



## **LOCAL HELP FOR PEOPLE WITH MEDICARE**

### **Medicare 101 / October 2020**

Medicare is the federal health insurance coverage available to beneficiaries 65 years and older (also to some adults with disabilities of any age and a few other special groups). In general, to be eligible for Medicare benefits, 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 - 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 (a 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 \$1,408 in 2020.

**Medicare Part B** - Medicare Part B helps cover outpatient medical services & outpatient care. Part B also covers some preventive services like some specific screening exams, lab tests and some immunizations. 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 \$144.60/month and a standard deductible of \$198/year in 2020. For many Medicare Part B beneficiaries, there is financial assistance for the Part B monthly premium/out-of-pocket costs available through the **Medicare Savings Program (SLMB, QMB OR QI)**. These assistance programs are administered through the State of Montana - Medicaid or the local Office of Public Assistance. If a beneficiary does not enroll in Part B when they are initially eligible and/or do not have creditable coverage, they are generally 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 (as good as or better than) to Part B.

**Medicare Part C – Medicare Health Plans** – are also known as Medicare Advantage Plans or MA's. Medicare Advantage Plans are health plan options (HMO's and PPO's) that are approved by Medicare but are administered by private health care providers. In addition to the Medicare Advantage premium, the beneficiary also pays the private provider their Part B premium (\$144.60 month in 2020). Medicare Advantage Plans provide all Part A, Part B and (usually) Part D services to enrolled beneficiaries; these plans may also offer extra benefits like dental, vision and/or hearing services. 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 than are generally associated with traditional Medicare coverage and may require the beneficiary to use a specific network of providers.

- **Cost** The monthly premium cost of MA plans varies in 2020, (which is in addition to the 2020 Medicare Part B monthly premium of \$144.60.) 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 the newest major Medicare benefit, a result of the Medicare Modernization Act of 2003; it provides prescription drug coverage for all Medicare Beneficiaries.

- **Plan costs** will vary in 2020. If they do not enroll in a drug plan when initially eligible and/or do not have creditable coverage, the beneficiary will be penalized 1% per month (for each month they delayed enrollment) when they do enroll; this is generally a lifetime penalty. 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 [www.apply.mt.gov](http://www.apply.mt.gov) or contact a local SHIP Counselor for assistance - in Montana, call 1 (800) 551-3191.
- **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 [www.ssa.gov](http://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.

## **Supplemental Insurance or “Medigap” (Also known as Supplemental Insurance).**

- (14) Standardized plans A-L are available.
- Covers many “gaps” in Medicare coverage and may reduce beneficiary overall 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.

### **[www.Medicare.gov](http://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.
- [My Medicare.gov](http://My.Medicare.gov)
  - Review your Medicare Summary Notices.
  - Research your Medicare benefits, options and rights.
  - Receive healthcare updates.

If you would like to contact 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 – State SHIP Director [jstellmon@mt.gov](mailto:jstellmon@mt.gov)

**THANK YOU!**



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