Medicare Basics

Basic SHIP Counselor Training
Acknowledgement

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Objective

• Build on your Knowledge of Original Medicare
  • Medicare eligibility and enrollment
  • Benefits and costs of Original Medicare
  • Medicare enrollment periods
  • Medicare appeals

• Practice explaining Original Medicare
MEDICARE HEALTH INSURANCE

Name/Nombre
JOHN L SMITH

Medicare Number/Número de Medicare
1EG4-TE5-MK72

Entitled to/Con derecho a
HOSPITAL (PART A) 03-01-2016
MEDICAL (PART B) 03-01-2016

Coverage starts/Cobertura empieza
03-01-2016
Agencies Responsible for Medicare

Social Security
Enrolls most people in Medicare

Railroad Retirement Board (RRB)
Enrolls both railroad retirees and active employees in Medicare

Office of Personnel Management (OPM)
Handles federal retirees’ premiums

Centers for Medicare & Medicaid Services (CMS)
Forms Medicare policy and administers Medicare coverage, benefits, and payments
What is Medicare?

Health insurance for people:
- Signed into law 1965
- 65 and older
- Under 65 with certain disabilities
- Any age with End-Stage Renal Disease (ESRD)

NOTE: Must be a U.S. citizen or lawfully present in the U.S for 5 years.
Questions?
Medicare Eligibility

Who can get Medicare?
Medicare Eligibility

• Eligibility begins at age 65
  • For premium free Part A must have worked minimum of 40 Quarters
  • Can become eligible from spouse’s record

• If working and turn 65
  • In most cases, should apply for Medicare
  • Must check with employer plan for continuing GHP eligibility requirements

• Can be eligible before age 65
  • Due to disability determined by Social Security
Medicare Eligibility with SSDI/ALS/ESRD

Under age 65:
• Those who receive Social Security Disability Insurance (SSDI)
  • Begins after 24 months of SSDI payments.
• Those with Amyotrophic Lateral Sclerosis (ALS),
  • Medicare begins the same month as SSDI
• People with End Stage Renal Disease (ESRD)
  • Medicare eligibility works differently for people with ESRD.
  • Can have varying times of eligibility
  • Should be referred to a benefit specialist
Medicare Eligibility, continued

• The child or spouse (including a divorced spouse) of a worker (living or deceased) who has worked enough quarters and paid into Social Security or in a Medicare-covered government job.

• Spouse (living or deceased, including divorced spouses) receives or is eligible to receive Social Security or RRB benefits.

Counselor Note: If not sure, refer the client to SSA for assistance. SSA is the administrative arm of Medicare and processes all Medicare enrollments.
Questions?
Medicare Enrollment
How and When to Enroll in Medicare
How to Enroll in Medicare

• Call Social Security
  • 1-800-772-1213
• Go to local Social Security Field Office
• Go online to Social Security
  • The United States Social Security Administration | SSA

Counselor Note: It is very easy to enroll in Medicare both A and B online. Your client may need to set up a Social Security account. If your client is not able to set up an account, then direct them to a office or call Social Security.
Medicare Enrollment

Social Security enrolls all who are eligible into Medicare

✓ Enrollment is automatic for individuals who receive:
  • Social Security benefits
    • Disability
    • Retirement

✓ Enrollment is **NOT** automatic for individuals who:
  • Are employed
  • **Not** employed and **NOT** receiving any type of SSA benefits
Employed and Medicare

• Age 65, employed and covered by spouse employer health insurance
  • If employer group has 20 or more employees
    • Usually must enroll in Part A only

• Under 65, disabled and covered by spouse employer health insurance
  • If employer group has 100 or more employees
    • Usually must enroll in Part A only
When to Apply for Medicare

• Initial Enrollment Period (IEP)
• General Enrollment Period (GEP)
• Special Enrollment Period (SEP) (only in certain circumstances)
Initial Enrollment Period (IEP)

7-Month Period

If apply before 65th birthday month, coverage starts the month turning 65.

If apply during the 65th birthday month, coverage starts the next month.

