

# SHIP

## State Health Insurance & Assistance Program

### Medicare 101

March 2019

Medicare is the federal health insurance program available to beneficiaries 65 years and older (also to some adults with disabilities of any age). To be eligible, you must have at least (10) years of (or equivalent to) full-time employment on your record or be considered disabled based on Social Security Administration criteria.

Traditional Medicare offers beneficiaries (4) PARTS: Part A, Part B, Part C, and Part D

**Medicare Part A** - Helps cover your inpatient care in hospitals and skilled nursing facilities, but may not be used to pay for custodial or long-term care. It also helps cover hospice care and some home health care.

- **Cost:** Most beneficiaries do not pay a monthly premium for Part A coverage; beneficiaries pay Medicare taxes during their life-time employment. The deductible for each benefit period (begins the day of admittance to a hospital or SNF, and ends when the beneficiary hasn't received inpatient services for 60 days in a row) is \$1,364 in 2019.

**Medicare Part B** - Medicare Part B helps cover outpatient medical services /outpatient care. Part B also covers some preventive services like exams, lab tests and screening shots. Part B is optional; a beneficiary may refuse Part B without penalty if they have creditable coverage (see your local SHIP counselor for more information on creditability).

- **Cost:** Most beneficiaries will pay the standard premium of \$135.50/month and a standard deductible of \$185/yr in 2019. For some beneficiaries, there is financial assistance for the Part B monthly premium available through the Medicare Savings Program (SLMB, QMB OR QI). These assistance programs are administered through the State of Montana/Medicaid or local Office of Public Assistance. If a beneficiary does not

enroll in Part B when they are first eligible and/or do not have creditable coverage, they are penalized 10% per year when they do enroll.

- Enrollment in/health care benefits provided by the VA or IHS health care systems will not be considered creditable coverage to Part B.

**Medicare Part C – Medicare Health Plans** - also known as Medicare Advantage Plans (MA). Medicare Advantage Plans are health plan options (HMO's and PPO's) that are approved by Medicare but run by private health care providers. In addition to the Medicare Advantage premium, the beneficiary also pays the private provider their Part B premium (\$135.50 month in 2019). Medicare Advantage Plans provide all Part A, Part B and (usually) Part D services to enrolled beneficiaries and MAY offer extra benefits like dental, vision and/or hearing. Although all medically necessary services provided by traditional Medicare must also be covered by MA's, they can charge different co-pays, co-insurance and deductibles, and may require the beneficiary to use a specific network of providers.

- The monthly premium cost of MA plans vary in 2019, in addition to the 2019 Medicare Part B monthly premium of \$135.50. If a beneficiary is considering a Medicare Advantage plan, especially for the first time, they should compare the Medicare Health Plan coverage to Traditional Medicare coverage and seek objective guidance before enrolling.

**Medicare Part D** – This is newest Medicare benefit, a result of the Medicare Modernization Act of 2003, and provides prescription drug coverage for all Medicare Beneficiaries.

- Plan costs will vary in 2019. If they do not enroll in a drug plan when eligible and/or do not have creditable coverage, the beneficiary will be penalized 1% per (for each month they delayed enrollment) when they do enroll. Some beneficiaries are eligible for financial assistance for this benefit; LIS or "Extra Help" should be discussed with a SHIP counselor if you think you might be eligible for either or both of these programs. Prescription drug coverage provided by the VA or IHS health care systems will be considered creditable coverage to Medicare Part D.

### **Medicare Helping Programs**

- **Medicare Savings Programs (MSP)**, also known as QMB, SLMB, QI, can help pay Medicare Part A & B premiums, deductibles and co-insurance. There are income/resource and other eligibility requirements. Apply online at <https://apply.mt.gov> or contact a local SHIP Counselor for assistance

- **Low-Income Subsidy (LIS)/Extra Help** can help with Medicare Part D premiums, co-payments, deductibles and coverage gap (donut-hole) assistance. There are income/resource and other eligibility requirements. Apply online at <https://www.ssa.gov/> for contact your local SHIP Counselor for assistance.
- **Big Sky RX Program** can help pay Medicare Part D premiums up to a set amount. There are income and other eligibility requirements. There are no resource limits. You may contact Big Sky Rx at 1-866-369-1233 or contact your local SHIP Counselor for assistance.

### **Medicare Preventive and Wellness Benefits**

- “Welcome to Medicare” is a FREE preventive visit during the first year on Medicare Part B.
- Annual Wellness visit is a FREE Preventive visit every year.
- Visit <https://www.medicare.gov> or contact your local SHIP Counselor at 1-800-551-3191 for more information on other FREE or low-cost Preventive/Wellness benefits.

### **Supplemental Insurance or “Medigap”. You may also have a Medigap policy (Also known as Supplemental Insurance).**

- (14) Standardized plans A-L are available.
- Covers many “gaps” in Medicare coverage and may reduce beneficiary out-of-pocket costs.
- A Medicare beneficiary may choose any supplement w/o underwriting during the first (6) months of their Part B eligibility.
- Call the State Insurance Commissioner’s office for more information 1-800-332-6148.

**SHIP (State Health Insurance Assistance Program)** – is a local counseling, advocacy and referral resource available to all Medicare beneficiaries, their families, service providers and others who are interested in Medicare rights, options and benefits. SHIP counselors have been providing health care related advocacy and counseling to Medicare beneficiaries nationwide since 1992; SHIPs were created by Congress to assist beneficiaries navigate the then newly standardized Medicare Supplemental Insurance products and they continue to provide expert, objective Medicare information/assistance/advocacy to beneficiaries in a one-on-one setting at a local site or home visit, and via local community educational events and literature.

To contact your local SHIP counselor, call 1-800-551-3191. SHIP counseling is confidential, objective and free of charge.

<https://www.medicare.gov> is also an extremely valuable and useful resource:

- Prescription Drug Plan finder.
- Compare Part D plans.
- Review plan formularies, premiums and co-pays.
- Medicare Advantage Plans “Health Plan Compare”
  - Compare Medicare Advantage plans.
  - Review plan benefits, formularies, premiums, coinsurances and co-pays.
- [MyMedicare.gov](https://www.medicare.gov)
  - Review your Medicare Summary Notices.
  - Research your Medicare benefits, options and rights.
  - Receive healthcare updates.

**If you would like to locate your local SHIP counselor, or would like to volunteer for the SHIP program, please contact your local Area Agency on Aging at 1-800-551-3191.**

**If you need Medicare training or resources, contact:**

**Janet Stellmon / SHIP Director**

**[jstellmon@mt.gov](mailto:jstellmon@mt.gov)**

**THANK YOU!**