



**CMS**  
**NTP**  
NATIONAL  
TRAINING PROGRAM  
MODULE 0

# Medicare—Getting Started

# Contents

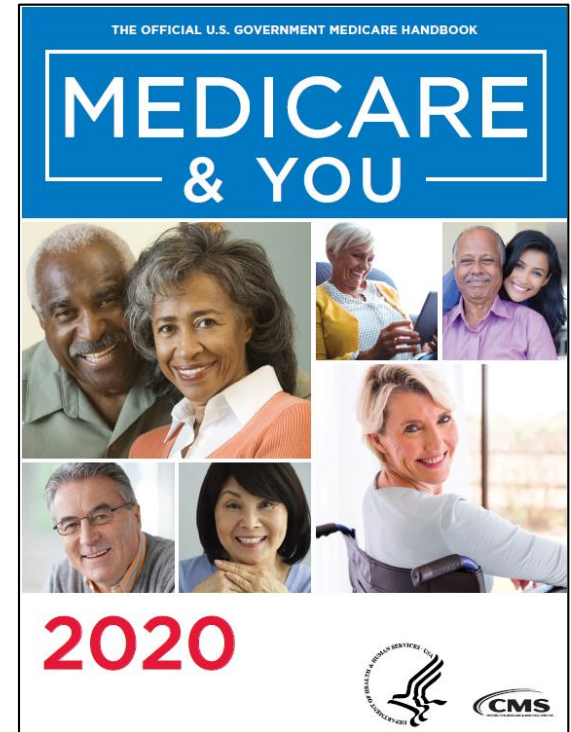
<b>Lesson 1</b> —What is Medicare?.....	4-25
<b>Lesson 2</b> —Original Medicare—Part A (Hospital Insurance) and Part B (Medical Insurance).....	26-42
<b>Lesson 3</b> —Medicare Supplement Insurance (Medigap) Policies.....	43-49
<b>Lesson 4</b> —Medicare Prescription Drug Coverage (Part D).....	50-61
<b>Lesson 5</b> —Medicare Advantage (MA).....	62-75
<b>Lesson 6</b> —Medicare and the Health Insurance Marketplace.....	76-80
<b>Lesson 7</b> —Help for People With Limited Income and Resources.....	81-88
Helpful Websites.....	89
Key Points to Remember .....	90
Acronyms.....	91-93

# Lesson 1—What Is Medicare?

## ■ Health insurance for people

- 65 and older
- Under 65 with certain disabilities
  - ALS (Amyotrophic Lateral Sclerosis, also called Lou Gehrig's disease) without a waiting period
- Any age with End-Stage Renal Disease (ESRD)

**NOTE:** To get Medicare you must be a U.S. citizen or lawfully present in the U.S. Must reside in the U.S for 5 continuous years.



CMS Product No. 10050

# What Agencies are Responsible for Medicare?

Handle Enrollment,  
Premiums



**Social Security** enrolls most people in Medicare



**Railroad Retirement Board (RRB)** enrolls railroad retirees in Medicare



Federal retirees' premiums are handled by the **Office of Personnel Management (OPM)**

We Handle the Rest



**Centers for Medicare & Medicaid Services (CMS)** administers the Medicare Program

# What Are the Parts of Medicare?



## **Part A** (Hospital Insurance) helps cover

- Inpatient care in hospitals
- Skilled nursing facility (SNF) care
- Hospice care
- Home health care
- Blood

## **Part B** (Medical Insurance) helps cover



- Services from doctors and other health care providers
- Outpatient care
- Home health care
- Durable medical equipment (DME) (like wheelchairs, walkers, hospital beds, and other equipment and supplies)
- Many preventive services (like screenings, shots, and yearly “Wellness” visits)

## **Part D** (Prescription drug coverage) helps cover

- Cost of prescription drugs

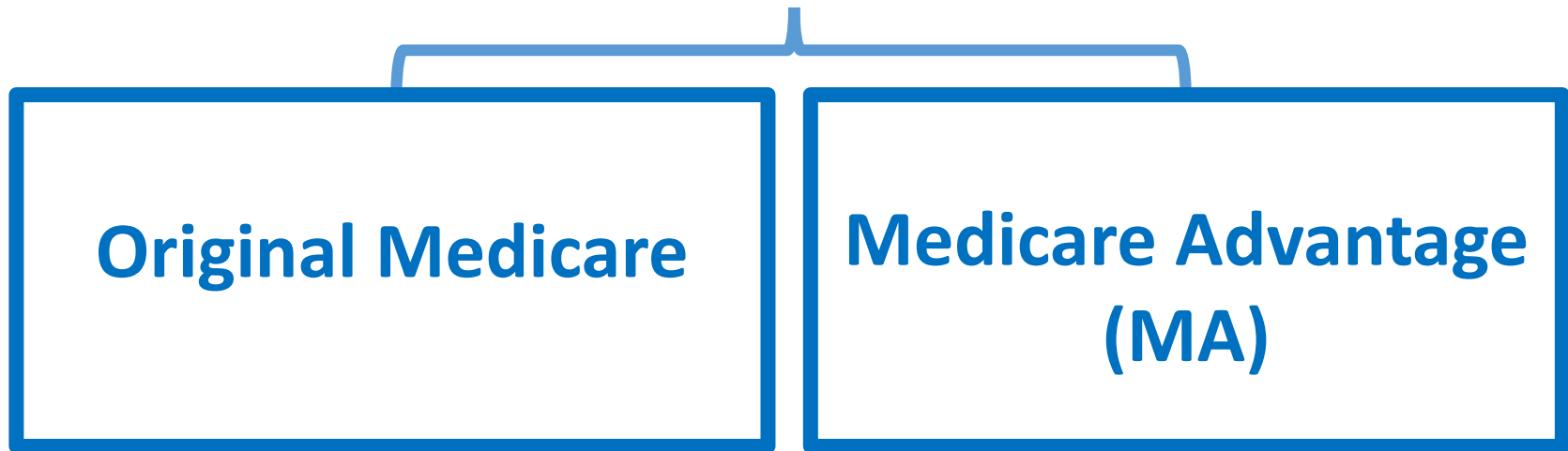
Part D plans are run by private insurance companies that follow rules set by Medicare



# Medicare Coverage Options

When you first enroll in Medicare, and during certain times of the year, you can choose how you get your Medicare coverage.

