MEDICARE MADE SIMPLE

It's as easy as A, B, C, D

PINNACLE FINANCIAL SERVICES
65 W STREET RD, SUITE A-101 | WARMINSTER, PA 18974
1-(800)-772-6881 | WWW.PFSINSURANCE.COM

LAST UPDATED JANUARY 2, 2019

WHAT IS MEDICARE?

Medicare is health insurance for the following:

- People age 65 or older
- People under age 65 with certain disabilities
- People of any age with End-Stage Renal Disease (ESRD) (permanent)
- A health coverage option run by private insurance companies, approved by, and under contract with, Medicare
- Includes Part A, Part B, and usually other coverage like prescription drugs

MEDICARE PART A (Hospital Insurance)

- Helps cover inpatient care in hospitals
- Helps cover skilled nursing facility, hospice, and home health care

MEDICARE PART B (Medical Insurance)

- Helps cover doctors' services, outpatient care, and home health care
- Helps cover some preventive services to help maintain your health, and to keep certain illnesses from getting worse

MEDICARE PART C (Medicare Advantage Plans, like an HMO or PPO)

- A health coverage option run by private insurance companies approved by, and under contract with, Medicare
- Includes Part A, Part B, and usually other coverage like prescription drugs

MEDICARE PART D (Medicare Prescription Drug Coverage)

- A prescription drug option run by private insurance companies approved by, and under contract with, Medicare
- Helps cover the cost of prescription drugs
- May help lower your prescription drug costs and help protect against higher costs in the future

WHY YOUR CLIENTS ARE CONFUSED

CHOICES FOR HOW YOUR CLIENT GETS MEDICARE

Original Medicare and Medicare Supplement / or a Medicare Advantage Plan:

Original Medicare

Part A & Part B

(Hospital Insurance) (Medical Insurance)

- Medicare provides this coverage
- You have your choice of doctors, hospitals, and other providers
- Generally, you or your supplemental coverage pay deductibles and coinsurance
- You usually pay a monthly premium for Part B

Decide if You Want Prescription Drug Coverage (Part D)

- If you want this coverage, you must choose and join a Medicare Prescription Drug Plan
- These plans are run by private companies approved by Medicare

Decide if You Want Supplemental Coverage

- You may want to get coverage that fills gaps in Original Medicare coverage
- You can choose to buy a Medigap (Medicare Supplement Insurance) policy from a private company
- Costs vary by policy and company
- Employers/unions may offer similar coverage

Medicare Advantage Plan

(Like an HMO or PPO)

Part C Includes BOTH

Part A & Part B

(Hospital Insurance) (Medical Insurance)

- Private insurance companies approved by Medicare provide this coverage
- In most plans, you need to use plan doctors, hospitals, and other providers, or you pay all of the costs
- You usually pay a monthly premium, (in addition to your part B premium), and a copayment or coinsurance for covered services
- Costs, extra coverage, and rules vary by plan

Decide if You Want Prescription Drug Coverage (Part D)

- If you want presription drug coverage, and it's offered by your plan, in most cases you must get it through your plan
- If your plan doesn't offer drug coverage, you can choose and join a Medicare Prescription Drug Plan

WHAT IS A MEDICARE ADVANTAGE PLAN?

You can get your Medicare benefits through Original Medicare, or a Medicare Advantage Plan, (like an HMO or PPO). If you have Original Medicare, the government pays for Medicare benefits when you get them. Medicare Advantage Plans, sometimes called "Part C" or "MA Plans", are offered by private companies approved by Medicare. Medicare pays these companies to cover your Medicare benefits.

If you join a Medicare Advantage Plan, the plan will provide all of your Medicare Part A (Hospital Insurance), and Medicare Part B (Medical Insurance), coverage. This is different than a Medicare Supplement Insurance, (Medigap), policy (discussed on page 5).

WHAT DO I NEED TO KNOW ABOUT MEDICARE ADVANTAGE PLANS?

