




Medicare 101

Medicare Assistance Program
Oklahoma Insurance Department

Ray Walker
Divisional Director

MEDICARE HEALTH INSURANCE



**MEDICARE
PENALTIES**

?

MEDICARE HEALTH INSURANCE



**MEDICARE
DEADLINES**

Part A

Part B

Part C

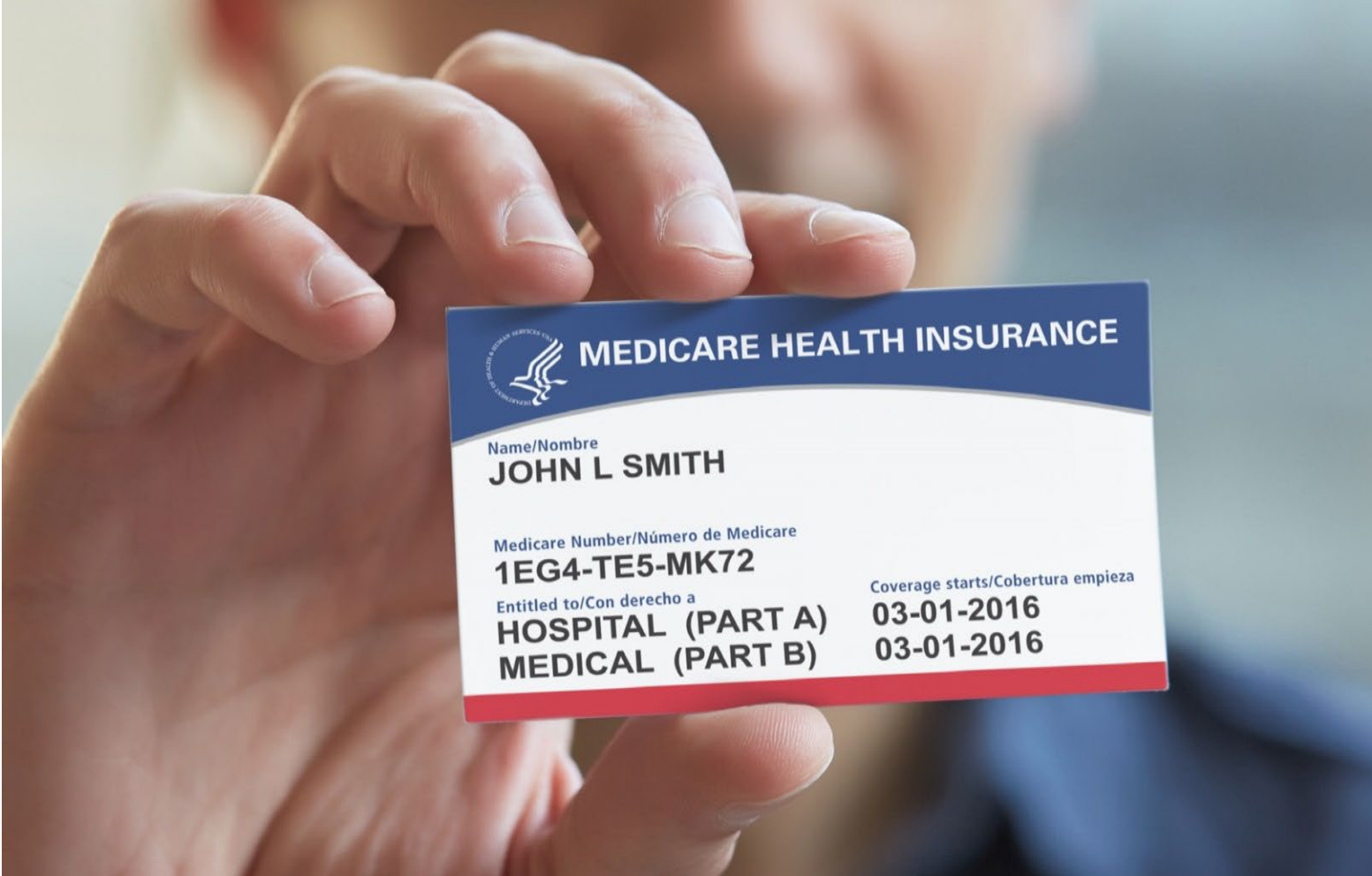
Part D

?

