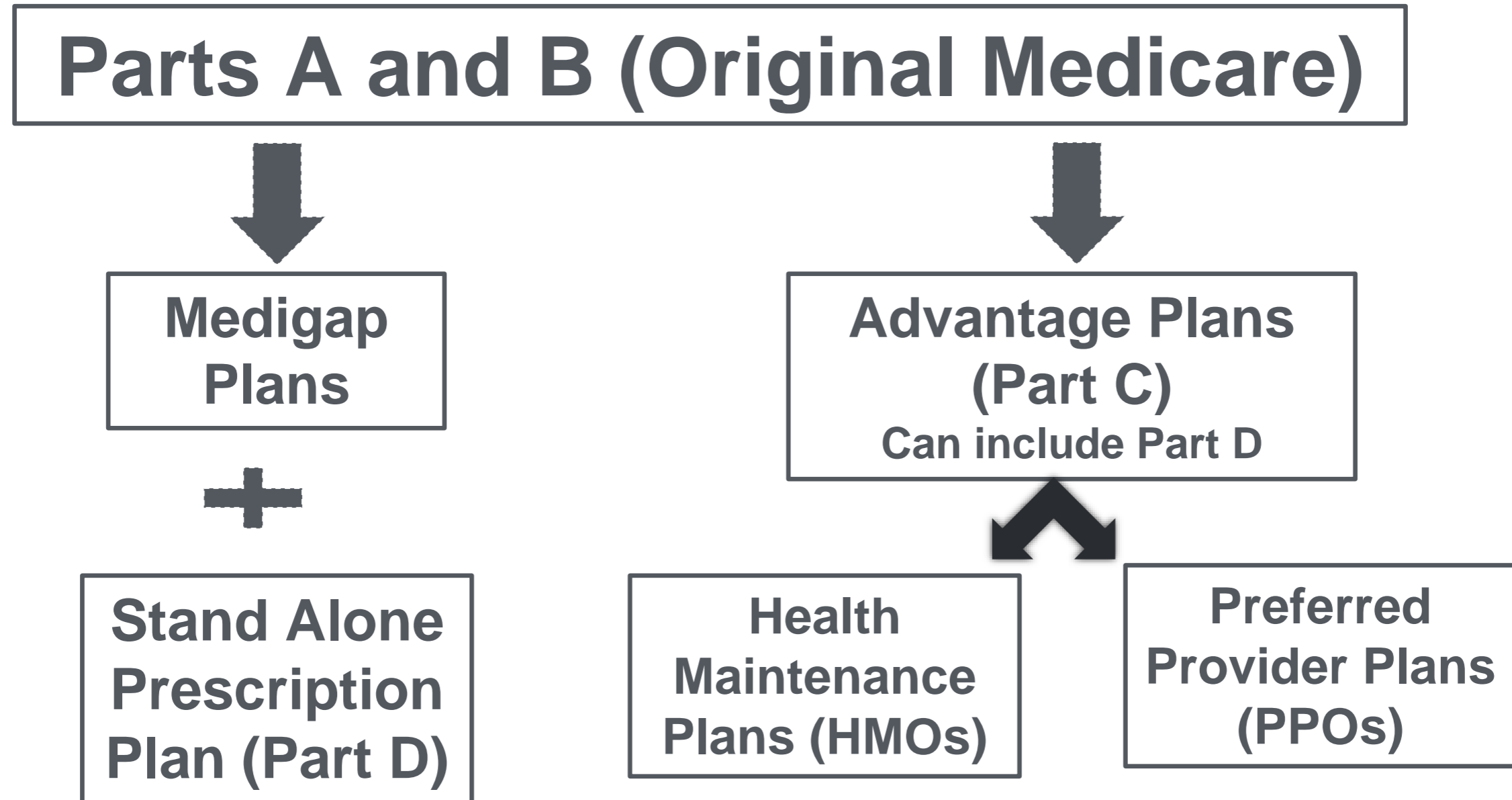
# Today's Takeaways

- ✓ Understand coverage provided by basic Medicare (parts A and B)
- ✓ Recognize critical **deadlines**
- ✓ Understand actions to take to avoid **penalties**
- ✓ Understand the **choices** and trade-offs for supplemental insurance (Medigap plans and Advantage Plans) – includes details on PERS plans
- ✓ Understand prescription drug coverage with Medicare
- ✓ Understand when you can and cannot make **changes**