If apply after 65th birthday month, coverage begins the next month.

If you enroll after your IEP, you may pay a late enrollment penalty.
General Enrollment Period effective January 1, 2023

Can sign up for:
- Part A (if not premium free)
- Part B

3-Month GEP each year

- STARTS Jan 1
- CONTINUES Feb
- ENDS Mar 31

Coverage Begins the month after enrollment

May have late enrollment penalties
Special Enrollment Period (SEP)

A SEP has been allowed for those who because of the Public Health Emergency were not able to enroll in Medicare when first eligible.

• This SEP can only be used in certain circumstances
• Ask for assistance or refer to Benefit Specialist
Medicare Enrollment and Health Savings Accounts (HSA)

• Cannot have both Medicare and a Health Savings Account
• Individuals with a HSA should **stop contributing six months before enrolling in Part A** (or applying for Social Security benefits) to avoid tax penalties.
Medicare Enrollment for Veterans and their Families

- Veterans should enroll in Medicare
- Family members eligible for Tricare for Life should enroll in Medicare

Counselor Note: Medicare Coordination of Benefits (COB) for VA and TriCare for Life are different and will be discussed later.
Medicare Enrollment

When to change Medicare Coverage
When to Change Medicare Coverage

- Special Enrollment Period (SEP) (in certain circumstances)
- Open Enrollment Period (OEP)
- Medicare Advantage Open Enrollment Period (MA OEP)
Open Enrollment Period (OEP)

- 7-week period each year when beneficiaries can enroll in, disenroll, or switch Medicare Advantage Plans or Medicare drug plans
- This is the time to review health and drug plan choices
Medicare Advantage Open Enrollment Period (MAOEP)

**Annual Medicare Advantage OEP**
- STARTS: Jan 1
- CONTINUES: Feb
- ENDS: Mar 31

**Newly Eligible Medicare Advantage OEP**
- MONTH 1: 1st 3 months of entitlement to Medicare Part A and Part B
- MONTH 2
- MONTH 3

**OR**

- Switch to another Medicare Advantage Plan, with or without drug coverage
- Drop Medicare Advantage and return to Original Medicare. If you do:
  - Enroll in a Medicare drug plan
  - Coverage begins the 1st of the month after enrollment

**Counselor Note**: Must be in a Medicare Advantage Plan to use this enrollment period.
Medicare Enrollment for those still Employed

• Many Group Health Plans (GHP) require Medicare enrollment
• Medicare can be either primary or secondary
  • Primary if 20 or less employees-65+
  • Secondary if 20 or more employees-65+
  • Primary if 100 or less employees-under 65
  • Secondary if 100 or more employees-under 65
• May only need to enroll in Part A
• When retired or leave the employer can enroll in Part B
Special Enrollment Period

Starts after Medicare IEP and having GHP coverage based on current employment

Continues for 8 Months after GHP Coverage Based on Current Employment Ends

MONTH 1  MONTH 2  MONTH 3  MONTH 4  MONTH 5  MONTH 6  MONTH 7  MONTH 8

You can sign up for Part A (if you have to pay for it) and/or Part B:

- ✔ Anytime still covered by the GHP
- ✔ During the 8-month period that begins the month after the employment ends or the coverage ends

Usually no late enrollment penalties
5-Star Special Enrollment Period (SEP)

**You can:**
- Switch to 5-star Medicare Advantage Plan (with or without drug coverage), or a drug plan
- Enroll once per year from December 8–November 30

**Keep in mind:**
- New plan starts 1st day of month after enrolled
- Star ratings assigned in October and effective January 1
Check Your Knowledge

Why is the Initial Enrollment Period (IEP) important?

a. Missed enrollment deadlines could result in penalties
b. It’s your first opportunity to enroll in Medicare
c. When you enroll impacts when your coverage begins
d. All of the above

Countdown timer: Answer the question before the bar disappears!
Questions?
Medicare Coverage and Costs

What the different parts of Medicare cover
The Parts of Medicare

Part A
(Hospital Insurance)