**There are 2 main ways to get Medicare:**



**NOTE:** Medicare Supplement Insurance (Medigap) policies only work with Original Medicare.

# Original Medicare (Part A and Part B)

- Includes Medicare Part A (Hospital Insurance) and Part B (Medical Insurance)
- If you want drug coverage, you can join a separate Part D plan
- To help pay your out-of-pocket costs in Original Medicare (like your deductible and 20% coinsurance), you can also shop for and buy supplemental coverage

**Part A**



**Part B**



You can add:

**Part D**



You can also add:

**Supplemental coverage**



(Some examples include coverage from a Medicare Supplement Insurance (Medigap) policy, or coverage from a former employer or union.)

# Medicare Advantage (MA) (also known as Part C)

- An “all-in-one” alternative to Original Medicare. These “bundled” plans include Part A, Part B, and usually Part D.
- May have lower out-of-pocket costs than Original Medicare.
- Plans may offer extra benefits that Original Medicare doesn’t cover—like vision, hearing, dental, and more.

**Part A**



**Part B**



**Most plans include:**

**Part D**



**Some plans also include:**

**Lower out-of-pocket costs**

**Extra benefits**

# Original Medicare vs. Medicare Advantage— Doctor and Hospital Choice



Original Medicare	Medicare Advantage
<p>You can go to <b>any doctor or hospital that takes Medicare, anywhere in the U.S.</b></p>	<p>In most cases, you'll need to use <b>doctors who are in the plan's network</b> (for non-emergency or non-urgent care). Ask your doctor if they participate in any MA Plans.</p>
<p>In most cases, you <b>don't need</b> a referral to see a specialist.</p>	<p>You <b>may need</b> to get a referral to see a specialist.</p>

# Original Medicare vs. Medicare Advantage—



## Costs

### Original Medicare

For Part B-covered services, **you usually pay 20% of the Medicare-approved amount** after you meet your deductible.

You **pay a premium (monthly payment) for Part B**. If you choose to buy prescription drug coverage (Part D), you'll pay that premium separately.

There's **no yearly limit** on what you pay out-of-pocket, unless you have supplemental coverage (like a Medigap policy).

You **can get** supplemental coverage (like a Medigap policy) to help pay your remaining out-of-pocket costs (like your 20% coinsurance). Or, can use coverage from a former employer or union, or Medicaid.

### Medicare Advantage

**Out-of-pocket costs vary**—plans may have lower out-of-pocket costs for certain services.

You may **pay a premium for the plan** in addition to a monthly **premium for Part B**. (Most include prescription drug coverage.) Plans may have a \$0 premium or may help pay all or part of your Part B premiums.

Plans have a **yearly limit** on what you pay out-of-pocket for Medicare Part A- and Part B-covered services. Once you reach your plan's limit, you'll pay nothing for Part A- and Part B-covered services for the rest of the year.

You **can't buy or use** separate supplemental coverage.

# Original Medicare vs. Medicare Advantage— Coverage

## Original Medicare

Original Medicare covers medically necessary services and supplies in hospitals, doctors' offices, and other health care settings.

You can join a **separate Medicare Prescription Drug Plan (Part D)** to get drug coverage.

In most cases, you don't have to get a service or supply approved ahead of time for it to be covered.

## Medicare Advantage

Plans must cover all of the medically necessary services that Original Medicare covers. Most plans **may offer extra benefits that Original Medicare doesn't cover**—like vision, hearing, dental, and more. Plans can now cover more of these benefits than they have in the past.

**Prescription drug coverage is included** in most plans.

In some cases, you have to get a service or supply approved ahead of time for it to be covered by the plan.

# Original Medicare vs. Medicare Advantage— Travel

Original Medicare	Medicare Advantage
<p>Original Medicare generally <b>doesn't cover care outside the U.S.</b> You may be able to buy a Medigap policy that covers care outside the U.S.</p>	<p>Plans generally <b>don't cover care outside the U.S.</b> Also, plans usually don't cover non-emergency care you get outside of your plan's network.</p>

# Automatic Enrollment—Part A and Part B

- **Automatic enrollment for those who get**
  - Social Security benefits
  - Railroad Retirement benefits
- **Initial Enrollment Period (IEP) Package**
  - Mailed 3 months before
    - 65 or
    - 25<sup>th</sup> month of disability benefits
  - Includes your Medicare card



# You Must Take Action to Enroll in Medicare When It's Not Automatic

- If you aren't automatically enrolled in Part A and Part B (not getting Social Security or RRB benefits) 4 months before you turn 65



- You need to enroll in Medicare with Social Security
  - Visit [socialsecurity.gov](https://www.socialsecurity.gov), or
  - Call 1-800-772-1213; TTY: 1-800-325-0778
    - Make an appointment to visit your local office
    - To find your local office, visit [secure.ssa.gov/ICON/main.jsp](https://secure.ssa.gov/ICON/main.jsp)
- If retired from a railroad, enroll with the RRB
  - Call your local RRB office at 1-877-772-5772

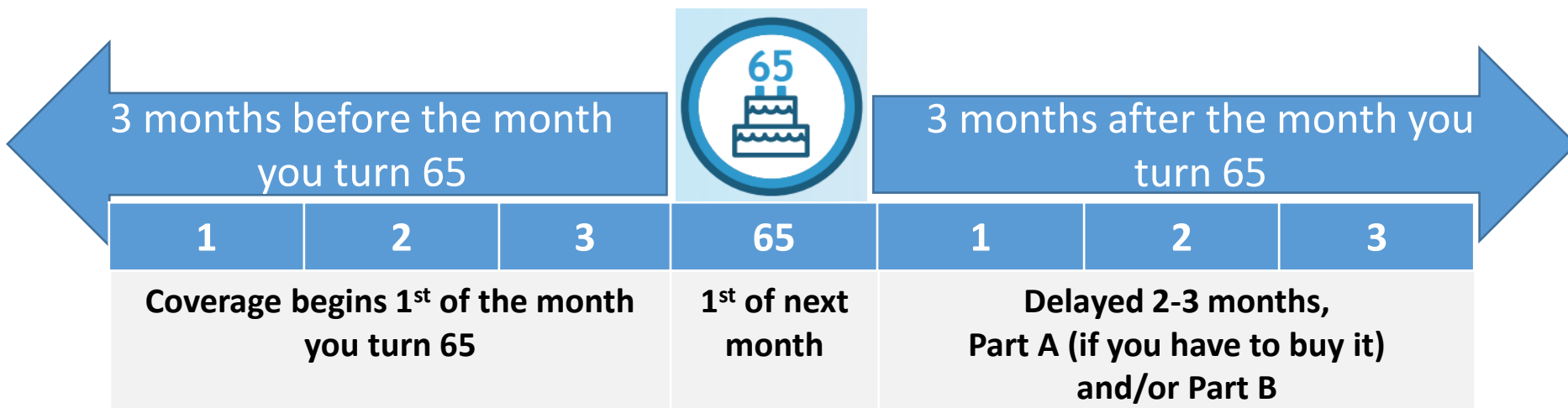
**NOTE:** The age for full Social Security retirement benefits is going up for people born in 1938 or later. Those born in 1960 and later will get full retirement benefits at 67. **The age for Medicare remains 65.**

