Medicare Annual Open Enrollment

Medicare Enrollment and Medicare Part A, Part B

Illinois Department on Aging
Senior Health Insurance Program (SHIP)
800-252-8966
Aging.SHIP@illinois.gov
What Is Medicare?

- Health insurance for people
  - 65 and older
  - Under 65 with certain disabilities
    - Amyotrophic Lateral Sclerosis known as Lou Gehrig’s disease (without waiting period)
  - Any age with End-Stage Renal Disease
Administered by

- Centers for Medicare & Medicaid Services

NOTE: To get Medicare Part A and/or Part B, you must be a U.S. citizen or be lawfully present in the U.S.
The 4 Parts of Medicare

Part A
Hospital Insurance

Part B
Medical Insurance

Part C
Medicare Advantage Plans (like HMOs/PPOs)
Includes Part A, Part B and sometimes Part D coverage

Part D
Medicare Prescription Drug Coverage

May 2016
Automatic Enrollment
Part A and Part B

- Automatic enrollment for those receiving
  - Social Security benefits
  - Railroad Retirement Board benefits

- Initial Enrollment Period Package
  - Mailed 3 months before
    - 65 or 25th month of disability benefits
  - Includes your Medicare card
Medicare Card

- Keep it and accept Medicare Part A and Part B
- Return it to refuse Part B
  - Follow instructions on back of card
The Medicare Access and CHIP Reauthorization Act (MACRA) of 2015

- CMS will remove SSNs from all Medicare cards by 2019
- Mailings of new Medicare cards with new Medicare Beneficiary Identifiers (MBIs) will begin after April 2018
- Warn beneficiaries that solicitations about new Medicare cards may be scams
- More info: https://www.cms.gov/Medicare/SSNRI/Index.html
When Enrolling Isn’t Automatic

- If you’re not automatically enrolled
  - You need to enroll with Social Security
    - Visit socialsecurity.gov, or
    - Call 1-800-772-1213, or
    - Visit your local office
When Enrolling Isn’t Automatic Cont.

- If retired from Railroad
  - Enroll with the Railroad Retirement Board (RRB)
    - Call your local RRB office or 1-877-772-5772
- Apply 3 months before you turn 65
  Don’t have to be retired to get Medicare
When to Enroll in Medicare

- You can first enroll during your Initial Enrollment Period (IEP), which lasts 7 months

<table>
<thead>
<tr>
<th>3 months before the month you turn 65</th>
<th>2 months before the month you turn 65</th>
<th>1 month before the month you turn 65</th>
<th>The month you turn 65</th>
<th>1 month after you turn 65</th>
<th>2 months after you turn 65</th>
<th>3 months after you turn 65</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sign up early to avoid a delay in coverage. To get Part A and/or Part B the month you turn 65, you must sign up during the first 3 months before the month you turn 65.</td>
<td></td>
<td></td>
<td></td>
<td>If you wait until the last 4 months of your Initial Enrollment Period to sign up for Part A and/or Part B, your coverage will be delayed. See the</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Can only enroll in Part B (and premium Part A) during IEP and other limited times

- May have a penalty if you don't enroll during IEP
General Enrollment Period (GEP)

- For people who didn’t sign up for Part B during their Initial Enrollment Period
- January 1–March 31 annually
  - Coverage starts July 1
Part A and Part B
Special Enrollment Period (SEP)

- Must have employer group health plan (EGHP) coverage based on **active, current** employment of you or your spouse
- Can enroll in Medicare
  - Anytime still covered by EGHP, or
  - Within 8 months of the loss of coverage or current employment, whichever happens first
    - Retiree and COBRA coverage aren’t considered active employment
In the case where an individual qualifies for more than one enrollment period, the order for Medicare enrollment periods is:

1. Initial Enrollment Period (IEP)
2. Special Enrollment Period (SEP)
3. General Enrollment Period (GEP)
Original Medicare
Part A—Hospital Insurance Coverage

