



# Welcome to Medicare Made Clear

*Understanding Your Medicare Options*

Kuhtz Diehl Insurance and Financial Services, LLC

# Who is presenting today?

- Kutzt Diehl Insurance and Financial Services, LLC is an insurance agency based out of Fresno, CA with local agents throughout California. CA License #0D80889
- We are not – Medicare, CMS, or an insurance carrier.
- What we do- We help Medicare Beneficiaries with the decision process about what Medicare plan option is best for them.
- We do not charge a fee and there is no obligation to the Medicare Beneficiary for this service. We are compensated by the Insurance Carrier if someone purchases a plan through our agency.

# Eligibility for Medicare

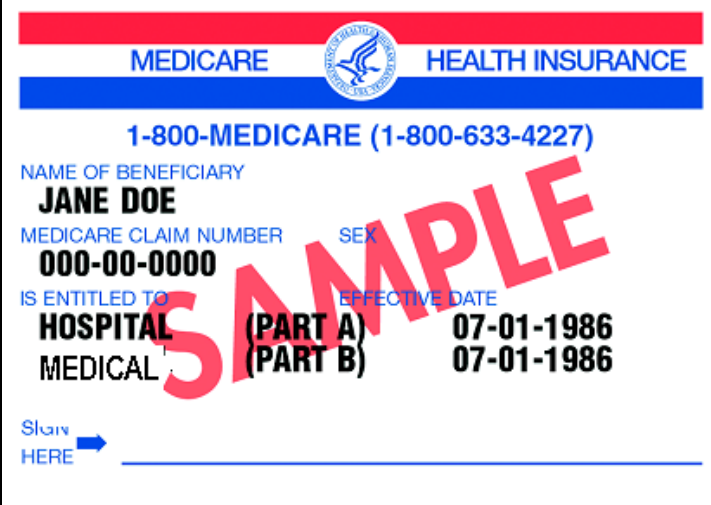
You're eligible to join Medicare if this describes you:

1. You are 65 years old or you are under 65 and qualify on the basis of disability or other special situation.
2. You are a U.S. citizen or a legal resident who has lived in the U.S. for at least 5 consecutive years.

Enroll or Questions about Medicare?

1. Local Social Security office
2. 1-800-MEDICARE (1-800-633-4227)
  - TTY users call 1-877-486-2048
3. [www.medicare.gov](http://www.medicare.gov)

Sample "Red, White and Blue Card"



A sample Medicare Health Insurance Card. The card features a red and blue header with the text "MEDICARE" and "HEALTH INSURANCE" and the Social Security Administration logo. Below the header, it lists the phone number "1-800-MEDICARE (1-800-633-4227)". The beneficiary's name is "JANE DOE". The Medicare claim number is "000-00-0000". The cardholder is entitled to Hospital (Part A) and Medical (Part B) coverage, both effective as of 07-01-1986. A "Star HERE" label with an arrow points to a blank line at the bottom.

MEDICARE		HEALTH INSURANCE	
1-800-MEDICARE (1-800-633-4227)			
NAME OF BENEFICIARY			
JANE DOE			
MEDICARE CLAIM NUMBER		SEX	
000-00-0000			
IS ENTITLED TO		EFFECTIVE DATE	
HOSPITAL (PART A)		07-01-1986	
MEDICAL (PART B)		07-01-1986	
Star HERE →		_____	

# Review of Medicare

- **Part A** - Helps with inpatient / hospice costs.
- **Part B** – Helps with doctor’s care and outpatient care.
- **Part C** – Part C Plans combine hospital costs, doctors care, and outpatient care in a single plan. May include prescription drug coverage, vision, dental, wellness benefits at no additional premium.
- **Part D** – Helps pay for prescription drug medications.
- **Medigap/Medicare Supplement-** Plans fill in some of the financial gaps in Part A and B. Different from Part C.

# Closer Look At Part A

**Provides help with the cost of hospital stays and skilled nursing services after a hospital stay, plus some other skilled care**

## Advantages

- Most people do not pay a monthly premium
- Only pay first \$1100 of costs – your deductible – for a hospital stay of less than 60 days
- You can go to any hospital in the U.S. that's qualified
- Enrollment is easy. You cannot be denied coverage due to medical history or current health conditions

## Disadvantages

- Hospital stays of more than 60 days require a daily co-payment. Long hospitalizations can be expensive
- Multiple stays may mean multiple deductibles
- Generally, hospital care outside the US isn't covered

# A Closer Look At Part B

**Help with the cost of doctor visits and other medical services that do not require an inpatient hospital stay**

## Advantages

- Part B works the same way throughout the U.S. You can get care wherever you are
- You can receive care from any participating physician
- Enrollment is easy. Your history or pre-existing conditions don't matter

## Disadvantages

- If you wait to join, you may have to pay a higher premium
- Limited preventive care
- You usually pay 20% of the Medicare-approved amount and there is no ceiling on your total spent
- Generally, care outside of the U.S. is not covered

Please note that there is normally a monthly premium for Part B.