# When You Can Sign Up for Medicare

- **If you don't already have Medicare**
  - Initial Enrollment Period (IEP)
  - General Enrollment Period (GEP)
  - Special Enrollment Period (SEP) (in certain circumstances)
- **If you already have Medicare (to make changes to your coverage)**
  - Yearly Open Enrollment period (OEP)
  - Medicare Advantage OEP
  - 5-star Enrollment Period
  - SEP (in certain circumstances)

# Initial Enrollment Period (IEP)

## 7-Month Period



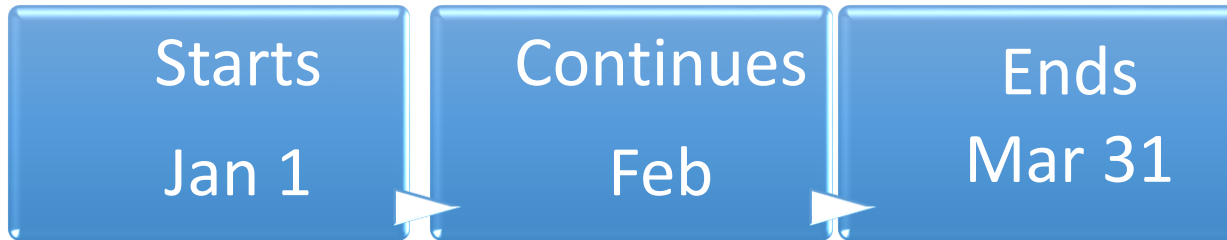
During your IEP you can enroll/join

- ✓ Part A
- ✓ Part B
- ✓ MA (if you have Part A and Part B)
- ✓ Part D (if you have Part A and/or Part B)

**No late enrollment penalties**

You can buy a Medigap policy (must have Part A and Part B). Medigap Open Enrollment Period (OEP) lasts 6 months from when you're **both** 65 and have Part B)

# General Enrollment Period (GEP)



3-Month period each year during which you can enroll/join

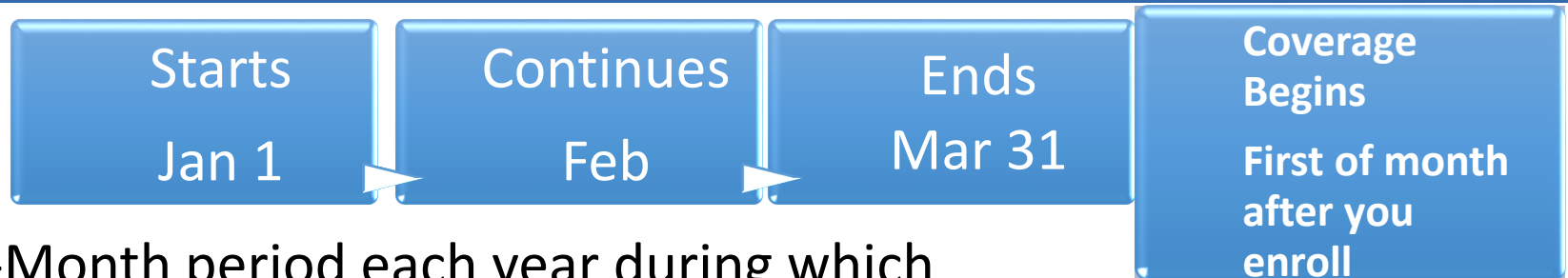
- ✓ Part A (if you have to buy it)
- ✓ Part B

If you enroll in Medicare during the GEP (dates above), from April 1–June 30, you can then sign up for

- ✓ MA (if you have Part A and Part B)
- ✓ Part D (if you have Part A and/or Part B)

**May have late enrollment penalties**

# Medicare Advantage (MA) Open Enrollment Period (MA OEP)



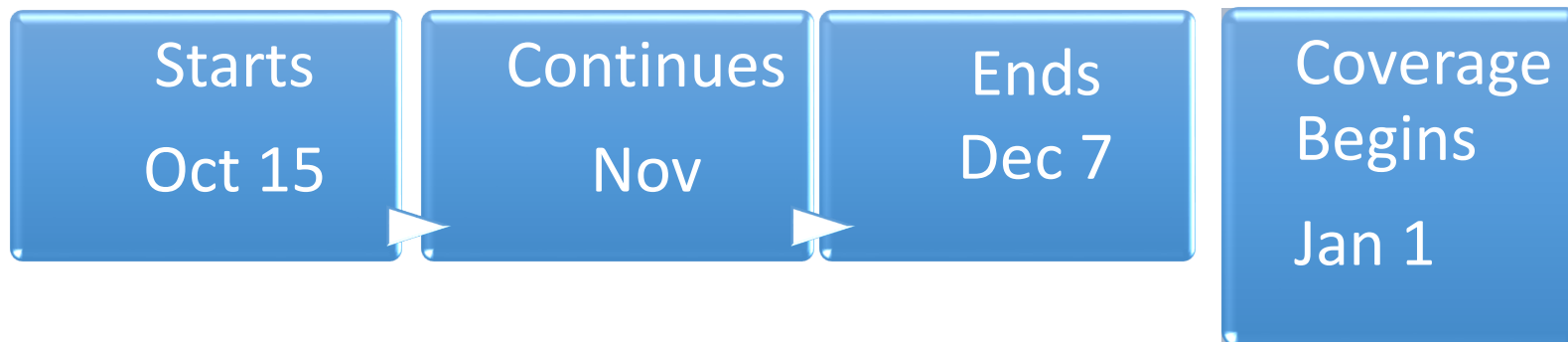
3-Month period each year during which you can

- ✓ Switch MA Plans (MA-PD to MA, or MA to MA-PD)
- ✓ Drop MA Plan and return to Original Medicare
  - If you do, you can enroll in a Part D plan
  - You won't have a Guaranteed Issue Right for a Medigap policy

You must already be in an MA Plan on January 1 to use this enrollment period.

