Medicare Q&A

Contents

How to use this guide

Senior Law Day Collaborative Q&As are intended to guide older adults and caregivers as they address issues related to aging and planning for the future. We suggest you review this information in the full before seeking out an elder law attorney or other professional, so that you are familiar with the terms and can be ready to ask questions specific to your needs.

At our website – **seniorlawday.info** – you will find:

- additional Q&As for review and download
- a library of recorded webinars on topics relevant to elders and caregivers
- an opportunity to get your specific questions answered via email or during our quarterly consultation events
- notice up upcoming educational programs

All services of the Collaborative are offered at no charge. Our goal is to help you get the answers you need so you can plan and move forward with confidence.

This Q&A was written by members of the Senior Law Day Collaborative, including Mark Brownstein, Emerald Medicare and Elena Falcone, Westchester Library System. This publication is based on the original ***Elder Law Q&A: An Introduction to Aging Issues and Planning for the Future*** *by Steven A. Schurkman. (July 2023)*

Medicare

What is Medicare and what does it cover?

Medicare is a federally-funded health insurance program for qualified persons over 65 and recipients of Social Security Disability (SSD) benefits. Generally, a qualifying work history for you or your spouse is required, and you must either be over 65 years of age or in receipt of Social Security Disability benefits for more than two years to enroll in Medicare.

Medicare has no income or resource limits; however, it does require co-payments and has deductibles for most services.

Medicare consists of different parts, each helps individuals with specific aspects of their care. Medicare Parts A, B & D are often referred to as Original Medicare.

- Medicare Part A (hospital insurance) covers your care at hospitals, as well as subsequent home health care and time-limited nursing home costs. Most people get Medicare Part A for free, which is based on the amount of time you (or a spouse or parent) paid Medicare taxes while working.
- Medicare Part B (medical insurance) covers non-hospital costs such as doctor visits, and ambulance and outpatient services. Medicare Part B requires a monthly premium based on income.
- Medicare Part D (drug coverage) provides prescription drug coverage for Medicare recipients through private insurance companies. Premiums are required and coverage varies by individual plan.

What does Medicare cover?

In general, **Part A** covers:

- Hospital care
- Skilled nursing facility care, for up to 20 days without co-pays, and up to an additional 80 days with co-pays
- Hospice

- Home health services; however only skilled and rehabilitative services are covered, not custodial care. The care must be part-time and intermittent.[1]

Part B covers:

Medically necessary services: Services or supplies that are needed to diagnose or treat your medical condition and that meet accepted standards of medical practice are covered.

Preventive services: Health care to prevent illness (like the flu) or detect it at an early stage, when treatment is most likely to work best, are covered and being expanded.

Part B also covers items such as:

- Ambulance services
- Durable medical equipment (DME)
- Getting a second opinion before surgery
- Lab costs
- Limited outpatient prescription drugs
- Mental health treatment
- X-rays

Part D

Each Medicare Prescription Drug Plan has its own list of covered drugs (called a formulary). Many Medicare drug plans place drugs into different "tiers" on their formularies. Drugs in each tier have a different cost. A drug in a lower tier will generally cost less than a drug in a higher tier. In some cases, if a drug is on a higher tier and your prescriber thinks you need that drug instead of a similar drug on a lower tier, you or your prescriber can ask your plan for an exception to get a lower co-payment.

What is not covered by Medicare?

While Medicare provides significant medical coverage, some services are not covered. You would need to pay for these services privately or may find some level of coverage through a

1 **Custodial care** is care required to assist an individual with his or her **activities of daily living** (e.g., care during recovery from a stroke or while suffering from Alzheimer's disease or other dementia). Activities of daily living include eating, bathing, dressing, transferring or mobility (e.g., moving from a bed to a chair) and toileting.

Medicare Advantage Plan (described later in this Q&A).

Medicare does not cover:

- Long-term care, including custodial care in nursing homes[2]
- Routine dental care, dentures, and most dental procedures
- Routine vision care, eyeglasses, and exams for glasses
- Hearing aids and exams for fitting them
- Acupuncture and alternative therapies
- Cosmetic surgery

What if I don't have enough income to pay Medicare Part B or Part D premiums?