# Parts of Medicare

- Health insurance program administered by CMS (Centers for Medicare and Medicaid Services)
- Original Medicare:
  - Part A: Hospital Insurance
  - Part B : Medical Insurance
  - Part D: Prescription Drug Program
- Additional insurance (optional)
  - Medigap or Supplement Plans
    - do not include prescription drug coverage
  - Medicare Advantage Plans (called Part C)
    - Include prescription drug coverage

# Health Insurance Choices



Financial penalties may apply for failure to sign up for Parts A, B or Part D (Rx drug plan) after age 65 unless still insured by employer

# Overview of Part A

- Hospital insurance
  - Inpatient in hospital or skilled nursing facility
  - Hospice
  - Home health care
- Free (no monthly premium) unless < 40 quarters work experience. (\$259-\$471/month if no work experience)
- **Deductible (\$1,484)**, with co-pays and co-insurance after 60 days. Deductible may apply more than one time per year

# Overview of Part B

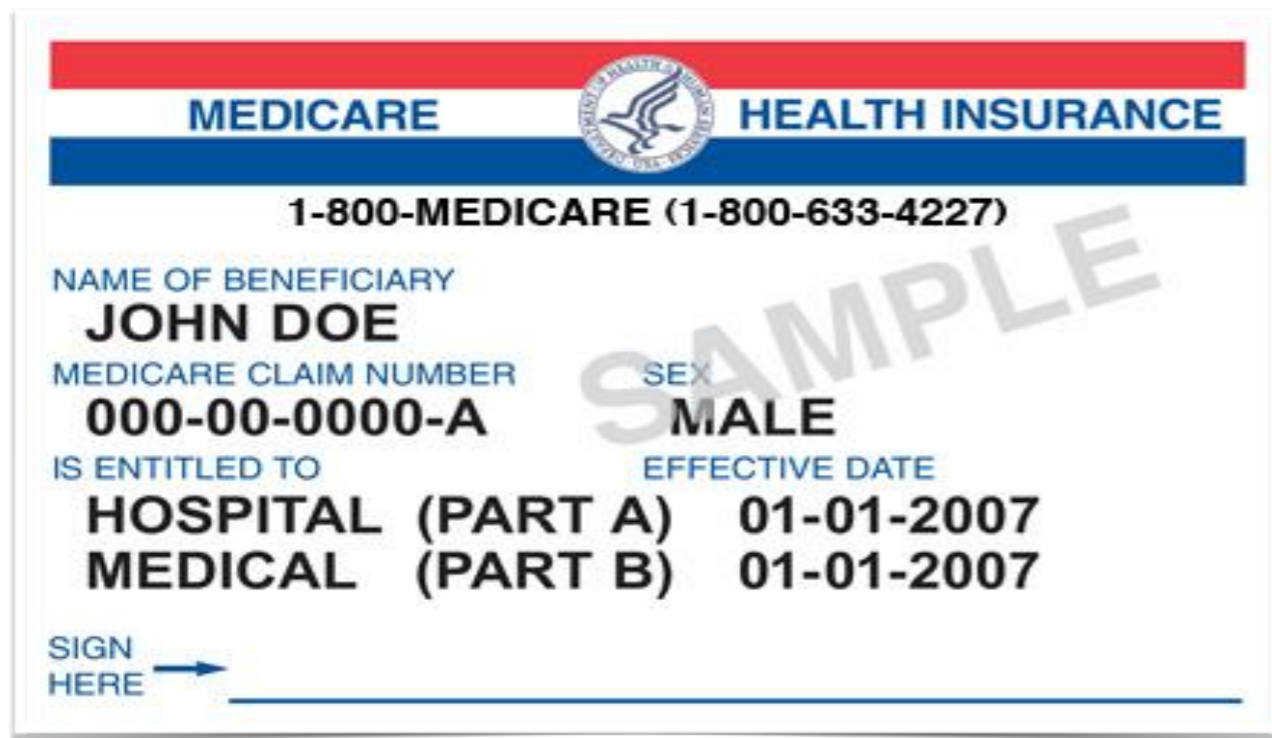
- Medical insurance
  - Physician services
  - Outpatient care
  - Lab tests
  - Durable medical equipment
  - Preventive services
- Premium of \$148.50/month in 2021 (more if high income)
- \$203 Deductible per year (one time only)
- **20% co-insurance**



# Who is eligible?

- Citizen of US or legal resident in US for 5 continuous years
  - ▶ Age 65 or older
    - Need not be retired
    - Automatically enrolled if receiving social security benefits
  - ▶ *Or* under 65 and received Social Security disability benefits for 24 months (auto-enrolled)

# The Medicare card



Old



New

- From April 2018 to April 2019, all consumers were issued a new card with new unique Medicare Number to protect their identity
- Once received, destroy old card and immediately start using new one
- Beware of potential fraud during time of transition