Doesn't apply to Medicare Savings Accounts (MSAs) or Cost Plans.

# Yearly Open Enrollment Period (OEP) for People with Medicare



Period each year during which you can join, switch, or drop your

- ✓ MA Plan
- ✓ Part D Plan, or
- ✓ Return to Original Medicare

**No new late enrollment penalties because you must already be enrolled in Medicare**

This is a time to review health and drug plan choices.

# Medicare Special Enrollment Period (SEP)



8-Month period when you can enroll in

- ✓ Part A
- ✓ Part B

If you enroll during SEP, you can enroll in

- ✓ MA (must have Part A and Part B)
- ✓ Part D (Part A and/or Part B)

You have 6 months from the Part B effective date to buy a Medigap policy

Usually no late enrollment penalties

# 5-Star Special Enrollment Period (SEP)

- Can switch to 5-star MA Plan, PDP, MA-PD, or Cost Plan
- Enroll once per year from December 8–November 30
- New plan starts 1<sup>st</sup> day of month after enrolled
- Star ratings given once per year
  - Ratings assigned in October and effective January 1
  - Use Medicare Plan Finder to see star ratings, visit [Medicare.gov](https://www.medicare.gov)
    - Look at Overall Star Rating to find eligible plans



# Other Medicare Special Enrollment Periods (SEPs)

- You move out of your plan's service area
- You have Medicaid and Medicare
  - New in 2019 - Once per calendar quarter during first 9 months each year
- Your plan leaves the Medicare Program or reduces its service area
- You enter, live at, or leave a long-term care facility (like a nursing home)
- You lose your Extra Help status
- You're sent a retroactive notice of Medicare entitlement
- You leave or lose employer or union coverage
- Other exceptional circumstances

# Lesson 2—Original Medicare Part A (Hospital Insurance) and Part B (Medical Insurance)

- Part A (Hospital Insurance)
  - Coverage and costs
- Part B (Medical Insurance)
  - Coverage and costs
  - If you have active employment

# Original Medicare Coverage

## Part A—Hospital Insurance

**Part A (Hospital Insurance)** helps cover medically necessary



Part A  
Hospital Insurance

- ✓ Inpatient care in a hospital
  - Semi-private room, meals, general nursing, other hospital services and supplies, as well as care in inpatient rehabilitation facilities and inpatient mental health care in a psychiatric hospital (lifetime 190-day limit)
- ✓ Inpatient Skilled Nursing Facility (SNF) care
  - After a related 3-day inpatient hospital stay
    - If you meet all the criteria

# Original Medicare Coverage

## Part A (Hospital Insurance) (continued)



Part A  
Hospital Insurance

**Part A (Hospital Insurance)** helps cover

- ✓ Blood (inpatient)
- ✓ Inpatient care in a religious nonmedical health care institution (RNHCI)
- ✓ Home health care
- ✓ Hospice care

### **What isn't covered?**

- Private-duty nursing
- Private room (unless medically necessary)
- Television and phone in your room (if there's a separate charge for these items)
- Personal care items, like razors or slipper socks

# Paying for Medicare Part A



Part A

Hospital Insurance

- Most people don't pay a premium for Part A
  - If you paid Federal Insurance Contributions Act (FICA) taxes for at least 10 years
- If you paid FICA taxes less than 10 years, you can pay a monthly premium to get Part A
- May have a penalty if you don't enroll when first eligible for Part A (if you have to pay for it)
  - Your monthly premium may go up 10%
  - You'll have to pay the higher premium for twice the number of years you could've had Part A, but didn't sign up

# 2019 Part A—What You Pay in Original Medicare

<b>Hospital Inpatient Stay</b>	<ul style="list-style-type: none"> <li>▪ The <b>\$1,364 deductible</b> and no coinsurance for days 1–60 of each benefit period</li> <li>▪ <b>\$341</b> per day for days 61–90 each benefit period</li> <li>▪ <b>\$682</b> per “lifetime reserve day” after day 90 of each benefit period (up to 60 days over your lifetime)</li> <li>▪ All costs for each day after the lifetime reserve days</li> </ul> <p><b>Note:</b> Inpatient mental health care in a psychiatric hospital is limited to 190 days in a lifetime</p>
<b>Skilled Nursing Facility (SNF) Care</b>	<ul style="list-style-type: none"> <li>▪ <b>\$0</b> for the first 20 days of each benefit period</li> <li>▪ <b>\$170.50</b> per day for days 21–100 of each benefit period</li> <li>▪ All costs for each day after day 100 in a benefit period</li> </ul>
<b>Home Health Care Services</b>	<ul style="list-style-type: none"> <li>▪ <b>\$0</b> for home health care services</li> <li>▪ 20% of the Medicare-approved amount for durable medical equipment</li> </ul>
<b>Hospice Care</b>	<ul style="list-style-type: none"> <li>▪ Nothing for hospice care</li> <li>▪ Up to \$5 per Rx to manage pain and symptoms             <ul style="list-style-type: none"> <li>• While at home</li> </ul> </li> <li>▪ 5% for inpatient respite care</li> </ul>
<b>Blood</b>	<p>If hospital gets it from a blood bank at no charge, you have no charge</p>

# Decision: Do I Need to Sign Up for Part A?

## ■ Consider

- It's free for most people
- You can pay for it if your work history isn't sufficient
  - There may be a penalty if you delay
- Talk to your benefits administrator if you (or your spouse) are actively working and covered by an employer plan

**NOTE:** To avoid Internal Revenue Service (IRS) tax penalties, stop contributions to your Health Savings Account (HSA) before Medicare starts.

