

## Let's Learn Medicare!

2008 Medicare Update

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### What is the Medicare Rights Center?

- ❖ The Medicare Rights Center (MRC) is the largest independent source of Medicare information and assistance in the U.S.
- ❖ Founded in 1989, MRC is a nonprofit organization that helps older adults and people with disabilities get high-quality, affordable health care.
- ❖ MRC does not endorse or recommend any particular Medicare health or drug plan.
- ❖ MRC has three main programs:
  - Education and training
  - Client services and enrollment (LINCS)
  - Policy and advocacy to protect, enhance and extend Medicare




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### What you will learn today

- ❖ Changes coming to Medicare in 2008.
  - Increased Premiums, Deductibles & Copays
  - No Premium Penalty with Extra Help
  - Extra Help Redetermination
  - Vaccination Coverage Under Part D
- ❖ Recent changes
  - Extra Help Special Enrollment Period (SEP)
  - End of the Limited Open Enrollment Period
  - Exceptional Circumstances SEP
- ❖ What retirees should be doing now.




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**Section 1:**  
Changes in 2008



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**Changes in Cost**



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**Part A increases**

In 2007 You Pay		In 2008
<b>Monthly Premium</b>	Nothing (if you or your spouse have worked for 10 years or more)	Same
	\$226 (if you or your spouse worked between 7.5 and 10 years)	\$233
	\$410 (if you or your spouse worked less than 7.5 years)	\$423
<b>Inpatient Hospital</b>	\$992 deductible per benefit period	\$1,024
	No coinsurance for days 1-60	Same
	\$248 daily coinsurance for days 61-90	\$256
	\$496 daily coinsurance for 60 lifetime reserve days	\$512
<b>Skilled Nursing Facility</b>	No coinsurance for days 1-20	Same
	\$124 daily coinsurance 21-100	\$128



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### Part B Increases

	2007	2008
<b>Monthly Premium:</b>	\$93.50*	\$96.40*
<b>Annual Deductible:</b>	\$131	\$135

\*If your previous year's annual income is below \$82,000 (\$164,000 for couples)

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### Part B Premium Based On Income

❖ People with incomes above \$82,000 (\$164,000 for couples) will pay higher Part B premium

Annual Income	2007 Premium	2008 Premium
Below \$82,000 (\$164,000 for couples)	\$93.50	\$96.40
\$82,000-\$102,000 (\$164,000-\$204,000 for couples)	\$105.80	\$122.20
\$102,000-\$153,000 (\$204,000-\$306,000 for couples)	\$124.40	\$160.90
\$153,000-\$205,000 (\$306,000-\$410,000 for couples)	\$142.90	\$199.70
Above \$205,000 (\$410,000 for couples)	\$161.40	\$238.40

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### Part D Increases (Without Extra Help)

In 2007 You Pay	In 2008	
<b>National Average Monthly Premium (Varies by plan)</b>	\$27.35	\$27.93
<b>Maximum Deductible (Varies by plan)</b>	\$265	\$275
<b>Initial Coverage Limit (Varies by plan)</b>	\$2,400	\$2,510
<b>Out-Of-Pocket Threshold (Catastrophic Coverage) (All plans)</b>	\$3,850	\$4,050

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## Changes in Extra Help For Part D

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### Extra Help Increases

In 2007 You Pay		In 2008
<b>Copays with Medicaid and income below 100 percent FPL</b>	Generics: \$1 Brand-name: \$3.10 (Nothing after you reach catastrophic coverage)	Generics: \$1.05 Brand-name: \$3.10 (Nothing after you reach catastrophic coverage)
<b>Copays with Full Extra Help</b>	Generics: \$2.15 Brand-name: \$5.35 (Nothing after you reach catastrophic coverage)	Generics: \$2.25 Brand-name: \$5.60 (Nothing after you reach catastrophic coverage)
<b>Coinsurances/Copays with Partial Extra Help</b>	15 Percent of each drug (After catastrophic coverage, Generics: \$2.15 and Brand-name: \$5.35)	15 Percent of each drug (After catastrophic coverage, Generics: \$2.25 and Brand-name: \$5.60)
<b>Maximum Deductible</b>	\$53	\$56
<b>Catastrophic Coverage</b>	\$5,451.25	\$5,726.25

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### Extra Help Eligibility

- ❖ Extra Help asset limits for people without Medicaid

	In 2007 Your Assets Must Be Below	In 2008
<b>Full Extra Help</b>	\$7,620 (\$12,190 for couples)	\$7,790 (\$12,440 for couples)
<b>Partial Extra Help</b>	\$11,710 (\$23,410 for couples)	\$11,990 (\$23,970 for couples)

- ❖ All income limits for Extra Help will change with the Federal Poverty Level in February or March of 2008.