Three programs may be available to you:

1. The Medicare Savings Program, which is administered by Medicaid, is available to those who meet certain income guidelines. This program pays for Part B premiums and may also pay for Medicare deductibles, coinsurance, and co-payments.
2. The Extra Help program is available to low-income individuals to pay Part D premiums and deductibles.
3. EPIC, a NYS pharmacy assistance program, will pay the Medicare Part D premium for those with an income up to $23,000 if single or $29,000 if married. Higher income individuals are required to pay their own Part D premiums but EPIC provides premium assistance by lowering their EPIC deductible.

You can prescreen for programs for which you may be eligible by going to **mybenefits.ny.gov/mybenefits/** and scrolling down to "Am I Eligible."

2 While Medicare does not cover long-term care, Medicare Part A may cover a limited stay in a skilled nursing facility for medically necessary care after a qualifying hospital stay. Medicaid, a joint federal and state program, may provide coverage for long-term care services for individuals who meet specific income and asset requirements. Alternatively, long-term care insurance is available as a separate type of insurance policy to cover long-term care expenses. For more information see our Long-Term Care Insurance and Preservation of Assets Q&As.

What is Medicare Supplement Insurance (Medigap) and do I need it?

Medicare Supplement Insurance, also called Medigap, is sold by private companies. These plans can help pay some of the health care costs that Medicare doesn't cover, like co-payments and deductibles. Some policies also include services that Medicare doesn't cover, like emergency medical care when you travel outside the U.S.

Medigap is extra insurance you can buy from a private insurance company to help pay your share of costs in Original Medicare, such as deductibles and co-payments. If you have Original Medicare and you buy a Medigap insurance policy, Medicare will pay its share of the Medicare-approved amount for covered health care costs – then your Medigap policy pays its share.

You have special rights in New York State when you purchase a Medigap policy: (1) You can purchase a policy at any time during the year and (2) You cannot be denied a policy due to age or health status.

If you prefer the freedom to see any doctor or specialist who accepts Medicare patients and want predictable out-of-pocket costs, a Medigap policy may be a good option for you. You may want to compare the costs for the Medigap against the costs and benefits of a Medicare Advantage plan.

Note: You cannot have both a Medigap and a Medicare Advantage Plan. Medigap works with Original Medicare, Medicare Advantage Plans replace Original Medicare.

How do I enroll in Medicare?

People under age 65 receiving Social Security Disability payments will automatically be enrolled in Medicare Parts A and B after two years of receiving payments. People receiving Social Security retirement benefits are automatically enrolled in Medicare Parts A and B. If you are not receiving Social Security payments, you can enroll in Medicare by contacting the Social Security Administration when you reach age 65.

There is a seven-month window (starting three months before you turn 65), during which those who are unemployed, self-employed, or who work for a company of less than 20 employees) are asked to enroll in Medicare. For those who are continuing to work after age 65 for a company with more than 20 employees (which is then required to offer healthcare coverage), you have the option to decline Part B coverage and save the cost of the Part B premium.

How do I pay for Medicare?

Most people don't get a bill from Medicare because they get their premiums deducted automatically from their Social Security benefit payment; this includes IRMAA payments (Income Related Monthly Adjustment Amount), which is an extra amount paid in addition to your Part D plan premium if your income is above a certain amount.

What is a Medicare Advantage?

A Medicare Advantage plan is a Medicare-approved plan from a private company that offers an alternative to Original Medicare for your health and drug coverage. These "bundled" plans combine the benefits of Part A, Part B, and sometimes Part D, while offering additional services such as vision, dental, and hearing coverage.

Medicare Advantage plans require that you use physicians within their networks. They provide the same benefits of Medicare Parts A and B, with additional benefits that vary by insurance company. These benefits change each year.

Can a Medicare Advantage plan be free?

Yes, Medicare Advantage plans can be available with a $0 premium. It's important to note that even if the premium is $0, you may still be responsible for other cost sharing costs such as deductibles, copayments, and coinsurance when using medical services. Take the time to review the plan details you are considering, including the coverage, cost-sharing, provider networks, and additional benefits to understand the plan before you enroll.

In Medicare Advantage, what is a maximum out-of-pocket limit and is that the same as a deductible?

The maximum out-of-pocket limit in Medicare Advantage plans is not the same as a deductible.