# A Closer Look at Part C (Medicare Advantage)

**A single plan offered by private insurance companies that combines coverage for Medicare Parts A & B. Most plans include Part D.**

## Advantages

- Convenience of single plan
- Many may include prescription drug coverage for no additional premium
- Many may offer additional benefits not covered by Medicare (e.g., dental, vision, preventive care)
- Eligibility for enrollment is not affected by your health or financial status (special rules for ESRD)

## Disadvantages

- In most plans, you receive your coverage in a service area (County of residency)– unless it's an emergency.
- Your access to doctors and hospitals may be restricted (Network Lock-In)
- Plan premiums and terms can change from year to year
- ESRD – You may be limited in changing plans if you have this condition.
- If you are out of your area for greater than 6 months you will need to find a new plan.

# Medicare Advantage Plan Types

**Medicare Advantage Plans are offered by private companies under contract with Medicare. Also known as Medicare Part C.**

## HMO- type plans

- Generally, you choose from within an approved network of doctors and hospitals
- Care received outside the network – unless it is an emergency – is not covered
- Many plans include prescription drug coverage and additional benefits

## PPO-type plans

- Have more freedom to choose
- Can choose to use doctors and hospitals inside the network and receive the maximum benefit
- Can go outside the network but usually at a higher cost
- Many plans include prescription drug coverage and additional benefits

## PFFS-type plans

- Many counties are losing their PFFS Plans.
- Need to see if providers accept the terms and conditions of the plan.



# Eligibility and Enrollment Periods

## Medicare Advantage or Part C Plans

### Eligibility -

- You must be entitled to Medicare Part A and enrolled in Medicare Part B
- You normally will continue to pay your Part B premium.
- You must live in the plan's service area.
- You must not have ESRD.
- Care received outside the network – unless it is an emergency – is not covered
- Many plans include prescription drug coverage and additional benefits

### Enrollment Periods-

- (ICEP) One time event when an individual first has the opportunity to enroll in a Medicare Plan and or PDP. Generally – When they turn 65 and enroll in Medicare A&B. 3 Months prior and after turning 65 (7 months total).
- (AEP) Generally, if you are age 65 and over or disabled and made your Medicare selections for the first time, you can make plan selections or changes to your current Medicare coverage only during certain times of the year
  - November 15<sup>th</sup> through December 31<sup>st</sup>
- (SEP) Certain conditions apply allowing a change in plans outside of AEP and ICEP.

# A Closer Look at Part D

**A Government plan that provides help with the cost of prescription drugs through private companies.**

## Advantages

- You get help with the cost of your prescription drugs
- You'll save money when your plan negotiates lower drug costs and passes the savings along to you
- Catastrophic coverage protects you from very high drug costs

## Disadvantages

- Plan benefits – including premium, deductible and copayments can change each year
- Total costs of a plan can vary significantly from plan to plan
- Each plan has a list of drugs that it covers. Lists can be different

# Part D

## Two Important Concepts:

### 1. Formulary

- List of drugs that the insurance plan covers
- Medicare provides guidelines about the type of drugs to be covered but not the specific drug
- Each plan has its own formulary
- Medicare has excluded some types of drugs but some plans may include them as part of an enhanced formulary
- Drug will have different tiers of co-pays.

### 2. Cost Sharing

- Your level of cost sharing will change depending on the total cost of drugs you use
- Total cost = what you pay + what the plan pays
- Use of generic drugs can be an effective way to lower your costs and avoid or delay hitting the coverage gap

# Part D

## Coverage Gap

### 1. Initial coverage limit \$2,840 – 2011

After the total spending on drugs by the you and the plan reaches the initial coverage limit you are in the coverage gap. (your expense is estimated at 25% of the drug cost.)

### 2. Coverage Gap

You pay-

- 93% of generic cost
- 50% of brand name cost
  - 50% discount from drug manufactures.
- After your out-of-pocket expenses reach \$4,550 you are through the Coverage Gap and in Catastrophic coverage. The amount of the discount on brand name drugs is counted as an out-of-pocket expense.

### 3. Catastrophic coverage

- \$2.50 for Generic , \$6.30 for brand name or 5% whichever is greater.