# Read mail from these sources



# How to sign up for Medicare

- If you're currently drawing social security:
  - ▶ you will automatically be enrolled in Medicare Parts A and B and a card will be mailed to you
  - ▶ If you are eligible to postpone Part B, complete form sent to you and return to social security.
- If you are not drawing social security
  - ▶ Sign up online at <https://www.SSA.gov/benefits/Medicare> .  
Scroll to bottom of page to begin application
  - ▶ Call Social Security 1.800.772.1213
  - ▶ Make an appointment with Social Security in La Grande, 1.888.810.7611  
(required if you delayed Medicare while working)

# When to sign up for Parts A & B



- **Initial Enrollment Period**
  - ▶ 3 months before the month you turn 65  
(Coverage begins *first day of month you turn 65*)
  - ▶ Month of 65<sup>th</sup> birthday (Coverage delayed until first day of **month following birthday**)
  - ▶ Up to 3 months after the month you turn 65  
(**start date will be delayed**)
- **General Enrollment Period** – if you missed initial enrollment times above
  - ▶ Enroll: January – March of each year
  - ▶ **Coverage begins: July of year you enroll**

# What does Medicare cost without extra insurance (2021)?

|                        | Part A                            | Part B                                   |
|------------------------|-----------------------------------|--|
| Premium                | Free with work history            | \$148.50 per month (more if high income) |
| Deductible             | \$1,484 per 60 day benefit period | \$203 per year                           |
| Co-insurance<br>Co-pay | See page 8 of SHIBA Guide         | 20% of approved charges                  |



# What if you are still working?

- If you (or spouse) are actively working at age 65 and have an employer group plan that provides 'creditable' medical and prescription drug coverage for over 20 employees, you can defer starting Part B and Part D until you retire.
  - ▶ Recommended to start Part A when turning 65 because there is no premium
  - ▶ Exception: Recommend to start both Part A and B when turning 65 if fewer than 20 employees or self-employed (Medicare pays first, employee plan second)

# Postponing Part B

**PENALTY !**

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- If you or spouse are actively working (>20 people in workplace), you are entitled to Special Enrollment Period (SEP) when you retire or otherwise lose an employer plan
  - ▶ You have up to **8 months** from loss of group plan to **enroll in Part B** by completing **CMS Form 40-B** and **get CMS Form L-564 from your employer's HR Dept** confirming your EGHP insurance. Firmly establish exact date your Employee Group Health Plan (EGHP) ends. Then mail or take both forms to the Social Security Office in Albany
  - ▶ For Medigap or Advantage plan, you have 60 – 63 days to enroll in a plan after loss of group plan (must have part B)
- If no SEP, there is a **penalty** for postponing starting part B
  - ▶ Current premium plus 10% for each year delayed, paid for life
- COBRA insurance does **not** count as Part B or Part D exemption



# What if you retire before age 65?

- You will need to obtain insurance through your employer or from the open market place (“Obama Care.”)
  - ▶ Caution: even if your employer is paying your insurance premium after you retire, you must start Medicare at age 65
- If you are on COBRA, you must apply for Medicare at age 65 and discontinue your COBRA plan
- If you are on the Oregon Health Plan (OHP – Medicaid) your coverage will stop at age 65 (except during the Covid-19 emergency) and you must apply for Medicare

# Part A – Hospital Coverage

- Inpatient hospital stays
- Skilled nursing facility **only** after 3 midnights as an **inpatient** (vs observation) in the hospital
- Blood
- Home health services (limited)
- Hospice care (end of life)
- Does **not** include doctor charges

# Part A Costs

## **Hospital**

- Days 1-60 **each** benefit period
  - \$1,484 deductible
  - \$0 co-pay
- Days 61-90: \$371/day co-pay
- Days 91-150: \$742/day co-pay
- You pay all costs for each day beyond 150 days

## **Skilled Nursing Care (SNF)**

- Days 1-20: \$0 if **3 midnights at inpatient status**
- Days 21-100: Up to \$185.50/day co-pay
- You pay all costs after 100 days

# Part B – Outpatient Coverage

Part B pays 80% for:

- ▶ Physicians' services
- ▶ Outpatient medical and surgical procedures
- ▶ Outpatient mental health services
- ▶ Laboratory, diagnostic tests (e.g., MRI), X-ray
- ▶ Physical and occupational therapy
- ▶ Durable medical equipment (DME) and diabetes supplies
- ▶ Some preventative health care services may be free
- ▶ Part B injectable drugs given in the doctor's office or infusion center (e.g, cancer drugs, some asthma and autoimmune disease drugs) – **20% co-pay**