There are different types of Medicare Advantage Plans:

- **Health Maintenance Organization (HMO) plans** — In most HMOs, you can only go to the doctors, other health care providers, or hospitals in the plan's network, (except in an urgent, or emergency situation.) You may also need to get a referral from your primary care doctor for tests, or to see other doctors or specialists.
- **Preferred Provider Organization (PPO) plans** — In a PPO, you pay less if you use doctors, hospitals, and other health care providers that belong to the plan's network. You usually pay more if you use doctors, hospitals, and providers outside of the network.
- **Private Fee-for-Service (PFFS) plans** — PFFS plans are similar to Original Medicare in that you can generally go to any doctor, other health care provider, or hospital, as long as they accept the plan's payment terms. The plan determines how much it will pay doctors, other health care providers, and hospitals, and how much you must pay when you get care.
- **Special Needs plans (SNPs)** — SNPs provide focused and specialized health care for specific groups of people, like those who have both Medicare and Medicaid, live in a nursing home, or have certain chronic medical conditions.
- **HMO Point-of-Service (HMOPOS) plans** — These are HMO plans that may allow you to get some services out-of-network for a higher co-payment or coinsurance.

MEDICARE SUPPLEMENT INSURANCE (MEDIGAP) POLICIES

Original Medicare pays for much, but not all, of the cost for covered health care services and supplies. Medicare Supplement Insurance policies, sold by private companies, can help pay some of the remaining health care costs for covered services and supplies, like co-payments, coinsurance, and deductibles. **Medicare Supplement Insurance policies are also called Medigap policies.**

Some Medigap policies also offer coverage for services that Original Medicare doesn't cover, like medical care when you travel outside of the U.S. Generally, Medigap policies don't cover long-term care, (like care in a nursing home), vision, or dental care, hearing aids, eyeglasses, or private-duty nursing.

MEDIGAP POLICIES ARE STANDARDIZED

Every Medigap policy must follow federal and state laws designed to protect you, and they must be clearly identified as "Medicare Supplement Insurance". Insurance companies can sell you only a "standardized" policy, identified in most states by A through D, F through G, and K through N. All policies offer the same basic benefits, but some offer additional benefits so you can choose which one(s) meet your needs. In Massachusetts, Minnesota, and Wisconsin, Medigap policies are standardized in a different way.

IMPORTANT! Starting January 1, 2020, Medigap plans sold to new people with Medicare won't be allowed to cover the Part B deductible. Because of this, Plans C and F will no longer be available to people new to Medicare starting on January 1, 2020. If you already have either of these two plans, (or the high deductible version of Plan F,) or are covered by one of these plans before January 1, 2020, you'll be able to keep your plan. If you were eligible for Medicare before January 1, 2020, but not yet enrolled, you may be able to buy one of these plans.

HOW DO I COMPARE MEDIGAP POLICIES?

The chart below shows basic information about the different benefits that Medigap policies cover for 2018. If a percentage appears, the Medigap plan covers that percentage of the benefit, and you're responsible for the rest.

	Medicare Supplement Insurance (Medigap) Plans									
Benefits	**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 co-payment	100%	100%	100%	100%	100%	100%			100%	100%***
Blood (first 3 pints)	100%	100%	100%	100%	100%	100%			100%	100%
Part A hospice care coinsurance or co-payment	100%	100%	100%	100%	100%	100%			100%	100%
Skilled nursing facility care coinsurance			100%	100%	100%	100%			100%	100%
Part A deductible		100%	100%	100%	100%	100%				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 2018**			
							$5,240	$2,620		

*Plan F also offers a high-deductible plan in some states. If you choose this option, this means you must pay for Medicare-covered costs, (coinsurance, co-payments, and deductibles,) up to the deductible amount of $2,240 in 2018 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, ($183 in 2018,) 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 co-payment of up to $20 for some office visits, and up to a $50 co-payment for emergency room visits that don't result in an inpatient admission.

MEDICARE PRESCRIPTION DRUG COVERAGE

ADDS TO YOUR MEDICARE HEALTH COVERAGE

Medicare prescription drug coverage (Part D) helps you pay for both brand-name and generic drugs. Medicare drug plans are offered by insurance companies and other private companies approved by Medicare.

