



# MEDICARE 101

Sponsored by UCare Medicare Group

the **ABC&D**  
of Medicare



# Original Medicare has Two Parts



## **Part A**

hospital coverage

Inpatient hospital stays,  
skilled nursing,  
hospice care



## **Part B**

medical coverage

Doctor visits, tests,  
lab work, X-rays, outpatient  
procedures, chemotherapy,  
medical equipment



# Part C and Part D – Private Coverage



**Part C**  
Medicare  
Advantage  
plans

***Additional coverage  
and services***  
*vision, hearing, dental,  
health & wellness*

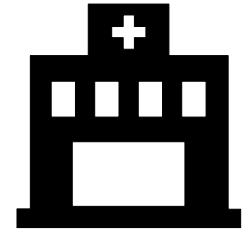


**Part D**  
outpatient prescription  
drug coverage



# Medicare Part A — Hospital insurance

- Most people do not pay a premium
- Services (*copays, deductibles and coinsurance apply*):
  - Hospitalization: \$1,484 for first 60 days
    - \$371/day for days 61–90
    - \$742/day for days 91–150  
(*lifetime reserve days*)
  - Skilled nursing facility care: Days 1–20 paid in full
    - \$185.50/day for days 21–100
  - Home health care
  - Hospice care





## Medicare Part B – Medical insurance

- **Premium for 2021: \$148.50 per month for most beneficiaries**
  - You will pay more if your income is more than \$88,000 as a single person or \$176,000 as a couple
- **Services** (*\$203 annual deductible and 20% coinsurance apply*):
  - Physician services (including office visits, surgery and consultation)
  - Outpatient surgeries and procedures (including therapies)
  - Ambulance
  - Durable medical equipment (DME)
  - Part B drugs





## Not covered by Original Medicare

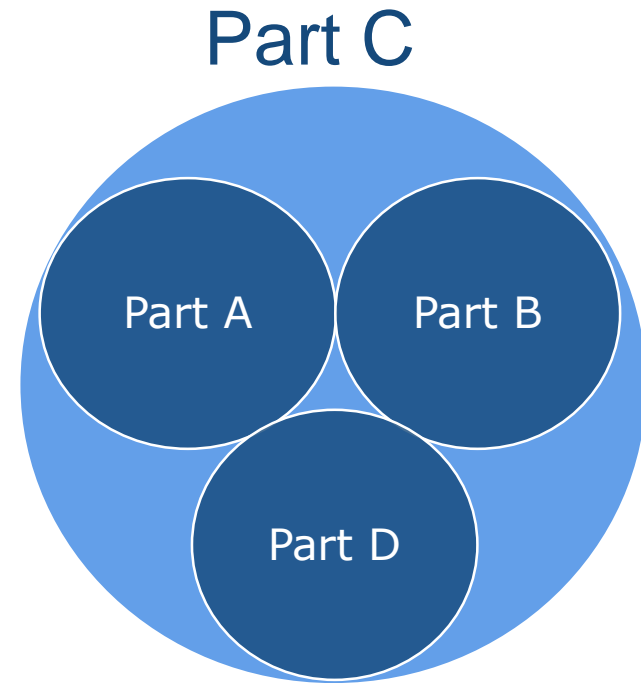
- Preventive dental and most other dental services
- Routine eye exams and eyeglasses
- Routine hearing exams and hearing aids
- Routine physical exams
- Fitness club memberships
- Skilled nursing facility care without a three-day qualifying stay
- Outpatient prescription drugs
- Care received when traveling outside the United States





# Medicare Part C - Medicare Advantage Plans

- Health plans that contract with Medicare to administer Medicare Part A and Part B benefits
- Plans must provide all Medicare Part A and Part B covered benefits
- Most offer additional coverage that may include:
  - Medicare Part D
  - Vision
  - Dental
  - Fitness

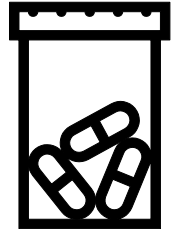






# Medicare Part D - Prescription Drug Coverage

- You can enroll if you have Medicare Part A or Part B
- Enrollment is voluntary
- Medicare penalty for late enrollment
  - A penalty would not be applied if you:
    - Qualify for Extra Help for Part D
    - Maintained other creditable drug coverage with an Employer Plan
    - Maintained other creditable coverage with the VA





## Medicare Part D plans

- Offered by private companies that contract with Medicare
  - Medicare Advantage plans with Part D (MA-PDs)
  - Stand-alone prescription drug plans (PDPs)
- Monthly premiums vary by plan
- Deductible, copays and formulary differ among plans
- *Extra Help for Medicare Part D* is a program to help people with limited income and resources