?



You will need one of these



New Medicare Cards

- **“Non-intelligent identifier”**
 - Not tied to Social Security or any other account
- **If you can't find it, you can print another one**
 - Medicare.gov account
- **In case of fraud, a new number can be created!**

Eligibility/Enrollment

- **If you're new to Medicare**
 - 65 and over
 - Under 65 and on SS Disability (24 months)
- **If you were receiving Social Security payments already, you are automatically enrolled when you became eligible**
 - If not, you have to enroll through Social Security
 - www.ssa.gov
- **Initial Enrollment Period (IEP)- 7-month period**
 - 3 months before, month of, and three months after month of initial eligibility

Medicare Costs and Coverage



Social Security Cost of Living Adjustment

Estimates place the expected COLA for **2024** at around 3%



Source: Social Security Administration

Medicare Costs for 2023

• Part A premium

- Free if you've worked 40+ quarters (10+ years) paying FICA taxes
- 30-39 quarters \$278/month
- Less than 30 quarters \$506/month

- **New amounts announced Oct/Nov**

• Part A deductible

- \$1,600 (per 60-day inpt. benefit period)
- Days 61 through 90- \$400 a day
- Days 91 through 150- 800 a day

- **New amounts announced Oct/Nov**

Part A Covers

- **Inpatient hospitalization**
 - Doesn't include Emergency Room or Observation Status
- **Skilled nursing facility**
- **Hospice**
- **Home Health**

Medicare Costs for 2023 (cont.)

- Part B premium
\$164.90/month
 - More if in a higher income tax bracket
 - Estimated Part B in 2024- **\$174.80/Month**
- Part B deductible
 - \$226 (annual)
 - No major Adjustment expected for 2023
- Approx. 20% of Medicare fee schedule

2023 Income Related Monthly Adjusted Amount

If your yearly income in 2021 (for what you pay in 2023) was			You pay (in 2023)
File individual tax return	File joint tax return	File married & separate tax return	
\$97,000 or less	\$194,000 or less	\$91,000 or less	\$164.90
above \$97,000 up to \$123,000	above \$194,000 up to \$246,000	Not applicable	\$230.80
above \$123,000 up to \$153,000	above \$246,000 up to \$306,000	Not applicable	\$329.70
above \$153,000 up to \$183,000	above \$306,000 up to \$366,000	Not applicable	\$428.60
Above \$183,000 and less than \$500,000	Above \$366,000 and less than \$750,000	Above \$91,000 and less than \$409,000	\$527.50
\$500,000 and above	\$750,000 and above	\$409,000 and above	\$560.50

Part B Coverage

- Outpatient medical services, including emergency room
 - Doctor visits
 - Lab work, X-rays, etc.
 - Medical equipment
 - Preventive Services
-
- September 25, 2023- [COVID.gov/tests](https://www.covid.gov/tests)
 - 4 free at-home tests per household

Where do we go from here?



[This Photo](#) by Unknown Author is licensed under [CC BY-ND](#)

What's your current health coverage?

- **Current Employer Health Coverage**
 - You or your spouse
 - Potentially delay starting Medicare Part B
- **Retiree Coverage through a previous employer**
- **TriCare/TriCare for Life**
 - These options coordinate with Medicare to provide benefits
- **How does this coverage work with Medicare?**

Delaying Medicare Part B

Must have employer group coverage through active employment!

