



Aging & Disability
Services

State Health Insurance Assistance Program 301 255 4250



Understanding Medicare 2018

- When to enroll in Medicare
- The four parts of Medicare – Medicare A, B, C, and D
- Income assistance programs under Medicare

Enrolling in Medicare

- Apply 3 months before your 65th birthday, the month of your 65th birthday or 3 months after your 65th birthday – 7 month period.
- Apply through Social Security Administration **1(800) 772-1213** or **www.ssa.gov**
- Not enrolling in Medicare when you are eligible may result in financial penalties and time delay for enrollment.
- If you are working and covered by a group health plan of more than 20 people, you may not need to enroll in Medicare until you retire.
- If you are covered under a spouse's active employment health insurance of more than 20 people, you may not need to enroll until your spouse retires. There will be no penalty for delayed enrollment.

Medicare Part A Benefits

Medicare Part A Helps Pay for:

- Hospital inpatient care
- Skilled nursing facility care (SNF) - not custodial or long term care
- Home health care
- Hospice care
- Part A is premium free if you or your spouse has worked and paid Social Security taxes for at least 40 quarters or 10 years.

Inpatient Hospital Care

Benefits are paid on the basis of “benefit periods”. A benefit period begins the first day you are hospitalized as an inpatient and ends when you have been out of a hospital or skilled nursing facility for 60 consecutive days.

Paying for Hospital Care in 2018 – for each benefit period you pay:

- \$1,340 deductible, paid upon admission as a hospital inpatient for days 1-60.
- \$335 per day for days 61-90
- \$670 per day for days 91-150

Each beneficiary has 60 lifetime reserve days

Skilled Nursing Facility Care –SNF

You must meet all the following conditions:

- Require daily skilled services
- Been hospitalized for at least 3 consecutive **inpatient** overnights prior to SNF admission
- Admitted to SNF within 30 days after leaving hospital
- Receive care in the SNF for the condition treated in the hospital.
- The SNF must be a Medicare participating SNF.

SNF costs for 2018

- Days 1-20 covered in full (if medically necessary)
- Days 21-100 beneficiary is responsible for \$167.50 per day
- No custodial or intermediate nursing home care provided

Home Health Care

Must meet the following four conditions:

- Must be under the care of a doctor
- Must need skilled services
- Must be homebound
- Must use a Medicare approved agency

Prior hospitalization is not required to receive home health services under Medicare.

Hospice Care

Hospice Care is special care for people who are terminally ill and for family respite care. Medicare pays for a maximum of 210 days of care in a Medicare approved hospice program, through two 90 day periods and one 30 day period.

There are no deductibles or copayments except for covered drugs and inpatient respite care. You must elect Hospice Care to receive these benefits.

Medicare Part B Benefits

- Physician Services (Inpatient and Outpatient)
- Durable Medical Equipment and Supplies
- Home Health Care
- Diagnostic & Lab Tests
- Medicare Preventive Services
- “Welcome to Medicare” Physical Exam
- Bone Mass Measurement
- Colorectal Cancer Screening
- Diabetic Screening, Services and Testing Supplies
- Glaucoma Testing
- Prostate Cancer Screening
- Screening Mammograms/ Pap Test
- Vaccinations (flu, pneumonia, hepatitis B)
- Cardiovascular Screening
- Smoking Cessation
- Yearly “Wellness” Exam



Medicare Part B Costs

The standard Medicare Part B premium for 2018 is \$134.00. People with higher incomes will pay more, according to the table below.

If your Yearly Income on your 2016 Tax Return is		Your Part B Premium is
<i>Individual Tax</i>	<i>Joint Tax</i>	
\$85,000 or less	\$170,000 or less	\$ 134.00
\$85,001-107,000	\$170,001-214,000	\$ 187.50
\$107,001-133,500	\$214,001-267,000	\$ 267.90
\$133,501-160,000	\$267,001-320,000	\$ 348.30
Above \$160,000	Above \$320,000	\$ 428.60

However, some people will continue to pay a Medicare Part B premium less than \$134.00 in 2018 as a result of Social Security's "hold harmless" provision.

The Part B **annual deductible** for 2018 is **\$183** and there is a **20% copayment** for Medicare approved charges and services. Medicare pays 80% of the Medicare-approved amount. If a provider **accepts assignment** he/she agrees to accept the Medicare approved amount for services provided. Providers who do not accept assignment may charge 15% above the Medicare approved amount. This is called the "**Limiting Charge**".

