

Medicare 2021

AARP

Eligibility

➤ **65 or older**

And

➤ **40 credits (equivalent to ten years employment)**

Or

➤ **SSDI (Disability) longer than two years**

➤ **End-stage renal disease**

Medicare- Two Options

Original Medicare

Part A: Hospital Insurance
(Automatic)

Part B: Medical Insurance

- Optional
- Penalty

Part D: Prescription Drugs

- Optional
- Penalty

Medicare Advantage

Part A: Hospital Insurance
Included

Part B: Medical Insurance
Included

Part D: Prescription Drugs
Included

Medicare- 7 Point Comparison

Original Medicare (A, B, D)

1. Fee for service
2. **Choice** of providers (who accept Medicare)
3. **No** out-of-pocket Limit
4. Part B premium is purchased
5. Part B- 20% Coinsurance
6. Part D (Drugs) is purchased
7. **May** combine with Medigap (Supplemental Policy)

Medicare Advantage (Part C)

1. Managed Care (HMO, PPO)
2. **Network** doctors and hospitals (Specialist referral **required**)
3. Out-of-pocket limit
4. Part B premium is purchased
5. Part B- Copayments
6. Part D (Drugs) is included
7. **May not** combine with Medigap

Original- Part A: Hospital

Inpatient care (admitted)
Skilled nursing facility care
Hospice
Home health care

Coverage

No- Covered if 40 credits (10 years)
May be purchased (expensive)

Premium

**\$1,484 per benefit period (up to
60 days after discharge)**

Deductible

No- Days 1 – 60 \$0
Yes- Days 61 – 90 \$371/day
Yes- (Reserve: Days 91 – 150) \$742/day
Skilled Nursing facility- \$185.50/day
(days 21 to 100)

Coinsurance

Advantage- Hospital

Coverage	Inpatient care (admitted) Skilled nursing facility care Hospice Home health care
Premium	Same as Traditional
Deductible	No
Copayment	Yes - \$/day for a set number of days per episode (read policy)
Coinsurance	No

Original- Part B: Medical

Medical Care (Doctors, Specialists)
Outpatient Care
Durable Medical Equipment
Preventative Services

Coverage

Yes- \$148.50/month (Means Tested)
May be purchased (expensive)

Monthly Premium

Yes - \$203/yr.

Deductible

No

Copayment

Yes (20%)

Coinsurance

Advantage- Medical

Coverage	Medical Care (Doctors/Specialists) Outpatient Care Durable Medical Equipment Preventative Services
Premium	Yes - \$148.50/ month (Means Tested)
Deductible	No
Copayment	Yes - Some services may have copays of up to 20%
Coinsurance	No - (read policy)

Original- Part D: Medications

Coverage for prescription drugs through private insurance companies

**Yes- Varies- (\$33/month typical)
(means tested)**

Some do- (\$445) more expensive do not

Yes (Varies by policy and tier)

Yes 25% / 25% / 5%

\$4,130 / \$6,550 / (75% discount)

Coverage

Monthly Premium

Deductible

Copayment

Coinsurance

Total Cost (you and Plan)

Advantage- Medications

Coverage	Included in most cases
Premium	No (but means tested)
Deductible	Some do, most don't - (Read policy)
Copayment	Yes - Depends on drug Tier
Coinsurance	Read policy, 25% / 25% / 5%
Total Cost	\$4,130 / \$6,550 / (75% Discount)

What is Not Covered?

- **Long Term Care**
- **Most Dental Care**
- **Dentures**
- **Eye Examinations related to *prescribing glasses***
- **Cosmetic Surgery**
- **Acupuncture**
- **Hearing Aids and exams for fitting them**
- ***Routine* Foot Care**

Medicare and Other Insurance Coverage

Medigap (Supplemental Insurance)

Original Only

Can pay for deductibles, copayments, and coinsurance for Parts A and B

- Six-month signup protection against **pre-existing** conditions
- May include foreign travel **emergency** protection
(some Advantage plans also provide foreign travel emergency protection)

Original Medicare Supplemental Insurance

Summary of Medigap Plan Benefits

Note: An X means 100% of benefit paid	Plans Available to all applicants								Medicare eligible before 2020 only	
	A	B	D	G	K	L	M	N	C	F
Medicare Part A coinsurance and hospital coverage (up to an additional 365 days after Medicare benefits used up)	X	X	X	X	X	X	X	X	X	X
Medicare Part B coinsurance or copay	X	X	X	X	50%	75%	X	copays	X	X
Blood (first three pints)	X	X	X	X	50%	75%	X	X	X	X
Part A hospice care coinsurance or copay	X	X	X	X	50%	75%	X	X	X	X
Skilled Nursing Facility coinsurance			X	X	50%	75%	X	X	X	X
Medicare Part A deductible		X	X	X	50%	75%	50%	X	X	X
Medicare Part B deductible									X	X
Medicare Part B excess charges				X						X
Foreign travel emergency up to plan limit			80%	80%			80%	80%	80%	80%
Out of pocket limit in 2021					\$ 6,220	\$ 3,110				

Medicare Plus Other Insurance Coverage

Applies to: Original and Advantage

- **Coordinates with other insurance coverage such as employer, union, veterans, military retirees (TRICARE), Federal and long-term care insurance**
- **Medicare functions as primary insurance in some cases and secondary in others**

Medicare Savings Programs & Extra Help

**Apply to both Original and Advantage
Based on Income (see handout)**

Medicare Savings Program (AHCCCS in Arizona)

QMB - pays Part B premium, deductibles, copayments, and coinsurance

SLMB - pays for Part B premium

QI - pays for Part B premium

Medicare Extra Help

LIS - assists with Part D costs

Enrollment Periods

Initial Enrollment - 7 months starting 3rd month **before** 65th birthday

Special Enrollment – Up to 8 months after **creditable** coverage ends

- Discuss with HR Department (COBRA generally does not qualify)

General Enrollment - Jan. 1 to March 31 if initial enrollment missed

- **Penalty** may apply (B - 10% / year, D - 1% / month)
- All coverage starts July 1

Open Enrollment - Advantage and Part D changes - Oct 15 to Dec 7

Change from Advantage to Original – Jan 1 to March 31

- **Pre-existing conditions may influence plan price**

Be Proactive!

If you receive Social Security, you may be automatically enrolled in Original Medicare **Part A and B** but not D

Enroll online: ssa.gov/benefits/medicare

BUT

Do **Not** Procrastinate or **Avoid** a Decision!!

Resources

State Health Insurance Assistance Program (SHIP):
www.shiptacenter.org

Enter: State – Arizona

Or

Area Agency on Aging

www.aaaphx.org (602) 264-4357

- **Excellent source** for knowledgeable, unbiased information
- In-home and onsite counseling

Medicare: www.medicare.gov (1-800-633-4227)

AARP: www.aarp.org/medicareQA (1-888-687-2277)

AARP Medicare

Questions?