Annual Medicare Update

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Medicare Parts A & B Costs – 2020

• Medicare **Part A Premium** – most often $0
  • Medicare **Part A Deductible** - $1,408 (per benefit period)
  • Per day copayment starts after 60 days in the hospital (per benefit period)
• Medicare **Part B Premium**:
  • **$144.60**/month for new beneficiaries
  • SSA will inform current beneficiaries of their new premium
• Medicare **Part B Deductible** - **$198 per year**
• Beneficiary pays 20% coinsurance for Part B services
Key Differences Between Insurance Plan Types

<table>
<thead>
<tr>
<th>Medigap</th>
<th>Medicare Advantage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limited Guaranteed Issue</td>
<td>Guaranteed Issue (except ESRD)</td>
</tr>
<tr>
<td>Standardized-plans by all companies the same</td>
<td>Provisions vary by company and plan</td>
</tr>
<tr>
<td>No provider network (except Medicare SELECT)</td>
<td>Provider networks-can change</td>
</tr>
<tr>
<td>Policy provisions never change</td>
<td>Annual contract-change every year on Jan 1.</td>
</tr>
<tr>
<td>Portable-good anywhere in the US</td>
<td>Must live in service area-travel rules</td>
</tr>
<tr>
<td>No Rx coverage-need a separate drug plan</td>
<td>Usually includes Rx-cannot have separate Rx</td>
</tr>
<tr>
<td>Few non-Medicare benefits</td>
<td>Dental, vision, gym membership, etc.</td>
</tr>
<tr>
<td>Can change plan at company's discretion</td>
<td>Can change plans annually</td>
</tr>
</tbody>
</table>

What’s New for Medicare Advantage?

- Expanded M.A Health-Related Supplemental Benefits
  - In MN, there will be:
    - Plans that will offer supplemental benefits but only to enrollees that meet certain conditions
    - Based on assessment done by plan
    - Will vary from beneficiary to beneficiary
    - Plan decides who will get the supplemental benefits
Has the Medigap policies changed?

Medicare Cost Plans:

- Many ended in 2019 in many Minnesota Counties
- One can use the plan’s network for lowest cost or go outside the network and fall back on Original Medicare A & B
- May include Part D coverage or can be purchased separately
- No new plans will be added. Current plans will continue in 2020 in the 21 counties
Medicare Part D: Prescription Drugs

- Private insurance plans approved by Medicare
- Types of drugs covered:
  - Drugs that are not covered by Medicare Part A or B
  - Drugs that are approved by the FDA
  - Drugs used and sold in the U.S.
  - Drugs used for medically-accepted indication
  - Drugs available only by prescription
  - Shingles vaccine
    - Must be on “formulary” of the drug insurance plan selected

Medicare Part D: 2020 Information

- Maximum deductible - $435
- Plan Formularies
  - List of prescription drugs covered by the plan
  - May not include all drugs
    - If drug is not covered, usually will cover a similar drug that is safe and effective
  - Must include more than one drug in each classification
  - May have “tiers” that cost different amounts (may have more than 3 tiers)
    - Example:
      - Tier 1 – Generic Drugs: cost the least amount
      - Tier 2 – Preferred brand-name drugs: costs more than Tier 1
      - Tier 3 – Non-preferred brand name drugs: most costly
- Elimination of Gag Clauses
Annual Open Enrollment (Part D)

- October 15 – December 7
  - Plan enrollment effective date will be January 1
  - Beneficiaries may join, drop or switch coverage
- For all policies that include prescription drug coverage
  - Stand alone Part D plans
  - Medicare Advantage plans & Cost Plans that include prescription drug coverage
- **Note:** Veterans may not need to carry Part D

Medicare Plan Finder Tool

- Inaccuracies in premiums, for example, a plan might show a 0.00 premium when it charges a premium
- Inaccuracies regarding prescriptions drug costs under Medicare Advantage and standalone prescription drug plans.
- Inaccuracies in costs under the Extra Help subsidy (LIS).
- Also possible errors in the drug formularies and the listed “preferred pharmacies.”
- Exceptional Circumstance Special Enrollment Period.
  - **Available all year**
  - Approval needed through Centers for Medicare and Medicaid (CMS)
Medicare Advantage Enrollment Period