"Welcome to Medicare" Preventive Visit

Medicare Part B covers a one-time "Welcome to Medicare" preventive visit that includes a review of your health as well as education and counseling about preventive services, including certain screenings, shots and referrals for other care, if needed. This exam must be scheduled during the first 12 months of Medicare Part B enrollment.

Yearly “Wellness” Visit

Medicare Part B covers a yearly wellness visit to develop or update a personalized prevention plan based on your current health and risk factors.

Some Common Services Not Covered By Medicare

- Long term custodial care (nursing home)
- Private hospital room/private nursing (unless medically necessary)
- Ambulance Services (unless medically necessary)
- Routine physical care, other than the “Welcome to Medicare” exam
- Routine dental care and dentures; hearing exams and hearing aids
- Routine eye exams and eyeglasses (except cataract lenses)
- Routine podiatry care; Acupuncture, most Chiropractic Services
- Christian Science practitioners and Naturopath’s services
- Orthopedic shoes, unless part of a leg brace or nerve defects due to diabetes; Cosmetic Surgery
- Services provided outside the United States –with some exceptions

Ways to Pay for Medicare Copays and Deductibles

Medicare is **NOT** designed to cover all the cost of medical care.

Deductibles, copayments and medical services, not covered by Medicare, can be expensive. Most Medicare beneficiaries select one of four options to cover these copayments and deductibles.

- Continue health insurance coverage through an employer retirement plan such as the Federal Employee Health Benefits Program (FEHBP).
- Apply for Medicaid, QMB or SLMB, which provide financial assistance to people with low income and limited resources.
- Join a Medicare Advantage Plan – Medicare Part C – HMOs, PPOs, PFFS, SNP, with a different set of copayments and deductibles.
- Purchase a “fee for service” Medigap insurance policy as a supplement to Medicare Part A and Part B.

Medigap – Medicare Supplement Insurance

- Fills coverage gaps in the original Medicare Program (Parts A & B).
- There are 10 federally-standardized Medigap Plans A-N. Plans may cover deductibles, coinsurance and copayments. The benefits are the same within each letter, but the monthly premiums are quite variable.
- You can buy any Medigap policy within the first 6 months you enroll in Medicare Part B with No medical underwriting (you cannot be turned down because of your health condition). There is no guarantee you can change your Medigap Plan after this period except in special circumstance.
- Initially, the cost of a Medigap Policy is about \$170 a month and the premium will increase with age. Together with Medicare Parts A & B you may get almost 100% coverage for Medicare covered services.

With Medicare Part A and Part B you can go to any provider that participates with Medicare. Note: If the provider does not participate with Medicare then Medicare will not pay the claim nor will the Medigap/Medicare Supplement Plan pay.

Medicare Part C – Medicare Advantage Plans Alternative to Original Medicare Part A & Part B

How do Medicare Advantage Plans Work?

- Cover all Medicare Part A & Part B approved services.
- Will have deductibles & copayments that you may need to pay
- Generally you need a referral to see specialists.
- May include extra benefits, prescription drugs, limited dental, hearing and vision care.
- May require use of only providers in the network – doctors, hospitals, and suppliers.
- Some plans may allow you to go out of network at additional costs.
- You must have Medicare Part A and Part B and live in the service plan's geographic service area.

Medicare Part D Prescription Drug Plans

Who is eligible? Individuals who have Medicare Part A and/or Part B may enroll in a Medicare Part D plan.

- Medicare Part D plans are offered by private insurance companies approved by Medicare.
- Plans vary in premiums and coverage – drugs the plan covers, copayments and deductibles, preferred pharmacies and mail order options.
- Not enrolling in a Medicare Part D plan when you are eligible may result in a late enrollment penalty. You do not need to enroll in a Part D plan if you have “creditable” drug coverage through an employer policy, VA Benefits, or TriCare for Life.
- You should evaluate and change your Medicare Part D Plan every year between **October 15 and December 7**. Your new plan will begin January 1 of the next year.

