



Medicare

Ben Hudson

TRAINING DIRECTOR

**Indiana State Health Insurance
Assistance Program (SHIP)**

***a division of the Indiana Department of Insurance*

Medicare – What is it?

- Health insurance for people:
 - Age 65 and older
 - Under age 65 with certain disabilities
 - After 24-months on SS disability
 - Any age with End-Stage Renal Disease (ESRD)

A-B-C-D

Medicare has four parts

- **Part A** – Hospital Insurance
- **Part B** – Medical Insurance
- **Part C** – Medicare Advantage Plans
- **Part D** – Prescription Drug Coverage

**Minimum Coverage
Once Eligible***

Must have*:

Original Medicare -Part A
-Part B
&
-Part D or other creditable drug
insurance.

*Medicare enrollment can be
delayed if covered under you (or
your spouse's) employer group
health from a company larger than
20 employees (100 employees if on
Medicare due to disability).

“Option 1”

Must have:

Original Medicare
-Part A
-Part B
&
-Part D or other creditable drug
insurance.

Optional:

Medicare Supplement (Medigap)
or other type of secondary
insurance coverage

“Option 2”

Medicare Advantage Plan (MA)

Must be enrolled into Medicare Part A
and B (benefits provided by Advantage
plan)*

Most plans will include a Part D plan
built-in**.

*Enrolling in a Medicare Advantage plan satisfies
the “Minimum coverage once eligible” as long as it
includes Part D or the beneficiary has creditable
drug coverage

**If you choose a plan without Part D, you will need
to have creditable drug insurance from outside of
Medicare.

WHEN TO ENROLL IN MEDICARE

- You can first enroll during your Initial Enrollment Period (IEP), which lasts 7 months



- **Note:** Can enroll in *premium-free* Part A anytime after IEP begins
- Can only enroll in Part B (and premium Part A) during IEP and other limited times
- May have a lifetime penalty if you don't enroll during IEP
 - or **Special Enrollment Period (after retirement)**
- **Reminder:** You can postpone Medicare if you have insurance from a company larger than 20 employees.

Coordination of Benefits- Employer Insurance

If covered by a Large GHP at 65 years old (or older), you can:

- Delay Medicare enrollment completely
- Keep employer insurance and Sign Up for Medicare Part A only.
- Keep employer insurance and sign Up for Medicare Part A and B
- Disenroll from employer plan and sign up for Medicare A & B
- **NOTE:** Can enroll into Medicare anytime while covered by a Large GHP or up to 8-months after retirement.



Medicare and Employer Insurance

- Can sign up for Medicare **anytime** while actively working and covered by a Large GHP
- Beneficiary also receives an 8-month Special Enrollment Period (**SEP**) to enroll into Medicare when GHP coverage ends or active work stops - whichever happens first
- It is recommended that you apply for Medicare about 60 days prior to loss of Large Group Health Plan (GHP).
 - Can choose which month your coverage begins
 - Can disenroll from Medicare anytime you're covered by a large GHP in the future
- Do not have to be retired to get Medicare

Original Medicare-Costs

COSTS:

- **Part A** - free for most people
- **Part B** premium in 2024-**\$174.70/mo (possibly higher dependent on income)**
- **Part D** national average of \$35.37; As low as \$0/mo.
- Medicare Supplement: Plan (G)
 - **\$100-\$165, avg of \$125** at age 65 in **Guaranteed Issue Period**

Go to any provider that accepts Medicare in USA

Medicare Advantage vs. Medigap

- Medigap Plans:

- **Usual candidate:**

- Someone coming into Medicare with preexisting conditions and high medical costs
 - Someone not wanting to take the risk of high medical costs due to future diagnosis
 - Spend part of the year in a different part of the country and want the ability to see any Doctor that accepts Medicare.
 - Willing to pay higher monthly costs, in return have lower bills

Advantage Plan-Costs

COSTS:

- Still pay Medicare Part B premium, **\$174.70/mo**
- **\$0/mo extra to the insurance company for many plans**
- Additional Copays and Co-insurance
 - Use in-network providers to receive best pricing—not all plans cover out-of-network
 - Out-of-pocket maximum up to **\$8,850 in-network, Avg. \$5100**

Most plans will include additional benefits: Part D coverage, dental, vision, hearing, Silver Sneakers, transportation, OTC stipend,

Medicare Advantage vs. Medigap

- **Advantage Plans:**
 - **Usual candidate**
 - Someone who comes onto Medicare healthy and does not go to the doctor or hospital often.
 - Assume they will continue to be healthy in the future
 - Financially cannot afford to pay high monthly premiums associated with Orig. Medicare and a Supplement OR find limited personal value in having a supplement.
 - Willing to stay in a smaller network of Doctors and Hospitals

DEDUCTIBLE PHASE	INITIAL COVERAGE PHASE	COVERAGE GAP (Donut Hole)	CATASTROPHIC COVERAGE PHASE
<p>You will Pay...</p> <p>Up to \$505/year</p>	<p>You will Pay...</p> <p>A copay (\$) or a coinsurance (%) usually 25% or less of the retail cost of the drug.</p>	<p>You will Pay...</p> <p>25% of the retail cost for both Generic drugs and Brand Name drugs.</p>	<p>You will Pay...</p> <p>\$0 for all drugs, the remainder of the year</p>
<p>\$505 is the maximum deductible a plan can charge; some plans may have a lower deductible or even no deductible at all.</p> <p>A deductible is an amount you owe before the insurance plan pays anything.</p> <p><i>**Many plans will not make you pay towards the deductible for Tier 1 and Tier 2 prescriptions</i></p>	<p>If the total retail cost of all your drugs after one or more refills in the year reaches \$4,660 then you will move to the next phase, the coverage gap.</p>	<p>You will continue to pay a full 25% until you reach another limit of \$7,400 True Out of Pocket Cost (TrOOP).</p> <p><i>**Within this limit are costs shared by you, the plan, and the pharmaceutical manufacturers. Your share will average around \$3400 of this limit to leave the coverage gap.</i></p>	<p>Once you reach Catastrophic Coverage you will pay nothing for your covered drugs until 12/31</p>

All forms of insulin, covered by the Part D plan's formulary, will be \$35/refill through all phases and not subject to the deductible.

NEW FOR PART D

2023

\$35/refill cap for plan covered insulins

\$0 copay for adult recommended vaccines through Part D (i.e. Shingles)

2024

\$0 copay once you reach catastrophic coverage

2025

\$2000 Part D max out-of-pocket and ability to pay your drug copays in monthly installments instead of directly at the pharmacy. NO DONUT HOLE!



Medicare Open Enrollment

- **Fall Open Enrollment**
 - *October 15th-December 7th*
- **Can make changes to your Medicare Plans, such as:**
 - Switch from an Advantage Plan back to Original Medicare
 - Switch from Orig. Medicare to an Advantage Plan
 - Pick a new Part D plan
 - Enroll for a Part D plan for the first time

Medicare Advantage Open Enrollment Period

- Enrollment Period for individuals that have an Advantage Plan as of Jan. 1st
- **January 1st-March 31st**, beneficiary can:
 - Drop their Advantage Plan and go to Original Medicare
 - Pick up a Part D plan during this period but no “guaranteed issue” for a Medigap
 - Drop their current Advantage Plan and join a new Advantage Plan.
- One only change can be made during this period and your new plan will begin the first day of the next month after enrollment.

FOR MORE INFORMATION

- I-800-MEDICARE (I-800-633-4227)
 - TTY users should call I-877-486-2048
- *Medicare & You 2025* handbook
- www.medicare.gov
- www.cms.hhs.gov
- Indiana SHIP telephone: I-800-452-4800

CONTACT INFO

Ben Hudson, Training Director
317-437-0366
bhenriquezhudson@idoi.in.gov