Through either you or your spouse

- **Otherwise, there is a penalty for delaying:**
 - 10% of the current Part B monthly premium for each 12-month period you delayed enrolling
 - The penalty is added to the Part B monthly premium and is paid for as long as they have Part B
 - If you miss your initial enrollment period the next chance to enroll is the General Enrollment Period, January 1st through March 31st.
 - Qualifying for assistance programs may allow for a special enrollment period and eliminate the penalty

Example:

- Mr. Smith's Initial Enrollment Period ended December 2020. He waited to enroll in Part B until March 2023 during the General Enrollment Period. His Part B premium penalty is 20%, and he'll have to pay this penalty for as long as he has Part B:
- \$164.90 = 2023 Part B Premium
- 10% = \$16.49
- X 2 = \$32.98
- Total = \$197.88 a month
- **The penalty will be adjusted according to the 2024 Part B premium**

Medicare and the Marketplace

- **Once eligible for Part A, you no longer qualify for tax credits through the Marketplace**
 - Exception: if you do not qualify for premium-free Part A
- **Can keep their Marketplace plan if you choose to, but will pay full price!**
- **If you miss the Initial Enrollment Period, will also have Part B penalty**

If you have group health insurance through active employment:

- **Can delay Part B and save the monthly premium until employment ends**
 - 8 months from termination of coverage to enroll in Part B without penalty
 - Delaying Part B enrollment preserves Medigap Open Enrollment Period
 - Begins when you enroll in Part B and lasts for 6 months
 - “Guaranteed Issue”
 - Cannot be denied or charged more

Do You Currently Have Prescription Drug Coverage?

- Current Employer (you or your spouse)
- Retiree Coverage
- IHS
- VA
- COBRA (in some cases)
- Drug coverage must be considered “creditable”
 - As good or better than Medicare
- When current coverage ends, you have 63 days to enroll in Part D plan to avoid a penalty
 - (1% of the base beneficiary premium for every month you were eligible but not enrolled)

Example:

- Mr. Jones has been eligible for Medicare since June of 2020 but did not have creditable prescription drug coverage. Now he needs it but won't be eligible to enroll until the next Open Enrollment Period, October 15th through December 7th, with a start date of January 1st. Because Mr. Jones did not have creditable drug coverage he will pay a penalty, calculated on the current year's base beneficiary premium:

\$34.50 (2024 base beneficiary premium)

 x 43% (1% per month)

\$14.84 (rounded to the nearest 10 cents = \$14.90)

The penalty is added to the monthly premium for his part D plan and is paid for as long as he has part D.

Health Savings Accounts (HSAs) and Medicare

- If you enroll in Medicare A and/or B you can no longer contribute pre-tax \$ to your HSA
- You can continue to withdraw from your HSA to pay medical expenses, deductibles, premiums, copayments, etc.
- If you delay enrolling in Medicare because you're still actively employed, make sure you stop contributing to your HSA at least six months prior to enrolling.
 - When you enroll in Part A, you receive up to six months of retro coverage
 - Not beyond your initial month of eligibility
 - If you make contributions during that period, you could be subject to tax penalties

Who is on Your Current Insurance?

- Any changes you make could impact dependent coverage!
- Don't make any changes/additions/terminations without a company representative or benefits administrator

Prescription Coverage through Indian Health Services

- **Counts as creditable for prescription drug coverage, however**
 - It may not cover every prescription you need
 - Funds may run out before the end of the year
 - Part D plans must contract with tribal pharmacies, which means added income to the tribe

More on Prescription Drug Coverage

- **VA**

- Must use VA Pharmacies
- Counts as creditable coverage for Medicare
 - Can delay enrolling in Part D until you need it

- **Medicaid**

- Once you qualify for Medicare, Medicaid will no longer pay for any prescriptions that can be covered by a Part D plan

Finding the Right Part D Plan

- **22** Part D Prescription Drug Plans offered in Oklahoma in **2024**
- **Plans vary**
 - Monthly premium
 - Annual deductible
 - Copays/Coinsurance
 - Drug Formularies
 - Contracted Pharmacies

