



Medicare Rights Center



Let's Learn Medicare!

Coverage to Supplement
Your Medicare
(February 2008)

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
 - Policy and advocacy to protect, enhance and extend Medicare

 Medicare Rights Center

Section 1: Introduction

 Medicare Rights Center

What we will cover today

- ❖ Coverage that supplements Original Medicare
 - Retiree coverage
 - Medigap coverage
 - Income-based programs
- ❖ How to get supplemental coverage
- ❖ How extra coverage can save you money
- ❖ Your rights and protections

 Medicare Rights Center

Section 2: What is supplemental coverage?



What is supplemental coverage?

- ❖ Fills gaps in Original Medicare.
- ❖ Original Medicare:
 - traditional way of getting Medicare through the federal government.
 - allows you to go to almost any doctor or hospital in the country.
 - does not cover the full cost of your care
- ❖ Supplemental coverage lets you keep flexibility of Original Medicare and limits your out-of-pocket costs.
- ❖ Generally **secondary** coverage.



What does “secondary” mean?

- ❖ Health care coverage that pays after the primary insurer on a claim for medical or hospital care.
 - It usually pays for all or some of the costs that the primary insurer did not cover
 - May not cover services not covered by the primary insurer.
 - What it will cover depends on the policy.



What can supplemental coverage help pay for?

- ❖ It may cover
 - hospital deductible, coinsurance, extra days
 - outpatient coinsurance
 - skilled nursing facility coinsurance
 - emergency care outside the U.S.
 - preventive care
 - non-Medicare services like vision, dental, hearing, additional home health aide services



Section 3: Types of Supplemental Coverage

 Medicare Rights Center

Three ways to get Medicare supplemental coverage

1. Through your retiree coverage from a former employer or union.
2. Through government income-based assistance programs.
3. By buying it from an insurance company that sells “Medigap” policies.

 Medicare Rights Center

Retiree Insurance

 Medicare Rights Center

What is retiree coverage?

- ❖ Retiree coverage is health insurance from a **former** job or union.
 - Usually secondary to Medicare.
 - **Be very careful about dropping it;** you may not be able to get it back.
 - Takes many forms; read coverage information carefully to find out how it works with Medicare.
 - Retiree benefits can change from year to year.

 Medicare Rights Center

Do retiree and current employer coverage work the same way?

- ❖ Retiree and current employer coverage work **differently** with Medicare.
- ❖ Retiree coverage is always secondary
- ❖ Employer coverage depends on size of employer:
 - Primary if more than 20 employees in you or your spouse's company.
 - Secondary if less than 20.
 - Different if Medicare for disability, ESRD



Income-Based Programs



Can income-based programs fill gaps in Medicare?

❖ **Medicaid**

- Medicare is primary payer. Medicaid pays second.

❖ **Medicare Savings Programs**

- QMB: Pays for Part A, B premiums, deductibles and coinsurance. Coordinates with Medicare to provide full coverage for Medicare-covered services from a **Medicaid**-certified doctor.
- SLMB, QI: Help pay Part B premium, only.

❖ **Extra Help**

- Helps pay for Part D out-of-pocket costs.



Medigaps



What are Medigaps?

- ❖ Medigaps are health insurance plans that you buy from insurance companies to supplement Original Medicare.
- ❖ 12 standardized plans, **A–L**.
- ❖ Medigaps pay for services that Medicare approves, some extra.
- ❖ Only work with Original Medicare, not with private health plans (HMO, PPO, PFFS).



What do Medigaps cover?

- ❖ All Medigap plans must offer a core set of benefits covering:
 - hospital coinsurance
 - 365 days of full hospital coverage on top of Medicare covered days
 - full or partial coverage for your copayment/coinsurance on doctors' and other medical bills
 - full or partial coverage for the first 3 pints of blood needed each year



What other benefits do

Medigaps cover?

- ❖ Different Medigap plans offer different coverage options, including:
 - hospital deductible
 - skilled nursing facility coinsurance
 - emergency care outside U.S.
 - some limited home care
 - Part B excess charges
 - preventive care
- ❖ For a chart of what each standard Medigap plan covers see www.medicarerights.org/medigap_benefits_natl.pdf



How much do Medigaps cost?

- ❖ Premiums range from around \$70/month for Plan A to more than \$250/month for Plan J.
- ❖ Since plans are standardized, each lettered plan offers the same benefits.
- ❖ Main difference: **Cost**
 - Shop around to different insurance companies.
- ❖ Most popular are C and F
 - Comprehensive benefits, medium price
- ❖ Find costs of plans in your area with the Illinois Medicare Supplement Premium Comparison Guide:
www.idfpr.com/DOI/medsup/default.asp



High-Deductible Medigaps F and J

Medigaps F and J are available two ways:

- ❖ Regular F and J.
- ❖ As “high-deductible” plans.
 - Have lower monthly premiums (from about \$30 to \$100 a month) 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.



