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Intelligent solutions

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Medicare 101

Understanding your Medicare options

Brought to you by Aetna



Today's agenda

1. Medicare Parts A - D
.....
2. Government and private plans
.....
3. Your options
.....
4. Prescription drugs
.....
5. Medical Supplemental Insurance
.....
6. Next steps

CHAPTER

1

Let's start at
the beginning.

**Medicare parts
A–D**

**Medicare has four parts,
A, B, C and D.**

PART

A

HOSPITAL CARE

Covers hospital insurance.

PART

B

MEDICAL CARE

Covers medical insurance.
Like doctor visits.



**These are called
“Original Medicare.”**

They are administered
and provided by the
federal government.

PART

A

HOSPITAL CARE

PART

B

MEDICAL CARE

Medicare is health insurance for:

- People 65 or older
- People under 65 with certain disabilities
- People of any age with End-Stage Renal Disease (ESRD) (permanent kidney failure requiring dialysis or a kidney transplant)



Then there's Part C.
**This is called Medicare
Advantage.**



You can buy Part C
(Medicare Advantage) from
private insurance companies.



Medicare Advantage
**combines Parts A and B and
may even offer prescription
drug coverage.**

Can include additional benefits –
eye care, hearing, wellness services,
nurse phone line.



You can buy a Medicare Advantage Plan (Part C) if you:

- Are enrolled in Parts A and B.
- Live in the plan's service area.
- Do not have end-stage renal disease (some exceptions apply)

