Medicare 101

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Senior LinkAge Line

- Senior LinkAge Line®
  - Statewide service of the Minnesota Board on Aging
  - Housed within six Area Agencies on Aging
  - Six contact centers cover all 87 counties
  - Expertise in health insurance counseling and long-term care options counseling
  - Does not sell, market, promote or endorse any insurance products
Federally Designated

• Minnesota’s State Health Insurance Assistance Program (SHIP)
  • Medicare
  • Long-term care options counseling

• Minnesota’s Senior Medicare Patrol (SMP)
  • Fight health care fraud, waste and abuse

• Minnesota’s Aging and Disability Resource Center (ADRC)
  • Resources and assistance to remain in community

Areas of Expertise

• Care transitions
• Medicare
• Health insurance counseling
• Prescription drug expense assistance (all ages)
• Long-term care options counseling
• Application and forms assistance

• Long-term Care Partnership
• Caregiver planning and support
• Health care fraud, waste and abuse
• State Volunteer opportunities
• agency-related questions
Four Parts of Medicare

Original Medicare

- Hospital
- Physician

Medicare Advantage

Prescription Drugs

A          B           C            D

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Original Medicare Part A

- Inpatient hospital (not for Observation)
  - 190-day lifetime maximum for psychiatric hospital

- Skilled nursing facility
  (nursing home – very limited benefit)

- Home health care

- Hospice

- Blood coverage
### 2020 Original Medicare Part A Cost Sharing

- Part A hospital deductible: $1,408
  - Days 61-90: $352 coinsurance per day
  - Days 91-150: $704 coinsurance per day (lifetime reserve days)
- Skilled nursing facility coinsurance: $176 for days 21-100
- Home health care: $0
- Hospice services: $0, but may have $5 copay for each prescription drug for pain relief and 5% coinsurance for respite care
- Blood: Pay for first three pints unless member of blood bank or someone donates blood on your behalf

### Original Medicare Part B

- Physician services
- Outpatient hospital services (Observation)
- Preventive services
- Ambulance
- Home health care
- Therapy (occupational, speech and physical)
- Limited prescription drugs
- Blood
- Lab services
- Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS)
- Acupuncture for lower back pain (new in 2020)
## 2020 Original Medicare Part B Cost Sharing

- Monthly premium: $144.60 for most
- Annual deductible: $198
  - After annual deductible, most services covered at 80%
- Physician services: 20% coinsurance
- Preventive services: Most have no cost sharing
- Acupuncture for lower back pain began 1/2020
- Ambulance: 20% coinsurance
- Durable Medical Equipment, Prosthetics, orthotics and supplies: 20% coinsurance
- Home health care: $0
- Therapies: 20% coinsurance
- Limited prescription drugs: 20% coinsurance
- Blood: first three pints

## Not Covered by Original Medicare

- Comprehensive annual physical (may be covered by Medicare Advantage Plan)
- Hearing aids
- Dental services
- Routine eye exams and eyeglasses
- Most care while traveling out of the United States
- Long-term care (custodial care)
- Routine foot care
Medigap vs Medicare Advantage

Medigap Policies

- Helps to cover Original Medicare Part A and Part B (copays and deductibles)
- Sold by individual insurance companies
- Standardized – differences are premium costs and level of customer service
- *Six-month guaranteed issue period – enrollment in Medicare Part B*
- Transportable to other states – premiums may be higher
- Minnesota is a waiver state – no alpha options structure for Medigap
  - Basic with Riders, Extended Basic, Medicare SELECT, few alpha policies
  - Additional mandated benefits
Medigap Policies in Minnesota

- Basic Medicare Supplement
  - Part A coinsurance (in-patient hospital care) & 100% of all Medicare Part A
    Part A eligible expenses not covered by Original Medicare
  - Part B coinsurance (Medical cost)
  - Blood: first three pints of blood each year
  - Part A and B home health services & supplies cost sharing
  - Medicare-covered preventive care
  - Foreign travel emergency care (80%)

- Additional Riders

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Medigap Policies in Minnesota

