

Making Effective Medicare Transitions

Presentation by Shanon Wood-Hajali



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Medicare Basics

- ▶ What is Medicare?
 - ▶ Medicare is coverage for those age 65 and older
 - ▶ Helps those under 65 with certain disabilities
 - ▶ People of any age with End Stage Renal Disease
 - ▶ Permanent kidney failure requiring kidney dialysis or kidney transplant
 - ▶ Run by the Federal Government

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Medicare Basics



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Parts of Medicare

A

- ▶ What is Part A?
- ▶ Helps cover:
 - ▶ Inpatient care in Hospitals
 - ▶ Skilled Nursing Facility
 - ▶ Hospice
 - ▶ Some Home Health Care



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Parts of Medicare B

► What is Part B?

► Helps cover:

- Doctors' Services
- Outpatient care
- Certain Home Health Services



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Parts of Medicare (continued) Premiums Involved

► Part A \$0 Premium if eligible

10 years of employment

- If short on quarters, you can be charged up to \$437 each month
- If you have 30-39 quarters, you are charged \$240 per month



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Parts of Medicare (continued) Premiums Involved

- ▶ What is the monthly premium for Part B?
- ▶ Part B Premium may be higher based on income.

2020 Medicare's Trustees
Projection Report:

The Standard Part B premium may
increase to \$144.30 per month

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Parts of Medicare (continued) Premiums

- ▶ Part B Penalty for Late Enrollment
 - ▶ 10% penalty for each 12-month period
 - ▶ Exception: Creditable Coverage
 - ▶ i.e. Employer Group Coverage
 - ▶ COBRA is not creditable - eight-month window to enroll



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COBRA

- ▶ A Federal law that may allow you to temporarily keep health coverage after your employment ends, you lose coverage as a dependent of the covered employee, or another qualifying event. If you elect COBRA (Consolidated Omnibus Budget Reconciliation Act) coverage, you pay 100% of the premiums, including the share the employer used to pay, plus a small administrative fee.



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Enrolling in
Part B late
due to having
coverage
from active
employment?



DON'T FORGET!

- ▶ Don't forget
your L-564

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

Form Approved
OMB NO. 0938-0707

REQUEST FOR EMPLOYMENT INFORMATION

SECTION A: To be completed by individual signing up for Medicare Part B (Medical Insurance)

1. Employer's Name _____ 2. Date _____ / _____ / _____

3. Employer's Address _____

City _____ State _____ Zip Code _____

4. Applicant's Name _____ 5. Applicant's Social Security Number _____

6. Employee's Name _____ 7. Employee's Social Security Number _____

SECTION B: To be completed by Employers

For Employer Group Health Plans ONLY:

1. Is (or was) the applicant covered under an employer group health plan? ☐ Yes ☐ No

2. If yes, give the date the applicant's coverage began: (mm/yyyy) _____ / _____ / _____

3. Has the coverage ended? ☐ Yes ☐ No

4. If yes, give the date the coverage ended: (mm/yyyy) _____ / _____ / _____

5. When did the employee work for your company?

From: (mm/yyyy) _____ / _____ / _____ To: (mm/yyyy) _____ / _____ / _____ Still Employed: (mm/yyyy) _____ / _____ / _____

6. If you are a large group health plan and the applicant is disabled, please list the timeframe (all months) that your group health plan was primary payer.

From: (mm/yyyy) _____ / _____ / _____ To: (mm/yyyy) _____ / _____ / _____

For Hours Bank Arrangements ONLY:

1. Is (or was) the applicant covered under an Hours Bank Arrangement? ☐ Yes ☐ No

2. If yes, does the applicant have hours remaining in reserve? ☐ Yes ☐ No

3. Date reserve hours ended or will be used? (mm/yyyy) _____ / _____ / _____

All Employers:

Signature of Company Official _____ Date Signed _____ / _____ / _____

Title of Company Official _____ Phone Number _____ / _____ / _____

According to the Paperwork Reduction Act of 1995, no person is required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information is 0938-0707. The time required to complete this information collection is estimated to average 15 minutes per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, MD 21244-1850.

Form CMS-1041-04 (OMB 0938-0707) 06/00

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Advisors - your advice can make a big difference



- ▶ If you're near the income cutoff, be careful about financial moves that could increase your adjusted gross income and make you subject to the surcharge, such as rolling over a traditional IRA to a Roth or making big withdrawals from tax-deferred retirement accounts. To stay below the limits, you may want to spread your Roth conversions over several years or withdraw money from Roths rather than just from tax-deferred accounts.