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## Extra Help and the Premium Penalty

- ❖ If you get Extra Help, the federal program that helps pay for Medicare prescription drug coverage, in 2008 you will not have a premium penalty for enrolling in a Part D plan after you were first eligible.
- ❖ This was set to end on December 31, 2007 but Congress has extended it through December 31, 2008.

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## Extra Help Redetermination Process

- ❖ Social Security will check the financial information of a sample of people with Extra Help to see if they still qualify in 2008. If you receive a letter from Social Security, **always** respond with the requested information.
  - Respond within 30 days of receiving the letter.
  - You can generally ask for an extension of up to 30 days.
- ❖ Once you send in the necessary forms, you will receive a notice telling you whether your Extra Help has stayed the same, increased, decreased or ended.
- ❖ If Medicare ends your Extra Help, you can reapply.

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## Changes in Costs For Medigaps

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## Medigap F and J Deductibles

Medigaps F and J are available two ways:

- ❖ Regular F and J.
- ❖ As “high-deductible” plans.
  - Have lower monthly premiums but don’t help cover your care until you have spent a certain amount (the deductible) out-of-pocket .
  - In 2008, the deductible for high-deductible plans F and J is \$1,900.
  - Work for people with Original Medicare who want supplemental coverage in case of serious illness or injury, but are generally healthy.

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## Medigap K and L Out-of-Pocket Limits

- ❖ The limits for how much you will spend out-of-pocket during 2008 have gone up to
  - \$4,440 in plan K; and
  - \$2,220, in plan L.
- ❖ Once you spend this amount on your Medicare-covered medical expenses, your Medigap will pay in full for your Part A and Part B coinsurances for the rest of the year.

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## Changes in Coverage

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## Vaccination Coverage

- ❖ In 2007: Part D covered some vaccinations, but their administration was covered still by Part B.
  - This caused billing confusion.
- ❖ In 2008: Part D-covered vaccinations and their administration will be covered by your drug plan.
- ❖ Vaccinations historically covered by Part B will still be covered by Part B.

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## Section 2: Recent Changes

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## Extra Help

### Continuous Enrollment Period

- ❖ All people with Extra Help, can switch Medicare drug plans once a month.
- ❖ It is best not to change plans often.
  - Do your best to choose a plan that covers your prescription needs the first time.

**Note:** People with Medicaid and/or a Medicare Savings Program (MSP) have always been able to change plans once a month.

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## End of the Limited Open Enrollment Period (L-OEP)

- ❖ In 2007:
  - you could switch from Original Medicare **without drug coverage** to a private health plan **without drug coverage** at any time.
- ❖ In 2008:
  - the "Limited Open Enrollment Period," described above, has ended. You may now only change coverage during specified enrollment periods.

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## Section 3: What You Should Do Now

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## What you should be doing now

- ❖ Use the Annual Coordinated and Open Enrollment Periods.
  - Make sure your drug and private health coverage will still cover your needs in 2008.
    - Private health and drug plans are required to send you an Annual Notice of Change (ANOC) by October 31 telling you how your plan will change for next year.
  - If you are considering enrolling in a Medicare private plan, compare plans to learn about costs and benefits for 2008.
- ❖ Know your options.

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## Know Your Options

- ❖ Everyone starts with "Original Medicare."
  - Accepted by most doctors, hospitals in the country.
  - Medicare Part A (Inpatient/Hospital Insurance) and Part B (Outpatient/Medical Insurance).
  - Supplemental insurance can help with out-of-pocket costs only.
  - If you want Part D, must get it through **private drug-only plan** that works with Original Medicare (PDP).
- ❖ You can choose to get Medicare benefits from a private health plan.
  - All must cover A and B benefits, may offer Part D.
  - May offer extra benefits, but have extra **rules, restrictions, costs.**

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## Part D and Original Medicare

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## If you want Part D + Original Medicare

- ❖ Choose a stand-alone private drug plan (PDP) and enroll.
- ❖ Pick one that covers the drugs you need at a cost you can afford. Plans vary widely in their benefits.
- ❖ Each plan has:
  - a different list of drugs that it covers (formulary)
  - its own network of pharmacies
  - different costs, but must have a benefits package at least as good as the "basic" plan outlined in Medicare law. **Most plans do not look like the basic plan.**

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## If you have low income . . .

- ❖ You may be eligible for programs that can help you pay for the costs of the Medicare prescription drug benefit.
  - **Extra Help** is a federal assistance program that helps to pay for most of your Medicare drug coverage out-of-pocket costs.
  - **Illinois Cares Rx** is Illinois' State Pharmaceutical Assistance Program (SPAP) that coordinates with Part D plans to lower your drug costs and provide some additional coverage.

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## Medicare Advantage Plans

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## Medicare private health plans

- ❖ You can choose to get your benefits from a private company that contracts with Medicare.
- ❖ You still have Medicare if you join a private health plan.
  - Plan must provide all Part A and Part B services.
- ❖ May offer extra services (vision, dental, etc).
- ❖ If you want Part D, you must generally get it as part of your health plan's benefits package.
- ❖ Part D coverage in a private health plan works the same as it does in a PDP.