Part B
(Medical Insurance)

Part D
(Drug coverage)
Parts of Original Medicare

Part A
(Hospital Insurance)

Part B
(Medical Insurance)
Part A Premium

Most do not pay a premium for Part A

- If the beneficiary and/or spouse paid FICA taxes for at least 10 years, Part A is free
- There may be a premium if 39 or less work quarters
- **There may be a penalty** if did not enroll when first eligible for non premium free Part A
  - Monthly premium may increase 10% for each year not enrolled
  - Will have to pay the higher premium for twice the number of years did not have Part A and did not enroll
Part A costs

• Copays
  • Extended stay in hospital
  • Skilled Nursing Facility

• Deductible
  • Hospitalization

Refer to **WI SHIP Cheat Sheet** for current copay amounts.

Find it on the GWAAR Medicare Outreach and Assistance Resources webpage under Tools for Professionals ([https://gwaar.org/medicare-outreach-and-assistance-resources](https://gwaar.org/medicare-outreach-and-assistance-resources)).
Part A Costs

• Part A Deductible each benefit period
  • Days 1-60

• Part A copays after first 60 days, continuous hospitalization
  • Days 61-90

• Part A copays after 90 days
  • Days 91-150
    • aka Lifetime reserve days (one time use)

• After day 150
  • All costs are the patient’s responsibility
Part A Benefit Periods

- **Each benefit period:**
  - Begins the first day of inpatient care in hospital or SNF
  - If readmitted for any reason/diagnosis still remain in current Benefit Period
  - Ends after being home for 60 days in a row (not in a hospital or skilled care in a SNF)

- Pay Part A deductible for each benefit period
- No limit to number of benefit periods in the year

**Counselor Note:** Benefit periods can extend over a calendar year.
Part A (Hospital Insurance) Covers

• **Inpatient care in a hospital, including:**
  - Semi-private room
  - Meals
  - General nursing
  - Drugs
  - Other hospital services and supplies

• **Inpatient care in a skilled nursing facility (SNF)**
  - Covered after a related 3-day inpatient hospital stay
Part A (Hospital Insurance) Covers (continued)

Part A helps cover:

- Blood (inpatient)
- Hospice care
- Home health care
- Inpatient care in a religious nonmedical health care institution (RNHCI)
Check Your Knowledge

Part A helps pay for all of the following when medically necessary and requirements are met, EXCEPT for...

- Diabetic testing supplies
- An inpatient hospital stay
- An inpatient skilled nursing facility (SNF) stay
- Hospice care

**Countdown timer**: Answer the question before the bar disappears!
Part A Scenario

Charles W. come into your office with a bill for $3200 for his stay in the hospital. Part A deductible for 2023 is $1600. He was admitted on January 2, 2023 and discharged on January 9. He was readmitted on February 21 for a different medical condition and discharged on February 23. He tells you Medicare should pay for both stays in the hospital.

Should he have received a bill?
YES

How much is he liable to pay and why?
$1,600 because he was in the same benefit period for both hospitalizations.
Questions?
Part B Costs and Coverage

Part B
(Medical Insurance)
Part B Costs

• Everyone pays the Part B premium
  • Those with lower income and assets can get help
• Changes every year
  • Those with lower income may not pay the current premium
• Those with higher income may pay more
  • Income Related Monthly Adjustment Amount (IRMAA)
• If did not enroll in Part B when first eligible may incur
  • Late Enrollment Penalty (LEP)
Part B Late Enrollment Penalty (LEP)

- 10% of the current Part B premium
  - Incurred for every 12 months not enrolled in Part B
  - Amount will change every year depending on the current Part B premium
- Liable for payment of LEP as long as enrolled in Medicare
- Can be waived if eligible for Part B premium assistance
  - Medicare Savings Programs
Part B Premium and Income Related Monthly Adjustment Amount (IRMAA)

- Everyone pays Part B premium
  - Those with lower income and assets may get assistance
- Those with higher income may pay an increased Part B premium
- The increase is based on the tax return from the previous 2 years
  - 2023 IRMAA is based on 2021 tax return