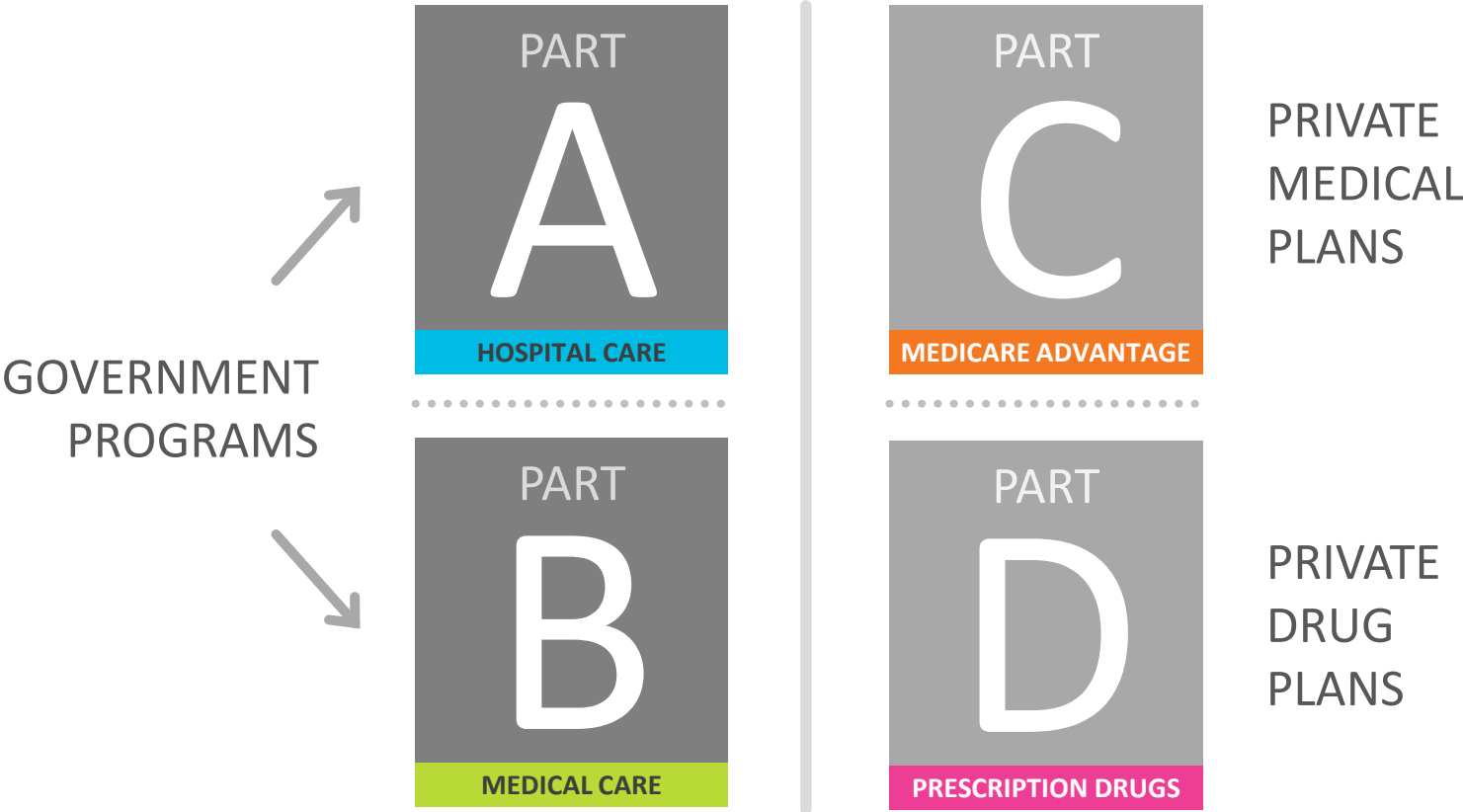


Then there's Part D.
It helps pay for prescription drugs.

It is only offered through private insurance companies.

We'll talk more about Part D later.

The four parts of Medicare.



CHAPTER

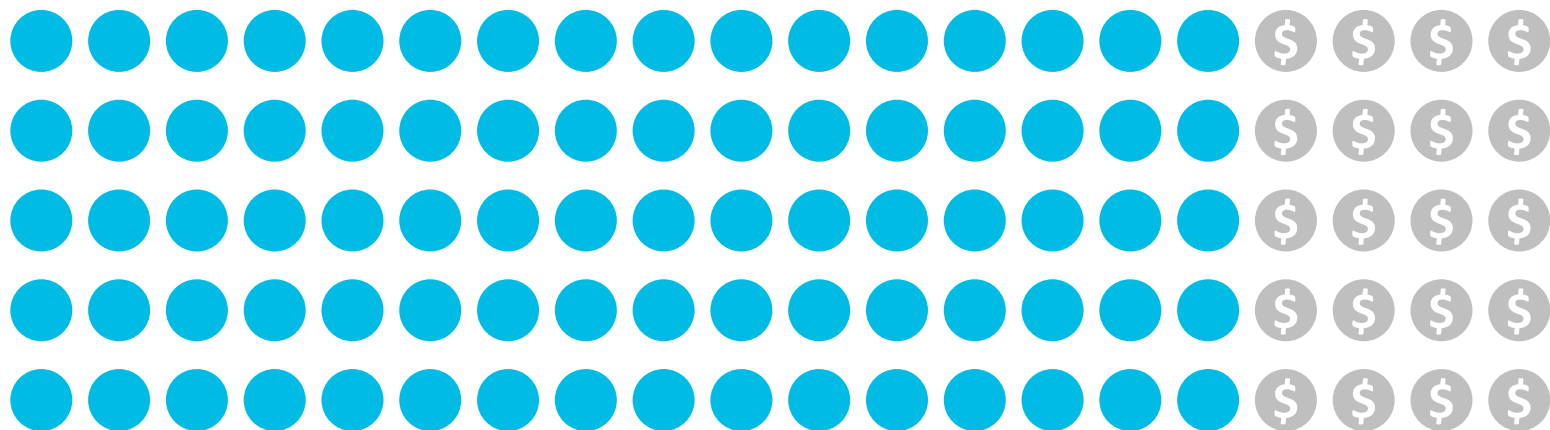
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Government and private plans

Why can't I just
rely on Parts A and B –
what the government
pays for?

You can rely on Parts A and B, but it only **pays about 80 percent** of your health care costs.