# Standard Medicare Part D benefit

## Initial coverage stage

- Deductible: \$445
- 25% coinsurance until \$4,130 in annual prescription drug costs reached (Your cost plus plan's cost)

## Coverage Gap stage

- 25% on generics (*Your plan pays 75%*)
- 25% of the cost of brand-name drugs (Drug manufacturer discounts 70% of brand-name drugs, and your plan pays 5%)

## Catastrophic coverage stage

- If your annual out-of-pocket costs reach \$6,550, you pay the greater of:
- \$3.70 copay or 5% coinsurance on generics
  - \$9.20 copay or 5% coinsurance on brand-name drugs



# Eligibility and Enrollment



# Eligibility for Medicare

If you or your spouse worked more than 10 years (40 Social Security credits), you are eligible for Medicare starting the **first day** of the month of your 65<sup>th</sup> birthday.

## Exceptions

- If your birthday falls on the first day of the month, your Medicare starts on the first day of the previous month
- It may start before age 65 in certain circumstances



## Enrolling in Medicare at age 65

- **Already drawing Social Security benefits**, you will automatically receive your Medicare card approximately three months before your birthday month.
  - If you want Part A and B to start, do nothing
  - If you want to waive Part B, return the card
- **Not yet drawing Social Security benefits and you want Medicare to start at age 65**, you must enroll in Part A and Part B through Social Security.
  - You can enroll up to 3 months before your birthday:
    - Online at [ssa.gov](https://ssa.gov)
    - By phone at 1-800-772-1213
    - Via mail



# Delaying Medicare Enrollment

**You can delay your Part A or Part B beyond age 65 if:**

- You or your spouse are actively employed
- You or your spouse have employer group coverage
- You are not collecting Social Security (SS)

**Note:**

- If you or your spouse plan to work for three or fewer months beyond age 65, work closely with SS to ensure that your Part B can take effect on the desired date
- If you are contributing to an HSA, be sure to talk with your financial consultant before enrolling in Medicare and retiring as all contributions must cease when you have Part A



# When your employer coverage ends

## Notify Social Security – up to 3 months before

- Your Medicare Part A will start six months prior to the date of notification
- You may enroll in Medicare Part B to start any future month *without* penalty\*
  - You need to complete an *Application for Enrollment in Medicare Part B*
  - Have the employer complete a *Request for Employment Information* form

\* **Note** You have an eight-month window to apply for Part B without penalty. However, you only have a two-month window to enroll in a Part D plan without penalty.





# Health plan options and how to compare

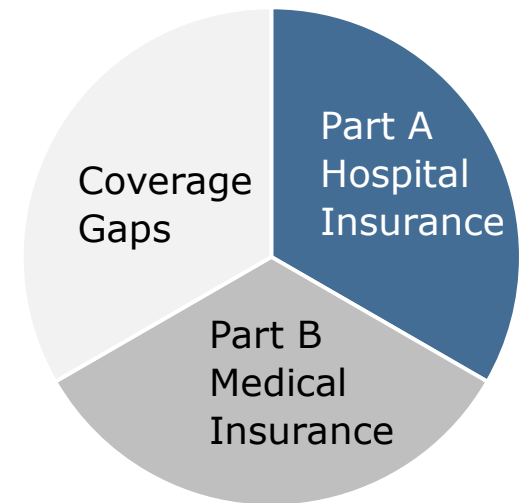


# Medicare Health plan options

- Original Medicare covers about 50% of your overall health care costs
- To help cover the remaining costs, you can enroll in a:
  - Medigap/Medicare Supplement plan
  - Private Medicare health plan

## If you are a veteran:

- Contact the local Veteran Service Office to determine eligibility for benefits
- The VA cannot bill Medicare for services





# Medigap or Medicare Supplement Plans

- **Medicare supplements**

- Help pay for costs of Medicare-covered services (coinsurance, copayments and deductibles)

- **Medicare Select plans**

- You must use health care providers within the plan's network to be eligible for full benefits, except in an emergency



# Medigap/Medicare Supplement features

- Pay after Medicare and only pay on Medicare-approved services
- Billing statements/paperwork sent from Medicare and from the supplement plan
- Sold by private insurance companies
- Medicare Part D coverage not included, must purchase separately for an additional premium
- Different premiums for rural versus urban, smoker versus non-smoker
- Health screening if enrolling after first six months on Medicare Part B
- Regulated by the MN Department of Commerce (not Medicare)



# Private Medicare plans

- Medicare Advantage:
  - Coordinated Care Plans
  - Private Fee-for-Service (PFFS) Plans
- Medicare Cost:
  - Available in a few outstate Minnesota counties