# Part B Costs

- Premium of \$148.50/month for most people in 2021
- Higher premium (IRMAA) if high income (\$88,000 single or \$176,000 married) - \$504.90 over \$500,000
- \$203 deductible in 2021
- Pays 80% of medical bills, laboratory tests, X-rays, scans and other medical procedures – **you pay the other 20% without additional insurance**
- Penalty if do not enroll unless covered by employed plan; COBRA and VA are **not** acceptable waivers
- Low income subsidy may be available

# What is not covered by Original Medicare?

- Long-term (custodial nursing home) care, assisted living, adult day care
- Routine vision and dental care (eye disease and some dental surgeries covered)
- Hearing aids
- Private-duty nursing
- Non-prescription drugs or nutritional supplements; Prescription drugs covered only if enrollee has a Part D drug plan or Advantage plan
- Acupuncture, chiropractic, naturopathy, nutritional supplements, and other 'alternative' medicine
- Services outside the United States
- Elective Procedures

# How am I going to pay for medical costs...

- How am I going to pay for medical costs not included in Medicare Parts A and B?
  - ▶ Medigap Supplement Plan (plus Part D drug plan)
  - ▶ Medicare Advantage plans – usually bundled with a drug plan
- How am I going to pay for prescription drugs?
  - ▶ Standalone prescription drug plans
  - ▶ Medicare Advantage plans

# Health Insurance Choices

## Parts A and B (Original Medicare)



**Medigap  
Plans**



**Stand Alone  
Prescription  
Plan (Part D)**



**Advantage Plans  
(Part C)  
Can include Part D**



**Health  
Maintenance  
Plans (HMOs)**

**Preferred  
Provider Plans  
(PPOs)**



# Health Insurance Choices

## Parts A and B (Original Medicare)



Medigap  
Plans



Stand Alone  
Prescription  
Plan (Part D)

OR, FOR SOME



Advantage

Employer retiree benefits like PERS. PERS requires that you enroll in Parts A and B. Your PERS choices include a Medigap and Advantage Plans, plus extra benefits. If you are eligible, you should always investigate PERS, even if you eventually opt out.

# Medigap plans (or Medicare Supplements)

- Supplement policies sold by private insurance companies (must have Parts A and B to qualify) that fill 'gaps' in Original Medicare **except still have to pay part B deductible starting 2020.**
- Standardized plans: A, B, C, D, F, G, K, L, M, N (**see next slide**). **Plan C, F and N not available if turned 65 after January 2020.**
- **G plan is now most comprehensive** – still pay Part B deductible.
- Companies tend to have nationwide coverage (but there are exceptions) – helpful if live in two states during year or travel.
- Look for lowest cost policy - Companies charge different amounts for the same plan because of reputation, customer service, etc.
- Caution: No drug coverage with Medigap unless Part D plan also purchased (except for PERS Moda supplement)
- **Provider bills Medicare; Medicare bills the supplement.**



| <b>Original Medicare Gaps</b>  | <b>A</b> | <b>B</b> | <b>*C</b> | <b>D</b> | <b>*F</b> | <b>*F High</b> | <b>G</b> | <b>G High</b>  | <b>K</b>       | <b>L</b>       | <b>M</b> | <b>N</b> |
|--|----------|----------|-----------|----------|-----------|----------------|----------|----------------|----------------|----------------|----------|----------|
| <b>Hospital cost share</b> —<br>Cost share for days 61-90 (\$352 a day) and days 91-150 (\$704 a day); payment in full for 365 additional lifetime days. See Page 8 for details. | ✓        | ✓        | ✓         | ✓        | ✓         | ✓              | ✓        | ✓              | ✓              | ✓              | ✓        | ✓        |
| <b>Part B co-insurance</b> —<br>Covers the 20 percent co-insurance for Part B services. See Page 9 for details.  | ✓        | ✓        | ✓         | ✓        | ✓         | ✓              | ✓        | ✓              | 50%            | 75%            | ✓        | ✓**      |
| <b>First three pints of blood</b> , per calendar year.   | ✓        | ✓        | ✓         | ✓        | ✓         | ✓              | ✓        | ✓              | 50%            | 75%            | ✓        | ✓        |
| <b>Hospice care</b> — Co-insurance for respite care and other Part A-covered services.   | ✓        | ✓        | ✓         | ✓        | ✓         | ✓              | ✓        | ✓              | 50%            | 75%            | ✓        | ✓        |
| <b>Hospital (Part A) deductible</b><br>Covers deductible in each benefit period. (\$1,408 in 2020)   |          | ✓        | ✓         | ✓        | ✓         | ✓              | ✓        | ✓              | 50%            | 75%            | 50%      | ✓        |
| <b>Skilled Nursing Facility (SNF) daily co-insurance</b> — Covers co-insurance (\$176 per day) for days 21-100 each benefit period   |          |          | ✓         | ✓        | ✓         | ✓              | ✓        | ✓              | 50%            | 75%            | ✓        | ✓        |
| <b>Part B deductible</b> — Covers the annual deductible. (\$198 in 2020)   |          |          | ✓         |          | ✓         |                |          |                |                |                |          |          |
| <b>Part B excess charges</b> — Covers the 15 percent excess charge when a physician or hospital does not accept Medicare's full charge as payment in full.                       |          |          |           |          | ✓         | ✓              | ✓        | ✓              |                |                |          |          |
| <b>Emergency care outside the United States</b> — See Page 33 for more information.  |          |          | 80%       | 80%      | 80%       | 80%            | 80%      | 80%            |                |                | 80%      | 80%      |
| <b>Out-of-pocket maximum</b> — Pays 100 percent of Parts A and B co-insurance after annual maximum out-of-pocket has been spent.   |          |          |           |          |           |                |          | \$2,340 (2020) | \$5,880 (2020) | \$2,940 (2020) |          |          |
| <b>High deductible</b> — Once you have paid the deductible in cost sharing, the coverage will begin.   |          |          |           |          |           | \$2,340 (2020) |          | \$2,340 (2020) |                |                |          |          |