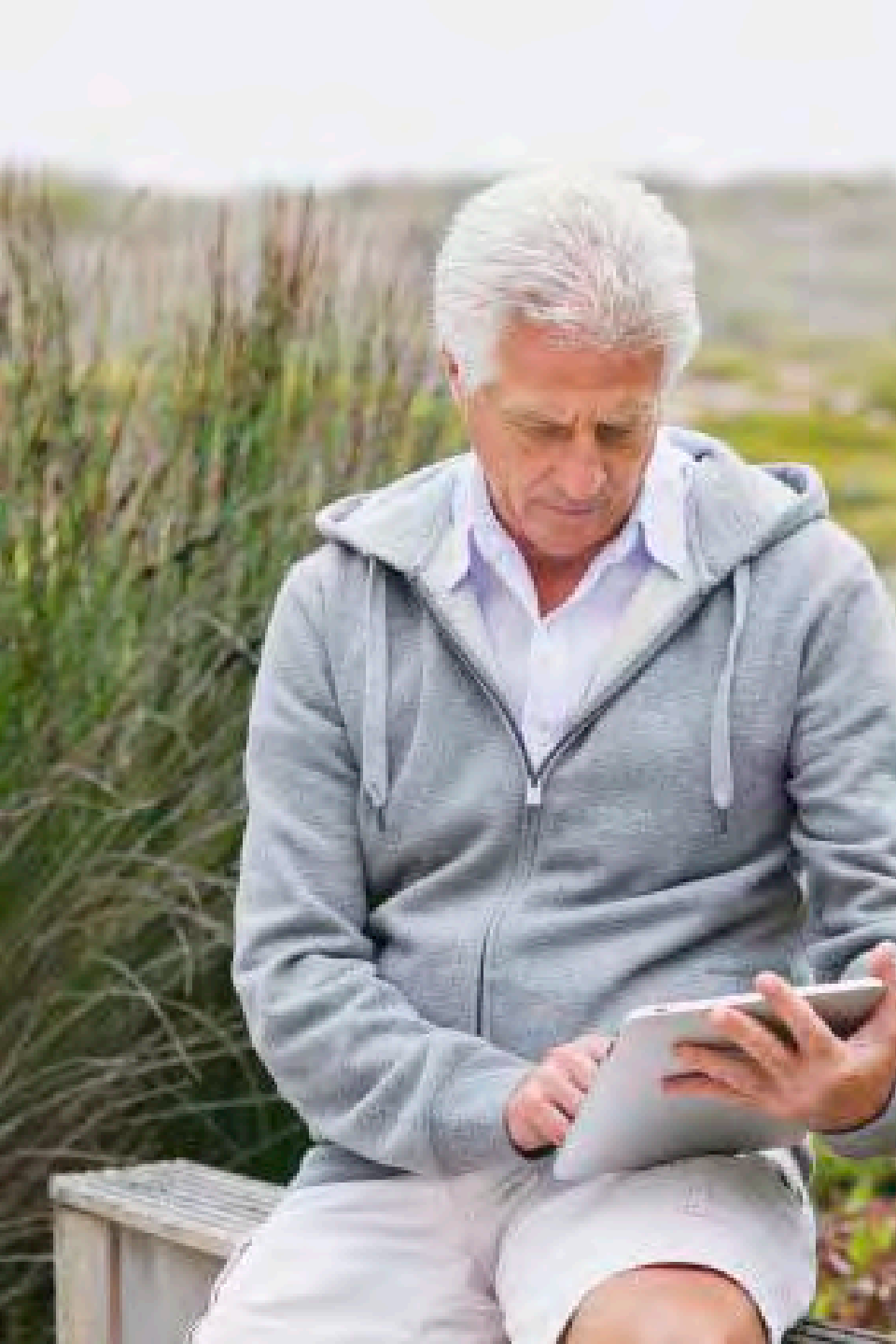
Hospital and doctor visits, and some drugs.



Part C, a Medicare Advantage plan, will help you cover costs like:

- Deductibles
- Copays and coinsurance
- Most drugs
- Preventive services
- Dental and vision (sometimes)





So what's the bottom line?

- Part C, or Medicare Advantage -helps you pay for what Original Medicare and Part D don't.
- There are many choices in the marketplace.
- We can help you weigh your options.

CHAPTER

3

Your options

How to decide which Medicare option is right for you.

Questions to consider when choosing your Medicare options

1. Do I have a chronic condition?
2. What monthly premium can I afford?
3. Can I see the doctors I want?



And what about your prescription drugs:

4. Will my prescription drugs be covered?
5. What will my out-of-pocket costs be?
6. Can I use the pharmacies I want?



You have 2 paths to choose from.



Medicare

Part A: Hospital

Part B: Medical

Part D: A separate drug plan – **if you buy it.**

Supplemental insurance – **if you buy it.**

Medicare Advantage

Combines **Part A:** Hospital and **Part B:** Medical
It usually includes a drug plan.

Medicare Part D:
you can buy it if it is not included in the Medicare Advantage plan.

You have 2 paths to choose from.

Medicare

Part A: Hospital

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Part D: A separate drug plan – **if you buy it.**

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Medicare Advantage

Combines **Part A:** Hospital and **Part B:** Medical.

It usually includes a drug plan.

Medicare Part D: you can buy it if it is not included in the Medicare Advantage plan.

If you choose Medicare Advantage.

Here are two options:



**A Health
Maintenance
Organization**
(an HMO)

**A Preferred
Provider
Organization**
(a PPO)

If you choose Medicare Advantage.

Here are two options:

**A Health
Maintenance
Organization**
(an HMO)

Let's take an
HMO first.

- You'll use **doctors in the network.**
- You might need a **referral** to see a specialist.

If you choose Medicare Advantage.

Here are two options:

Now let's
look at a **PPO**.

You can use doctors
and hospitals **outside
of the network**, but
often for a higher copay.

