

# Medicare 101

The Basics of Medicare and how it  
covers people with Diabetes

Presented by Z Agency Inc.

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# DISCLAIMERS

- *FOR ILLUSTRATIVE & EDUCATIONAL PURPOSES ONLY. NO PLAN SPECIFIC INFORMATION WILL BE SHARED*
- *NOT ALL INCLUSIVE – INTENDED AS A SUMMARY ONLY – EVERYONE’S SITUATION IS DIFFERENT*
- *SCENARIOS ASSUME MEMBER DOES NOT HAVE EMPLOYER COVERAGE*
- *PLEASE REFER TO [MEDICARE.GOV](https://www.medicare.gov) FOR FULL INFO*
- *I AM AN INDEPENDENT AGENT, LICENSED IN THE STATE OF MONTANA*
- *I DO NOT WORK FOR MEDICARE*

# MEDICARE BASICS

## ORIGINAL MEDICARE (A&B)

Medicare is a federal health plan available to those that are 65 and older, those that have been disabled for (2) years, and those with certain medical conditions (ESRD and Lou Gehrig's).

A = HOSPITAL                      \$1364 DEDUCTIBLE/60 DAY BENEFIT PERIOD

B = MEDICAL                      \$185 DEDUCTIBLE/YEAR + 20%

- No Max Out of Pocket for Medicare A&B – costs keep going and going
- No RX under Original Medicare A&B (Exception: Insulin administered through a pump, Infusions/Chemo, Injections administered in Dr.'s Office fall under B)
- Durable Medical Equipment (DME) covers Test Strips & Lancets, Pumps & Supplies, Blood Sugar Monitors under Part B. The provider has to be able to submit a Medicare Claim and also provide Medicare-approved DME.
- Screening, Self-Management Training, Nutrition Counseling, Foot Care, Eye Exams, Therapeutic Shoes are specific benefits for Diabetics, covered under Part B

# ADDITIONAL MEDICAL INSURANCE

Medicare Beneficiaries can add to Medicare A&B – Offered by Private Ins Co.'s:

## + Medicare Supplement/Medigap Plan (A-N)

- Medical Coverage that “plugs” deductibles, 20%
- Pays After Medicare Pays, No Network (must go to a provider that accepts Medicare)

## + Drug Plan (Part D)

- Appx 30 Different Drug Plans to Choose From. Depends on County, Meds and Preferred Pharmacy. Formularies Vary by Drug Plan, Tiers Vary by Drug Plan.
- Can change drug plan every year during open enrollment (Annual Election Period) 10/15 – 12/7, new coverage begins 1/1. *See next Slide for more Details on Drug Plans*

- OR -

## + Medicare Advantage (C Plans)

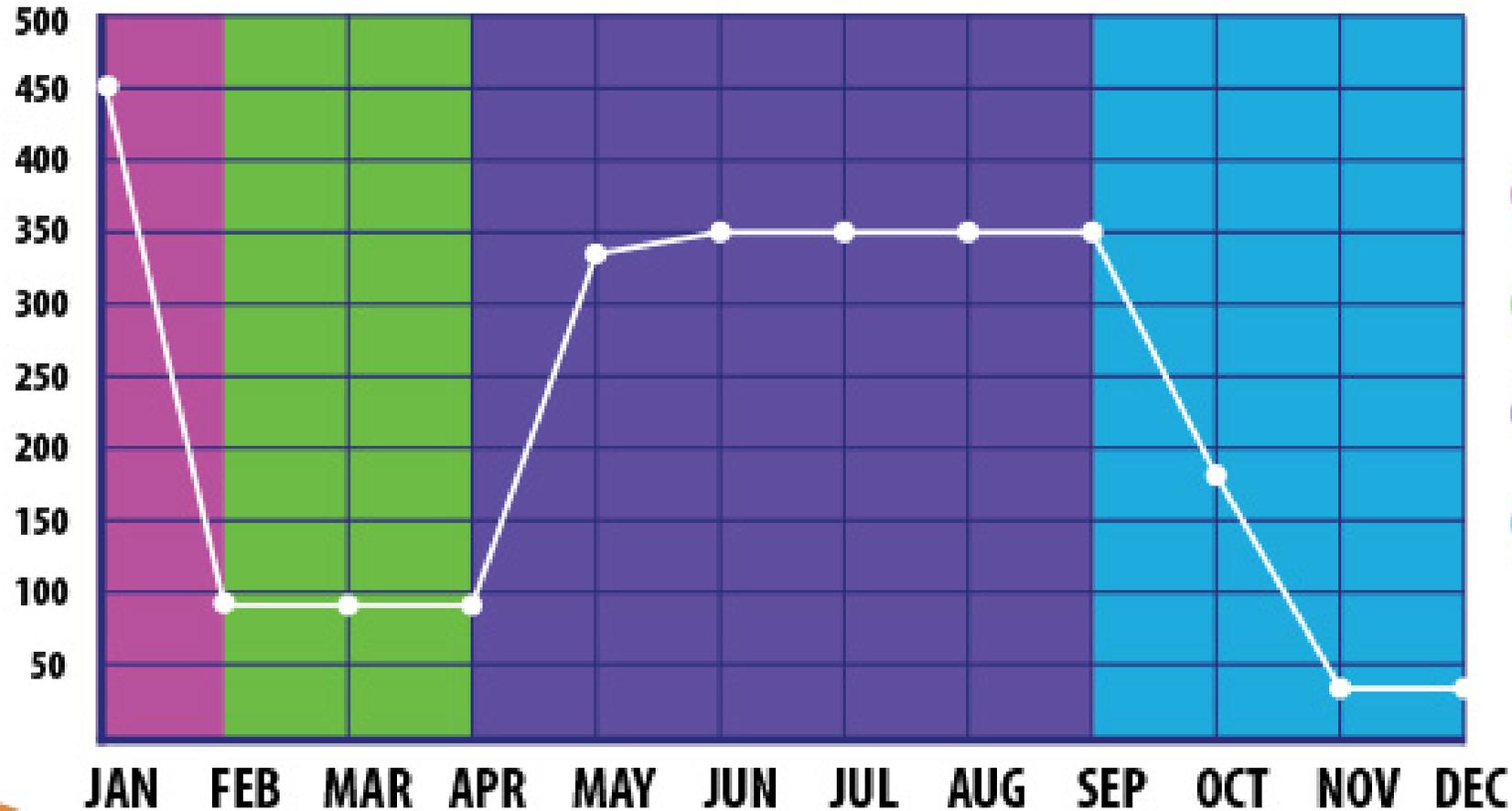
- All-In-One Plans, A+B+D benefits. Network, Managed Care plans. Depends on County, Meds and Preferred Pharmacy. Usually has copays per service.
- Can change MA plan every year during open enrollment (Annual Election Period) 10/15 – 12/7, new coverage begins 1/1. Might not be able to go back to Supplement

