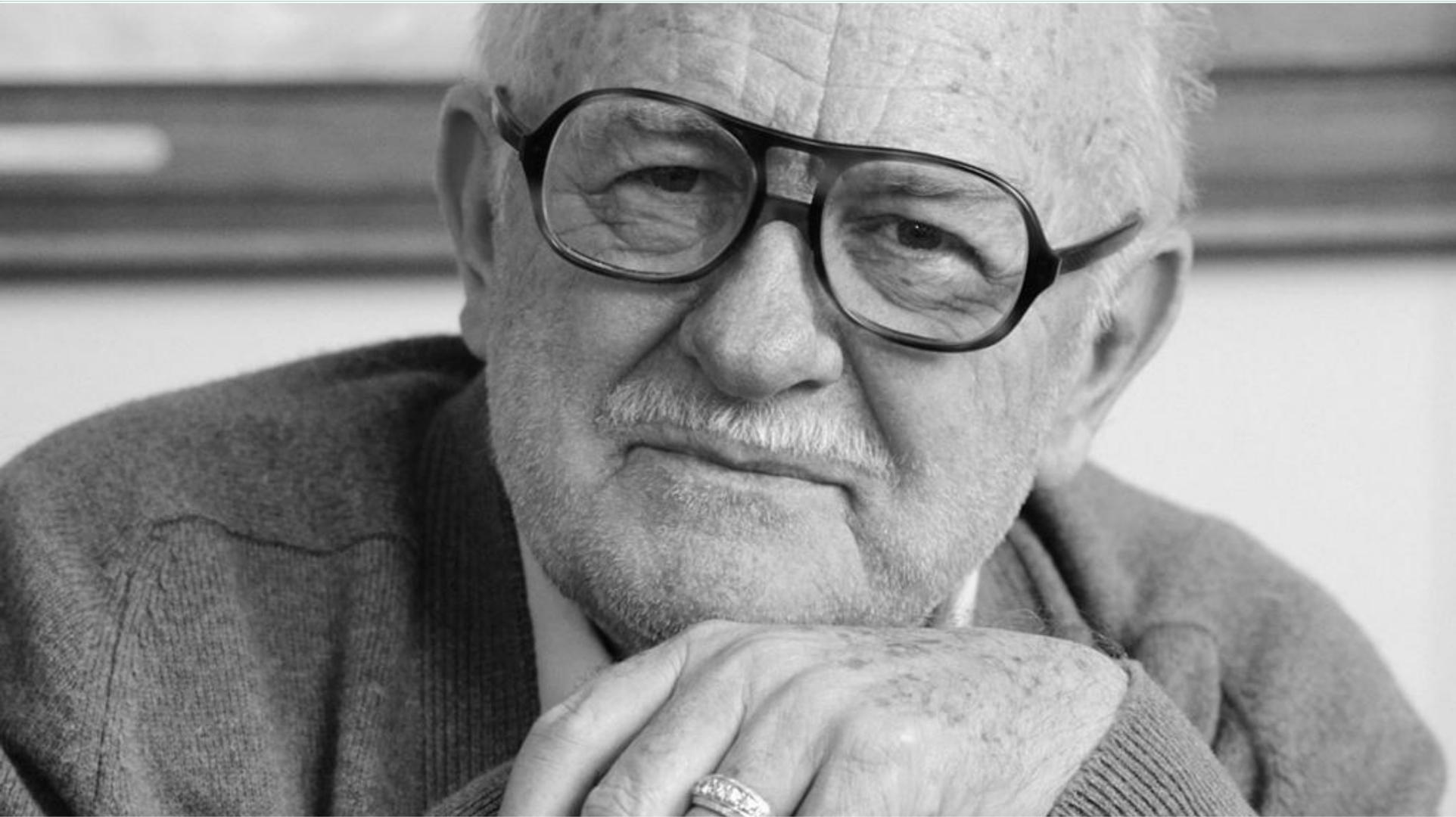


2012 Medicare Basics



Nebraska Senior Health Insurance Information Program

What Is Medicare?

- Federal Health Program Created in 1965
 - Persons 65 years of age or older
 - Persons receiving Social Security Disability benefits
 - Eligible after you have been on SSA disability for 2 years
 - Persons with End-Stage Renal Disease (ESRD)

| MEDICARE | | HEALTH INSURANCE | |
|--------------------------------------|--|------------------|--|
| HEALTH CARE FINANCING ADMINISTRATION | | | |
| NAME OF BENEFICIARY | | | |
| Jane Doe | | | |
| MEDICARE CLAIM NUMBER | | SEX | |
| 123-45-6789-A | | FEMALE | |
| IS ENTITLED TO | | EFFECTIVE DATE | |
| HOSPITAL (PART A) | | 01-01-1992 | |
| MEDICAL (PART B) | | 01-01-1992 | |
| SIGN HERE → _____ | | | |

1. Carry your card with you when you are away from home.
2. Let your hospital or doctor see your card when you require hospital, medical or health services under **Medicare**.
3. Get in touch with your social security office if you have questions about your rights under **Medicare**.
4. Your card is good wherever you live in the United States.