# Cost of Medigap Plan

- 1. Part B premium plus + Medigap premium + part D premium
- 2. Monthly Medigap Premium rate depends upon **age**, gender, zip code, and whether smoker or not:
  - E.g., Plan G at age 65 ranges from \$125-196/ month.
  - May Increase each year based on age**
  - **PERS** = Plan D: (\$264/month after subsidy) including Part D
  - Some plans may include deductible or co-pays
  - Premiums can **increase** twice in one year and **as you age**
  - **Do not have premium taken out of Social Security Check**
- 3. standalone drug plan premium - \$6.30 - \$117/ month

# When to Apply For Medigap

- **Guaranteed issue:**
  - ▶ **Within 6 months of starting Part B or within 63 days of ending employer plan**
  - ▶ **When moving from coverage area**
  - ▶ **Birthday Rule – can switch to a different Medigap if you already have one (cannot change to better coverage)**
- **May apply at any other time, but coverage may be denied or higher premium for pre-existing conditions (underwriting)**

# When you CAN change to Medigap

- **Guaranteed Issue Periods (SEP) with guaranteed issue (see SHIBA guide p. 35)**
  - **Guaranteed Issue lasts for 63 days after ‘event’**
  - **Employee Group coverage ends through no fault of your own or when you retire and start part B**
  - **Client moves out of plan’s service area**
  - Disabled person turning age 65
  - Lose Medicaid
  - You joined a Medicare Advantage plan at 65, but decide you want to leave within 12 months
  - Current plan ends because plan leaving your service area

# Health Insurance Choices

## Parts A and B (Original Medicare)



**Medigap  
Plans**



**Stand Alone  
Prescription  
Plan (Part D)**



**Advantage Plans  
(Part C)  
Can include Part D**



**Health  
Maintenance  
Plans (HMOs)**

**Preferred  
Provider Plans  
(PPOs)**

# Medicare Advantage plans (Part C)

- Offered by private insurance companies
- You must have Parts A and Part B
- Medicare contracts with (pays) private insurance companies who receive an annual fee to administer your Medicare
- Premiums range from \$22 to \$140 per month in Eastern Oregon. Better practice: Do not have premium paid via SS check
- You use the plan ID card for services, NOT your Medicare card
- Provider bills the insurance company, not Medicare.



# Medicare Advantage plans (Part C)

- Act similar to employer group plans; **include co-pays for most services**
- Choices vary by geographical area. In most of Eastern Oregon, including Union and Baker Counties, Advantage plans are available only from Summit Health. Plans advertised on TV are not available here.
- Summit Health, like many Advantage plans, offers extra benefits – dental, vision, and hearing – that are not covered by original Medicare.

# Medicare Advantage plans

## **Preferred Provider Organizations (PPO)**

- Looser network than with HMO (see below). Summit Health does not offer a PPO.

## **Health Maintenance Organizations (HMO)**

- Must choose PCP
- Do not cover any services outside of network, except that two Summit Health HMOs include POS (Point of Service) coverage for out-of-network providers under certain circumstances for 50% co-insurance.