Medicare Part D Cost

- Premium varies by plan
 - Will pay more if in a higher income tax bracket
- Deductible Maximum- **\$545** for Part D
- Discounts in the Part D Donut Hole
 - Brand-Name Drugs- You pay 25%
 - Generics- You pay 25%

Where to go for help

These resources can assist with researching and enrolling in plans:

- **1-800-Medicare**
- **Medicare Assistance Program (800-763-2828)**
- **Patient Benefit Coordinators**
- **Licensed Insurance Agents**

What if I Want Additional Medical Coverage?

- For those who don't have retiree or other coverage, there are options available that provide coverage in addition to your Medicare benefits

Medicare Supplemental Insurance

- Also called Medigap
- First Medicare pays, then the Medigap pays
- **10 Standardized Plans**
 - Each plan provides different available coverage
 - The benefits for each standardized plan are the same, regardless of the company you buy it from
 - Only the price is different!
- **Medigap plans can be used anywhere that Medicare is accepted**

PLANS AVAILABLE TO ALL APPLICANTS

BENEFITS	A	B	D	G ¹	K	L	M	N
Medicare Part A coinsurance and hospital coverage (up to an additional 365 days after Medicare benefits are used up)	✓	✓	✓	✓	✓	✓	✓	✓
Medicare Part B Coinsurance or Copayment	✓	✓	✓	✓	50%	75%	✓	✓ copays apply ³
Blood (First 3 Pints)	✓	✓	✓	✓	50%	75%	✓	✓
Part A Hospice Care Coinsurance or Copayment	✓	✓	✓	✓	50%	75%	✓	✓
Skilled Nursing Facility Care Coinsurance			✓	✓	50%	75%	✓	✓
Medicare Part A Deductible		✓	✓	✓	50%	75%	50%	✓
Medicare Part B Deductible								
Medicare Part B Excess Charges				✓				
Foreign Travel Emergency (Up to Plan Limits)			80%	80%			80%	80%
Out-of-pocket limit in [2023] ²					\$6,940 ²	\$3,470 ²		

¹ Plans F and G also offer a high-deductible plan in some states. With this option, you must pay for Medicare-covered costs (coinsurance, copayments, and deductibles) up to the deductible amount of \$2,700 in 2023 before your policy pays anything. (Plans C and F won't be available to people who are newly eligible for Medicare on or after January 1, 2020.)

- Starting January 1, 2020, Medigap plans sold to people new to Medicare won't be allowed to cover the Part B deductible. Because of this, Plans C and F will no longer be available to people who are new to Medicare on or after January 1, 2020.
- If you already have either of these two plans (or the high deductible version of Plan F) or are covered by one of these plans prior to January 1, 2020, you'll be able to keep your plan. If you were eligible for Medicare before January 1, 2020 but not yet enrolled, you may be able to buy one of these plans.
- People new to Medicare are those who turn 65 on or after January 1, 2020, and those who get Medicare Part A (Hospital Insurance) on or after January 1, 2020.

² For Plans K and L, after you meet your out-of-pocket yearly limit and your yearly Part B deductible (\$226 in 2023), the Medigap plan pays 100% of covered services for the rest of the calendar year.

³ Plan N pays 100% of the Part B coinsurance, except for a copayment of up to \$20 for some office visits and up to a \$50 copayment for emergency room visits that don't result in an inpatient admission.

Medicare Supplements and Disability

- **Laws vary from state to state**
 - Oklahoma requires that any company that offers Medicare supplement plans in the state of Oklahoma must offer at least one standardized option to individuals on disability during their open enrollment period
 - 1st six months following enrollment in Medicare Part B
 - Cannot charge more than the lowest aged rate for that Medigap plan.

