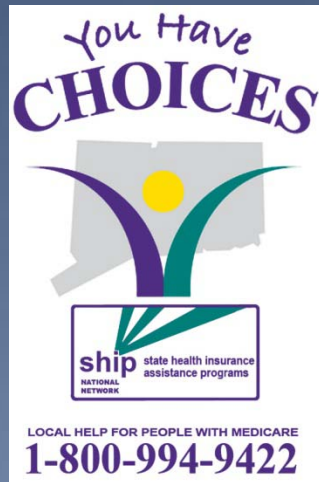


MEDICARE Update 2011



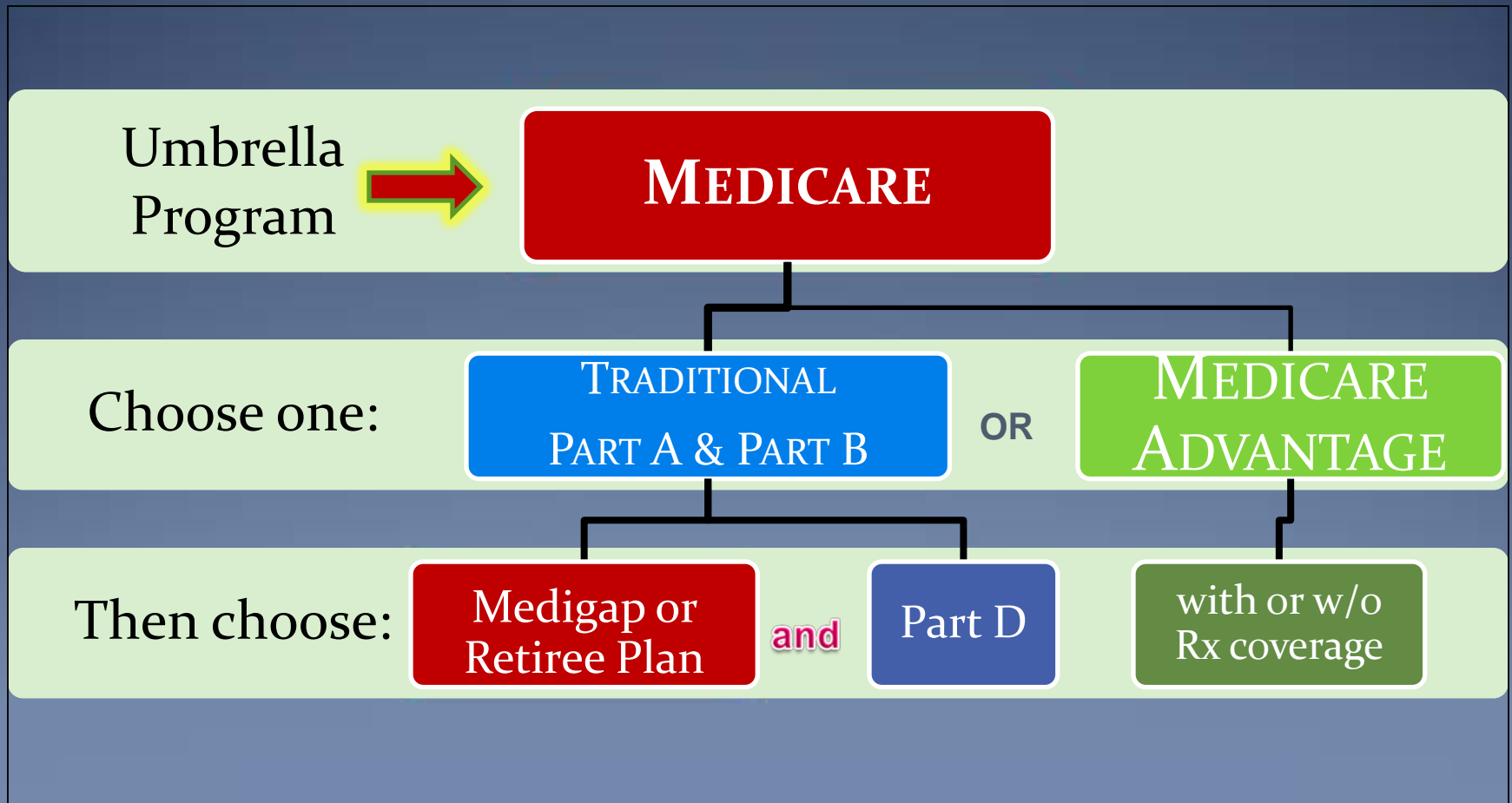
The Southwestern CT Area Agency on Aging
& The CHOICES Program

