



AARP®



HEALTH
CARE *and you*

Medicare 101



Welcome

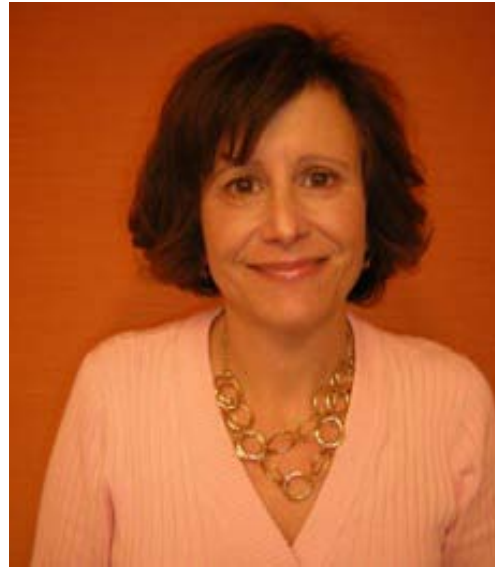
- Why AARP is doing this webinar



AARP Webinar Leaders



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Agenda

- Medicare Basics
- Medicare Choices



What is Medicare?

- A federal health insurance program for:
 - People 65 or older
 - People under 65 with certain disabilities
 - People of any age with End-Stage Renal Disease



What Medicare Does Not Cover

Medicare does not cover all your health care costs.

Your are responsible for:

- Monthly premiums
- Deductibles
- Coinsurance
- Co-payments



The Different Parts of Medicare

- Part A (Hospital Insurance)
- Part B (Medical Insurance)
- Part D (Prescription Drug Coverage)



Part A – Hospital Insurance

- All eligible people 65 + automatically get Part A
- Most people receive Part A “premium-free”
- Some people can still get Part A, but will pay a premium

What Part A Covers

- Helps cover inpatient hospital care
- Other services include:
 - Some skilled nursing facility care
 - Hospice and home health care



Part A – Costs for 2011

Monthly Premiums

- Most people get premium-free Part A



Part A – Costs for 2011

Deductibles

- \$1,132 for days 1-60 in-patient hospitalization

Co-Payments

- \$283 per day: days 61-90
- \$566 per day: days 91-150



Medicare Part B - Medical Insurance

- All eligible people 65 + get Part B
- You pay a premium for Part B

What Part B Covers

- Some physician services
- Outpatient hospital services
- Certain home health services
- Medicare-approved preventive services



Part B – Costs for 2011

Premiums

- Most people pay \$96.40 per month
- People new to Medicare pay \$115.40 per month
- Premiums go up for those with higher with incomes
 - Individuals who earn more than \$85,000
 - Couples who earn more than \$170,000



Deductible

- Annual deductible of \$162

Part D – Prescription Drug Coverage

- Run by Medicare-approved private insurance companies
- Helps cover the cost of prescription drugs



What Part D Covers

- Each plan has a list of covered drugs
- Includes both brand-name and generic prescription drugs
- Plans place drugs into “tiers”
- Each tier has a different cost

Part D - Costs 2011

- Benefits and costs vary
- People enrolled in Part D may pay:
 - Monthly premiums
 - Copayments or coinsurance
 - Annual deductible up to \$310
- People with higher incomes pay higher Part D premiums



Medicare Drug Coverage

Initial Benefit

You pay: Deductible and 25% of drug costs

Doughnut Hole

50% discount for Brand Name and 7% for Generic

Catastrophic Benefit

You pay: 5% of drug costs



www.aarp.org/doughnuthole

DOUGHNUT HOLE CALCULATOR (2010 PLAN YEAR)

1 SELECT PLAN 2 ENTER DRUGS 3 VIEW REPORT 4 SEE OPTIONS

POWERED BY
Destination[®]

English (US) ▾

STEP 1: SELECT YOUR PLAN

WANT TO AVOID THE MEDICARE DRUG COVERAGE "DOUGHNUT HOLE"?
If you have Medicare Part D, you may be at risk of falling into the coverage gap, or "doughnut hole." Follow this four-step tool and save money!

ZIP Code:



This is how the Doughnut-Hole Calculator works:

1 SELECT PLAN

Gather your medications and drug plan card before you start. Then enter in your zip code and select your plan from the list.

2 ENTER DRUGS

Enter the name of each of your drugs, its dosage, and how often you take it.

3 VIEW REPORT

View a chart for the year to see if you're likely to hit the doughnut hole.

