

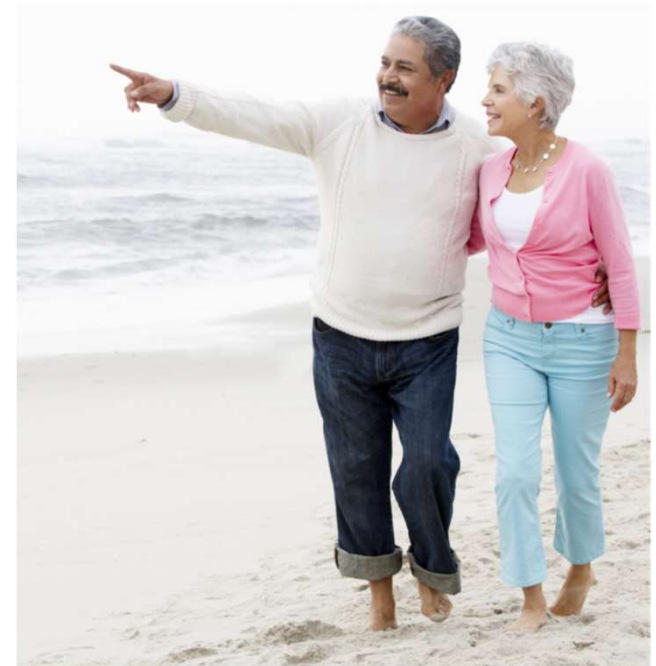
Medicare Supplement & Part D



Why Medicare Supplement?

A Medicare Supplement Insurance (Medigap) policy helps pay some of the health care costs that Original Medicare doesn't cover, like:

- **Copayments**
- **Coinsurance**
- **Deductibles**



Why Medicare Supplement?

- » Protection against out-of-pocket costs
- » Let's you focus on getting well
- » The flexibility to see any doctor or go to any hospital
- » No waiting period



Important Details:

Know your plan. Medicare Supplement Insurance:

- Does not provide “stand-alone” coverage, requires enrollment in Medicare Part A and Part B
- Does not provide prescription drug benefits
- Does not provide benefits for vision, dental care, hearing aids, eyeglasses, and private duty nursing
- Does not duplicate a benefit paid by Medicare



3 Some states require the other adult to also have an active National General Accident & Health Medicare Supplement policy (underwritten by National Health Insurance Company, Integon National Insurance Company, or Integon Indemnity Corporation), or is applying for such policy to qualify for the household discount. Please ask your agent for details.

Plan Options & Benefits

Medicare Part A Hospital Coverage					
Provided service:	Medicare pays:	Medicare Supplement Insurance Plan A pays:	Medicare Supplement Insurance Plan F / Plan F High Deductible** pays:	Medicare Supplement Insurance Plan G pays:	Medicare Supplement Insurance Plan N pays:
Medicare Part A deductible	With Medicare, you have a \$1,364 deductible that must be paid before Medicare pays benefits	Nothing	\$1,364	\$1,364	\$1,364
First 60 days of hospital confinement	100% after deductible	Nothing	\$1,364	\$1,364	\$1,364
Days 61-90 of hospital confinement	All but \$341 a day	\$341 per day	\$341 per day	\$341 per day	\$341 per day
Days 91-150 of hospital confinement (One-time benefit)	All but \$682 a day	\$682 per day	\$682 per day	\$682 per day	\$682 per day
Extended hospital coverage (Up to an additional 365 days in your lifetime)	Nothing	100% Medicare- eligible expenses	100% Medicare- eligible expenses	100% Medicare- eligible expenses	100% Medicare- eligible expenses
Blood	All but first three pints	First three pints	First three pints	First three pints	First three pints
Hospice Care ¹					
	All but limited coinsurance/copayments for outpatient drugs and inpatient respite care	Medicare coinsurance/ copayment	Medicare coinsurance/ copayment	Medicare coinsurance/ copayment	Medicare coinsurance/ copayment

* Additional plans available in Pennsylvania of \$2,300. Benefits from high deductible Plan F will not begin until out-of-pocket expenses exceed \$2,300. These expenses include Medicare deductibles for Part A and Part B.