# Original Medicare

## Part B—Medical Insurance

**Part B—Medical Insurance** helps cover medically necessary

- ✓ Doctors' services
- ✓ Outpatient medical and surgical services and supplies
- ✓ Clinical lab tests
- ✓ Durable Medical Equipment (DME) (like walkers and wheelchairs)
- ✓ Diabetic testing equipment and supplies
- ✓ Preventive services (like flu shots and a yearly wellness visit)
- ✓ Home health care
- ✓ Medically necessary outpatient physical and occupational therapy, and speech-language pathology services
- ✓ Outpatient mental health care services



Part B  
Medical Insurance

# What You Pay—2019 Part B Premiums



## ▪ Monthly Premium

- Standard premium is \$135.50 (may have to pay a higher amount depending on your income, see next slide)
- Some people who get Social Security benefits pay less than this amount

# Part B—What You Pay in Original Medicare

<b>Yearly Deductible</b>	\$185
<b>Coinsurance for Part B Services</b>	<ul style="list-style-type: none"><li>▪ 20% coinsurance for most covered services, like doctor’s services and some preventive services, if provider accepts assignment</li><li>▪ \$0 for most preventive services</li><li>▪ 20% coinsurance for outpatient mental health services, and copayments for hospital outpatient services</li></ul>

# Part B and Active Employment

## ■ If you don't have coverage from an employer GHP from active employment

- Delaying Part B may mean
  - Higher premiums
  - Paying for your health care out-of-pocket
  - Waiting until the next General Enrollment Period (GEP) to enroll (January 1–March 31)
    - With coverage not starting until July 1



Part B  
Medical Insurance

## ■ If you do have coverage through a GHP

- You may want to delay Part B
- No penalty if you enroll while you have coverage or within 8 months of losing coverage or employment
- Contact your benefits administrator

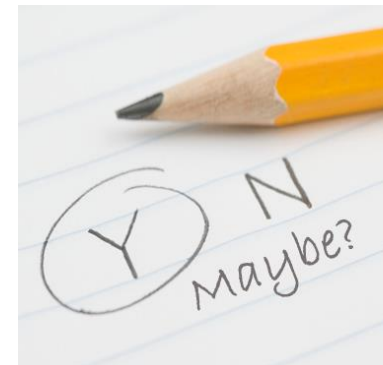
# Decision: Should I Keep/Sign up for Part B?

## ■ Consider

- Most people pay a monthly premium
  - Usually deducted from Social Security/RRB benefits
  - Amount depends on income
- It may supplement employer coverage
  - Contact your benefits administrator to understand the impact to your employer plan
  - If you don't have other coverage, declining Part B will mean you don't have full coverage
- Sometimes, you must have it (see next slide)



Part B  
Medical Insurance



# When You Must Have Part B



- If you want to buy a Medicare Supplement Insurance (Medigap) Policy
- If you want to join a Medicare Advantage (MA) Plan
- If you're eligible for TRICARE for Life (TFL) or Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA)
- If your employer coverage requires you have it (less than 20 employees)
  - Talk to your employer or union benefits administrator

**NOTE: Veterans Affairs (VA) benefits are separate from Medicare. With VA benefits, you may choose to not enroll in Part B, but you pay a penalty if you don't sign up for Part B during your IEP and enroll later (visit [VA.gov](http://VA.gov)). If you have VA coverage, you won't be eligible to enroll in Part B using the SEP.**

# What ISN'T covered by Part A and Part B?

**Some of the items and services that Part A and Part B of Medicare don't cover include:**

- ✗ Most dental care
- ✗ Eye examinations related to prescribing glasses
- ✗ Dentures
- ✗ Cosmetic surgery
- ✗ Routine physical exams
- ✗ Massage therapy
- ✗ Acupuncture
- ✗ Hearing aids and exams for fitting them
- ✗ Long-term care
- ✗ Concierge care (also called concierge medicine, retainer-based medicine, boutique medicine, platinum practice, or direct care)

**They may be covered if you have other coverage, like Medicaid or an MA Plan that covers these services**

# Lesson 3—Medicare Supplement Insurance (Medigap) Policies

## Original Medicare

Part A



Part B



You can add:

Part D



You can also add:

Supplemental coverage



(Some examples include coverage from a Medicare Supplement Insurance (Medigap) policy, or coverage from a former employer or union.)

- Sold by private insurance companies
- Fills gaps in Original Medicare coverage
  - Deductibles, coinsurance, copayments
- All plans with same letter
  - Have same coverage
  - Costs are different
- Plans are different in Minnesota, Massachusetts, and Wisconsin

# Medigap Plan Coverage

2019 Benefits	Medicare Supplement Insurance (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)	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 2019**			
							\$5,560	\$2,780		

\*Plan F is also offered as a high-deductible plan by some insurance companies in some states. If you choose this option, this means you must pay for Medicare-covered costs (coinsurance, copayments, deductibles) up to the deductible amount of \$2,300 before your policy pays anything.

\*\*For Plans K and L, after you meet your out-of-pocket yearly limit and your yearly Part B deductible \$185, the Medigap plan pays 100% of covered services for the rest of the calendar year.

\*\*\*Plan N pays 100% of the Part B coinsurance, except for a copayment of up to \$20 for some office visits and up to a \$50 copayment for emergency room visits that don't result in an inpatient admission.

# 2020 Medigap Changes

- On or after January 1, 2020, no standardized Medigap policy may provide coverage of the Part B deductible
  - Insurance companies can't sell standardized Plans C or F to people newly eligible for Medicare
    - Turning 65 as of January 1, 2020, or later
    - Getting premium-free Part A as of January 1, 2020, or later
  - A person who isn't "newly eligible for Medicare" on January 1, 2020, or later can apply to buy Plan C or F, but this doesn't qualify as a guaranteed issue right to buy it
  - Insurance companies may sell Plans C or F to those getting Medicare retroactively with Part A start date before January 1, 2020



Medigap  
Policy

# Decision: Do I Need a Medigap Policy?

## ■ Consider

- It only works with Original Medicare
- Do you have other supplemental coverage?
  - Like from an employer
  - If so, you might not need Medigap
- Can you afford Medicare deductibles and copayments?
- What does the monthly Medigap premium cost?



Medigap  
Policy

# When Is the Best Time to Buy a Medigap Policy?

- Your Medigap Open Enrollment Period (OEP) begins the month you're 65 or older AND enrolled in Part B
  - Lasts 6 months minimum, may be longer in your state
  - You have protections
- During your Medigap OEP, companies can't do the following:
  - Refuse to sell you any Medigap policy they offer
  - Make you wait for coverage (there can be a waiting period for pre-existing conditions if you don't have creditable coverage before the OEP)
  - Charge more because of a past/present health problem
- You can also buy a Medigap policy whenever a company agrees to sell you one
  - If later, there may be restrictions unless you have a guaranteed issue right



# How To Buy a Medigap Policy

- Decide which Medigap Plan (A–N) has the benefits you need
  - Compare plans by computer or phone
    - Visit [Medicare.gov](https://www.Medicare.gov) and use the Medigap comparison tool
    - Call 1-800-MEDICARE (1-800-633-4227); TTY: 1-877-486-2048
- Find out which insurance companies sell Medigap policies in your state
  - Contact your State Health Insurance Assistance Program (SHIP) at [shiptacenter.org](https://www.shiptacenter.org), your State Insurance Department, or visit [Medicare.gov](https://www.Medicare.gov)
  - Check if your state extends protections for those with a disability
- Call the insurance companies and shop around for the best plan at a price you can afford
- Once you choose the insurance company and the Medigap Plan, apply for the policy