Part D Monthly Premium Adjustment

If your Yearly Income on your 2016 Tax Return is		You Pay This Amount In Addition to your Part D Plan Premium
<i>Individual Tax</i>	<i>Joint Tax</i>	
\$85,000 or less	\$170,000 or less	0 + plan premium
\$85,001-107,000	\$170,001-214,000	\$13.00 + plan premium
\$107,001-133,500	\$214,001-267,000	\$33.60 + plan premium
\$133,501-160,000	\$267,001-320,000	\$54.20 + plan premium
Above \$160,000	Above \$320,000	\$74.80 + plan premium



State & Federal Programs to Help Pay for Medicare

Medicaid A joint Federal and State program that helps pay medical costs if you have limited income and resources and meet other requirements. Some people qualify for both Medicare and Medicaid and are called “dual eligibles”. If you have Medicaid you must use providers that accept the Medicaid program.

QMB (Qualified Medicare Beneficiary Program)

This program pays the monthly Medicare Part B premium (\$109.00/\$134.00 in 2018), deductibles, and copays. To be eligible, the income must be at or below \$12,300 a year (\$1,025 monthly) for a single person; \$16,488 a year (\$1,374 monthly) for a couple. Income can be higher, if you are working and a portion of your income is from earned wages. There is also an asset test of \$8,890 or less for a single person and \$14,090 or less for a couple. Assets do not include your home, your car or your household belongings. The assets include a \$1,500 burial allowance for individuals and a \$3,000 burial allowance for a couple. In order to obtain full benefits, QMB eligible beneficiaries must go to medical providers who accept both Medicare and the QMB program.

SLMB (Specified Low Income Medicare Beneficiary Program)

This program will **ONLY** pay the monthly Medicare Part B premium (\$109.00/\$134.00 in 2018) for people whose income is slightly more than the QMB eligibility limits. To be eligible, the income must be at or below \$14,712 a year (\$1,226 monthly) for a single person; \$19,728 a year (\$1,644 monthly) for a couple. Income can be higher if you are working and a portion of your income is from earned wages. There is also an asset test of \$8,890 or less for a single person; \$14,090 or less for a couple. Assets do not include your home, your car, or your household belongings. The assets include a \$1,500 burial allowance for an individual and a \$3,000 burial allowance for a couple. **SLMB does not pay Medicare’s copayments and deductibles.**

State & Federal Programs to Help Pay for Medicare Prescription Drug Costs

Medicare Part D Prescription Drug Program – Low Income Subsidy (LIS) “Extra Help”

- The Federal Government’s Low Income Subsidy (LIS), also called “Extra Help,” is a program administered by Social Security. If you qualify, you get help paying for your Medicare Part D plan’s monthly premium, deductible, and for some of the costs of your prescriptions.
- You also have the option to change your Rx Part D plan every month.
- To be eligible for LIS, income must be at or below \$18,330 a year (\$1,528 monthly) for a single person; \$24,600 a year (\$2,050 monthly) for a couple. Income can be higher if you are working and a portion of your income is from earned wages. There is also an asset test of \$14,100 or less for a single person and \$28,150 or less for a couple. The assets include a \$1,500 burial allowance for an individual and a \$3,000 burial allowance for a couple. (These amounts are for partial LIS; thresholds are lower for full LIS.)

Maryland Senior Prescription Drug Assistance Program (SPDAP)

- Provides eligible Medicare beneficiaries help to pay the premium and cost sharing for Medicare Part D Prescription Drug Program.
- SPDAP will pay up to \$40 each month toward the premium in any Part D Drug Plan or Medicare Advantage Plan in Maryland.
- If you are eligible for SPDAP, you may have one more time during the year to change your Medicare Part D Drug Plan.
- You may be eligible if your income is at or below \$36,180 (\$3,015 monthly) for a single person or \$48,720 (\$4,060 monthly) for a couple - with **NO** regard to your assets.

Tips to Protect the Medicare Program from FRAUD

- DO NOT give your Medicare number except to your doctor or other Medicare providers.
- DO NOT accept “free” medical services or equipment in exchange for your Medicare or Social Security number.
- NEVER give your Medicare number to telephone or door-door solicitors – Medicare does NOT call or go door-to-door.
- KEEP records of the dates medical services were provided.
- REVIEW your Medicare Summary Notice (MSN):
 - Did you receive the service or product?
 - Did your doctor order this service/product?
 - Are you billed twice for the same service or product?
 - Is the service related to your plan of treatment?

Questions? Contact

State Health Insurance Assistance Program (SHIP)

301 255 4250 www.medicareabcd.org



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