**A Preferred
Provider
Organization
(a PPO)**

**Let's look at
what a Medicare
Advantage
plan can help
you pay for**

and what Original
Medicare
does NOT pay for.



What Medicare Advantage can help you pay for.

\$1,288

Part A deductible

\$161
Per day

Skilled nursing facility copay for days 21 through 100

\$166

Annual Part B deductible

20%

Coinsurance for covered doctor services

Depending on the plan, Medicare Advantage can help you pay for other things.



Emergency medical care outside the U.S.



Annual hearing exams



Eyewear and hearing aids



Part D prescription drugs



Out-of-pocket medical costs annual limit

CHAPTER

4


Prescription drugs

Now let's look at
Part D – the drug plan.

Here's how Part D works.


You buy this in addition to Parts A and/or B.

You have 2 choices.



Stand-alone
Medicare
Prescription
Drug Plan (PDP).

A Medicare Advantage
Plan that comes
with prescription drug
(Part D) coverage.



**Have you
heard about
the “donut
hole”?**



Here's how it works.

You have four coverage levels.

Phase 1

You pay until you reach your deductible.

Phase 2

Your Part D insurance pays until **\$3,310** in Total Part D drug spending is reached.

Phase 3

Once **\$3,310** is reached, you are in the coverage gap – until your expenses reach **\$4,850**. This is the “donut hole.”

Phase 4

After **\$4,850** – you pay the greater of 5% or **\$2.95** for generics and **\$7.40** for all others drugs.

CHAPTER

5

Ok, just one more type of insurance to go.

Medicare Supplemental Insurance

You have 2 paths to choose from.

Original Medicare

Part A: Hospital

Part B: Medical

Part D: A separate drug plan – **if you buy it.**

Supplemental insurance – if you buy it.

Sometimes it's called **Med Supp or Medigap.**

You may want to consider this if you choose Original Medicare.

It helps cover the gaps of what Original Medicare doesn't cover — such as portions of coinsurance, copayments and deductibles.

You have 2 paths to choose from.

Original Medicare

Part A: Hospital

Part B: Medical

Part D: A separate drug plan – **if you buy it.**

Supplemental insurance – if you buy it.

Medigap plans

are health insurance policies sold by private insurance companies.

They help cover medical benefit “gaps,” such as Parts A and B deductibles and coinsurance.

They do not include Part D drug coverage – you buy that separately.

They cover visits to any doctor who accepts Medicare.

CHAPTER

6

Next steps

Bringing it all together.

Step 1

Enroll in Medicare Part A and Part B
when you are first eligible

Step 2

Now you have two ways to proceed.

Option 1

Keep Original Medicare and add:

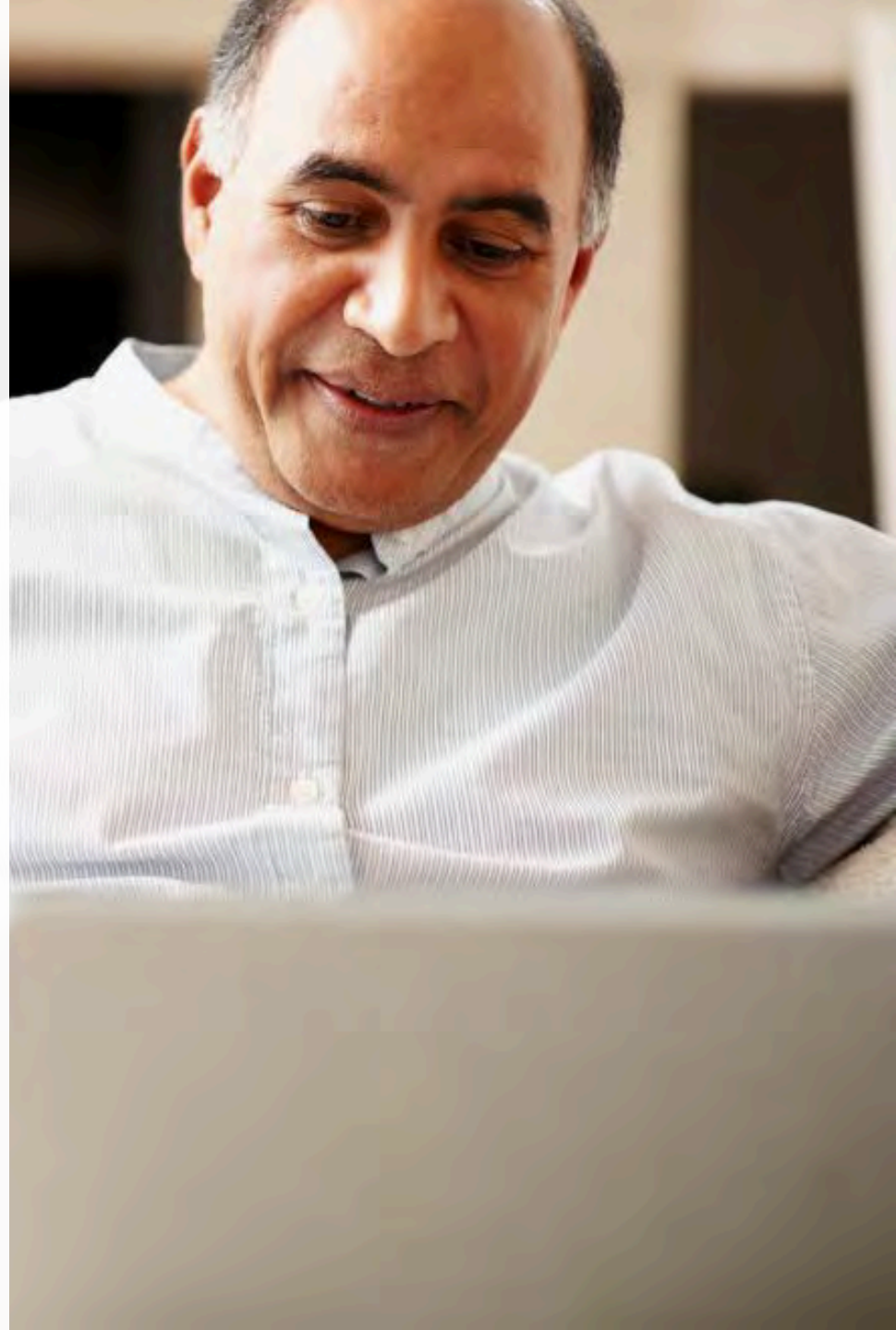
- Medicare supplement insurance
- Medicare Part D

Option 2

Buy a Medicare Advantage Plan

This combines Medicare Parts A & B and *often* Part D and additional benefits

**Now that I
understand my
Medicare
options, when
can I enroll?**



PART

A

HOSPITAL CARE

How do I enroll in Part A and Part B?

If you are getting Social Security when you turn 65, you will automatically be enrolled.

If you're not getting Social Security when you turn 65, you'll need to sign up. Contact Social Security three months before you turn 65. If you worked for a railroad, contact the Railroad Retirement Board.

Note: People on social security disability will automatically be enrolled in their 25th month of disability.

PART

B

MEDICAL CARE

PART

A

HOSPITAL CARE

When can I enroll in Part A & Part B?

It's a seven-month window. It includes the three months before you turn 65, your birthday month and the three months after your 65th birthday.

PART

B

MEDICAL CARE

What if I don't enroll when I am first eligible?

You may have to pay a penalty in the form of a higher premium.

PART

C

MEDICARE ADVANTAGE

When can I first enroll in Parts C and D?

It's the same "seven-month window" as Part B:

It includes the three months before you turn 65, your birthday month and the three months after your 65th birthday.

PART

D

PRESCRIPTION DRUGS

PART

C

MEDICARE ADVANTAGE

Are there other times I can enroll in Parts C and D?

From October 15 to December 7, all people with Medicare can change their health care plans.

PART

D

PRESCRIPTION DRUGS

You can switch to Medicare Advantage during this Open Enrollment period, join a Medicare Prescription Drug Plan or change plans.

PART

C

MEDICARE ADVANTAGE

PART

D

PRESCRIPTION DRUGS

You can also enroll in Parts C and D during a **“special enrollment period”** for special circumstances such as:

Losing your employer coverage

Moving to a new service area

Being assigned to a Medicare Prescription Drug plan by the government

PART

C

MEDICARE ADVANTAGE

PART

D

PRESCRIPTION DRUGS

What if I am late in signing up for Part D?

You may face a late enrollment penalty.

It increases based on each month that you delay.

This can get costly!



When can I enroll in a Medicare supplement plan?

In most states, it's a six-month window that starts when you turn 65 and enroll in Part B.

What if I delay enrollment?

You may join any plan. You can't be denied coverage due to a pre-existing condition if you enroll during open enrollment. You may be denied coverage for a pre-existing condition, if you miss the enrollment period and try to apply later.

Important dates and instructions.

Enroll in a Medicare plan
during open enrollment
October 15 – December 7

Here's how:

www.medicare.gov
or call 1-800-MEDICARE
TTY 1-877-486-2048,
24 hours a day, 7 days a week



Thank you

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