

Points to Ponder As You Approach Medicare

Regardless of how you are covered, you will pay the premium for Medicare Part B. This year's monthly premium for Medicare Part B is \$144.60 for **all** enrollees in 2020. If your income exceeds certain limits, you can pay up to \$491.60 for Part B coverage **and** an additional \$76.40 **in addition** to your plan's premium, for Part D (prescriptions).

Be sure to enroll on a "timely" basis so that you will be covered and not have to wait to be covered and/or pay a premium penalty for the **rest of your life**. You are **automatically** enrolled if you are receiving checks from Social Security (disability or retirement). Others should start the enrollment process 3-months **before** the month in which you turn 65. You can enroll online by going to www.medicare.gov or you can make an appointment at your local Social Security office to enroll.

If you are drawing Social Security retirement benefits, the **Part B** premium will be deducted from your monthly check. If you are not receiving benefits, then you will receive a **quarterly** bill for the premium.

Medicare coverage **begins** the first day of the month you turn 65. The only exception is if you were born on the first day of the month. In this case, the coverage begins the first day of the month of the **previous** month.

You should enroll in part A but **decline Part B *if you are still covered*** under a large group (20 or more employees) health plan and your cost is less. You should enroll in Part B once you decide to retire or are no longer covered under your or your spouse's group policy. You will be eligible under the "Special Enrollment Period" and you **will not** be penalized for delaying Part B enrollment after you turned 65. Your employer should complete form CMS-L564 and you should take it when you enroll at your local Social Security office.

Some former employers provide retirees with coverage. You should enroll, if this is the case, in both Parts A and B. Consult the Human Resources/Personnel Department for guidance. The best benefit of a former employer group health plan is that these plans are not likely to have the "doughnut hole" for prescriptions. If you have prescription coverage, as a fringe benefit, from an old employer and that coverage is equal to or better than Part D, then you do not need to purchase a Part D plan.

ORIGINAL MEDICARE

You **can just have** Medicare parts A and B. If you do not purchase a supplement, you will have to pay for the deductible \$1,408 for 2020, per benefit period and possibly co-insurance if you are hospitalized more than 60-days. You will also be responsible for the co-insurance if you are admitted to a Skilled Nursing Facility if your stay, for Medicare approved charges, is longer than 20 days.

Part A of Medicare covers Hospital stays, Skilled Nursing Facilities, Home Health Care, Hospice and blood if received in a facility.

Part B covers doctors' office visits, clinical lab services, Home Health Care, outpatient hospital treatment and blood received as an outpatient.

You will also have to pay the part B (doctor's coverage) deductible of \$198 for 2020 plus 20% co-insurance of covered medical expenses incurred under Part B.

If you select the above option, you can also purchase a Medicare Supplement. During the **first six-months** of you becoming **entitled** (enrolled) to Medicare Part B, you can select **any** Medicare Supplement plan a particular company sells and they **MUST** issue the policy and cannot ask any health questions.

With original Medicare and a supplement **you do not** have to worry about "is this doctor in network?" If you purchase a supplement, with the Medicare Supplement **Plan G**, ***you will NOT have any expense out of pocket for Medicare approved charges once you meet the annual Part B deductible of \$198.*** Of course, you should also buy a part D so you will have prescription coverage and not be subject to the penalty.

MEDICARE PART D

You are also eligible to purchase Medicare Part D (coverage for prescription medications). In 2020 premiums run anywhere from \$13.20 to \$121.40 per month, for Part D (Prescription Coverage) in North Carolina. If you do not purchase it during your initial enrollment period, you will have to wait until the next Annual Election Period. Beginning in 2011, the Annual Election Period became October 15th through December 7th.

You will also be subject to a **1% penalty (0.32 in 2020)** (higher premium) **for every month** that you did not have prescription coverage, **unless** you had prescription coverage equal to or better than Part D's. The penalty will **STAY WITH YOU** for the rest of your life!! The penalty is based on the national average premium for part D and it will change every year.

If you get your prescriptions from the Veterans' Administration, then you don't need Part D **unless** your prescription is NOT covered by the VA's prescription list. You can only have one prescription plan during the year; except, those with VA coverage.

To select the "best prescription plan" for you, go to www.medicare.gov and enter the information. Based on your prescriptions, frequency and dosages you will find the best plan for **you that year** (you are allowed to change plans each year, **regardless** of your medical conditions).

Persons with limited incomes and resources are able/allowed to change Part D plans each quarter, if they wish to do so. Premiums, formularies, (prescriptions covered) deductibles and co-payments will vary and **will** change year to year.

MEDICARE ADVANTAGE PLANS

There are all types of Advantage plans such as HMOs, Private Fee for Services, HMOs with Point of Service, PPOs, etc. Some of the insurance carriers are Blue Cross, United Healthcare, Aetna, Humana, etc. The Federal Government pays a monthly premium to these companies to take over the liability of your health care.

If you select to be covered by an Advantage plan, **you are still covered under Medicare** and these companies **MUST** cover you the same as Medicare; **except, they may give you additional** benefits. For example, you can get annual physical exams, *eye exams, hearing tests* that traditional Medicare **DOES NOT COVER** unless you have an illness, such as diabetes, cataracts, etc.

Some of these plans **may** or may **NOT** have a premium; however, you will have co-payments, such as \$0-\$50.00 per office visit, \$310.00 for each day you are hospitalized up to a set number of days (such as 4, 5 or 6 days) per hospitalization or a flat fee per hospitalization such as \$750.00, etc. **You will still continue to pay your Medicare Part B premium when you are enrolled in a Medicare Advantage plan.**

These plans usually have a **maximum calendar year** expense. For example, after you have incurred \$3,600 (office visit co-pays **may** or may **not** apply toward this amount) of covered medical expenses, the company will pay all at 100%. **Some Advantage plans may ALSO include Medicare Part D (Prescription coverage) at no extra cost.**

Please, before you sign up for one of these plans, be sure to check with **your** healthcare providers (pharmacy, physicians, hospitals, etc.) **to make sure they accept the SPECIFIC plan(s)** you are considering. Do the same each and every year, during the **AEP (Annual Enrollment Period)** to determine if this is, **STILL**, the best plan for you. Some healthcare providers will accept **just** certain plans from a company that offers multiple plans.

Be aware that some of these plans may require you to have a primary care physician and you cannot go to a specialist unless you are referred. Some plans are only good in network; and if you want to go to a healthcare provider outside the network, **THE COMPANY MUST FIRST APPROVE IT**; otherwise, you will have to pay and will not be covered by your insurance company.

Of course, in the event of an emergency, you will be covered outside the network. Many plans, including traditional Medicare, require that you receive treatment in the United States and/or its protectorates, (such as Puerto Rico, US Virgin Islands, American Samoa, etc.)

You can change your Medicare Advantage plan during the **Annual Enrollment Period (AEP)** that runs, annually, from October 15th through December 7th. You cannot be turned down regardless of health, **except** kidney dialysis. If you move to an area not serviced by your current plan, you may have a **Special Enrollment Period (SEP)** that will allow you to change providers and not have to wait until the next **AEP**.

Finally, there are plans that have been designed for Chronic Illnesses such as heart conditions, Asthma, Diabetes, emphysema, etc. The biggest advantages are that you will receive additional benefits and treatments. The biggest drawback is that you **may not** go outside network unless previously approved by the company.

During the **first year** that you enroll in a Medicare Advantage Plan, **you can** return to traditional Medicare **WITHOUT** having to answer health questions and you cannot be denied a Medicare Supplement and/or a Part D (prescription plan).