# Cost of Medicare Advantage Plan

- Part B premium (because must have Parts A & B)
- Monthly Plan Premium (will vary each year): In 2022, Summit Health has a plan without drug coverage for \$22, an HMO with Rx for \$69, and two HMO-POS with Rx for \$99 and \$140, respectively.
- Copay/ Coinsurance (will vary each year)
- Pay attention to Out-of-Pocket-Maximum and deductible

# Medigap vs. Advantage

| Medigap Plans  | Summit Health (2022)  |
|--|---|
| Higher premiums; increase with age   | Usually lower premiums.   |
| Plan G: Part B deductible only, no other co-pays for Medicare approved services. Lower premium plans may deductibles or co-pays                | Have co-pays or co-insurance for almost every service – office visits, Ix-rays, hospital costs, emergency care. |
| Nationwide coverage (If MD takes Medicare patients)  | Doctor networks limited by geographic area  |
| No drug coverage   | Most include drug coverage.   |
| Prior authorization not required.  | Prior authorization usually required.   |
| Can usually keep your insurance if you move, even out of state.  | Must usually change insurance within 60 days if you move out of county.   |
| No need for out of pocket maximum unless you choose a high-deductible or high copay plan. Have minimal out of pocket costs with most Medigaps. | Summit Health out of pocket maximums range from \$4,000 to N\$8,000.  |

Extra benefits for dental, vision, hearing

# When to Join or Switch Medicare Advantage Plans

- **Initial Enrollment Period**
  - When you turn 65 or 60 days after employer plan ends
- **Annual (Fall) Enrollment Period**
  - October 15 – December 7 (PERS ends)
- **Special Election Period – 63 days**
  - You Move; Plan breaks contract; 5-star plan; You get Part B.
- **Disenrollment Jan. 1 – Feb. 14**



# Other Coverage Options

- Retiree Coverage
  - Only acceptable as Medicare-alternative if Medicare-specific options
  - **PERS**, Union, others
- Federal Retiree, Veterans and Military Health Benefits
  - Federal Retirees and Veterans (Part B not required but strongly recommended)
  - Tri Care for Life (still need Part B)
- COBRA – never acceptable as Medicare alternative; **does not replace Part B or D!**
- Marketplace or Affordable Care Plans (**only** for people paying for Part A)
- Fire Med for ambulance services (\$60/year).

# Travel Coverage

- Travel within the US
  - ▶ Original Medicare: “usual benefits” if Medicare provider (deductible for hospital; 20% co-pay outpatient)
  - ▶ Medigap: Plan G = Part B deductible if not already paid. Other plans vary.
  - ▶ Advantage Plans: Co-pays (e.g, \$65-120) for emergency room and possibly urgent care.
- International travel – recommend travel insurance
  - ▶ Original Medicare: no coverage.
  - ▶ Medigap: 80% emergency room **reimbursement** with most plans.
  - ▶ Advantage: Emergency room **reimbursement**; urgent care varies

# Health Insurance Choices

## Parts A and B (Original Medicare)



**Medigap  
Plans**



**Stand Alone  
Prescription  
Plan (Part D)**



**Advantage Plans  
(Part C)  
Can include Part D**



**Health  
Maintenance  
Plans (HMOs)**

**Preferred  
Provider Plans  
(PPOs)**



# Ways to get Part D

- **As a standalone prescription drug plan** (usually with a Medigap) - \$13.20 - \$120/month
  - Deductibles range from \$0 to \$435 in 2020
  - Enroll directly with the plan
  - Do **not** have premium deducted from Social Security
- **As part of a Medicare Advantage plan** –  
Premiums = \$0 - \$201 (health and drug cost)
  - Some plans also include deductibles
- **Penalty of 1% per month** if delay beyond 6 months after starting Part B or leaving an employer plan.
  - Based on average premium of \$32.74 per month.

# Trade-offs in Choosing A Drug Plan

Choosing a plan is a balancing act between monthly premium, deductible and coverage of drugs

- If at all possible, ensure your plan includes all your current medications at lowest acceptable co-pay
- If taking no medications, may want a low premium and high deductible plan
- Those with high cost drugs may be better suited with higher premium and no deductible plan
- **Penalties apply if you take no plan!**



# Co-payment “tiers”

- **Tier 1 – common low cost generics**
  - Co-pay can range from \$0 to \$10
- **Tier 2 – higher cost generics**
  - Co-pay can range from \$5-25 (avoid plans with percentage co-pays)
- **Tier 3 – common “preferred” brand name drugs**
  - Co-pay can range from \$25-45 (avoid plans with percentage co-pays)
- **Tier 4 – Higher cost brand name drugs**
  - Co-pay can range from \$40-\$70 or 10-30%
- **Tier 5 – Specialty drugs (“biologicals”)**
  - Co- pay generally a percentage
- Note: Some plans have lower costs if use a “preferred” pharmacy or mail order