Changes to Medigap Plans

- For people who became Medicare eligible in 2020 or after:
 - Won't be able to purchase Plans C or F
 - Next most comprehensive Plans will be D and G
 - Plan G will be offered in a high deductible option
 - Could impact C and F premiums in the future

Effective September 1, 2023!

New Medicare Supplement Enrollment Requirements!

- OAC 365:10-5-129(f)
- Requires Medicare supplement issuers to provide new supplement policies with the same or lesser benefits to current Medicare supplement policyholders-regardless of current issuer-who have had no gap in coverage greater than ninety (90) days since initial enrollment.
- “Birthday Rule”- this enrollment opportunity occurs each year for sixty days starting with the beneficiary’s birthday.
- Issuers shall waive medical underwriting or preexisting exclusions if the new supplement policy offers the same or lesser benefits.
- OAC 365:10-5-129(g)- requires issuers to provide notice to individuals under the age of 65 enrolled in Medicare due to disability of their eligibility for another Open Enrollment for Medicare supplement policies 60 to 90 days before 65th birthday

Medigap Resources:

- **Medicare Assistance Program**
 - We are able to do comparisons of the plans available in Oklahoma
- **Licensed Insurance Agents**
 - Plans can only be sold by licensed agents/carriers

Enrolling in Medigap

- Contact the company selling Medigap directly
- Contact a licensed insurance agent
- Call MAP with questions
 - But we can't enroll you

Medicare Advantage Plans in 2024

- 80 Medicare Advantage plans available in 2024 (89 plans in 2023)
- 100% of Oklahomans have access to a Medicare Advantage Plan
 - Including MA plans with \$0 monthly premium
- Average Monthly premium- \$17.34 (\$15.41 in 2023)
- Most offer additional benefits
 - Dental
 - Hearing
 - Vision
 - Transportation
 - Meals

Part C Medicare Advantage Plans

- **Provides all Medicare-covered benefits**
 - Most also include prescription drug coverage
- **Different options have different rules**
 - Health Maintenance Organization (HMO)
 - Preferred Provider Organization (PPO)
 - Private Fee-for-Service Plan (PFFS)

Health Maintenance Organizations (HMOs)

- **Contracted provider network**
 - Physicians
 - Hospitals
 - Ancillary providers
- **Required to receive services within the contracted network**
- **If you go outside the network, you may have to pay 100% of the charges**
- **Frequently the cheapest MA option**

Things to Consider with an HMO

- Are the doctors, hospitals, and other providers you want to use contracted with that specific HMO?
- Are you willing to follow the plan rules?
 - Primary care physician
 - Prior authorizations
 - Network providers
- Do you travel frequently outside of the plans service area?

Preferred Provider Organizations (PPO)

- **Less restrictive than HMOs**
 - Contracted network and service area
 - If you seek care outside the network, the plan will pay but considerably less (deductible plus % of allowable charges)
- **Monthly premiums can be higher than HMOs**

Things to Consider with a PPO

- Do they contract with the providers you primarily see?
- Are you comfortable paying the out-of-network charges (including the deductible) if necessary?
- Do you travel frequently outside the service area?

Private Fee For Service Plan (PFFS)

- More flexible than other options
- Beneficiaries can see any provider willing to accept their insurance
- Beneficiaries are responsible for assuring providers will accept their PFFS plan EACH time they use it.
 - Even if they previously accepted it
 - Can be complex if a procedure involves multiple providers

Things to Consider with a PFFS

- Will the providers you currently see agree to accept the plan?
- What will your out-of-pocket costs be?
- Are you comfortable asking each provider about accepting the plan?
- PFFS plans, unlike other MA plans, will allow you to purchase a stand-alone Part D Rx plan

Considering a Medicare Advantage Plan?