Medigap  
Policy

# Lesson 4—Medicare Prescription Drug Coverage (Part D)



Part D  
Medicare  
prescription  
drug coverage

**Can add to  
Original  
Medicare**

**Usually included  
in Medicare  
Advantage (MA)**

- An optional benefit available to all people with Medicare
- Run by private companies that contract with Medicare
- Provided through
  - Medicare Prescription Drug Plans (PDPs) (work with Original Medicare)
  - Medicare Advantage Prescription Drug Plans (MA-PDs)
  - Some other Medicare health plans
    - Like Cost Plans

# Medicare Drug Plan Costs— What You Pay in 2019



**Part D**  
Medicare  
prescription  
drug coverage

- Costs vary by plan
- In 2019, most people will pay
  - A monthly premium (varies by plan and income)
  - A yearly deductible (if applicable)
  - Copayments or coinsurance
  - Percentage of cost while in the coverage gap, beginning at \$3,820
  - Very little after spending \$5,100 out-of-pocket—automatically get catastrophic coverage

# How Medicare Part D Works



**Part D**  
Medicare  
prescription drug  
coverage

- It's optional
  - You can choose a plan and join
  - May pay a lifetime penalty if you join late
- Plans have formularies
  - Lists of covered drugs
  - Must include range of drugs in each category
  - Are subject to change—you'll be notified
- You're out-of-pocket cost may be less if you use a preferred pharmacy
- If you have limited income and resources, there's Extra Help to pay Part D costs

# Who Can Join Part D?



**Part D**  
Medicare  
prescription drug  
coverage

- You must have Medicare Part A and/or Part B to join a Medicare PDP
- You must have Medicare Part A and Part B to join an MA-PD
- You must have Medicare Part A and Part B or only Part B to join a Medicare Cost Plan with Part D coverage
- You must live in the plan's service area
  - You can't be incarcerated
  - You can't be unlawfully present in the U.S.
  - You can't live outside the U.S.
- You must join a plan to get drug coverage (in most cases)

# Part D Late Enrollment Penalty

## You may have to pay more if you wait to enroll

- Exceptions if you have
  - Creditable drug coverage
  - Extra Help



Part D  
Medicare  
prescription  
drug coverage

## You'll pay the penalty for as long as you have coverage

- 1% for each full month eligible and without creditable prescription drug coverage
- Multiply percentage by base beneficiary premium (\$33.19 in 2019)
- Amount changes every year

# Part D Cost Considerations



Part D  
Medicare  
prescription  
drug coverage

- Plans have formularies (lists of covered drugs)
  - Make sure the prescriptions you need are covered by the plan
  - Can you use a preferred pharmacy?
- You can choose a plan and join
  - May pay a lifetime penalty if you join later and didn't have creditable coverage (no more than a 63-day gap)
- Costs vary by plan
- There's Extra Help to pay Part D costs if you have limited income and resources

# When Can I Enroll in a Part D Plan?



**Part D**  
Medicare  
prescription drug  
coverage

- During your 7-month Initial Enrollment Period (IEP)
- During the yearly Open Enrollment Period (OEP)
  - October 15–December 7 each year
  - Coverage begins January 1
- If you get Part B for the first time during a General Enrollment Period (GEP) you can join a Part D plan from April 1–June 30 with coverage starting July 1
- May be able to join at other times
  - MA OEP (January 1–March 31 each year)
    - Must be in an MA Plan already on January 1
  - Special Enrollment Period (SEP)
    - For example, anytime you get Extra Help
      - In 2019, once per quarter for the first 3 quarters of the year
  - 5-star SEP

# Choosing a Part D Plan



Part D  
Medicare  
prescription drug  
coverage

## ■ Compare plans by computer or phone

- Use the Medicare Plan Finder at [Medicare.gov](https://www.Medicare.gov)
- Call 1-800-MEDICARE (1-800-633-4227); TTY: 1-877-486-2048
- Contact your SHIP for help comparing plans at [shiptacenter.org](https://www.shiptacenter.org)

## ■ To join a Part D Plan

- Enroll at [Medicare.gov](https://www.Medicare.gov)
- Call 1-800-MEDICARE (1-800-633-4227); TTY: 1-877-486-2048
- Enroll on the plan's website or call the plan
- Complete a paper enrollment form
- The plan will notify you whether it's accepted or denied your application
  - You can't be denied based on health condition or the drugs you take

# Decision: Should I Enroll in a Part D Plan?



**Part D**  
Medicare  
prescription drug  
coverage

## ■ Consider

- Do you have creditable drug coverage?
  - Coverage as good as Medicare's
    - For example, through an employer plan
    - No penalty if you have creditable drug coverage and delay enrolling in a Medicare drug plan
- Will that coverage end when you retire?
- How much do your current drugs cost?
- What do the premiums cost for Part D plans?

## ■ Without creditable coverage

- Later enrollment may mean you pay a penalty
  - If you go 63 or more days in a row without creditable coverage

# Lesson 5—Medicare Advantage (MA) Plans Part C

**Part A**



**Part B**



**Most plans include:**

**Part D**



**Some plans also include:**

**Lower out-of-pocket costs**

**Extra benefits**

- An MA Plan (like a Health Maintenance Organization (HMO) or Preferred Provider Organization (PPO)) is another way to get your Medicare coverage (sometimes called “Part C” or “MA Plans”)
- Offered by Medicare-approved private companies that must follow rules set by Medicare
- If you join an MA Plan, you’ll still have Medicare but you’ll get your Medicare Part A (Hospital Insurance) and Medicare Part B (Medical Insurance) coverage from the MA Plan, not Original Medicare
  - You’ll need to use health care providers who participate in the plan’s network (some plans offer out-of-network coverage)

# How Medicare Advantage (MA) Plans Work

In an MA Plan you

- Are still in Medicare with all rights and protections
- Still get those services covered by Part A and Part B, but the MA Plan covers those services
- May choose a plan that includes prescription drug coverage
- Can be charged different out-of-pocket costs
- Can't be charged more than Original Medicare for certain services, like chemotherapy, dialysis, and skilled nursing facility (SNF) care
- May choose a plan with extra benefits like vision, dental or fitness and wellness benefits
- Have a yearly limit on your out-of-pocket costs