Southwestern CT
Agency
on Aging
& Independent Living

The **A B C's** of Medicare

- **Part A** – hospital coverage (premium free for most individuals)
- **Part B** – medical coverage (monthly premiums of \$96.40 or \$110.50 for most individuals)
- **Part C**- Medicare Advantage Plans (sold by private insurance companies)
- **Part D** – prescription drug coverage (sold by private insurance companies)

Your options under Medicare:



PART A (hospital coverage)

- Helps pay for inpatient hospital care, skilled nursing facility care, Hospice and Home health care.
- Premium free for most individuals if they have 40 quarters (10 years) of eligible employment.
- Inpatient hospital deductible of \$1,010 per benefit period
- Hospital co-pays after 60 days of hospitalization .

Part A continued...

- Pays up to 20 days in a skilled nursing facility (SNF) following a 3 day minimum inpatient hospital stay.
- Co-pays of \$137.50 per day for days 21-100
- Beneficiary pays all costs after day 100 unless you have some other type of insurance like Long term care insurance or Medicaid.

Part B (medical coverage)

- Medicare beneficiaries have a monthly premium of \$96.40 or \$110.50 depending on when they became eligible for Medicare.
- Part B has a \$155 annual deductible
- Pays for Doctor's fees, diagnostic tests , outpatient care, durable medical equipment, preventive services
- 20% co-insurance for Part B covered services with the exception of many Preventive tests that will not be subject to co-pay beginning in 2011.

NEW

Part B benefits for 2011

- Annual Wellness visit will now be covered by Medicare Part B as of Jan. 2, 2011. You pay nothing for this exam if your doctor accepts Medicare Assignment.
- Smoking cessation counseling to help people stop smoking at no cost to those who do NOT have a diagnosis of a tobacco related illness.
- Many preventive tests will be covered at no cost to beneficiary (see page 45 of your Medicare and You handbook for complete list)

Medicare Supplemental Insurance

- Also known as Medigap
- Sold by private insurance companies
- Covers the deductibles and co-insurance that Medicare does not cover.
- 12 **Standardized** Medigap plans sold in CT are lettered Plans A through D , F, G, K, L , M , N
- Plan premiums vary by company
- Can go to any doctor, hospital that accepts Medicare

Part C (Medicare Advantage Plans)

- Private insurance companies approved by Medicare to provide your hospital and medical coverage and in most cases your Part D prescription coverage as well.
- In most plans you need to use plan's network of doctors, hospitals and other providers or else you may pay more or all costs.
- You may pay a monthly premium in addition to your Part B premium as well as co-pays for covered services.

What are the benefits to Medicare Advantage Plans?

- Most Medicare Advantage Plans have lower monthly premiums than Medigap plans.
- You get all your care under one plan as opposed to having to buy a Medigap and then a Part D plan.
- Additional benefits such as vision, hearing and dental are offered by some plans. Additional fees may apply.

What are the disadvantages of Medicare Advantage plans?

- Plans limit you to providers in their geographic region which may affect those who spend part of the year in other states.
- Plans may change their benefits, premiums, and co-payments at any time.
- Providers can leave the plan's network at any time.
- Plans may terminate coverage in your area during the year.
- Unless you qualify for the Special Enrollment period, you are locked into your plan for a full calendar year.

Medicare Advantage Plans in 2011

- There are four companies offering a total of 14 plans in Fairfield County.
 - Anthem
 - ConnectiCare
 - United Healthcare
 - Wellcare
- Health Net has been bought out by United Healthcare so those on Health Net MA plans will need to make a change.
- Lowest cost plan has \$0 premium and highest cost plan is \$168/ month

Significant Changes to MA plans in 2011:

- **Prohibits** MA plans from imposing higher cost-sharing requirements than those charged under original Medicare for some Medicare covered benefits:
 - Chemotherapy
 - Dialysis
 - Skilled nursing care
- Provides a 45 day period (from Jan. 1 to February 14th) in which MA enrollees can drop their MA plan and return to traditional Medicare with a qualified Rx plan.
- Freezes payment rates to MA plans for 2011 at the 2010 payment levels.

Part D - Prescription Drug Coverage

- Provides beneficiaries with some prescription drug coverage
- Coverage is provided by a variety of private insurance companies contracting with Medicare
- Beneficiaries enroll themselves in the Part D plan of their choice
- Monthly premiums range from \$14.80 - \$120.10 per month.