- **Step 1- Make sure all providers you want to keep seeing are in-network for the plan!**
 - If not, you pay all or part of costs!
 - This includes dentists and other providers
 - Some plans now allow you to see any contracted partner nationwide.
- **Step 2- Decide if you're willing to follow the rules of the plan.**
 - Prior authorizations for services/procedures
 - Using network providers
- **Step 3- Does the plan cover all your prescription medications?**
 - Just like Part D plans, they don't all cover the same drugs!

Be Prepared!!

- Read your mail
- Have an accurate list of your prescriptions
- If you have a Medicare.gov account, have your username and password available
 - Only provide this information to your MAP counselor or someone else you trust!
- Have your Medicare card and any other insurance cards handy
- If you have specific physicians or providers you want to keep, do your homework!!
 - “I’m considering enrolling in XYZ Medicare Advantage plan. Do you accept that insurance? Are you satisfied with it?”

Enrolling in a Medicare Advantage Plan

- Medicare Assistance Program can do comparisons, but...
- You must contact the company or a licensed agent to enroll
 - Or you can enroll yourself on Plan Finder ([Medicare.gov](https://www.medicare.gov))
- If you go through an agent, find a trusted local agent

Marketing Guidelines

- Recently enhanced by CMS
- Strengthens oversight of third-party marketing organizations (TPMOs)
- Reinstating inclusion of multi-language insert in all required documents
- Codified enrollee ID card standards
- Required websites provide instructions on appointing a representative

Marketing Guidelines (cont)

- **Opt-Out:** notice in writing that beneficiaries can opt out of future calls regarding plan business
- **Explain the effect of an enrollment choice on their current coverage**
- **Clarifies the prohibition of unsolicited door-to-door contact without an appointment**
 - Even with a business reply card or scope of appointment
- **No marketing events at the same location within 12 hours of an education event**
- **Scope of Appointment record at least 48 hours prior to scheduled appointment**