Medicare  
Advantage

# How Medicare Advantage (MA) Plans Work (continued)



Medicare  
Advantage

- Each plan has a service area in which its enrollees must live
- You (or a provider acting on your behalf) can request to see if an item or service will be covered by the plan in advance (called an organization determination)
  - Contact your plan for more information
- Medicare pays a fixed amount for your coverage each month to the companies offering MA Plans
- Each plan can have different rules for how you get services
  - These rules can change each year
- Hospice care is covered, but by Original Medicare

# When Can I Enroll in a Medicare Advantage (MA) Plan?

- **Generally during your Initial Enrollment Period (IEP)**
  - If so, can change to another MA Plan (with or without drug coverage) or go back to Original Medicare (with or without drug coverage) within the first 3 months you have Medicare
- **New yearly MA Open Enrollment Period (MA OEP)**
  - One-time change during January 1–March 31 each year with coverage beginning the first of the following month
  - Must already be enrolled in an MA Plan on January 1 to use the MA OEP
    - You can switch to another MA Plan with or without drug coverage
    - You can disenroll from your plan and return to Original Medicare
      - If you return to Original Medicare, you can also join a Medicare Prescription Drug Plan (PDP) if you make this change



Medicare  
Advantage

**NOTE:** If you drop a Medicare Supplement Insurance (Medigap) policy to join an MA Plan, you might not be able to get it back. Check with your state.

# When Can I Enroll in a Medicare Advantage (MA) Plan? (continued)



Medicare  
Advantage

- During the yearly OEP from October 15–December 7 each year
- If you have Part A and enroll in Part B during a General Enrollment Period (GEP), you can enroll in an MA Plan from April 1–June 30 with coverage starting July 1
- Special Enrollment Period (SEP) in certain circumstances, like if you
  - Move out of your plan’s service area
  - Have or lose Medicaid or Extra Help
  - Move in or out of an institution (like a nursing home)
- 5-star SEP
  - Can switch to an MA Plan or Medicare Cost Plan that has 5 stars for its overall star rating
  - From December 8–November 30 each year

# How Do I Enroll in a Medicare Advantage (MA) Plan?

- Use the Medicare Plan Finder on [Medicare.gov](https://www.Medicare.gov)
- Visit the plan's website to see if you can join online
- Fill out a paper enrollment form
  - Contact the plan to get an enrollment form, fill it out and return it to the plan
  - All plans must offer this option
- Call the plan you want to join
  - Get your plan's contact information from the Plan Finder
- Call 1-800-MEDICARE (1-800-633-4227);  
TTY: 1-877-486-2048



Medicare  
Advantage

# Decision: Should I Join an MA Plan?

## ■ Consider

- You must have Part A and Part B to join
- Most offer comprehensive coverage
  - Including Part D drug coverage
- Some plans may require you to use a network
- You may need a referral to see a specialist
- You must pay the Part B premium and the monthly plan premium
- You can only join/leave plan during certain periods
- It doesn't work with Medigap policies
- It's currently NOT available to MOST people with End-Stage Renal Disease (ESRD)



Medicare  
Advantage

# How Are Medigap Policies and MA Plans Different?

	Medicare Supplement Insurance (Medigap) Policies	Medicare Advantage (MA) Plans
<b>Offered by</b>	Private companies	Private companies
<b>Government Oversight</b>	State, but must also follow federal laws	Federal (plans must be approved by Medicare)
<b>Works with</b>	Original Medicare	N/A
<b>Covers</b>	Gaps in Original Medicare coverage, like deductibles, coinsurance, and copayments for Medicare-covered services.	All Part A- and Part B-covered services and supplies. May also cover things not covered by Original Medicare, like vision and dental coverage. Most MA Plans include Medicare prescription drug coverage.
<b>You must have</b>	Part A and Part B	Part A and Part B
<b>Do you pay a premium?</b>	Yes. You pay a premium for the policy and you pay the Part B premium.	Yes. In most cases you pay a premium for the plan and you pay the Part B premium.

# Lesson 6—Medicare and the Marketplace

- It's against the law for someone who knows that you have Medicare to sell you a Marketplace plan
  - Even if you only have Medicare Part A or Part B
  - Except through the Small Business Health Options Program (SHOP) if you're an active worker or a dependent of an active worker
    - The size of the employer determines who pays first
    - No late enrollment penalty if you enroll anytime you have SHOP coverage, or within 8 months of losing that coverage
- SHOP plans are available through issuers, agents, and brokers, not through [HealthCare.gov](https://www.healthcare.gov)

# Marketplace and Becoming Eligible for Medicare

- You can keep a Marketplace plan after your Medicare coverage begins
  - Once your Medicare Part A coverage starts, you'll no longer be eligible for any premium tax credits or other cost savings you may be getting for your Marketplace plan
    - You'll have to pay full price for the Marketplace plan
- Sign up for Medicare during your Initial Enrollment Period (IEP)
  - Or, if you enroll later, you may have to pay a late enrollment penalty for as long as you have Medicare
  - Limited equitable relief until September 30, 2019, for Part B late enrollment penalty

# Medicare for People With Disabilities and the Marketplace

- You may qualify for Medicare based on a disability
  - You must be entitled to Social Security Disability Insurance (SSDI) benefits for 24 months
    - On the 25<sup>th</sup> month, you're automatically enrolled in Medicare Part A and Part B
- If you're getting SSDI, you can get a Marketplace plan to cover you during your 24-month waiting period
  - You may qualify for premium tax credits and reduced cost sharing until your Medicare coverage starts

# Choosing Marketplace Coverage Instead of Medicare

You can choose Marketplace coverage instead of Medicare if you

- Are paying a premium for Part A—you can drop your Part A and Part B coverage and get a Marketplace plan instead
- Only have Part B, and have to pay a premium for Part A—you can drop Part B and get a Marketplace plan instead
- Are eligible for Medicare but haven't enrolled in it because you:
  - Would have to pay a premium for Part A
  - Have a medical condition that qualifies you for Medicare, like ESRD, but haven't applied for Medicare coverage
  - Are in your 24-month disability waiting period

# Lesson 7—Help for People with Limited Income and Resources

- Medicare Savings Programs
  - Help from your state paying Medicare costs, including Medicare premiums, deductibles, and coinsurance
- Extra Help
  - Help paying Part D prescription drug costs
- Medicaid
  - Federal-state health insurance program
    - For people with limited income/resources
- Children's Health Insurance Program (CHIP)
  - Covers uninsured children up to 19 and may cover pregnant women
    - If family's income is too high for Medicaid