** Plan F also has an option called a high deductible Plan F. The high deductible plan F pays the same benefits as Plan F after the member has paid a \$2,300 calendar year deductible of \$2,300. Benefits from high deductible Plan F will not begin until out-of-pocket expenses exceed \$2,300. These expenses include Medicare deductibles for Part A and Part B.

¹ Must meet Medicare requirements for admission

Plan Options & Benefits Continued...

Skilled Nursing Facility Care ¹					
Provided service:	Medicare pays:	Medicare Supplement Insurance Plan A pays:	Medicare Supplement Insurance Plan F / Plan F High Deductible* pays:	Medicare Supplement Insurance Plan G pays:	Medicare Supplement Insurance Plan N pays:
First 20 days	100% of Medicare- approved amounts	Nothing	Nothing	Nothing	Nothing
Days 21-100 of admission	All but \$170.50 per day	Nothing	\$170.50 per day	\$170.50 per day	\$170.50 per day
Medicare Part B Outpatient Medical Coverage					
Medicare Part B deductible	With Medicare, you have a \$185 deductible that must be paid before Medicare pays benefits	Nothing	The \$185 Medicare Part B deductible	Nothing	Nothing
Medicare Part B Co-Insurance	80% of the approved charges after deductible	20% of Medicare approved charges after deductible	20% of Medicare approved charges	20% of Medicare approved charges after deductible	Remaining balance after you pay \$20 copayment for office visits, \$50 copay for emergency room visit**
Excess Charges (Charges above Medicare approved charges)	Nothing	Nothing	Plan pays 100% of charges not covered by Medicare	Plan pays 100% of charges not covered by Medicare	Nothing
Benefit for Blood	1st three pints: \$0 Additional pints: 80% coinsurance after you pay \$185 deductible	1st three pints: 100% Additional pints: 20% coinsurance after deductible	1st three pints: 100% Additional pints: 20% coinsurance after deductible	1st three pints: 100% Additional pints: 20% coinsurance after deductible	1st three pints: 100% Additional pints: 20% coinsurance after deductible

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Plan Options & Benefits, continued

Home Health Care ¹					
Provided service:	Medicare pays:	Medicare Supplement Insurance Plan A pays:	Medicare Supplement Insurance Plan F / Plan F High Deductible* pays:	Medicare Supplement Insurance Plan G pays:	Medicare Supplement Insurance Plan N pays:
Medically necessary Skilled Care services and medical supplies	Medicare pays 100%	Nothing	Nothing	Nothing	Nothing
Durable Medical	80% coinsurance after you pay \$185 Part B deductible	20% coinsurance of Medicare approved charges after deductible	The \$183 Part B deductible then 20% coinsurance for Medicare approved charges	20% coinsurance of Medicare approved charges after deductible	20% coinsurance of Medicare approved charges after deductible
Additional Benefit					
Emergency Care received outside the U.S.	Medicare pays nothing	Nothing	You pay first \$250 (per calendar year) then the plan pays 80% of remaining costs to Lifetime Max of \$50,000	You pay first \$250 (per calendar year) then the plan pays 80% of remaining costs to Lifetime Max of \$50,000	You pay first \$250 (per calendar year) then the plan pays 80% of remaining costs to Lifetime Max of \$50,000

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Eligibility

Applicants are eligible to apply for Medicare Supplement insurance if they:

- › Are covered under Medicare Part A & B.
- › Are 65 years of age or older.
- › Are Medicare eligible due to disability in a state requiring under age 65 coverage.





Medicare Basic 101

Part D

Agenda

- Introductions
- What is Part D ?
- Question/Answer
- Wrap Up

Medicare Overview

Medicare program has four parts

- **Part A – Coverage for inpatient hospital care**
- **Part B – Coverage for doctor services and outpatient hospital care**
- **Part C – Privatized coverage that replaces Parts A and B**
 - private carriers provide Medicare healthcare plans
 - called Medicare Advantage plans

Part D – Privatized prescription drug coverage

- allows Medicare beneficiaries to obtain prescription drug coverage from health carriers through a variety of plans
- newest part of the Medicare program