Medicare Part D Costs

- All Costs vary by plan
 - Monthly premiums
 - Annual Deductible
 - Co-payments and co-insurances
- Coverage of medications varies by plan based on their formulary list
- There are assistance programs to help with these costs for qualified beneficiaries

Part D Standard Benefit in 2011:

Yearly Deductible	Initial Coverage Period	Coverage Gap a.k.a. "donut Hole"	Catastrophic Coverage
<p>Ranges from \$0 - \$310 depending on plan</p> <p>Beneficiary pays 100% of drug costs until they meet their deductible</p>	<p>Beneficiary pays roughly 25% of formulary drug costs and plan pays 75% till the total cost of formulary drugs reaches \$2,840</p>	<p>Once the total cost of formulary drugs reach \$2,840 you enter gap and pay 50% of formulary drug costs until you've spent \$4,550 out of pocket</p>	<p>Once you've spent \$4,550 out of pocket, coverage gap ends and you pay only 5% of formulary drug costs.</p>

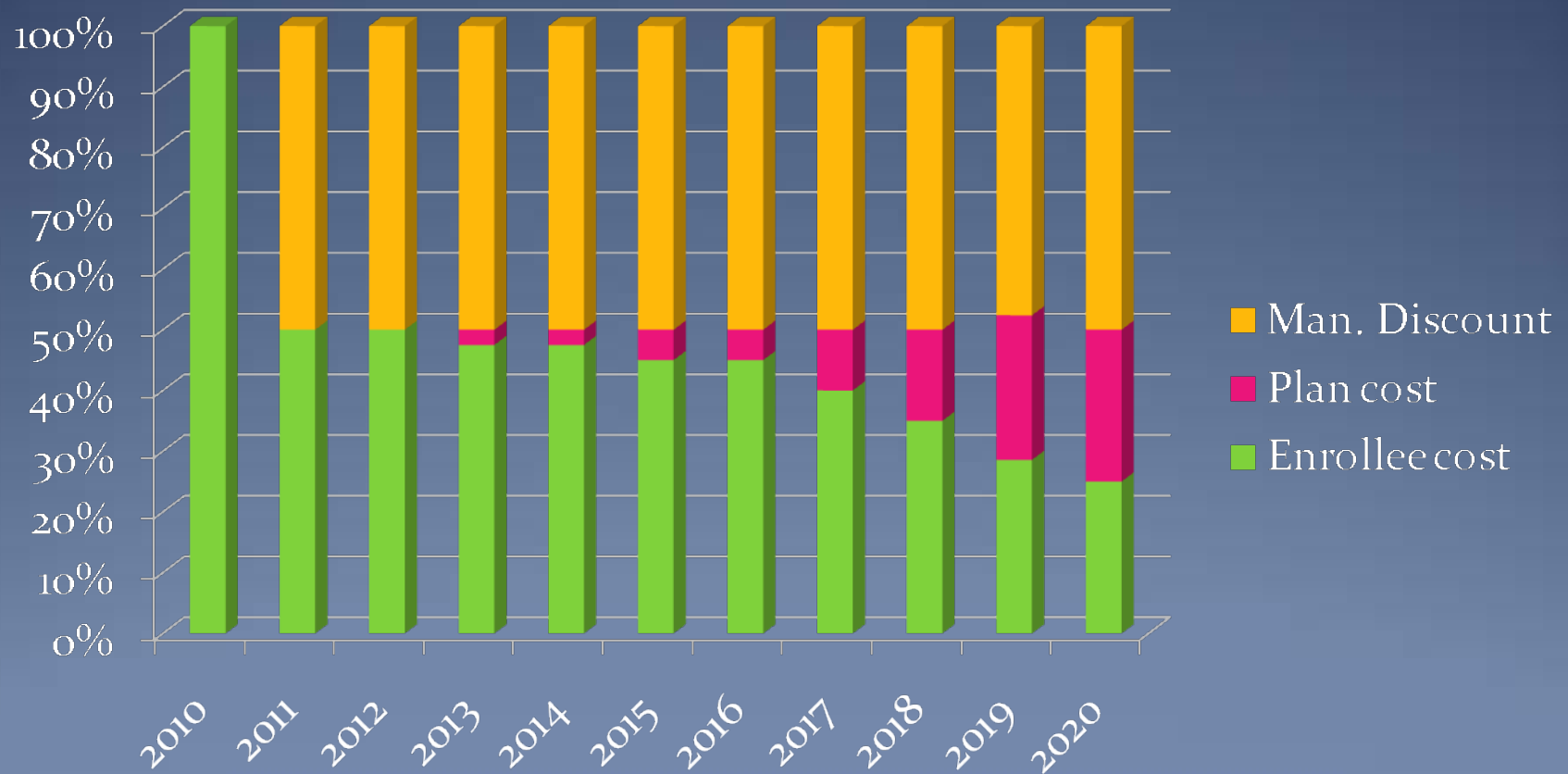
Part D 2011 at a Glance:

- 34 Medicare Prescription Drug Plans (PDPs) available in Connecticut
- 12 benchmark plans
- \$14.80 is the lowest monthly premium for a PDP
- \$110.80 is the most expensive monthly premium for a PDP

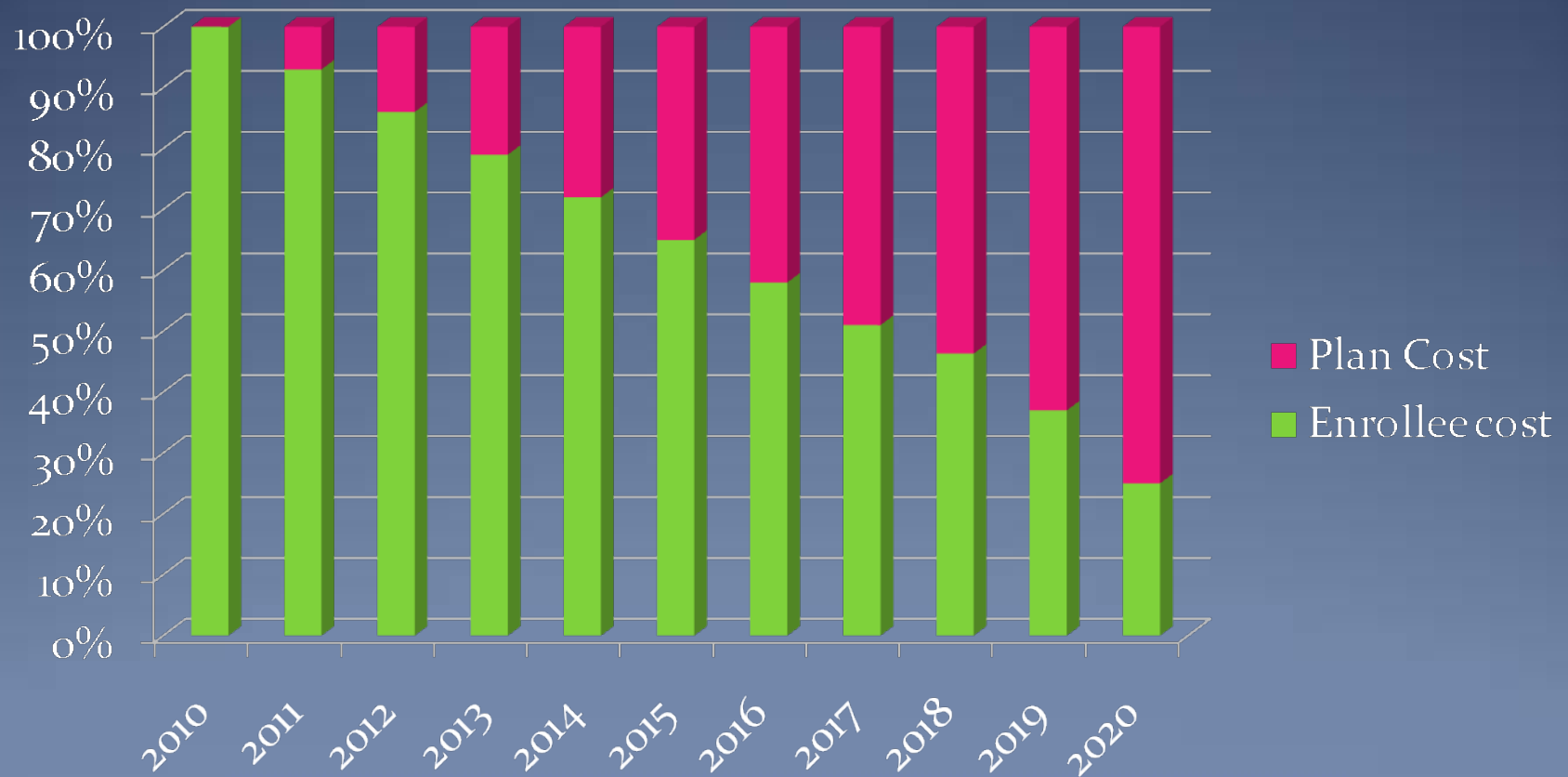
Part D changes in 2011:

- Moves the annual election period from **Nov. 15 to Dec 31st** to **October 15th to Dec. 7th**.
- Drug manufacturers will provide a **50% discount** on brand name drugs once you hit the donut hole.
- The Federal government will provide a **7% discount** on generic drugs during the donut hole.

Cost Sharing for Brand Name Drugs in the Donut Hole 2010-2020



Cost sharing for Generic Drugs in the Donut Hole 2010-2020



Programs to help people pay their healthcare costs

- Medicare Savings Programs (MSP)
 - QMB - pays the Part B premium, as well as the 20% co-insurance and deductibles if consumer goes to a provider that accepts Medicare AND MEDICAID.
 - SLMB - pays the Part B premium
 - ALMB - also pays the Part B premium
- Low Income Subsidy (LIS)
 - Helps pay prescription costs under Medicare Part D
 - Pays the deductible, and most of the drug costs

Eligibility Criteria for MSP

- **QMB** – monthly income limits below \$1,778.91 / single person or \$2,393.55 / married couple
- **SLMB** – monthly income below \$1,959.51 / single or \$2,636.55 / married couple
- **ALMB** – monthly income below \$2,09.67 / single person or \$2, 816.67 / married couple
- **No asset limits to qualify for these programs**

Eligibility for LIS -

- Monthly income below \$1,353.75 / single person and assets below \$12,510 (excludes your house and car)
- Monthly income below \$1,821.25 / married couple with assets below \$25,010.

The following individuals automatically qualify for LIS -

- If you are on Medicaid
- If you are on any of the Medicare Savings Programs
- If you get SSI benefits

Benefits of being on LIS

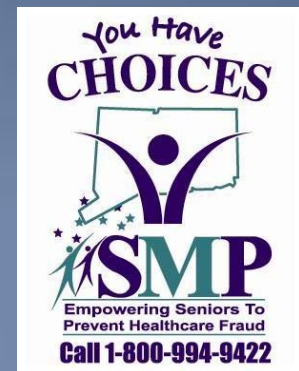
- Will cover all or some of your Part D monthly premium (depending on the plan you choose)
- Will cover the Part D deductible
- Will cover most of the cost of your “formulary” drugs and you will just have a co-pay of:
 - \$6.30 co-pay for formulary brand name drugs
 - \$2.50 co-pay for formulary generic drugs
- NO donut hole
- NO late enrollment penalty

CONNPACE

- State Pharmacy Assistance Program
- For a \$45 annual enrollment fee ConnPACE will:
 - Limit the cost of formulary medications, year round, to \$16.25 or less
 - Cover Exempt medications (like Medicaid will)
 - Pay premiums if you are in a benchmark plan
- Annual Enrollment Period Nov. 15th – Dec. 31st
 - Coverage effective January 1st
- Income guidelines, no asset limit
 - \$2,092/mo (single); \$2,817/mo (couple)



Enrolling in a Part D Plan



Enrolling in Medicare Part D

- Annual Election Period / Open Enrollment
 - November 15 through December 31, 2010
 - Any changes in plan selection will take effect January 1
- Locked in to plan selection for the year
- **NEXT YEAR - Open Enrollment will be October 15 – December 7th, 2011 with coverage starting January 1, 2012**

Selecting the Right Plan for YOU

- Compare plans based on your current medications
 - www.Medicare.gov has the Plan Finder Tool
 - CHOICES counselors/volunteers provide information to compare plans using the Plan Finder Tool
 - 1-800-MEDICARE
- Selecting a plan is YOUR choice and responsibility

Before you Enroll

- Quantity Limits (QL)
- Prior Authorization (PA)
- Step Therapy (ST)

- Appeals & Exceptions: Contact the
Center for Medicare Advocacy
1-800-262-4414

For help with Medicare

- Call Medicare at 1 800 633-4227
- Visit www.medicare.gov
- Call CHOICES at the Southwestern CT Agency on Aging. 800-994-9422
- Visit our website at www.swcaa.org

Questions.....