# Minimum Federal Eligibility Requirements for Medicare Savings Programs in 2019

Medicare Savings Program	Individual Monthly Income Limits	Married Couple Income Limits	Helps Pay Your
<b>Qualified Medicare Beneficiary (QMB)</b>	\$1,061	\$1,430	Part A and Part B premiums, and other cost-sharing (like deductibles, coinsurance, and copayments)
<b>Specified Low-Income Medicare Beneficiary (SLMB)</b>	\$1,269	\$1,711	Part B premiums only
<b>Qualifying Individual (QI)</b>	\$1,426	\$1,923	Part B premiums only
<b>Qualifying Disabled &amp; Working Individuals (QDWI)</b>	\$4,249	\$5,722	Part A premiums only

**Resource limits** for QMB, SLMB, and QI are \$7,730 for an individual and \$11,600 for a married couple. Resource limits for QDWI are \$4,000 for an individual and \$6,000 for a married couple.

# What is Extra Help?



**Part D**  
Medicare  
prescription  
drug coverage

- Program to help people pay for Medicare prescription drug costs (Part D)
  - Also called the low-income subsidy (LIS)
- If you have lowest income and resources
  - Pay no premiums or deductible, and small or no copayments
- If you have slightly higher income and resources
  - Pay reduced deductible and a little more out of pocket
- No coverage gap or late enrollment penalty if you qualify for Extra Help
- **Special Enrollment Period (SEP) Change for 2019**

**NEW** →

# Qualifying for Extra Help



**Part D**  
Medicare  
prescription  
drug coverage

- **You automatically qualify for Extra Help if you get**
  - Full Medicaid coverage
  - Supplemental Security Income (SSI)
  - Help from Medicaid paying your Medicare premiums (Medicare Savings Program; sometimes called “partial dual”)
- **All others must apply**
  - Online at [socialsecurity.gov/benefits/medicare/prescriptionhelp](https://www.socialsecurity.gov/benefits/medicare/prescriptionhelp)
  - Call Social Security at 1-800-772-1213; TTY: 1-800-325-0778
    - Ask for “Application for Help with Medicare Prescription Drug Plan Costs” (SSA-1020)
  - Contact your State Medical Assistance (Medicaid) office
  - Work with a local organization, like a State Health Insurance Assistance Program (SHIP)

# Helpful Websites

- Medicare – [Medicare.gov](https://www.Medicare.gov)
- Medicaid – [Medicaid.gov](https://www.Medicaid.gov)
- Social Security – [socialsecurity.gov](https://www.socialsecurity.gov)
- Health Insurance Marketplace – [HealthCare.gov](https://www.HealthCare.gov)
- Children’s Health Insurance Program – [InsureKidsNow.gov](https://www.InsureKidsNow.gov)
- CMS National Training Program – [CMSnationaltrainingprogram.cms.gov](https://www.CMSnationaltrainingprogram.cms.gov)
- State Health Insurance Program (SHIP) – [shiptacenter.org](https://www.shiptacenter.org)

# Acronyms (AB-LE)

**ABN** Advanced Beneficiary Notice

**ADL** Activities of Daily Living

**ALS** Amyotrophic Lateral Sclerosis

**ANOC** Annual Notice of Change

**CHAMPVA** Civilian Health and Medical Program of the Department of Veterans Affairs

**CHIP** Children's Health Insurance Program

**CMS** Centers for Medicare & Medicaid Services

**COBRA** Consolidated Omnibus Budget Reconciliation Act

**DME** Durable Medical Equipment

**EOC** Evidence of Coverage

**ESRD** End-Stage Renal Disease

**FEHB** Federal Employees Health Benefits

**FICA** Federal Insurance Contributions Act

**FMAP** Federal Medical Assistance Percentage

**FPL** Federal Poverty Level

**GEP** General Enrollment Period

**GHP** Group Health Plan

**HMO** Health Maintenance Organization

**HSA** Health Savings Account

**IADL** Instrumental Activities of Daily Living

**IEP** Initial Enrollment Period

**IRMAA** Income-Related Monthly Adjustment Amount

**IRS** Internal Revenue Service

**LEP** Late Enrollment Penalty

# Acronyms (LI-RN)

**LIS** Low-income Subsidy

**MA** Medicare Advantage

**MAC** Medicare Administrative Contractor

**MA-PD** Medicare Advantage Prescription Drug

**MACRA** Medicare Access and CHIP Reauthorization Act

**MAGI** Modified Adjusted Gross Income

**MA OEP** Medicare Advantage Open Enrollment Period

**MEC** Minimal Essential Coverage

**MSA** Medical Savings Account

**MSP** Medicare Savings Program

**NTP** National Training Program

**OEP** Open Enrollment Period

**OPM** Office of Personnel Management

**OTC** Over the Counter

**PACE** Programs of All-Inclusive Care for the Elderly

**PBP** Plan Benefit Package

**PDP** Prescription Drug Plan

**PFFS** Private Fee-for-Service

**POS** Point of Service

**PPO** Preferred Provider Organization

**QDWI** Qualifying Disabled & Working Individuals

**QHP** Qualified Health Plan

**QI** Qualified Individual

**QMB** Qualified Medicare Beneficiary

**RNHCI** Religious Nonmedical Health Care Institutions

# Acronyms (RR-YP)

**RRB** Railroad Retirement Board

**SEP** Special Enrollment Period

**SHIP** State Health Insurance Assistance Program

**SHOP** Small Business Health Options Program

**SLMB** Specified Low-income Medicare Beneficiary

**SNF** Skilled Nursing Facility

**SNP** Special Needs Plan

**SPAP** State Pharmaceutical Assistance Programs

**SSBCI** Special Benefits for the Chronically Ill

**SSDI** Social Security Disability Insurance

**SSI** Supplemental Security Income

**TFL** TRICARE for Life

**TTY** Teletypewriter/Text Telephone

**VA** U.S. Department of Veterans Affairs

# CMS National Training Program (NTP)

To view all available NTP training materials,  
or to subscribe to our email list, visit  
[CMSnationaltrainingprogram.cms.gov](https://CMSnationaltrainingprogram.cms.gov).

Stay connected.

Contact us at [training@cms.hhs.gov](mailto:training@cms.hhs.gov), or  
follow us  @CMSGov #CMSNTP