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*Indiana State Health Insurance*  
*Assistance Program*

\*A Division of the Department of Insurance

**MEDICARE 2020-2021**

**BEN HUDSON, SHIP TRAINING DIRECTOR**

# Medicare – What is it?

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- 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

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Medicare has four parts

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

# Coordination of Benefits- Employer Insurance

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

- Delay Medicare enrollment completely.
- Sign Up for Medicare Part A and B (Medicare will pay secondary)
- Sign Up for Medicare Part A only.
- Disenroll from employer plan and sign up for Medicare A & B

**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**

**Original Medicare**

- Part A
- Part B
- Part D

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.

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

# Original Medicare-Costs

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- Go to any provider that accepts Medicare in USA

## COSTS:

- **Part A** - free for most people
- **Part B** premium in 2020 **\$144.60**
- **Part D** average of \$32.74
- Medicare Supplement Plan (G)
  - **\$100-\$165, avg of \$125** at age 65 in **Guaranteed Issue Period**

# Medicare Advantage vs. Medigap

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- **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

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## COSTS:

- Monthly premium varies from company to company
- **\$0/mo** plans available
- Most enroll into plans less than **\$35/mo**
- Still pay Medicare Part B premium, **\$144.60**
- Out-of-pocket maximum up to **\$6700, Avg. \$5100**
- Additional Copays and Co-insurance
  - Use in-network providers to receive best pricing

# Medicare Advantage vs. Medigap

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- 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.
    - Willing to stay in a smaller network of Doctors and Hospitals

# Medicare Advantage for ESRD



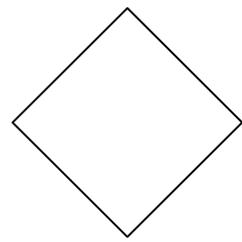
# Medicare Advantage for ESRD

- Currently, individuals with ESRD and on Medicare are **unable** to sign up for MA plans.
- Many ESRD beneficiaries are left to sign up for:
  - Original Medicare only (A & B)—Limited supplements available to under 65
  - Continue with employer plans, if possible
  - Marketplace plans
  - Medicaid/Medicaid waiver, if possible
- Not having an Advantage plan available could leave an ESRD beneficiary with significant medical bills

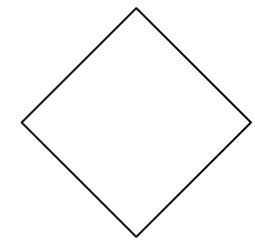
# Medicare Advantage for ESRD

- **Starting in January 2021:**
- ESRD Medicare beneficiaries will be allowed to enroll into Medicare Advantage plans available in their area.
- **What we know:**
- These beneficiaries will be able to enroll in any MA plan sold in their zip code without additional cost for premiums, additional max out-of-pockets or additional requirements for enrollment.
- ESRD beneficiaries can enroll using the Medicare.gov Plan Finder or contact the insurance company online or by phone or sign up with a trusted agent.
- Enroll in 2021 plans during Fall OEP or other SEP's throughout the year.

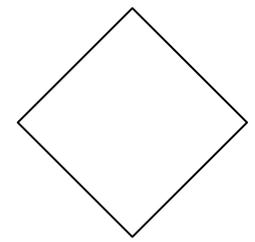
# Indiana Senate Bill 392: “Tammy’s Law”



Current Guidelines  
for Medigap Under  
65



New Law  
Guidelines



How does this  
effect a  
beneficiary?

# Tammy's Law Overview and Update

Starting July 1st, 2020 all Medigap companies selling supplements to beneficiaries over 65 MUST also **“Make Available”** plan A to individuals under 65.

Plans and prices can be found at [in.gov/idoi/Medigap](https://www.in.gov/idoi/Medigap)

Also at: 1-800-Medicare, online at [Medicare.gov](https://www.Medicare.gov)

Prices are currently ranging from **~\$200-700/mo** for most zip codes

# Tammy's Law: Reminders

- Companies only must make the plan A “available”. No requirement for company to sell the plan
- Under 65 beneficiaries have no Guaranteed Issue for enrollment
- Will be provided with a 6-month guaranteed enrollment period (Medigap OEP) once they turn 65
- Prices vary greatly and phone calls to the insurance companies will be best for exact pricing
- “You don’t get what you don’t ask for”

# Part B Enrollment

**If you are already enrolled in Medicare Part A and you want to enroll in Part B**, please complete form [CMS-40B](#), Application for Enrollment in Medicare – Part B (medical insurance). If you are applying for Medicare Part B due to a loss of employment or group health coverage, you will also need to complete form [CMS-L564](#), Request for Employment Information.

You have three options to submit your enrollment request under the Special Enrollment Period. You can do **one** of the following:

1. Go to "[Apply Online for Medicare Part B During a Special Enrollment Period](#)" and complete [CMS-40B](#) and [CMS-L564](#). Then upload your evidence of Group Health Plan or Large Group Health Plan.
  2. Fax your forms to [1-833-914-2016](tel:1-833-914-2016).
  3. Mail your [CMS-40B](#), [CMS-L564](#), and evidence to your [local Social Security field office](#).
- **Note:** When completing the CMS-L564: State, "I want Part B coverage to begin (MM/YY)" in the remarks section of the CMS-40B form or online application.
  - If your employer is unable to complete Section B, please complete that portion as best as you can on behalf of your employer without your employer's signature.
  - Also submit **one** of the following forms of secondary evidence:
    - Income tax returns that show health insurance premiums paid.
    - W-2s reflecting pre-tax medical contributions.
    - Pay stubs that reflect health insurance premium deductions.
    - Health insurance cards with a policy effective date.
    - Explanations of benefits paid by the GHP or LGHP.
    - Statements or receipts that reflect payment of health insurance premiums.

# Medicare Open Enrollment

- Fall Open Enrollment
  - *October 15<sup>th</sup>-December 7<sup>th</sup>*
- 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

- Special Enrollment Period for individuals that have an Advantage Plan on Jan. 1<sup>st</sup>
- **January 1<sup>st</sup>-March 31<sup>st</sup>**, 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 2021* handbook
- [www.medicare.gov](http://www.medicare.gov)
- [www.cms.hhs.gov](http://www.cms.hhs.gov)
- Indiana SHIP telephone: I-800-452-4800

## CONTACT INFO

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