Medicare Overview

Medicare -- Government health insurance program

- people age 65 and above
- people receiving Social Security Disability Income (SSDI) – beginning in their 25th month
- people with End Stage Renal Disease (ESRD)
- people in a few other scenarios I.E Lou Gehrigs Disease (ALS)

Center for Medicare and Medicaid Services (CMS)

- government body that regulates the Medicare program, beneficiaries, and the health carriers who offer the various forms of Medicare health care coverage
- publishes the “CMS Marketing Guidelines” -- foundational document to ensure Medicare beneficiaries are provided with accurate information

Understanding Medicare Part D

Forms of Prescription Drug Coverage

MA-PD Plan – *Combines Parts A & B* with drug coverage (Part D)

PDP – Stand-alone Part D plan

- Offers RX coverage only – no medical
- Pair with Original Medicare Parts A & B or a Medicare Advantage Plan without prescription drug coverage (less frequent)

Differences Between Prescription Drug Plans

Formulary -- list of covered drugs

Premium

- PDP premiums vary from plan to plan
- Part D enrollees with higher incomes pay the IRMAA (Income Related Monthly Adjustment Amounts)

Deductibles

Copays and Coinsurance

- Tier levels for medications
- Set copay amount or percentage

Pharmacy Networks

- Preferred vs Standard
- Mail Order

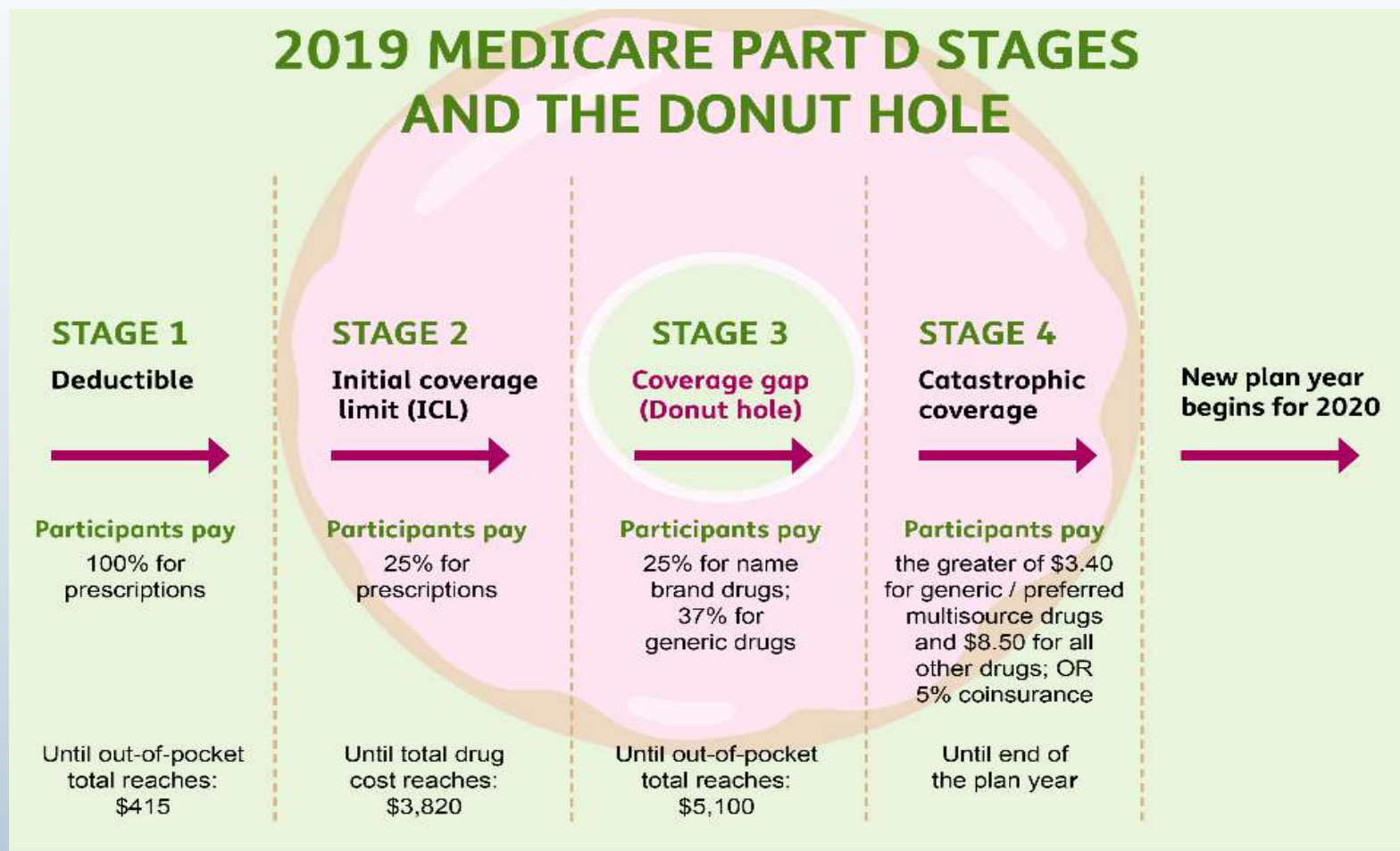
Limits on Drug Coverage – cost utilization measures (QL, PA, ST)