# Medicare Plan Finder: Medicare.gov

 An official website of the United States government [Here's how you know](#) v

Medicare.gov

 Menu

 Search

Remember to protect  
your Medicare card

Protect Yourself/Learn How

Log in/Create Account

See how Medicare is responding to  
Coronavirus

Learn More



Find plans

Find health & drug plans



Get started

Learn about Medicare



Find care providers

Compare hospitals, nursing homes &  
more

# Cost of Drugs and 'Donut Hole'

- **Plan premium** (will vary each year; included in Medicare Advantage premium)
- **Annual Deductible** (amount you spend out of pocket before plan begins to cover medications) – Up to **\$445** in 2021
- **Initial benefit period after deductible** – 25% co-pay on average, but often less for Tier 1 and 2; Tier 3 \$40-50; tier 4 can be \$100 to 33-44%
- **“Coverage gap” or “donut hole”** : **After client and insurance company have paid a combined \$4,430, then client pays up to 25% co-pay for all drugs** during. (Mfg pays 70% of cost for brand drugs)
- **“Catastrophic Coverage”**: **After client has paid \$7,050 (2022) out of pocket (about \$9,700 total drug spend), client pays maximum co-pay of 5% or \$3.70 generic/\$9.20 for brand**
- Properties same for both standalone and Part D Plans part of MA plans
- See p. 28 of SHIBA guide

# Coverage Gap

## Ozempic 0.5 mg weekly

| Full cost<br>\$910 | Insurance pays | Medicare (Mfg)<br>subsidy | Co-pay                    |
|--------------------|----------------|---------------------------|---------------------------|
| Deductible         | \$465          |                           | \$445 (deductible)        |
| Standard           | \$865          |                           | \$45 (Tier 3 brand)       |
| Coverage gap       | \$46.12 (5%)   | \$636.56 (70%)            | \$227.58 (25%)            |
| Catastrophic       |                |                           | \$46.12 (5% or<br>\$9.20) |

Deductible met in January. Pay standard fees February thru May

Enter coverage gap in June (5 months x \$910 = \$4,550 in total costs)

Enter “catastrophic” in November or December after \$7,050 out of pocket  
(includes Medicare subsidy.)

PERS: No deductible. 40% = \$364 (capped at \$250 per month)



# Drug formulary changes

- Drug companies can change formularies each year
  - ▶ Add or drop drugs
  - ▶ Change tiers
  - ▶ Can be big changes in costs
- **Therefore every year check which drug plan is best for you (annual enrollment is Oct 15 - Dec 7)**



# When to Join or Switch Drug Plans

- Initial Enrollment Period
- Annual (Fall) Enrollment Period
- Special Election Period – 63 days after leaving employer plan or moving
- Why to change:
  - Change in formulary
  - Change in tier of particular drug
  - True for both separate Part D and MA
  - Use Drug Plan finder to decide



# PERS Medigap vs Open-market Medigaps

- ▶ You can only join **PERS** Medicare plans when you first retire and/or turn 65. No option for late enrollment. If you drop, you cannot return
- ▶ PERS Medigap (MODA) is a Plan D, but also includes Rx drug coverage. \$264-324/month
- ▶ PERS Medigap is experience rated (no premium increase as you age; everyone pays the same rate; but premiums can increase annually for all participants)
  - Most Medigap plans sold to the general public are attained age rated – premiums increase with age

# PERS Advantage plans vs Open-market Plans

## Note higher costs vs open market

PERS Advantage Plans may cost more than similar non-PERS Advantage Plans. However, compare extra benefits, including prescription drug formularies. They may not be identical. Also carefully check providers in Union and Baker Counties. Which PERS Advantage Plans do they work with?

# PERS Medigap vs Open-market Medigaps (continued)

- PERS retirees annually can move between the PERS Medigap and PERS Advantage Plans without underwriting.
- Oregon “Birthday Rule” does not apply to PERS Medigap Plan. May require underwriting if moving to a non-PERS plan
  - ▶ The general public can change Medigap plans or companies annually during a 30-day period beginning with their birthdays without underwriting but *normally* CANNOT move between Medigap plans and Advantage Plans without underwriting.

# PERS Part D Coverage

ALL PERS Medicare health plans offer prescription drug coverage.