# MA Plans - Coordinated Care Plans

- **Health Maintenance Organization (HMO)**
  - You must use the plan's network of providers, except in an emergency
- **Health Maintenance Organization with Point-of-Service (HMO-POS)**
  - Use a provider network
  - Out-of-network coverage for emergency coverage and certain non-emergency care
  - Example: *UCare Medicare plans*
- **Preferred Provider Organization (PPO)**
  - Use a provider network
  - You are allowed to see any doctor or provider that accepts Medicare (usually at a higher cost)
  - Example: *EssentiaCare*



# MA Plans-Private Fee-for-Service Plans

- Commonly known as PFFS
- Use a provider network
- You are allowed to see any doctor or provider that agrees to accept the PFFS plan fee allowance and will bill the plan for the service received
- Providers can decide at each appointment whether they will accept the plan's terms



## Most Medicare Advantage plans:

- Cannot health screen
- Do not require physical exam to enroll
- Cover emergency care in-and out-of-network, worldwide
- Include an Annual out-of-pocket maximum on Part A and Part B services
- Do not have a lifetime coverage limit





# Advantages of Medicare Advantage Plans

- Provide “all-in-one” coverage
- Offer many affordable choices to meet your needs that include Medicare Part D for no additional premium
- May have Free basic memberships at health clubs
- May have dental coverage
- May waive the 3-day qualifying hospital stay for skilled nursing benefits
- May cover an annual routine physical exam, eye exam and hearing test
- May have a large network of providers and do not require referrals
- May include national coverage for some services at in-network cost



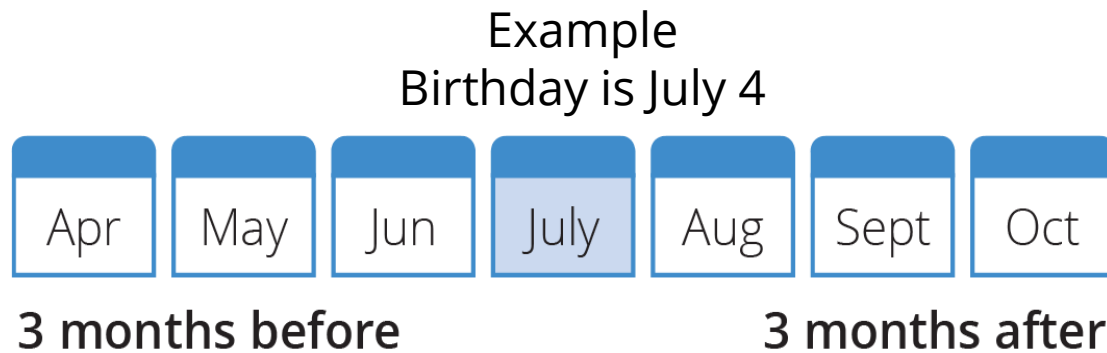
When can I enroll, change or leave  
Medicare health plans?



# When can I enroll?

## Initial Coverage Election Period (ICEP)

If you are new to both Medicare Part A and Part B, you may enroll during the three months before, month of, and the three months after you are eligible for Medicare.



If you have Part A already, and are applying for Part B, the ICEP is limited to the three months prior to your enrollment in Part B



# When can I make changes to my Medicare coverage?

## Annual Election Period (AEP)

- From October 15 to December 7 for a January 1 effective date.
- Employer Groups may have different enrollment periods.

## Medicare Advantage Open Enrollment Period

- January 1<sup>st</sup> thru March 31<sup>st</sup>
- Those enrolled will be able to make one change to their coverage, to a different Medicare Advantage Plan or go back to Original Medicare.



## When else can I make changes to my Medicare coverage?

### Special Election Periods (SEPs)

Exceptions that allow you to make changes during the year, including if you are:

- Leaving an employer group health plan
- Receiving Extra Help for Part D or losing eligibility for this program
- Moving permanently to a new location, and a MA or Part D plan is available in your new area
- Enrolled in a plan terminating its contract with Medicare

Note: Enrollment time limits vary between SEPs



# Good news for when you retire!

Rosemount-Apple Valley Schools offers a UCare Medicare Group plan:



travel coverage



prescription drug  
coverage



vision benefits



fitness options



dental coverage



hearing benefits

Available to Medicare-eligible retirees and spouses

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**Contact Group Sales to learn more**

612-676-6900 [Groupsales@ucare.org](mailto:Groupsales@ucare.org) Toll free 877-598-6574

*Thank you for attending!*

If you have additional questions, please feel free to  
contact us at:

612-676-6900 or

1-877-598-6574 toll free

8 a.m. to 5 p.m. daily

GroupSales@UCare.org

*If you have a hearing impairment,  
call TTY 711 toll free*