Check [WI SHIP Cheat Sheet](#) for current year amounts
Part B Covers

- Doctors’ services
- Outpatient medical and surgical services and supplies
- Clinical lab tests
- Durable medical equipment (DME) (like walkers and wheelchairs)
- Diabetic testing equipment and supplies
- Preventive services (like flu shots and a yearly wellness visit)
- Home health care
- Medically necessary outpatient physical and occupational therapy, and speech-language pathology services
- Outpatient mental health care services
Home Health Services

• Part B may also cover part-time home health care: skilled nursing care, physical therapy, occupational therapy, and more.

• Individuals must meet eligibility criteria for Part B to cover home health care.
Preventive Services

• Part B covers most preventive services for free
  • The “Welcome to Medicare” and yearly “Wellness” visits are health risk assessments, not a physical.
  • Physicals are not covered under Part B

• COVID-19 vaccines and other vaccines are free
  • Flu shots
  • Pneumonia
  • Shingles is covered under Part D, not B

• Coverage timeframes may vary (for example, once every 24 months).
## Part B Preventive Services

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<tr>
<th>Preventive Services</th>
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<td>Abdominal aortic aneurysm screening</td>
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<td>Alcohol misuse screenings and counseling</td>
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<td>Bone mass measurements</td>
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<td>Cardiovascular behavioral therapy</td>
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<td>Cardiovascular disease screenings</td>
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<td>Cervical and vaginal cancer screenings</td>
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<td>Colorectal cancer screenings</td>
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<td>Counseling to prevent tobacco use and tobacco-caused disease</td>
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<td>Hepatitis B shots</td>
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<td>Hepatitis B Virus infection screening</td>
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<td>Hepatitis C screening tests</td>
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<td>Lung cancer screenings</td>
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<td>Medicare Diabetes Prevention Program</td>
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<td>Sexually transmitted infection (STI) screenings &amp; counseling</td>
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<tr>
<td>“Welcome to Medicare” preventive visit</td>
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<td>Yearly “Wellness” visit</td>
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Durable Medical Equipment (DME)

Durable medical equipment must be:

• Durable (can withstand repeated use).
• Used for a medical reason.
• Useful only to someone who is sick or injured.
• Used in the home.
• Expected to last at least three years.
Durable Medical Equipment (DME), continued

• Medicare will only cover medically necessary durable medical equipment that is:
  • Prescribed by a Medicare-enrolled doctor.
  • Provided by a Medicare-enrolled supplier.

• Medicare may require that the DME be rented or bought.

**Counselor Note:** An appeal of a denial of DME should be referred to a benefit specialist for assistance.
Part B Prescriptions

• Medicare Part B can cover:
  • Drugs administered by a provider or at a dialysis facility.
  • Some outpatient drugs
    • oral cancer and immunosuppressive medications.
  • Drugs used with DME
    • an infusion pump.

• Some drugs can be covered by [Part B or Part D].

Counselor Note: B v D drug coverage can be extremely tricky. Consult with a [helpline] for assistance.
Medicare Observation Stay

• Observation stay is not an admission to the hospital
  • Even if put in a bed on a non emergency floor
• Can be for any length of time
• Can be billed for medications received during the stay
  • Medication may be covered under Part D
• Stay is covered under Part B, not Part A

Counselor Note: Notice must be given to the patient within 24 hours if not admitted to the hospital and under observation only. This notice is called Medicare Outpatient Observation Notice (MOON).
What’s Not Covered by Part A & Part B?

Some of the items and services that Part A and Part B do not cover include:

- Most dental care
- Vision (for prescription glasses)
- Dentures
- Cosmetic surgery
- Massage therapy
- Routine physical exams
- Hearing aids and exams for fitting them
- Long-term care
- Concierge care
- Covered items or services you get from an opt out doctor or other provider

Note: Some of these may be covered with Medicaid or a Medicare Advantage Plan.
Check Your Knowledge

For Part B, in most cases, you pay ____________.

a. A monthly premium
b. A yearly deductible
c. 20% coinsurance for most covered services
d. All of the above

Countdown timer: Answer the question before the bar disappears!
When is Part A & Part B needed?