- No gap or donut hole
- Tier 1: \$8.00
- Tier 2: \$15.00
- Tier 3-5: 40% co-insurance up to \$250/prescription
- \$7,050 out-of-pocket maximum in 2022
- 100% catastrophic coverage (i.e., no co-pays after \$6,550 cap is reached)

NOTE: Cannot enroll in a standalone Part D Prescription Plan and still receive prescription drug coverage under PERS

# Avoid Fraud and Abuse

- Billions of dollars are lost each year to errors, abuse and fraud
- Protect your Medicare number
- Check your Medicare Summary Notice (MSN) or Explanation of Benefits (EOB) for services you did not need (an error or abuse) or receive (possible fraud)
- Do not respond to unsolicited offers in the mail or phone
- Report any suspected fraud by calling Medicare or SHIBA

# Summary: Critical Deadlines About-to-be 65 Retirees

- **3 months before 65 birthday and no later than month prior to birthday – goal is no gap in coverage**
  1. Make an appointment with SHIBA (eligible for extra help?)
  2. Sign up for Part A, and Part B if needed. If not taking social security, card will not come automatically.
  3. Decide on Medigap + Part D vs Medicare Advantage
  4. Run Medicare Drug Plan Finder to ensure drugs are covered
  5. Decide which type of plan and company will use
  6. Sign up for Supplement plus Part D, or an Advantage Plan.
- **Ongoing changes: Birthday ‘month’ for Medigap or Oct 15-Dec 7 for Medicare Advantage and Drug Plans**



# Critical Deadlines

## Over 65 and retiring

- **1-3 months prior to losing EGHP - – objective is no gap in coverage**
  - ▶ Add Part B (CMS Form 40-B) if you don't already have it, to start on the day EGHP ends. Question? La Grande SS office # is 1 (888) 810-7611.
  - ▶ Get CMS Form L-564 from your employer's HR Dept confirming your insurance, and firmly establish exact date your Employee Group Health Plan (EGHP) ends
  - ▶ Sign up for Supplement and Part D, or an Advantage Plan, at least one month prior to end of your EGHP, to begin the day it ends. **No later than 63 days after employer plan ends.**

# Other things to watch for

- Observation status vs. inpatient status
- Hands-on physical vs. Welcome to Medicare visit and Annual Wellness visit
- If you go to a physician who does not work with Medicare, you pay the full cost of services – make sure your doctors will take your plan
- Some durable medical equipment (DME) is only available from specific firms contracted with Medicare or Advantage Plan
- Spouses do not need to agree on plans (although PERS, VA and Government may be exceptions)

# Summary: Late-enrollment penalties

PENALTY

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- “Late” means after you are first eligible, unless you have equivalent coverage
- Penalty for late enrollment in **Part A** (no problem if \$0 premium, but \$42/month for someone who delays 10 years and has to pay Part A)
- Penalty for late enrollment in **Part B: 10% per year is added for every year** of delayed coverage, for life
  - *Example:* Late 2 years leads to \$24 added per month
- Penalty for late enrollment in **Part D: 1% per month is added for every month** of delayed coverage, for life
  - *Example:* Late 2 years leads to \$8 added per month
- Good idea: See a SHIBA counselor before opting to delay enrollment

# What next?

## Key Phone #s

**SHIBA** 1-800-722-4134

**Medicare** 1-800-633-2048; 800-633-4227

**Social Security** 1-800-772-1213 (National 5-7 pm is best); 888-810-7611 (La Grande)  
2205 Cove Ave., La Grande, OR 97850

**Medicare Savings Plans** 1-800-430-7231 or 541-963-7276 for the La Grande APD office (Aging and People with Disabilities)

**Aging and Disability Resource Connection (ADRC)**  
855-673-2372 – information for seniors and people with disabilities

# Key Online Resources

**SHIBA:** <https://shiba.oregon.gov>  
(includes online version of SHIBA Guide)

**Medicare** [www.medicare.gov](http://www.medicare.gov)  
(Drug plan finder or to enroll in Medicare)

**Social Security** [www.ssa.gov/medicare/](http://www.ssa.gov/medicare/)  
(online enrollment)

PERS Health Insurance Program (PHIP)  
[www.pershealth.com](http://www.pershealth.com)

# Medicare 101

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Questions?

Comments?

# History of Medicare

- Started in 1966 (Part A and Part B)
- Medicare Advantage plans (Part C) added in 1997
- Prescription drug coverage (Part D) added in 2006
- Administered by the Centers for Medicare and Medicaid Services (CMS), although the Social Security Administration handles enrollment
- Medicare is the nation's largest payer for health care, covering more than 90 million Americans