WARNING: Issued only for the use of the named beneficiary. Intentional misuse of this card is unlawful and will make the offender liable to penalty.

PROPERTY OF UNITED STATES GOVERNMENT.
IF FOUND DROP IN NEAREST U.S. MAIL BOX.

HEALTH CARE FINANCING ADMINISTRATION
Baltimore, MD 21244-1850

Form HCFA-1966 (01/1999)

The Parts of Medicare

Part A:
Hospital

Part B:
Medical

Part C:
Medicare
Advantage

Part D:
Prescription
Drugs

Part A Covered Services

- Inpatient Hospital Stays
- Skilled Nursing Facility (SNF) Care
- Home Health Care
- Hospice Care



2012 Part A Monthly Premiums

- Part A premiums are based on quarters of Social Security work credit you or your spouse have earned
- About 99% of Medicare beneficiaries pay nothing for Part A
 - **40 quarters or more = FREE**
 - 30-39 quarters = \$248 per month
 - Less than 30 = \$451 per month

Costs per Benefit Period

- Inpatient hospital stay cost per benefit period
 - \$1,156 for a hospital stay of 1-60 days
 - Renewable each new benefit period
 - \$289 per day for days 61-90
 - Renewable each new benefit period
 - \$578 per day for days 91-150
 - Days 91-150 are “Lifetime Reserve Days”
 - Can be used only once, non-renewable
 - All costs for each day beyond 150 days
 - Blood deductible -- first three pints



* Benefit period begins the day you go to a hospital and ends when you haven't received any inpatient hospital care for 60 days in a row.

The Parts of Medicare

Part A:
Hospital

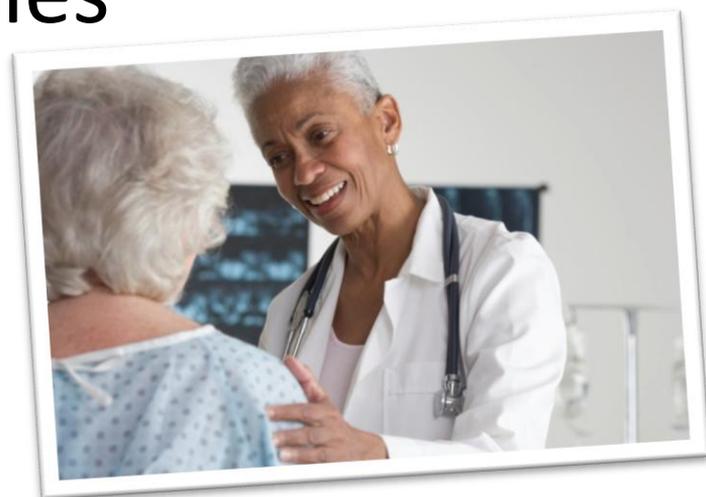
Part B:
Medical

Part C:
Medicare
Advantage

Part D:
Prescription
Drugs

Part B Covered Services

- Doctors' Services
- Outpatient Hospital Visits
- Emergency Room Visits
- Durable Medical Equipment
- Other Services & Supplies



2012 Part B Monthly Premiums

| Beneficiaries who file an individual tax return with income: | Beneficiaries who file a joint tax return with income: | Total monthly premium amount: |
|---|---|--------------------------------------|
| Less than or equal to \$85,000 | Less than or equal to \$170,000 | \$99.90 |
| Between \$85,000-\$107,000 | Between \$170,000-\$214,000 | \$139.90 |
| Between \$107,000-\$160,000 | Between \$214,000-\$320,000 | \$199.80 |
| Between \$160,000-\$214,000 | Between \$320,000-\$428,000 | \$259.70 |
| Greater than \$214,000 | Greater than \$428,000 | \$319.70 |

Beneficiary Costs

- 2012 Annual Deductible - \$140
- Coinsurance amounts
 - 20% of Medicare-approved amount for physician services
 - 45% of Medicare-approved amount for outpatient mental health services; set co-payment amount for hospital outpatient services
- Excess Charges
 - This is the difference between what your doctor charges and what Medicare pays
 - Generally limited to 15% over Medicare-approved amount
 - Exceptions: durable medical equipment, flu shots & some drugs
- Non-covered Items
 - Beneficiary is responsible for full cost of non-covered items



Enrolling in Medicare Part A and B

- Initial enrollment
 - 7 months beginning 3 months before age 65
- Special Enrollment
 - 8 months following the end of employer or union group health plan coverage
 - ***No penalty for delay***
- General enrollment
 - January - March each year, your Part B will then become effective on July 1 of that year
 - ***10% penalty for each year enrollment is delayed***

The Parts of Medicare

Part A:
Hospital

Part B:
Medical

Part C:
Medicare
Advantage

Part D:
Prescription
Drugs

Part D Covered Services

- Prescription drugs only
 - No over-the-counter drugs
- Brand-name drugs
- Generic drugs
- Medical supplies associated with injection of insulin
 - Syringes, needles, alcohol swabs, gauze
 - Lancets and test strips covered by Medicare Part B