- Extended Basic (same benefits of Basic Medicare Supplement plus)
  - Part A-in-patient hospital deductible
  - Part A skilled nursing facility (SNF) coinsurance
  - Provides up to 120 days of SNF care
  - State-mandated benefits (diabetic equipment & supplies, routine cancer screening, reconstructive surgery, and immunizations)

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Medigap Policies in Minnesota

- Additional plans with limited coverage
  - 50% Coverage (similar to Plan K)
  - 75% Coverage (similar to Plan L)
  - 50% Part A Deductible (similar to Plan M)
  - Part B $20 & $50 (similar to Plan N)
  - High Deductible (similar to Plan F)
- Medicare SELECT
- Retiree Supplement Coverage

Medicare Part C: Medicare Advantage Plans

- Offered by Medicare-approved private insurance companies
- Must follow Medicare rules
- Must provide, at a minimum, Medicare services
- Another way to get Medicare benefits (A, B and D)
- Only payer of Medicare bills can be the Medicare Advantage plan, not Original Medicare
- Need to use plan’s provider networks
- Cannot have a Medigap policy
End-Stage Renal Disease

Types of Medicare Advantage Plans in Minnesota

• Health Maintenance Organization
• Health Maintenance Organization with Point of Service (POS)
• Preferred Provider Organization
• Private Fee-for-Service
• Medicare Advantage Medical Savings Account
• Special Needs Plans
Medicare Advantage and Medicare Part D
Open Enrollment Period

Medicare Part D penalty: if no creditable coverage for 63 or more consecutive days.

October 15th - December 7th

Coverage Begins
Jan. 1st

Medicare Advantage Open Enrollment Period

• Must start the new year already enrolled in a Medicare Advantage Plan
• Coverage Begins the first day of the month following the month plan choice was made

Enroll January 1 - March 31

FEB 1
MAR 1
APR 1
Medicare Cost Plans

- Not Medicare Advantage – no lock-in
- In 2019, ended in most Minnesota counties, due to a federal law change
- Very popular option in Minnesota
  - Keep Original Medicare Part A and Part B if use out-of-network providers
  - Transportable
- In 2021, continuing to be available in 21 counties

21 Counties Where Cost Plans Are Available in 2021

- Aitkin
- Carlton
- Cook
- Goodhue
- Itasca
- Kanabec
- Koochiching
- Lake
- Le Sueur
- McLeod
- Meeker
- Mille Lacs
- Pine
- Pipestone
- Rice
- Rock
- St. Louis
- Sibley
- Stevens
- Traverse
- Yellow Medicine
### Cost, Convenience, and Coverage

#### Option 1: Original Medicare + Medigap
- Higher premiums, lower out-of-pocket costs
- Medicare Covered benefits
- Can use all Medicare providers
- Can buy stand-alone Part D plan
- Underwriting outside of Medigap open enrollment period

#### Option 2: Medicare Advantage Plan
- Lower premium, higher out-of-pocket costs
- Covers additional benefits
- Provider networks, may require pre-approval or referrals
- May include Medicare Part D
- No health screening (As of 2021 no longer ESRD restrictions)

### Things to Consider

**Original Medicare**
- Are you going to purchase a Medigap policy?
- Do you need Part D or are your prescription drugs covered by a creditable plan?
- Can you afford the premiums?
- Do you have employer group health insurance coverage?

**Medicare Advantage Plan**
- Do your providers participate?
- Are your prescription drugs covered?
- Coverage if you travel?
- Does the plan have extra benefits?
- Can you afford the premiums and cost sharing?
Mnhealthcarechoices.com

• Provides comprehensive information on all Medicare options in Minnesota
• Free copy mailed to you by calling the Senior LinkAge Line at 1-800-333-2433
• View or download a copy at www.mnhealthcarechoices.com

Where To Go For Help

• Senior LinkAge Line 800-333-2433
  • MinnesotaHelp.info – Live chat
• Disability Hub MN 866-333-2466
  • Mn.db101.org
• Veteran’s Linkage Line 888-546-5838
• Medicare 800-Medicare
  • Medicare.gov – Plan finder
• Social Security Administration 800-772-1213
  • ssa.gov