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Contesting the High-Income Surcharge for the Year You Retire

- ▶ You may be able to get the surcharge reduced if your income has dropped since then because of certain life-changing events, such as marriage, divorce, death of a spouse, retirement or a reduction in work hours. In that case, you can ask Social Security to use more recent income information instead (you'll need to provide evidence of the life-changing event, such as a signed statement from your employer that you retired).

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Parts of Medicare (continued)

Part B Premiums & IRMAA

2019 Medicare Part B Total Premiums			
File Individual Tax Return	File Joint Tax Return	Monthly Adjustment	You Pay Each Month (in 2019)
\$85,000 or less	\$170,000 or less	\$0	\$135.50
Above \$85,000 up to \$107,000	Above \$170,000 up to \$214,000	\$54.10	\$189.60
Above \$107,000 up to \$133,500	Above \$214,000 up to \$267,000	\$135.40	\$270.90
Above \$133,500 up to \$160,000	Above \$267,000 up to \$320,000	\$216.70	\$352.20
Above \$160,000 up to \$500,000	Above \$320,000 up to \$750,000	\$297.90	\$433.40
Above \$500,000	Above \$750,000	\$325.00	\$460.50

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Medicare Deductibles, Copays, Coinsurance

- ▶ Original Medicare Cost-Sharing Amounts
 - ▶ Part A (Hosp.) - \$1,364 deductible and no coinsurance for days 1-60
 - ▶ \$341 per day, days 61-90
 - ▶ \$682 per lifetime reserve day after day 90
 - ▶ Part B (Medical) - \$185 deductible
 - ▶ Part B Coinsurance - 20 %
 - ▶ There is no yearly limit on what you pay out of pocket.

2020 Medicare's Trustees
Projection Report:

The Part B deductible may
increase to \$197.

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Medicare Deductibles, Copays, Coinsurance

► Skilled Nursing

- \$0 for the first 20 days
- \$170.50 per day, days 21-100
- All cost each day after day 100



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Preventive Services

- Beneficiaries will have no cost-sharing for most preventive services.
- Preventive Services include:
 - **One-time “Welcome to Medicare” physical exam**
 - **Annual wellness visit after 12 mos. enrolled in Part B**
 - Immunizations -pneumococcal, hepatitis B, annual flu shot
 - Abdominal aortic aneurysm screening -one time, with referral
 - Alcohol misuse screening -every 12 months for certain individuals
 - Bone mass measurement -every 24 months for certain conditions
 - Cardiovascular screening blood tests -every five years for all persons

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Preventive Services (cont.)

- ▶ Colorectal cancer screening -four different tests, vary in frequency
- ▶ Depression Screening -every 12 months
- ▶ Diabetes screenings -up to two per year for those with risk factors
- ▶ Diabetes self-management training -for persons with diabetes
- ▶ Glaucoma testing -once per year for those at high risk
- ▶ HIV Screening
- ▶ Intensive Behavioral Therapy for Cardiovascular Disease -one face-to-face visit annually in a primary care setting
- ▶ Mammogram (Breast Cancer Screening) -annual screening for most women
- ▶ Medical nutrition therapy -for those with diabetes/kidney disease or kidney transplant

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Preventive Services (cont.)

- ▶ Obesity Screening and counseling -for certain individuals
- ▶ **Pap test and pelvic examination -every 24 mos. for all women; every 12 mos. for those at high risk**
- ▶ Prostate cancer screening -every 12 mos. for men over age 50
- ▶ Screening for Sexually Transmitted Infections (STIs) and High Intensity Behavioral Counseling to Prevent STIs -for certain individuals
- ▶ Smoking cessation counseling -for any illness related to tobacco use

http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/Downloads/mps_guide_web-061305.pdf

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Parts of Medicare (continued)

- **What is Part C?**

- A health coverage option run by private insurance companies under contract with Medicare
 - Part C is **not** the same as a Medicare Supplement
- Includes Part A, Part B, and usually Prescription Drugs
- Part C Annual Enrollment Season Oct. 15th - Dec. 7th
- New Out of Pocket Maximum - \$6700



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Medicare Part C (cont.)

- ▶ Health Maintenance Organization (HMO)
 - ▶ A Medicare Advantage Plan that must cover all Part A and Part B health care. In most HMOs, you can only go to doctors, specialists, or hospitals in the plan's network except in an Emergency.



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Medicare Part C (cont.)

- ▶ Preferred Provider Organization (PPO)
 - ▶ A Medicare Advantage Plan available in a local or regional area in which you pay less if you use doctors, hospitals, and providers that belong to the network. You can use doctors, hospitals, and providers outside of the network for an additional cost.



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What is Medicare Part D?