You can get coverage two ways:

1. **Medicare Prescription Drug Plans** (sometimes called "PDPs") add prescription drug coverage to **Original Medicare**, some **Medicare Private Fee-for-Service (PFFS) Plans**, some **Medicare Cost Plans**, and **Medicare Medical Savings Account (MSA) Plans**.
2. Some **Medicare Advantage Plans** (like HMOs or PPOs) or other **Medicare health plans** offer prescription drug coverage. You generally get all of your **Medicare Part A (Hospital Insurance)**, **Medicare Part B (Medical Insurance)**, and Part D through these plans. Medicare Advantage Plans that offer prescription drug coverage are sometimes called "MA-PDs".

COVERAGE GAP (DONUT HOLE)

Most Medicare drug plans have a coverage gap (also called the “donut hole”). The coverage gap begins after you and your drug plan together have spent a certain amount for covered drugs. In 2019, once you enter the coverage gap, you pay 25% of the plan’s cost for covered brand-name drugs, and 37% of the plan’s cost for covered generic drugs, until you reach he end of the coverage gap. Not everyone will enter the coverage gap, because their drug costs won’t be high enough.

These costs, (sometimes called true out-of-pocket, or “TrOOP” costs,) all **count** toward you getting out of the coverage gap:

- Your yearly deductible, coinsurance, and co-payments
- The discount you get on covered brand-name drugs in the coverage gap
- What you pay in the coverage gap

The drug plan premium and what you pay for drugs that aren't covered, **do not count** toward getting you out of the coverage gap.

Some plans offer additional cost-sharing reductions in the gap beyond the standard benefits, and discounts on brand-name and generic drugs, but they may charge a higher monthly premium. Check with the plan first to see if your drugs would have additional cost-sharing reductions while you’re in the gap.

CATASTROPHIC COVERAGE

Once you’ve met the out-of-pocket cost requirements of the coverage gap, (or threshold,) you automatically get “catastrophic coverage”. With catastrophic coverage, you only pay a reduced coinsurance amount or co-payment for covered drugs for the rest of the year.

CMS announces that Medicare Part B premiums for 2019 are increasing from $134 to $135.50 a month. For those higher income earners, the amounts are also going up across the board. See the announcement by visiting **CMS.gov**. Some other changes include the Part B deductible increasing from $183 in 2018 to the new $185 in 2019.

Beneficiaries who file Individual Tax Returns with income:	Beneficiaries who file Joint Tax Returns with income:	Income-Related Monthly Adjustment Amount:	Total Monthly Premium Amount:
≤ $85,000	≤ $170,000	$0.00	$135.50
> $85,000 and ≤ $107,000	> $170,000 and ≤ $214,000	$54.10	$189.60
> $107,000 and ≤ $133,500	> $214,000 and ≤ $267,000	$135.40	$270.90
> $133,500 and ≤ $160,000	> $267,000 and ≤ $320,000	$216.70	$352.20
> $160,000 and < $500,000	> $320,000 and < $750,000	$297.90	$433.40
≥ $500,000	≥ $750,000	$325.00	$460.50

Part A Deductible & Coinsurance Amounts for Calendar Years 2018 & 2019 by Type of Cost Sharing		
	2018	2019
Inpatient Hospital Deductible	$1,340	$1,364
Daily Coinsurance for 61st-90th Day	335	341
Daily Coinsurance for Lifetime Reserve Days	670	682
Skilled Nursing Facility Coinsurance	167.50	170.50

OPEN ENROLLMENT PERIOD (OEP) GUIDANCE DOCUMENT

OVERVIEW

The Medicare Open Enrollment Period (OEP) occurs annually from January 1st to March 31st. CMS has developed very specific marketing rules as pertains to the OEP. Plans/Part D sponsors are prohibited from knowingly targeting or sending unsolicited marketing materials to any MA enrollee, or Part D enrollee during the continuous OEP.