The maximum out-of-pocket (OOP) limit represents the maximum amount you will have to pay for covered healthcare services within a calendar year. The out-of-pocket limit includes your deductible, copayments, and coinsurance. This does not include any costs incurred for any prescription drugs purchased. The maximum OOP limits vary and can be as high as $7,500 for each calendar year, a number that does adjust yearly.

Hospitalization and surgery are the most expensive costs on most Medicare Advantage plans. If one reaches this yearly limit, the plan will cover 100% of the costs for covered services for the remainder of the year.

Deductibles, on the other hand, are the initial amounts you must pay before your plan starts covering the costs of certain services. Deductibles are included in the calculation of a maximum out-of-pocket limit.

Do I Need Medicare Part A or Part B If I Am Still Working?

If you are still working and have employer-sponsored health coverage, you may not need to enroll in Medicare Part A or Part B immediately. Speak with your employers benefits office to determine how Medicare will work with the coverage you have.

What is Medicare's Open Enrollment Period?

Medicare's annual Open Enrollment Period is an important opportunity for all Medicare recipients to review and make changes to their Medicare coverage, including switching between Original Medicare and Medicare Advantage, changing Part D prescription drug plans, or selecting new Medicare Advantage plans.

Open Enrollment runs from October 15th to December 7th each year; your coverage changes would take effect on January 1st of the following year.

If you are not making changes to your current coverage, you do not need to re-enroll. Do, however, take this opportunity to check that any medications are covered in your plan's formulary and that your current doctors or anticipated medical services are included.

What are Special Enrollment Periods?

Special Enrollment Periods, available outside the annual Open Enrollment Period, allow you to enroll and/or make changes at other times during the year. Some examples of qualifying your plan changes its contract with Medicare, mis-information from a provider, or you newly qualify for Extra help.

More information on these opportunities can be found at **medicare.gov**.

What do I need to know before enrolling in a Medicare plan?

Medicare is often perceived as a complex program, not only are there several parts and programs, but individual needs and resources vary. We encourage you to become familiar with the resources flagged at the beginning of this guide. Both free/non-profit and fee-based services exist to help you make the best choice for your situation. (See additional resources at the back of this guide).

Before enrolling it's important to understand the different parts of Medicare, the coverage they provide, the costs associated with each part, and what programs are available to possibly help with the costs.

Read the information in this guide, then:

1. Make a list of your preferred doctors and hospitals, essential prescription medications, and any additional coverage you may want or need, such as dental, vision, or hearing care.
2. If you have retiree coverage, review options being offered to you by the employer that you or your spouse are leaving at the time of retirement. Ask for individual costs and a benefit summary to compare with available Medicare plans.
3. If you are already enrolled in a plan, review the plan's Annual Notice of Change (ANOC); a handy summary for comparison to other plans.

With this information, you are prepared to fully review and compare the available plans in your area to find the coverage that best suits your needs and budget.

Use the Medicare Plan Finder tool available at medicare.gov to compare original medicare, medicare advantage plans, and prescription drug coverage options.

Remember that plans can change year-to-year. Before you confirm your selection of a plan, do check that your doctors accept either Medicare or the plan you have chosen. Similarly, since insurance company drug formularies change frequently, confirm that your most important (and expensive) medications are covered by your chosen plan. You can check published provider directories and formularies, but the best route may be a phone call to the insurance company so you have the most up-to-date information.

Additional Resources

- **medicare.gov** - We encourage you to explore Medicare.gov. The annual publication "Medicare & You" is available at the site for review and download. The publication does an excellent job of explaining the basics and goes into detail on the types of services that are covered. This website is an important tool accessing plan information, doctor and facility ratings, and service statements.
- **mybenefits.ny.gov/mybenefits** - Go here to find information on Medicare Savings Plans and programs that can assist with pharmaceutical costs
- Free Westchester County Resources -
    - Senior Benefits Information Individual Counseling - Connect with trained volunteers that can assist you in understanding Medicare options, including Part D plan comparisons. Call (914) 417-9102 or visit **seniors.westchesterlibraries.org/senior-benefits**.
    - Westchester County Department of Senior Programs and Services Medicare Information Line - Provides both information and educational resources. Call (914) 813-6100 or visit **seniorcitizens.westchestergov.com/money-and-legal/medicare**