- Prescription Drug option created in 2006
 - Run by private insurance companies
 - Approved by and under contract with Medicare
 - Helps **cover** the cost of prescription drugs
 - Part D Annual Enrollment Season Oct. 15th - Dec. 7th
 - Late Enrollment Penalty (LEP) Applies 1% of the National Average Premium (\$33.19 for 2019)
 - Exceptions to LEP include Creditable Coverage & Extra Help



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2019 Part D Plan Design

- ▶ Part D Premium
 - ▶ Varies by plan
- ▶ Part D Deductible
 - ▶ \$415 annually
- ▶ \$3,820 - Initial Coverage
 - ▶ Your plan is designed to pay 75% until your total yearly drug cost reaches \$3,820; then you pay:
 - ▶ 25% for brand names and 37% for generics until you spend \$5,100
- ▶ Catastrophic Coverage
 - ▶ After you have paid \$5,100, you will pay the greater of:
 - ▶ \$3.40 for generics, \$8.50 for brands, or 5% of the cost of your drug

What is this “Donut hole” you speak of?



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2020 Part D Plan Design

- ▶ Part D in 2020
 - ▶ Premiums will continue to vary by plan
- ▶ Part D Deductible
 - ▶ \$435 annually
- ▶ \$4,020 - Initial Coverage
 - ▶ Your plan is designed to pay 75% until your total yearly drug cost reaches \$4,020; then you pay:
 - ▶ 25% for brand names and 25% for generics until you spend \$6,350
- ▶ Catastrophic Coverage
 - ▶ After you have paid \$6,350, you will pay the greater of:
 - ▶ \$3.60 for generics, \$8.95 for brands, or 5% of the cost of your drug

I don't get it!



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Parts of Medicare (continued)

• Part D - High Income Earners Pay Extra

If your filing status and yearly income in 2017 was

File individual tax return	File joint tax return	File married & separate tax return	You pay each month (in 2019)
\$85,000 or less	\$170,000 or less	\$85,000 or less	your plan premium
above \$85,000 up to \$107,000	above \$170,000 up to \$214,000	not applicable	\$12.40 + your plan premium
above \$107,000 up to \$133,500	above \$214,000 up to \$267,000	not applicable	\$31.90 + your plan premium
above \$133,500 up to \$160,000	above \$267,000 up to \$320,000	not applicable	\$51.40 + your plan premium
above \$160,000 and less than \$500,000	above \$320,000 and less than \$750,000	above \$85,000 and less than \$415,000	\$70.90 + your plan premium
\$500,000 or above	\$750,000 and above	\$415,000 and above	\$77.40 + your plan premium

Part D

Beginning in 2011 Part D enrollees, whose incomes exceed the same threshold that apply to higher income Part B enrollees to pay a monthly adjustment amount.

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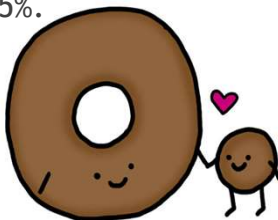
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The Future of Part D

► Is the Part D coverage gap going away?

Among the provisions of the Affordable Care Act were plans to slowly *close the coverage gap by 2020.

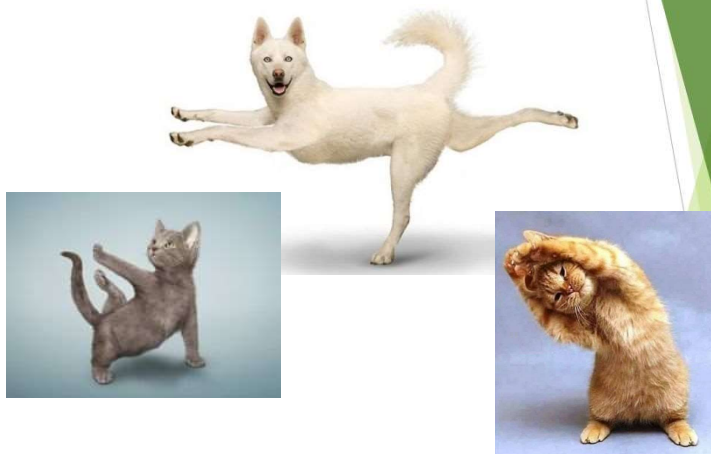
- *The original plan was to eventually reduce to where you pay 20% of the plan's cost, but for now, we're still at 25%.



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Alternative to Part C Are You Looking for More Flexibility?