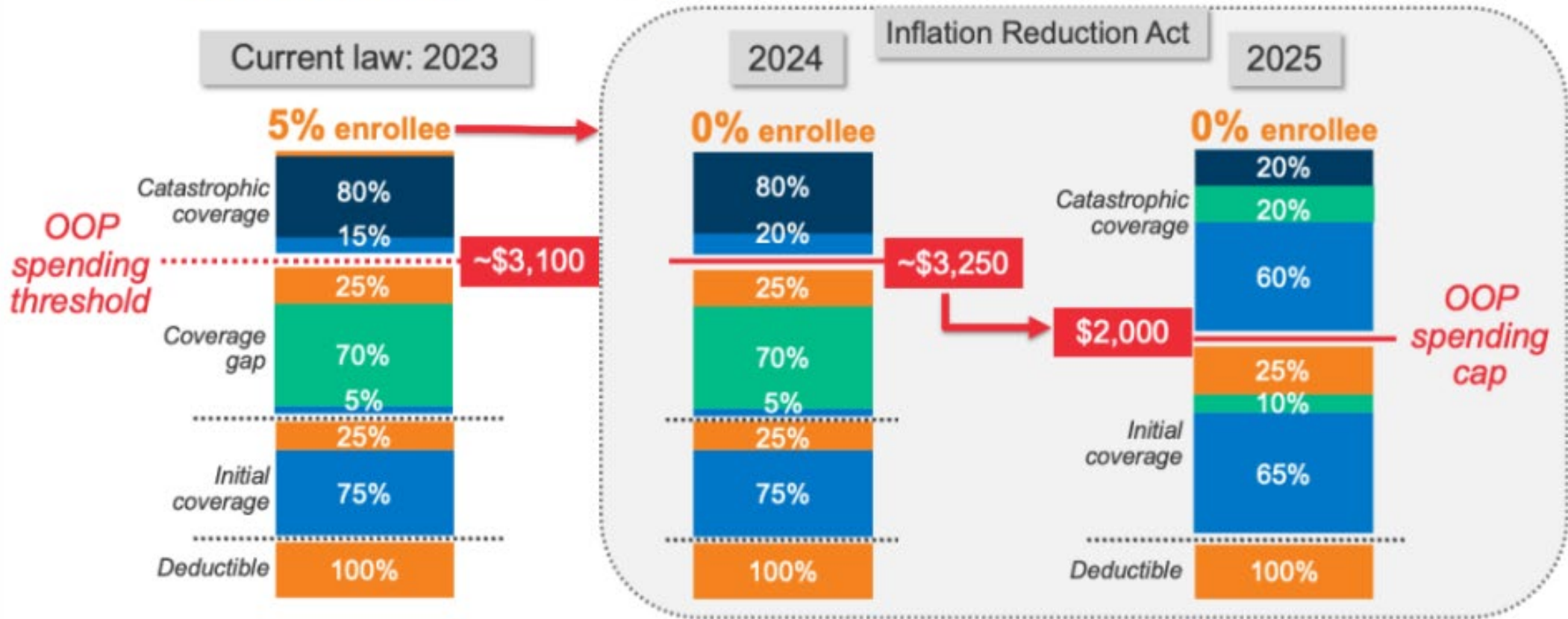
Inflation Reduction Act Changes

- Limits monthly cost sharing for insulin to \$35 for people enrolled in Part D
- Eliminated cost sharing for adult vaccines covered under Part D
 - Example: Shingles
- Expands eligibility for full Extra Help for prescription assistance to 150% FPL (currently 135% FPL)
- Eliminates cost sharing when beneficiaries reach catastrophic phase
- In 2025, caps OOP costs for prescriptions at \$2000/year

Figure 2

Changes to Medicare Part D for Brand-Name Drug Costs

Share of **brand-name drug** costs paid by: ● Enrollees ● Part D Plans ● Drug manufacturers ● Medicare



NOTE: OOP is out-of-pocket. The out-of-pocket spending threshold will be \$7,400 in 2023 and is projected to be \$7,750 in 2024 and \$8,100 in 2025, including what beneficiaries pay directly out of pocket and the value of the manufacturer discount on brand-name drugs in the coverage gap phase. These amounts translate to out-of-pocket spending of approximately \$3,100, \$3,250, and \$3,400 (based on brand-name drug use only).



2026- CMS to negotiate drug prices

Medicare will negotiate directly with drug companies to improve access to some of the costliest single-source brand-name Medicare Part B and Part D drugs.

- Eliquis (\$16,482,621,000)
- Jardiance (\$7,057,707,000)
- Xarelto (\$6,031,393,000)
- Januvia (\$4,087,081,000)
- Farxiga (\$3,268,329,000)
- Entresto (\$2,884,877,000)
- Enbrel (\$2,791,105,000)
- Imbruvica (\$2,663,560,000)
- Stelara (\$2,638,929,000)
- Fiasp, Fiasp Flextouch,
Novolog, Novolog FlexPen, (\$2,576,586,000)

Figure 1

Medicare Drug Price Negotiation Timeline for 2026 & 2027



SOURCE: KFF analysis of section 11001 of the Inflation Reduction Act of 2022.

KFF

Assistance Programs are Available!

- Qualification based on income and resources
- May qualify for assistance with:
 - Prescriptions
 - Part B premiums
 - A and B copayments
 - or all of the above

Extra Help

- **Income**

- \$1,640/month or less- Single
- \$2,219/month or less- Married

- **Resources**

- \$9,090 or less- Single
- \$13,630 or less- Married

- **If you qualify, this pays for all or part of the monthly premium, and reduces prescription copays significantly**
- **Application through benefitscheckup.org**
- **Medicare Assistance Program can assist**

Medicare Savings Programs (MSPs)

- Help with paying Medicare costs
 - Pay Medicare premiums
 - May pay Medicare deductibles and coinsurance
- Often higher income and resources amount than for Medicaid
- Income amounts change each year
- **Contact your local DHS office to apply**