- To buy a Medicare Supplement Insurance (Medigap) policy
- To join a Medicare Advantage Plan
- Eligible for TRICARE for Life (TFL)
- Eligible for Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA)
- Most Employer coverage requires Medicare (has fewer than 20 employees)
Key Points to Remember

- **Medicare is a health insurance program**
- **Medicare doesn’t cover all health care costs**
- **There are choices in how to get coverage**
- **Decisions affect the type of coverage**
- **Certain decisions are time-sensitive**
- **There are programs for people with limited income and resources**
Part B Scenario

Charles W. is back to see you with another bill. He went to his doctor and had a colon cancer screening. He remembers that the Medicare and You book said the screening was free. Now he has a bill.

What question should you ask him and how do you explain the bill?
Did the doctor remove a polyp?
If the doctor removed a polyp, then the it is no longer free as a preventive service. It is a Medicare covered service under Part B.
Questions?
Medicare Coverage

Claims
Medicare Bills and Claims

• Beneficiaries should rarely, if ever, need to file a claim
  • Providers are required to submit claims

• Claims must be submitted timely
  • Providers cannot hold a claim
  • Claims must be submitted within 12 months of provision of service

• Bills from providers for coinsurance/copay amounts
  • For Medicare covered services
Medicare Summary Notice (MSN)

- MSN for Part A and Part B are sent every quarter.
- An explanation of:
  - Services billed.
  - What the beneficiary may owe.
  - Billing codes and modifiers.
  - Denial rationale (if applicable)
- Explains appeal deadlines

[Links]
Medicare Summary Notice Part A
Medicare Summary Notice Part B
Medicare Account

• Most clients should create an account
• Allows beneficiary ability to check
  • Claims
  • Medicare/other Insurance coverage
  • Prescription drug lists
  • Print out Medicare card
Medicare Coordination of Benefits (COB)

How does Medicare work with other coverage
Medicare and Other Insurance

• Medicare will coordinate with Medicaid
  • Medicare is primary, or
  • Medicaid is secondary

• Medicare will coordinate with other insurances
  • Liability and no fault insurance after an accident
  • Worker Compensation

• Medicare will coordinate with Employer Group Health Plans
  • If retired with Employer Health Plan, Medicare is always primary

When Medicare is primary and secondary - Medicare Interactive
COB with Employer Plans

• Age 65 and covered by current Employer Health Plan
  • Group Health Plan with < 20 employees
    • Medicare is Primary
  • Group Health Plan with > 20 employees
    • Medicare is Secondary

• Under age 65 and covered by current Employer Health Plan
  • Group Health Plan with <100 employees
    • Medicare is Primary
  • Group Health Plan with > 100 employees
    • Medicare is Secondary
Medicare and VA and TriCare for Life

• VA benefits and Medicare do not work together.
• Medicare and TriCare for Life do work together
• Medicare does not pay for any care provided at a VA facility, and
• VA does not pay outside of the VA center
  • Except in very certain circumstances
• Not enrolled in Part B
  • May have late enrollment penalty
  • Not covered for Part B services received from private providers
Medicare Appeals
How would you explain Medicare?

Medicare is the federal health insurance program for people 65 years and older. Those with certain disabilities are able to be enrolled in Medicare before age 65.
Medicare Appeals

• Medicare has a unique appeals process.

• Appeals cases are considered complex counseling that requires referral to benefit specialist.

Counselor Note: Basic Certified SHIP Counselors should understand appeal rights to be able to answer common appeal and coverage questions.
Original Medicare Overview of Appeals Process

With Original Medicare Part A Hospital Insurance and Part B Medical Insurance, beneficiaries often appeal bills for services already received.
Standard Coverage Appeals Process

• **Before appealing,** it is best practice for the beneficiary to contact their provider’s billing office to check if a service was correctly billed.