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Alternative to Part C

- ▶ Medicare Supplement Plans (Medigaps)
- ▶ Allow you the freedom to choose your own doctors
- ▶ Although you pay a monthly premium, many find their annual out of pocket cost is lower than Part C.
- ▶ Does not include Rx coverage; Separate Stand-alone Part D plan is optional
- ▶ If you are not “NEW” to Medicare, medical underwriting may apply

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Medicare Supplements

• “Medigap” Plan Options



Medigap Benefits Chart	Plan A	Plan B	Plan C	Plan D	Plan F	Plan G	Plan K	Plan L	Plan M	Plan N
Medicare Part A Coinsurance & Hospital Costs (Up to an additional 365 days after Medicare benefits are used) are used up	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Medicare Part B Coinsurance or Copayment	100%	100%	100%	100%	100%	100%	50%	75%	100%	*** 100%
Blood (First 3 Pints)	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
Part A Hospice Care Coinsurance or Copayment	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
Skilled Nursing Facility Coinsurance	✕	✕	100%	100%	100%	100%	50%	75%	100%	100%
Medicare Part A Deductible	✕	100%	100%	100%	100%	100%	50%	75%	50%	100%
Medicare Part B Deductible	✕	✕	100%	✕	100%	✕	✕	✕	✕	✕
Medicare Part B Excess Charges	✕	✕	✕	✕	100%	100%	✕	✕	✕	✕
Foreign Travel Emergency (up to plan limits)	✕	✕	80%	80%	80%	80%	✕	✕	80%	80%
										** Out of Pocket Limit \$5,560 \$2,780

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Medicare Supplements

• Can Medigap carriers ask you Health Questions?

This chart describes the situations that give you a right to buy a policy, the kind of policy you can buy, and when you can or must apply for it.

You have a guaranteed issue right if...	You have the right to buy...	You can/must apply for a Medigap policy...
You're in a Medicare Advantage Plan, and your plan is leaving Medicare or stops giving care in your area, or you move out of the plan's service area.	Medigap Plan A, B, C, F, K, or L that's sold in your state by any insurance company. You only have this right if you switch to Original Medicare rather than join another Medicare Advantage Plan.	As early as 60 calendar days before the date your health care coverage will end, but no later than 63 calendar days after your health care coverage ends. Medigap coverage can't start until your Medicare Advantage Plan coverage ends.
You have Original Medicare and an employer group health plan (including retiree or COBRA coverage) or union coverage that pays after Medicare pays and that plan is ending. Note: In this situation, you may have additional rights under state law.	Medigap Plan A, B, C, F, K, or L that's sold in your state by any insurance company. If you have COBRA coverage, you can either buy a Medigap policy right away or wait until the COBRA coverage ends.	No later than 63 calendar days after the latest of these 3 dates: 1. Date the coverage ends 2. Date on the notice you get telling you that coverage is ending (if you get one) 3. Date on a claim denial, if this is the only way you know that your coverage ended

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Medicare Supplements

• Can Medigap carriers ask you Health Questions?

You have a guaranteed issue right if...	You have the right to buy...	You can/must apply for a Medigap policy...
(Trial Right) You joined a Medicare Advantage Plan or Programs of All-inclusive Care for the Elderly (PACE) when you were first eligible for Medicare Part A at 65, and within the first year of joining, you decide you want to switch to Original Medicare.	Any Medigap policy that's sold in your state by any insurance company.	As early as 60 calendar days before the date your coverage will end, but no later than 63 calendar days after your coverage ends. Note: Your rights may last for an extra 12 months under certain circumstances.
(Trial Right) You dropped a Medigap policy to join a Medicare Advantage Plan (or to switch to a Medicare SELECT policy) for the first time, you have been in the plan less than a year, and you want to switch back.	The Medigap policy you had before you joined the Medicare Advantage Plan or Medicare SELECT policy, if the same insurance company you had before still sells it. If your former Medigap policy isn't available, you can buy Medigap Plan A, B, C, F, K, or L that's sold in your state by any insurance company.	As early as 60 calendar days before the date your coverage will end, but no later than 63 calendar days after your coverage ends. Note: Your rights may last for an extra 12 months under certain circumstances.
Your Medigap insurance company goes bankrupt and you lose your coverage, or your Medigap policy coverage otherwise ends through no fault of your own.	Medigap Plan A, B, C, F, K, or L that's sold in your state by any insurance company.	No later than 63 calendar days from the date your coverage ends.

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Our Territory



► Texas

► Other states:

Alabama, Arizona, Arkansas, Colorado, Florida, Georgia, Illinois, Kansas, Michigan, Minnesota, Nebraska, North Carolina, Oklahoma, Oregon, and Tennessee

► Phone, Email, Snail Mail, etc.



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How to Contact us

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