Medicare Savings Programs

- **Four Kinds of MSP:**

- **Qualified Medicare Beneficiary Program (QMB)**
 - Pays Part A and B premiums, deductibles, coinsurance, and copayments
- **Specified Low-Income Medicare Beneficiary Program (SLMB)**
 - Pays Part B monthly premium
- **Qualifying Individual Program (QI)**
 - Pays Part B monthly premium
 - In most states, must re-apply every year
- **Qualified Disabled & Working Individuals Program (QDWI)**
 - Pays Part A premium for disabled working individuals

2023 MSP Qualifications

QMB – Qualified Medicare Beneficiary	Income	Resources
Individual	\$1,215	\$9,090
Individual & Spouse	\$1,643	\$13,630
SLMB – Specified Low-Income Medicare Beneficiary	Income	Resources
Individual	\$1,458	\$9,090
Individual & Spouse	\$1,972	\$13,630
QI – Qualifying Individual	Income	Resources
Individual	\$1,640	\$9,090
Individual & Spouse	\$2,219	\$13,630

Senior Medicare Patrol

- **Funded by a grant through the Administration for Community Living**
- **Focuses on educating seniors on how to protect themselves from becoming a victim of fraud, errors, and abuse**
- **Recruit volunteers to provide education and/or counseling in their home communities**

Where to Find answers

- **1-800-Medicare**
- **Medicare Assistance Program**
 - Grant funded program to provide free, unbiased counseling to Medicare beneficiaries
 - Counselors trained to assist you in identifying your plan options
- **Medicare.gov**
 - Provides comparison tool for all available Part D and Part C plans

Other Resources

- **Medicare and You Handbook**
 - Lists all Plans available
 - Publishing begins in April, so data may not be 100% accurate
- **MA Plan and Part D Plan websites**
 - Can provide you with accurate information about the plans they offer
- **Contact the Plan directly**
 - Customer Service numbers listed in M & Y Handbook

Partner Agencies Around the State!

Areawide Aging Agency

Canadian, Cleveland, Logan, Oklahoma
(405) 942-8500

Assoc. of South Central OK Governments

Caddo, Comanche, Cotton, Grady, Jefferson
McClain, Stephens, Tillman
(800) 658-1466

Central OK Economic Development District

Hughes, Lincoln, Okfuskee, Payne, Pawnee,
Pottawatomie, Seminole
(800) 375-8255

Eastern Oklahoma Development District

Adair, Cherokee, McIntosh, Muskogee,
Okmulgee, Sequoyah, Wagoner
(918) 682-7891

Grand Gateway Area Agency on Aging

Craig, Delaware, Mayes, Nowata, Ottawa,
Rogers, Washington
(800) 482-4594

LIFE Senior Services, Inc.

Creek, Osage, Tulsa
(866) 664-9009

KEDDO Area Agency on Aging

Choctaw, Haskell, Latimer, LeFlore,
McCurtain, Pittsburg, Pushmataha
(800) 722-8180

Long Term Care Authority of Enid

Alfalfa, Blaine, Garfield, Grant, Kay,
Kingfisher, Major, Noble
(888) 858-9628

Opportunities, Inc.

Alfalfa, Beaver, Blaine, Cimarron, Custer,
Dewey, Ellis, Harper, Kingfisher, Major, Texas,
Woods, Woodward
(800) 375-7284

SODA Area Agency on Aging

Atoka, Bryan, Carter, Coal, Garvin
Johnston, Love, Marshall, Murray,
Pontatoc
(800) 211-2116

SWODA Area Agency on Aging

Beckham, Custer, Greer, Harmon,
Jackson, Kiowa, Roger Mills,
Washita
(800) 627-4882





MEDICARE ASSISTANCE PROGRAM

MAP.OID.OK.GOV | 800.763.2828

Oklahoma Insurance Department

Thank you!



800.763.2828



map@oid.ok.gov



map.oid.ok.gov