- Part A—Hospital Insurance helps cover
  - Inpatient hospital care
  - Inpatient skilled nursing facility (SNF) care
  - Certain inpatient non-religious, nonmedical health care in approved religious nonmedical institutions
  - Home health care
  - Hospice care
Paying for Medicare Part A

- Most people don’t pay a premium for Part A
  - If you or your spouse paid Federal Insurance Contributions Act (FICA) taxes at least 10 years
- If you paid FICA less than 10 years you can pay a premium to get Part A
Inpatient Hospital Care

- Semi-private rooms
- Meals
- General nursing care
- Drugs that are part of your inpatient treatment
- Hospital services and supplies
Benefit Periods

- Begins the day you first receive inpatient care
  - In hospital or SNF
- Ends when not in hospital/SNF 60 days in a row
- Pay Part A deductible for each benefit period
- No limit to the number of benefit periods you can have
### Paying for In-Patient Hospital Stays – 2016

<table>
<thead>
<tr>
<th>For Each Benefit Period in 2016</th>
<th>You Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Days 1-60</td>
<td>$1,288 deductible</td>
</tr>
<tr>
<td>Days 61-90</td>
<td>$322 per day</td>
</tr>
<tr>
<td>Days 91-150</td>
<td>$644 per day</td>
</tr>
<tr>
<td></td>
<td>(60 lifetime reserve days)</td>
</tr>
<tr>
<td>All days after 150</td>
<td>All Costs</td>
</tr>
</tbody>
</table>
Skilled Nursing Facility Covered Services

- Semi-private room, meals, skilled nursing care
- Physical, occupational, and speech-language therapy; Medical social services
- Medications, medical supplies/equipment,
- Ambulance transportation (limited),
- Dietary counseling
Skilled Nursing Facility (SNF) Care
Required Conditions for Coverage

- Require daily skilled services
  - Not just long-term or custodial care
- Hospital inpatient 3 consecutive days (midnights) or longer
- Admitted to SNF within 30 days after hospital stay
- SNF care must be for a hospital-treated condition, or condition that arose while receiving care in the SNF for hospital-treated condition
- Must be a Medicare-participating SNF
## Paying for Skilled Nursing Facility Care 2016

<table>
<thead>
<tr>
<th>For Each Benefit Period in 2016</th>
<th>You Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Days 1-20</td>
<td>$0</td>
</tr>
<tr>
<td>Days 21-100</td>
<td>$161 per day</td>
</tr>
<tr>
<td>All days after 100</td>
<td>All Costs</td>
</tr>
</tbody>
</table>
5 Required Conditions for Home Health Care Coverage

1. Must be homebound
2. Must need skilled care on part-time or intermittent basis
3. Must be under the care of a doctor
   • Receiving services under a plan of care
4. Have face-to-face encounter with doctor
   • Prior to start of care or within 30 days
5. Home health agency must be Medicare-approved
In Original Medicare you pay
  • Nothing for covered home health care services

Plan of care reviewed every 60 days
  • Called episode of care
Part A Hospice Care

- Interdisciplinary team for those with a life expectancy of 6 months or less
- Sign election statement choosing hospice care instead of routine Medicare-covered benefits to treat your terminal illness
- Focus is on comfort and pain relief, not cure
- Doctor must certify each “election period”
- Hospice provider must be Medicare-approved
Covered Hospice Services

- Physician and nursing services
- Physical, occupational, and speech therapy
- Medical equipment and supplies
- Drugs for symptom control and pain relief
- Short-term hospital inpatient care for pain and symptom management
Covered Hospice Services Cont.

