Medicare 101
The Basics of Medicare and how it covers people with Diabetes

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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 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
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

**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 and www.goodrx.com are also good references.

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

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