• **To appeal,** beneficiaries should complete the last page of the Medicare Summary Notice (MSN) within 120 days of receiving the MSN.

• **If the appeal is unsuccessful,** the beneficiary can escalate the appeal. There are five appeal levels.
## Appeal Levels

1. **First Level of Appeal:** Redetermination by a Medicare Administrative Contractor (MAC)

2. **Second Level of Appeal:** Reconsideration by a Qualified Independent Contractor (QIC)

3. **Third Level of Appeal:** Decision by the Office of Medicare Hearings and Appeals (OMHA)

4. **Fourth Level of Appeal:** Review by the Medicare Appeals Council

5. **Fifth Level of Appeal:** Judicial Review in Federal District Court
Medicare

Final Thoughts
Remember, unless already receiving benefits from Social Security (SSA), no notice is sent of Medicare eligibility.

Medicare Summary Notices are received quarterly

Beneficiaries should create a Medicare Account

There are no couples in Medicare.
  • Each beneficiary should be considered separately for coverage and benefits
When to Refer

• “Basic-level” SHIP counselors should be able to:
  • Describe Medicare and use the plan finder
  • Explain and assist with enrollment
  • Recognize when assistance is needed with coverage of prescriptions and/or needed uncovered medical services
  • Recognize when an individual may qualify for financial help.

**NOTE:** Refer a client to a [benefit specialist](#) or a helpline for further assistance with Medicare, Medicare Advantage and/or Part D unique coverage questions or appeals.
How to determine with what your client needs help

Sample questions:
1. When did your Medicare start?
2. When did your Medicare Advantage plan start?
3. Did you lose employer health coverage?
4. Do you have VA, Tricare or any other health care coverage?
5. Are you eligible for Medicaid?
6. Why was your medication/service not covered?
7. Do you have paperwork?
Practice Scenario
Original Medicare Scenario

Mr. and Mrs. Smith have lots of questions about Medicare enrollment. They both are turning 65 in July. They are still working, and both served and retired from the military. They went to a seminar their individual employers held regarding Medicare and employer/retiree insurance. While you are discussing Medicare, Mr. Smith tells you he lost a foot during his service in the Navy. Neither want to enroll in Medicare.

How will you explain Medicare?
Why should they enroll in Medicare?
Resources
Where to go for help
Resources

• SHIP Technical Assistance (TA) Center
  • https://www.shiptacenter.org/
  • Webinars, handouts, outreach materials, and counselor resources for SHIP counselors

• Centers for Medicare and Medicaid Services (CMS) National Training Program
  • https://cmsnationaltrainingprogram.cms.gov/
  • Free webinars, PowerPoints, self-paced online training, and train-the-trainer workshops
Resources

**Medicare.gov**

- Check current costs, eligibility, and enrollment information.
- Use the search function to see if a service or item is covered by Medicare.
Resources

**Wisconsin SHIP Cheat Sheet Packet**

Found on the:

- [SHIP TA Center](https://www.shipta.org) (search “WI SHIP Counselor Cheat Sheet packet”)
- GWAAR Medicare Outreach and Assistance Resources webpage ([https://gwaar.org/medicare-outreach-and-assistance-resources](https://gwaar.org/medicare-outreach-and-assistance-resources)) under Tools for Professionals
Contacts

Questions are encouraged! You can go to the following SHIP counselors for help:

• **Your local SHIP supervisor**

• **The Board on Aging and Long Term Care**
  • Medigap Helpline: 1-800-242-1060
  • [BOALTCMedigap@wisconsin.gov](mailto:BOALTCMedigap@wisconsin.gov)
  • Medigap Part D and Prescription Drug Helpline: 1-855-677-2783
  • [BOALTCRXHelpline@wisconsin.gov](mailto:BOALTCRXHelpline@wisconsin.gov)

• **Disability Rights Wisconsin**
  Medicare Part D Helpline:
  • 1-800-926-4862
  • [medd@drwi.org](mailto:medd@drwi.org)