Coverage Gap – some plans offer lower copays while in the “Donut Hole”

Understanding Medicare Part D

- Standard Part D Benefit – 2019
- Initial Deductible: \$415 (Annual Deductible)
- Initial Coverage Limit: \$3,820 (True costs of medications)
- Coverage Gap (“Donut Hole”)
- Out-of-Pocket Threshold: \$5,100 (True Out Of Pocket cost for meds -- TrOOP)
- Minimum Cost-sharing in the Catastrophic Coverage Portion of the Benefit**: greater of 5% or \$3.40 for generic or preferred drug that is a multi-source drug and the greater of 5% or \$8.50 for all other drugs
- Maximum Co-payments below the Out-of-Pocket Threshold for certain Low Income/Full Subsidy Eligible Enrollees: \$3.40 for generic or preferred drug that is a multi-source drug and \$8.50 for all other drugs

Medicare - Donut Hole



Extra Help (Low Income Subsidy)

Extra Help/LIS

- Federal program administered by the Social Security Administration (SSA) for Medicare consumers who have limited income and resources

Automatic enrollment for Medicaid recipients – others must apply

Pays for prescription drug related costs

- Monthly premium
- Yearly deductible
- Prescription coinsurance and copayments
- Eliminates the Part D Late Enrollment Penalty
- Provides coverage in Coverage Gap (Donut Hole)

Extra Help (Low Income Subsidy) Cont'd

Assistance to Cover Prescription Drugs Low-Income Subsidy Copayments

- Full Benefit Dual Eligible Institutionalized or Receiving Home and Community-Based Services (HCBS): **\$0**

Full Benefit Dual Eligible with Incomes \leq 100% of Federal Poverty Level

- Generic/Preferred Drugs: **\$1.25**
- Other: **\$3.70**
- Above Catastrophic Limit: **\$0.00**

Extra Help (Low Income Subsidy) Cont'd

Full Benefit Dual with Incomes > 100% of Federal Poverty Level & Other Full-Subsidy Eligible Beneficiaries

- Deductible: \$0
- Generic/Preferred Drugs: \$3.35
- Other: \$8.35
- Above Catastrophic Limit: \$0.00

Partial Subsidy Eligible Beneficiaries

- Deductible: \$83.00
- Coinsurance to Initial Coverage Limit: 15%
- Generics Above Catastrophic Limit: \$3.35
- Others Above Catastrophic Limit: \$8.35

Part D IRMAA - Income Related Monthly Adjustment Amounts

- Medicare Part D beneficiaries with higher incomes pay more monthly prescription drug premium

Enrollment Periods



- **ICEP (Initial Coverage Enrollment Period)** – Seven month period
 - Three months before first month of eligibility
 - Month of eligibility
 - Three months after first month of eligibility



- **AEP (Annual Election Period)** – **October 15th through December 7th**
 - Join, switch, or drop Advantage Plan or PDP
 - Last plan in (in most cases)
 - January 1st effective date



- **SEP (Special Election Period)** – Situation outside of the ICEP or AEP in which certain Medicare beneficiaries can enroll in an MA or Part D plan
 - Moving out of plan's service area
 - Losing employer group health coverage
 - Low Income Subsidy or Medicaid eligibility
 - Special Needs Plan eligibility