- Respite care in a Medicare-certified facility
  - Up to 5 days each time, no limit to number of times
- Hospice aide and homemaker services
- Social worker services
- Grief, dietary, and other counseling
Paying for Hospice Care

- In Original Medicare you pay
  - Nothing for hospice care
  - Up to $5 per Rx to manage pain and symptoms
    - While at home
  - 5% for inpatient respite care
- Room and board may be covered in certain cases
  - Short-term respite care, or for pain/symptom management that can’t be managed at home

May 2016
Understanding Medicare
Part B—Medical Insurance helps cover

- Doctors’ services
- Outpatient medical and surgical services, supplies
- Clinical lab tests
- Durable medical equipment
- Diabetic testing supplies
- Preventive services
# Medicare Part B Costs for Most People

<table>
<thead>
<tr>
<th>Yearly Deductible</th>
<th>$166.00 for 2016</th>
</tr>
</thead>
</table>

**Coinsurance for Part B Services**

- 20% coinsurance for most covered services, like doctor’s services and some preventive services, if provider accepts assignment
- $0 for some preventive services
- 20% coinsurance for outpatient mental health services, and copayments for hospital outpatient services
The standard premium in 2016 is $121.80 (or higher) include those in any of these 5 groups. Those who

1. Enroll in Part B for the first time in 2016
2. Don’t get Social Security/Railroad Retirement benefits
3. Are directly billed for their Part B premiums
4. Have both Medicare and Medicaid, and Medicaid pays their premiums
5. Have a modified adjusted gross income, as reported on their IRS tax return from 2 years ago, (see next page)
Pay $104.90 for Medicare Part B premium.

Applies to beneficiaries enrolled in Medicare prior to 2016 if Medicare premiums are automatically deducted from their Social Security benefits.

If there is a Cost-of-Living-Adjustment (COLA) increase in 2017, premiums will be adjusted for all Medicare beneficiaries.
**Monthly Part B Standard Premium—Income-Related Medicare Adjustment Amount for 2016**

Chart is based on your yearly income *in 2014* (for what you pay in 2016)

<table>
<thead>
<tr>
<th>File Individual Tax Return</th>
<th>File Joint Tax Return</th>
<th>File Married &amp; Separate Tax Return</th>
<th>In 2016 You Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>$85,000 or less</td>
<td>$170,000 or less</td>
<td>$85,000 or less</td>
<td>$121.80</td>
</tr>
<tr>
<td>$85,000.01–$107,000</td>
<td>$170,000.01–$214,000</td>
<td>Not applicable</td>
<td>$170.50</td>
</tr>
<tr>
<td>$107,000.01–$160,000</td>
<td>$214,000.01–$320,000</td>
<td>Not applicable</td>
<td>$243.60</td>
</tr>
<tr>
<td>$160,000.01–$214,000</td>
<td>$320,000.01–$428,000</td>
<td>Above $85,00 and up to $129,000</td>
<td>$316.70</td>
</tr>
<tr>
<td>Above $214,000</td>
<td>Above $428,000</td>
<td>Above $129,000</td>
<td>$389.80</td>
</tr>
</tbody>
</table>

**NOTE:** You may pay more if you have a Part B late enrollment penalty.
Part B Late Enrollment Penalty

- Penalty for not signing up when first eligible
  - 10% more for each full 12-month period
  - May have a penalty as long as you have Part B

- Usually no penalty if you sign up within 8 months of employer coverage ending
Part B Late Enrollment Penalty Example

Mary’s Initial Enrollment Period ended September 30, 2009. She waited to sign up for Part B until the General Enrollment Period in March 2012.

- Total time Mary delayed Part B: 30 months
- Mary’s Late Enrollment Penalty: 20% (30 months includes 2 full 12-month periods)
- The penalty is added to the Part B monthly premium
- Mary will have the penalty for as long as she has Part B
When You Must Have Part B

- If you want to buy a Medigap policy
- If you want to join a Medicare Advantage Plan
- You're eligible for TRICARE for Life (TFL) or CHAMPVA
- Your employer coverage requires you have it when you become eligible for Medicare (less than 20 employees)
- Veterans Affairs (VA) benefits are separate from Medicare
  - You pay a penalty if you sign up late or if you don’t sign up during your Medicare Initial Enrollment Period
Senior Health Insurance Program (SHIP)
800-252-8966
Email: Aging.SHIP@illinois.gov
Website: www.illinois.gov/aging/ship

Medicare
1-800-MEDICARE
(1-800-633-4227)