- January 1– March 31
  - For all those enrolled in a Medicare Advantage plan
  - A chance to switch to a different Medicare Advantage Plan or return to Original Medicare w/ a stand-alone drug plan
  - Effective the 1st day of the following month
- Annual Period
- **Remember:** you cannot have both a Medicare Advantage Plan and a separate Part D drug plan

Phases of Part D Drug Coverage

- Maximum deductible- up to $435 for 2020
- Initial Coverage Period- Plan pays 75% of drug costs and beneficiary pays 25%
- “Donut Hole”- *Gone in 2020*
  - Brand-Name Drugs-75% discount; beneficiary pays 25%
  - Generic Drugs-75% discount; beneficiary pays 25%
- Catastrophic Coverage-Begins when total amount spent during Initial Coverage Period is **$9,038.75.** Beneficiary then pays 5% co-insurance or $3.60/$8.95 per drug (whichever is greater)
The Shrinking “Donut Hole”

Brand-Name Prescription Drug Savings in the Coverage Gap:

The Shrinking “Donut Hole”

Generic Prescription Drug Savings in the Coverage Gap:
Extra Help & Assistance Programs

- Low Income Subsidy – Social Security Application
  - Full and Partial Extra Help available
  - Monthly income maximum: $1,581 single / $2,134 couple
  - Asset maximum: $14,390 single / $28,720 couple

- Medicare Savings Programs – County Application
  - QMB: income max. $1,061 single / $1,430 couple (+ asset limit)
  - SLMB: income max. $1,269 single / $1,711 couple (+ asset limit)
  - QI: income max. $1,426 single / $1,924 couple (+ asset limit)

- Medical Assistance – County Application

- Prescription Assistance Programs

Seniors Partners Care (SPC)

- Program for people with incomes that are too high for public programs and too low to buy private coverage.

- **NOT INSURANCE** – a waiver of Medicare deductibles, coinsurance and co-payments. Check if your health care provider participates with the program by calling the SPC Administrator or provider’s billing office.

- Administered by Senior Community Services: 1-888-541-5488

- Eligibility:
  - You must have Medicare Part A and Part B and no additional insurance.
  - You cannot be enrolled in a Medicare Advantage Plan, a Cost Plan or have Medigap insurance (stand alone Medicare Part D drug plans are OK).
  - You must apply, pay an enrollment fee, and renew annually.

<table>
<thead>
<tr>
<th>Individual</th>
<th>Married Couple</th>
</tr>
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<tbody>
<tr>
<td>Income is $2,082 a month or less</td>
<td>Income is $2,818 a month or less</td>
</tr>
<tr>
<td>Assets are $51,500 or less</td>
<td>Assets are $51,500 or less</td>
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Metropolitan Area Agency on Aging

Mission: Assist individuals to age successfully and develop the capacity of communities to care for an aging population

The designated State Health Insurance Assistance Program (SHIP) for Minnesota

Statewide telephone info & assistance for seniors, families, and caregivers

Hours: Monday – Friday 8:00 a.m.- 4:30 p.m.
Health Insurance Counseling

• Available to any Medicare Beneficiary
• Counseling via telephone or in-person at community sites
• All information is kept confidential
• We provide comprehensive, objective information – we do not recommend any person, product, service, agency or program

More Information

• Metropolitan Area Agency on Aging
  o www.metroaging.org
• Senior LinkAge Line
  o 1-800-333-2433
  o www.minnesotalink.org
• Minnesota Board on Aging
  o www.managing.org
• Medicare
  o 1-800 MEDICARE
  o www.medicare.gov
  o 1-800-447-8477 to report fraud/abuse
www.mnhealthcarechoices.com
Thank you!

Interested in Volunteering with the MAAA?

We are always looking for talented and enthusiastic volunteers to join our team! If you are interested, please call 1-800-333-2433 and ask to speak with our Volunteer Coordinator.