# DRUG COVERAGE

## PART D DRUG COVERAGE (D)

- Every covered Drug is assigned a Tier, usually 1-5. Tiering and Covered Drugs varies by drug plan and can change from year-to-year. Each Tier has different Copays/Coverage. Tier 1 & 2 are usually generics. Tier 3, 4 and 5 are usually Brand Name. But not always! Sometimes insulin is covered as a Tier 2. Or a Tier 6. Also pay attention to Prior Auth, Quantity Limits. All accumulators reset 1/1.
- Deductible Phase: \$415 Deductible, some plans only apply a deductible to Brand Name (Tier 3, 4 and 5), some plans have no deductible, some plans have lower deductible.
- Initial Phase: When **Total Costs** (what member pays + what ins co. pays) are from \$0 - \$3820. Member usually pays Copays for Meds.
- Gap (Donut Hole): when **Total Costs** exceed \$3820. Then coverage changes to a 25% coinsurance for brand and 37% for generics. Some Drug Plans Cover Tier 1-2 thru Gap.
- Catastrophic: when **Member Costs** and Manufacturer Discounts have hit \$5100, then 5% coinsurance. *Essentially lose what Insurance Paid in Initial Phase to get out of Donut Hole*
- Go to [www.medicare.gov](http://www.medicare.gov) and use their “Find Health and Drug Plan” option.

# Insulin Co-pays for 1 year



-  **Deductible Phase**
-  **Initial Coverage Phase**
-  **Donut Hole**
-  **Catastrophic Phase**



# ASSISTANCE

**BIG SKY RX:** State Pharmaceutical Assistance Program based on income (no assets). Reimburses the drug plan premium. \$24,280 single/\$32,920 couple 866-369-1233  
<https://dphhs.mt.gov/MontanaHealthcarePrograms/BigSky>

**EXTRA HELP:** Federal Program, based on income and assets. Helps with drug premium and copays \$18,210/\$24,690 and limited assets of \$14,390/\$28,720. [www.ssa.gov](http://www.ssa.gov)

**MEDICARE SAVINGS:** State Program, based on income and assets. Helps with Part B Premium, Drug Premium, Copays and other Medical Costs. Varying levels of Assistance. \$16,632/\$22,464. If someone applies for Extra Help, an application will automatically be sent for MSP based on eligibility. <https://apply.mt.gov>

**DRUG MANUFACTURER ASSISTANCE:** Help from manufacturer of brand name meds. Usually based on income. Sometimes based on outlay of what's spent for year. Check with manufacturer for their specific programs. [www.needymeds.org](http://www.needymeds.org) and [www.goodrx.com](http://www.goodrx.com) are also good references.

**PROVIDER ASSISTANCE:** Check with Hospital/Provider for assistance based on income.

QUESTIONS?

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