# Medicare Supplement Plans

**Private insurance that helps pay your part of cost sharing in traditional Medicare Parts A & B. Also known as Medigap plans.**

## Advantages

- Depending on the plan, some or all of your out-of-pocket costs for care under Medicare A & B are covered
- You are guaranteed the right to buy a Medigap plan during your open enrollment period. (ICEP)
- You get help budgeting because you have predictable monthly premiums instead of cost sharing that is hard to anticipate
- **For 2011 - 10 Plans are available (A,B,C,D,F,G,K,L,M,N)**
- Not all carriers offer all plans.

## Disadvantages

- Plan premiums can change from year to year
- Prices for the same coverage can vary sharply.
- In most plans, premiums rise as your age increases.
- You can be denied coverage based on your health if you apply for coverage after your open enrollment period

**Please note that a Medicare Supplement Plan is not a Medicare Advantage Plan. A stand alone Prescription Drug Plan may be required if prescription drug coverage is desired.**

# Enrollment Periods

## When can I enroll initially?

## What if I'm late?

### Medicare Part A



**Any time** after you are 64 years and 9 months old or otherwise become eligible for Medicare. Enrollment will be automatic if you are already receiving Social Security benefits; otherwise, you'll have to enroll at your local Social Security office.

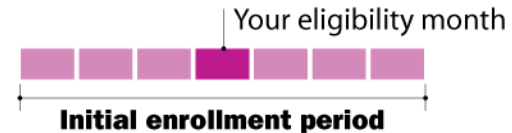
There are no penalties for signing up late, unless you are one of the people who pay a monthly premium for Part A because neither you nor your spouse contributed enough to Social Security. Then you may pay a penalty on your premium for signing up late.

### Medicare Part B



#### 7 month window

**Any time** from 3 months before you become eligible for Medicare until 3 months after your eligibility month.



If you enroll after the initial enrollment period, premiums will be higher unless you qualify for an exception. Contact Medicare to learn more about these exceptions.

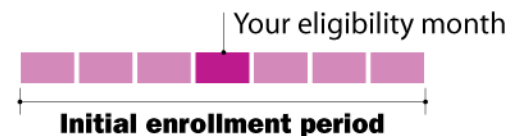
### Medicare Part C

### Medicare Advantage



#### 7 month window

**Any time** from 3 months before your eligibility month until 3 months after your eligibility month.



If you miss the enrollment window, you must wait to join a plan between November 15 and December 31 each year, unless you qualify for an exception.

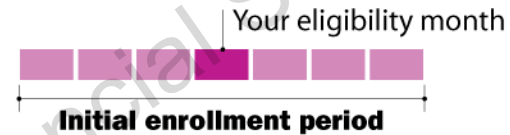
# Enrollment Periods (cont'd)

## Medicare Part D



### 7 month window

Your initial enrollment period is up to 3 months before and up to 3 months after your eligibility month.



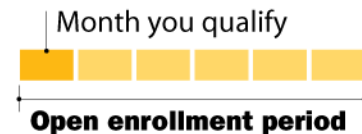
If you miss your enrollment window, you must wait to join a plan between November 15 and December 31 of each year unless you qualify for an exception. If you enroll later, premiums could be higher.

## Medigap Insurance



### 6 month window for guaranteed right

When you turn 65 **AND** enroll in Medicare Part B, you have a guaranteed right to buy a Medigap policy for six months. You cannot be refused if you sign up during this open enrollment period.



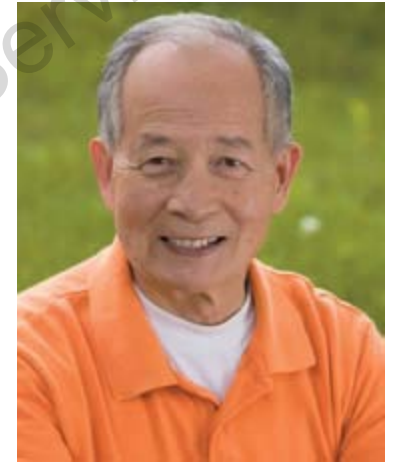
If you miss the window, you can apply later at any time. But you may be charged a higher rate or rejected if you have a health history that makes you appear to be a higher risk.

# What Should You Do?

If you ARE.....

- Just turning 65
- On Medicare
- On a Medicare Supplement
- On a Medicare Advantage
  - HMO
  - PPO
  - PFFS
- In need of extra help
- Not SURE?

*We can help you make the best decision for your Medicare Plan needs.*





# Contact Information

1. Questions? If you would like a review of your Medicare options please contact us. There is no fee, charge or obligation for this review.
2. Options - We are contracted with many different insurance carriers. This allows us to review your specific case and help you make the right decision for you.

**Kuhtz Diehl Insurance and Financial Services, LLC**

**CA License #0D80889**

**(877) 315-3097**