ENROLLMENT

During the MA OEP, MA plan enrollees may enroll in another MA plan, or dis-enroll from their MA plan and return to Original Medicare. Individuals may make only one election during the MA OEP. The effective date for an MA OEP election is the first of the month, following receipt of the enrollment request. The information below outlines who can use the MA OEP and when:

Who Can use the MA OEP:	When the OEP Occurs:
Individuals enrolled in MA plans as of January 1st	January 1st - March 31st
New Medicare beneficiaries who are enrolled in an MA plan during their ICEP	The month of entitlement to Part A and Part B – the last day of the 3rd month of entitlement

During the MA OEP, individuals may also add or drop Part D coverage. Individuals enrolled in either MA-PD, or MA-only plans can switch to:

- MA-PD
- MA-only
- Original Medicare, (with or without a stand-alone Part D plan)

NOTE: *The MA OEP does not provide an opportunity for an individual enrolled in Original Medicare to join a MA plan. It also does not allow for Part D changes for individuals enrolled in Original Medicare, including those enrolled in stand-alone Part D plans. The MA OEP is not available for those enrolled in Medicare Savings Accounts or other Medicare health plan types, (such as cost plans or PACE).*

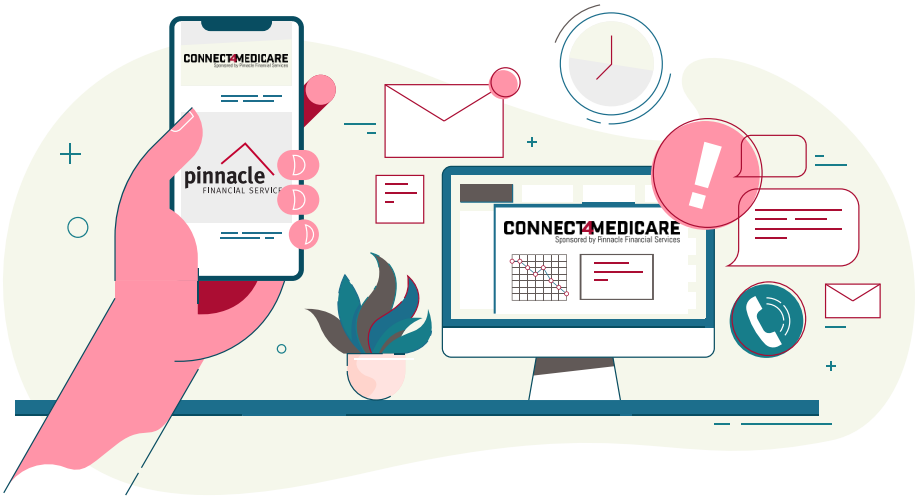
During OEP, Agents MAY	During OEP, Agents MAY NOT
Market to age-ins who have not yet made an enrollment decision	Knowingly target, or send unsolicited marketing materials, to any MA enrollee or Part D enrollee during the OEP. "Knowingly" takes into account the intended recipient as well as the content of the message.
Market the 5-star continuous enrollment SEP (if applicable)	Send unsolicited materials, referencing the OEP or advertising the ability to switch plans
Market to dual-eligible and LIS beneficiaries who may make changes once per calendar quarter during the first nine months of the year	Call or contact former enrollees who selected a new plan during the AEP
Send marketing materials when a beneficiary makes a proactive request	Target beneficiaries who are in the OEP due to making a choice during the AEP

CONNECT4MEDICARE

CLICK. QUOTE. ENROLL.

Ask about our new online enrollment system for Medicare Advantage, PDP, and Medicare Supplements.

Pinnacle Financial Services is excited to make available **Connect4Medicare**, an all-in-one tool for Medicare quoting, comparing, and enrollments. It is now available to all agents- free of charge!



Connect4Medicare will allow Medicare insurance agents to sell Medicare Advantage, Medicare Supplements, and Part D plans, all from one easy-to-use system.

This program was created by the same group that developed the Medicare.gov system:

- Look up Provider Directories and Formularies
- Compare Plans
- Add Prescription Drugs
- Enroll Electronically

AGENT SPECIFIC URL - NEW FOR 2019

Now you can add your **Connect4Medicare** client enrollment link to your website and online marketing. This will allow clients to click, compare, and enroll themselves in a plan. You'll receive credit for the sale *and* get paid.

Contact the Medicare experts at Pinnacle Financial Services today to see how we can make the process easier for you.

Dustin Ofsharick
Director of Sales - Health
dofsharick@pfsinsurance.com
1-800-772-6881 x7706