Medicare Part D Penalty

Part D Late Enrollment Penalty (LEP)

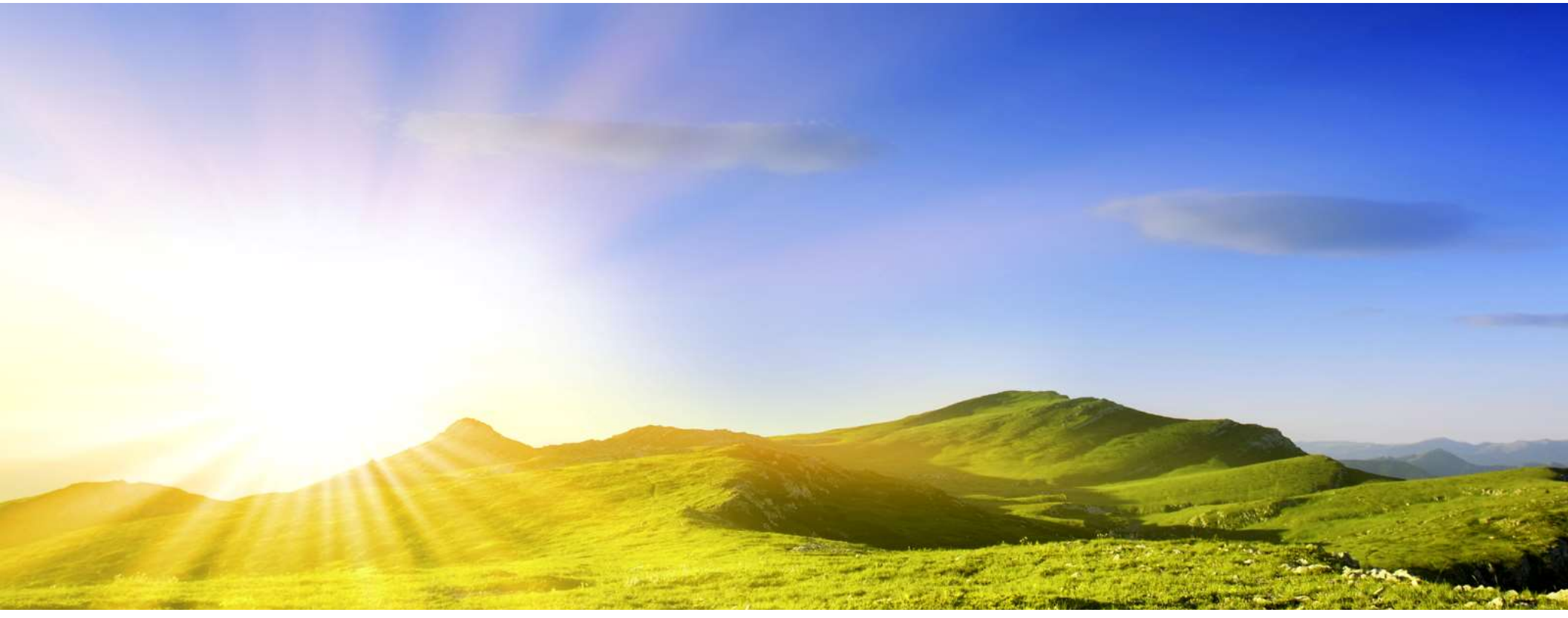
- Equal to **1%** of the national average for Part D premiums for every month he or she delayed enrollment
- Remains in effect for as long as the enrollee has a Medicare Part D plan

Enrollee incurs penalty if:

- Didn't join a Medicare prescription drug plan when first eligible
- Didn't have other creditable prescription drug coverage

Penalty is calculated:

- multiplying **1%** of the National Benchmark Premium (in 2017 the average is **\$35.63** which would be **\$0.36**/month) by the number of months were eligible, didn't join a Medicare drug plan, and went without other creditable prescription drug coverage
- National Benchmark Premium may increase each year, so the penalty amount may also increase each year



Thank You for Attending!

MEDICARE 101 – PREPARING FOR AEP 2020



QUESTIONS? Email: training@myhst.com