2012 Costs and Coverage

- There are 33 different Part D Plans in Nebraska for 2012
 - Premiums range from \$15.10- \$106.50
 - Deductibles range from \$0-320
 - Plans charges for premiums, deductibles and co-pays
 - Plans decide what drugs to cover and how they will be covered



Doughnut Hole

- What is the Doughnut Hole?
 - The doughnut hole is an annual period during which you pay a much larger portion of prescription costs
 - All Medicare Drug Plans have a doughnut hole built in
 - Also called the Coverage Gap



Coverage Levels

BASIC STANDARD COVERAGE 2012

| Drug Costs | | You Pay | Plan Pays | Your Out-Of-Pocket Costs |
|-----------------------------|-----------------|-------------------------------|---|---|
| Deductible | \$320 | 100% (up to \$320) | \$0 | \$320 |
| Initial Coverage | \$320-\$2,930 | 25% | 75% | \$652 |
| Doughnut Hole | \$2,930-\$6,657 | 50% Brand Name 86% Generic | Drug Company pays: 50% Brand Name 14% Generic | \$3727 |
| Catastrophic Benefit | Over \$6,657 | 5% | 95% | \$4,700 maximum out-of-pocket + 5% Catastrophic |

Enrolling in a Part D Plan

- Initial enrollment
 - 7 months beginning 3 months before age 65
- Special Enrollment
 - 63 days after creditable coverage ends
 - No penalty
- Annual Coordinated Election Period (AEP)
 - October 15 – December 7
 - If this is the first time you are enrolling in a plan, you will pay a penalty for not enrolling during the Initial or Special Enrollment periods

Choosing a Plan D

- Which plan should I get?
 - Everyone has a different situation
 - Each person has different drugs, pharmacy and cash flow
 - A plan that works for your spouse or friend, may not work for you
 - The plan that worked for you this year, may not work for you next year
 - The only way to know is to run a personalized comparison at www.Medicare.gov



Plan Finder Tool

- www.Medicare.gov
 - Plan Finder allows beneficiaries to personalize comparisons of prescription drug plans that best meets their needs
 - To do a comparison you need
 - Medicare number and effective dates
 - Name
 - Date of birth
 - Zip code
 - List of drugs with quantity and dosage
 - Preferred pharmacy



Low Income Subsidy

- What is Low Income Subsidy?
 - A program to help low-income beneficiaries pay the cost of prescriptions
 - Offered by Social Security Administration
- Who qualifies?
 - Single individuals
 - Income: \$16,335
 - Resources*: \$12,640
 - Married couple living together
 - Income: \$22,065
 - Resources*: \$25,260



* Resources do not include your car or home in which you live

Choosing a Plan D

- For information or assistance on Plan D comparisons or application for Low Income Subsidy
 - Contact SHIIP, the Senior Health Insurance Information Program
 - Free, unbiased counseling and information for people with Medicare
 - 7 locations statewide
 - 300+ trained counselors
 - [800-234-7119](tel:800-234-7119)



The Parts of Medicare

Part A:
Hospital

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Advantage

Part D:
Prescription
Drugs

Part C Covered Services

- About 10% of Nebraskans choose Plan C, also known as a Medicare Advantage Plan
- Sold by a private insurance company, not the federal government
- Includes Part A, B, and usually Part D in one plan



Medicare Advantage Plan Basics

- Basic Rules for MA Plans
 - Beneficiary must
 - Continue to pay Part A and B premiums
 - Live in the area the plan is offered
 - Plan must
 - Cover all Medicare covered services
 - Accept all Medicare beneficiaries (except ESRD)
 - No waiting period for pre-existing conditions
 - Operate under contract with Medicare

MA Monthly Premiums

- In Nebraska there are 42 Medicare Advantage Plans for 2012
 - Premiums range from \$0 - \$165
- In Lancaster County there are 7 Medicare Advantage Plans for 2012
 - Premiums range from \$0 - \$84
- Medicare Advantage Plans set their own premiums

Beneficiary Cost

- Each MA plan sets their own rates & charges
 - Doctor Co-pay Range
 - \$10-\$50 per visit
 - Specialist Co-pay Range
 - \$20-\$50 per visit
 - Hospital Co-pay Range
 - \$950 per admission-\$220 each day 1-17
 - Outpatient Care Range
 - \$90 per service-20% of cost



*Co-pay ranges are an average. Some plans fall outside of these ranges.

Enrolling in a MA Plan

- Initial Enrollment Period
 - 7 months beginning 3 months before age 65
- Special Enrollment
 - Enrollment period after creditable coverage ends
- Annual Coordinated Election Period (AEP)
 - October 15 – December 7
 - Same period as Part D

Nebraska SHIP

- Free, unbiased counseling and information for Medicare beneficiaries
 - 300+ trained counselors
 - 7 locations statewide
 - 800-234-7119 toll-free
 - Publications, speakers, outreach and enrollment events



For More Information

- **Nebraska SHIP**
 - 1-800-234-7119
 - www.doi.state.ne.gov/shiip

- **Medicare**
 - 1-800-MEDICARE
 - www.Medicare.gov