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## Medicare private plan concerns

- ❖ **May have additional rules, restrictions and costs. Plans may:**
  - limit you to a doctor, hospital and pharmacy networks;
  - require that you pay more than in Original Medicare for some medical services;
  - put restrictions on services;
  - increase their premiums, copays and change their benefits from one year to next;
  - close, forcing you to find a new plan next year.
- ❖ Doctors, hospitals and pharmacies can leave plan anytime but **you can only leave at certain times of year.**

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## Joining Private Plans

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## What to do when thinking about joining a private plan

- ❖ Find out as much as possible about the care you'll get from
  - people you trust who might have experience with the plan;
  - the plan itself.
- ❖ Consider:
  - List of covered drugs ("formulary")
  - Plan structure
  - Monthly premium
  - Networks

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**Where can you get information about Medicare private plans?**

You can get information from:

- ❖ Friends and family (good for getting the real deal)
- ❖ Medicare
  - 800-MEDICARE;
  - [www.medicare.gov](http://www.medicare.gov) (Drug and Health Plan Finders)
- ❖ Medicare private health plans.
  - **Always double check all information with the plans directly.**
  - Get the information in writing.



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**How to Enroll**

- ❖ It is best to enroll through 800-MEDICARE.
  - Reduces chances of administrative error
- ❖ You can enroll through the plans directly.
- ❖ If you are already in a private health plan, it is best to enroll in a new plans without disenrolling from your old plan.
  - Will be automatically disenrolled from old plan.
  - Ensures you have no gaps in coverage.
- ❖ To go back to Original Medicare, disenroll from your private health plan or enroll in a PDP if you have (or want) Part D.



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**Section 4:  
Marketing Fraud**



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### Beware of Marketing Fraud

- ❖ Don't feel pressured to sign up for a plan before you've confirmed all the facts!
- ❖ Always call plans directly to confirm coverage information. Ask for information in writing.
- ❖ **Keep records.** Write down:
  - The name or ID# of the customer service representative with whom you speak.
  - The date and time of your call.
  - The information given to you.
  - The outcome of the call.

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### PFFS Plans and Marketing Fraud

- ❖ CMS recently found certain marketing practices enacted by some PFFS plans to be fraudulent.
- ❖ Protect yourself by reading CMS Fact Sheet 11327, "Marketing Rules for Medicare Private Fee-For-Service plans."
  - [www.medicare.gov/Publications/Pubs/pdf/11327.pdf](http://www.medicare.gov/Publications/Pubs/pdf/11327.pdf)

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### Exceptional Circumstances SEP

- ❖ CMS recently called attention to a Special Enrollment Period (SEP) for people who enroll in Medicare private plans "based on misleading or incorrect information provided by plan employees, agents or brokers."
- ❖ Call 800-MEDICARE (800-633-4227) and request an "Exceptional Circumstances Special Enrollment Period based on incorrect or misleading information."

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# Section 5: Resources



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- ### Where to report marketing fraud
- ❖ IL Senior Health Insurance Program
    - 800-548-9034
  - ❖ Health and Human Services Office of Inspector General's TIPS Hotline
    - 800-HHS-TIPS (800-447-8477)
  - ❖ For Drug Plan (Part D) Marketing Fraud, the Medicare Drug Integrity Contractors
    - 877-7SAFERX (877-772-3379)
  - ❖ Do-Not-Call Registry
    - 888-382-1222 (TTY call 866-290-4236)
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- ### Where to look for more information
- ❖ Senior HelpLine
    - 1-800-252-8966
    - [il senior@aging.state.il.us](mailto:il senior@aging.state.il.us)
  - ❖ IL Senior Health Insurance Program (SHIP)
    - 800-548-9034
  - ❖ Medicare
    - 800-MEDICARE (800-633-4227)
    - [www.medicare.gov](http://www.medicare.gov)
  - ❖ National Committee for Quality Assurance (NCQA)
    - <http://hprc.ncqa.org/>
  - ❖ Medicare Rights Center
    - 800-333-4114
    - Medicare Interactive (See next slide)
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## Medicare Interactive

- ❖ Medicare Interactive
  - [www.medicarerights.org/help.html](http://www.medicarerights.org/help.html)
- ❖ Web based information system developed by MRC to be used as a counseling tool to help people with Medicare.
  - Easy to navigate
  - Clear, simple language
  - Answers to Medicare questions and questions about related topics, for example:
    - “How do I compare Medicare private drug plans?”
  - State-specific information (Find what programs Illinois offers.)

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## Things to remember

- ❖ Know your options.
- ❖ If you choose a Medicare private plan, make sure it is affordable, covers your needs, works at your doctors and/or pharmacy and works with your current coverage.
  - Always double-check information with the plan itself before joining, to make sure it's right for you.
- ❖ Record information and get it in writing!

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