Medigap K and L Out-of-Pocket Limits

- ❖ Medigap plans K and L have lower monthly premiums than other high-end Medigaps, but also cover fewer services.
 - Premiums range from around \$70/month for Plan K to around \$160/month for Plan J.
- ❖ In 2008, the limits for how much you will spend out-of-pocket are
 - \$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 copays and coinsurances for the rest of the year.



Medicare “Select”

- ❖ Medigaps A—L with a twist.
 - Similar rules to a managed care plan for **inpatient care**.
 - Only pays second if you use hospitals in the plan’s network.
 - No Part A deductible will be charged to you or your insurance.
- ❖ Be aware of limitations before you buy.



What are your rights to buy a Medigap for the first time?

- ❖ You have the right to buy any policy you want in six-month “open enrollment period.”
 - After Open Enrollment Period insurance companies can refuse to sell you a policy unless “guarantee issue.”
- ❖ No waiting period for pre-existing conditions if you **had coverage before** you bought a Medigap policy.
- ❖ Portable: If you move, you can take it with you.



Enrollment for people with disabilities

- ❖ Beginning June 1, 2008, Illinois residents who are eligible for Medicare due to a disability may not be denied enrollment in a Medigap if:
 - they had Medicare Part B before June 1, 2008 and apply for a Medigap by November 30, 2008;
 - they apply for a Medigap within six months of enrolling in Part B benefits (their "Open Enrollment Period");
 - they apply within six months of notification of retroactive Part B benefits;
 - their employer group health plan ends or stops providing supplemental coverage;
 - their Medicare private health plan ends, violates its contract or commits marketing fraud;
 - they move out of their Medicare private health plan's service area; **or**
 - their current Medigap ends or commits marketing fraud and they are without coverage.



What should you consider when buying Medigap coverage?

- ❖ Premiums may be
 - Issue Age-Rated;
 - Attained Age-Rated; **or**
 - No Age-Rated; **and**
 - Influenced by smoking status and gender (after six-month Open Enrollment Period).
- ❖ Plans may
 - make you wait up to six months before covering pre-existing conditions;
 - charge an application fee; and/or
 - not automatically be billed for Part B services—you will have to submit bills to them.



Are there any other rules or protections?

- ❖ After six-month Open Enrollment Period, Medigap and Medicare Select plans A, B, C, F, K and L must be “guaranteed issue” in certain situations.
- ❖ Cannot be given a pre-existing condition wait period.
- ❖ Must buy your new plan within 63 days.



How to compare Medigap policies

- ❖ Compare premiums today for you and for people five and ten years older than you.
 - You may find that policies based on your age appear less expensive at 65 but are far more expensive at 70 or 75.
- ❖ Check the insurer’s reputation and reliability.
- ❖ Check to see if Medigap claims are filed automatically. That way, you do not have to submit claims (“crossover”).



How do Medigaps work with other private coverage?

- ❖ Medicare private health plans offer **duplicative coverage** to Medigaps.
 - You cannot be sold a Medigap if you have a Medicare private health plan (like an HMO, PPO or PFFS plan).
 - Exception: You can buy a Medigap if you are leaving your private health plan's area within 60 days.
- ❖ If you become eligible for employer insurance (through your job, your spouse's job or a parent's job):
 - you can have both, but you can only use one at a time—and generally offer no extra coverage.
 - you may suspend your Medigap coverage until you are no longer eligible for employer insurance.



How do Medigaps work with low-income programs?

- ❖ Medicaid and the QMB Medicare Savings Program offer **duplicative coverage** to Medigaps.
 - You cannot be sold a Medigap if you have Medicaid or QMB.
- ❖ If you become eligible for Medicaid or QMB and already have a Medigap:
 - You can suspend your Medigap for up to 24 months.
 - Your suspended Medigap may not be cancelled and you may not be charged a premium during that time.
 - You should notify your Medigap company within 90 days of losing these programs to reinstate your Medigap coverage without penalty or pre-existing condition wait period.



Section 4: Conclusion



Where to go for more information and help

- ❖ IL Senior Health Insurance Program (SHIP)
 - 800-548-9034
- ❖ Illinois Medicare Supplement Premium Comparison Guide
 - www.idfpr.com/DOI/medsup/default.asp
- ❖ Office of Consumer Health Insurance (OCHI)
 - 877-527-9431
- ❖ Medicare
 - 800-MEDICARE (800-633-4227)
 - www.medicare.gov
- ❖ Medicare Rights Center
 - 800-333-4114
 - www.medicarerights.org
 - Medicare Interactive (See next slide)



Medicare Interactive

- ❖ Medicare Interactive
 - www.illinoisbenefits.org
- ❖ 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:
 - “Do I have the right to buy any Medigap plan I want?”
 - State-specific information (Find what programs Illinois offers.)



Things to remember

- ❖ Be careful about dropping retiree coverage; find out if you can get it back if you want it later.
- ❖ Medigap plans only fill gaps in Original Medicare.
- ❖ It's wise to buy a Medigap as soon as you get Medicare Part B.
- ❖ Shop around for a Medigap policy that meets your needs and budget.
- ❖ If you have a limited income, you may qualify for Medicaid, an MSP or Extra Help.