4 SEE OPTIONS

Explore a list of alternative drugs that are therapeutically similar to those you take now but could reduce your expenses and stretch your coverage. Print out a form letter to ask your doctor whether switching to the lower-cost drug(s) would work for you.

Part D - Extra Help

➤ For people with limited income and resources

- **Monthly income limit**

- \$ 1,354/mo (individual)
- \$ 1,821/mo (married couple)

- **Resource limit**

Less than:

- \$ 12,640 (individual)
- \$ 25,260 (married couple)



Medicare Choices

➤ Original Medicare

- Parts A and Part B
- Part D (if you want prescription drug coverage)

➤ Medicare Advantage Plans

- Combines Parts A, B, and D



Original Medicare

- Fee-for-service health plan
- Includes Parts A and B
- You can go to any provider that accepts Medicare
- Pays for many health care services, but not all
- You must choose and join a Medicare Prescription Drug plan to get prescription drug coverage



Medigap Coverage

- Health insurance policy
 - Sold by private insurance companies
 - Covers “gaps” only for **Original Medicare**
 - Deductibles, coinsurance, copayments
 - Does **not** work with Medicare Advantage Plans
 - Up to 11 standardized plans
 - So people can compare easily

How Medigap Works

- People can buy a Medigap policy
 - Within 6 months of enrolling in Part B
 - Must be age 65 or older
- Monthly premium
- Generally go to any Medicare-approved doctor or specialist
- Does not cover the costs of prescription drugs

OPTION 1: ORIGINAL MEDICARE

If you choose Original Medicare:

- Coverage includes Part A (hospital insurance) and Part B (medical insurance).
- You usually pay a premium for Part B.
- You choose your doctors, hospitals, and other health providers.
- You (or your supplemental insurance) pay any deductibles and out-of-pocket costs.

You decide if you want Medicare Part D (Prescription Drug Coverage).

- Anyone on Original Medicare can sign up for this voluntary drug coverage.
- You will have to select a Medicare-approved prescription drug plan offered through a private insurance company.
- Plans vary in cost and in drugs covered.

You decide if you want supplemental (Medigap) insurance.

- You can choose to buy a policy to fill gaps in your Original Medicare coverage.
- Insurance companies in most states can offer up to 11 standard Medigap plans.
- Medigap plans vary in cost and in the benefits they offer.

Medicare Advantage Plans (Part C)

- Alternatives to Original Medicare
- Plans are offered by private insurance companies
- All plans include Part A and Part B, and in most cases, Part D



What Part C Covers

- Benefits covered by both Parts A and B
- Prescription drug costs covered by the plan selected
- Extra benefits depending on the plan selected

How Medicare Advantage Plans Work

- Live in plan's service area
- May get extra benefits
- May have to use providers in plan's network



Medicare Advantage Plans - Costs

- Monthly premiums
- Deductibles
- Co-payments
- Plan rules
- Extra benefits



OPTION 2: MEDICARE ADVANTAGE

If you choose Medicare Advantage:

- These plans include both Medicare Part A and Part B. Most plans include Part D.
- You must use the doctors, hospitals and other health providers on the plan's list.
- You pay a monthly premium (in addition to Part B premium), and a co-payment for covered services.
- Plans vary in cost, extra coverage, and plan rules.

If needed, you can choose a Medicare Part D plan (Prescription Drug Coverage).

- In most cases, Medicare Advantage plans cover prescription drugs. If so, you must get this coverage through your plan.
- If your plan does not offer drug coverage, you can choose a Medicare Prescription Drug Plan. Costs and benefits vary depending on the plan.

With Medicare Advantage, you will not need supplemental insurance.

- Once you have a Medicare Advantage plan, you cannot be sold a Medigap policy.
- If you already have a Medigap policy, you cannot use it to pay for out-of-pocket costs under your Medicare Advantage plan.

Home

Manage Your Health

Medicare Basics

Resource Locator

Help & Support

New to Medicare?

Health & Drug Plans

Facilities & Doctors

MyMedicare.gov

Getting Started

Are You a New Beneficiary?

[Find Out if You're Eligible](#)

[Choosing or Changing Your Coverage?](#)

[Medicare & You 2011 Handbook](#)

[Apply Online for Medicare Now](#)



Stay Healthy



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What's New?

Do Your Part to Fight Medicare Fraud

Strengthening Medicare: Halting Cuts to Medicare Payments

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The National SHIP
Resource Center



Local Help for People with Medicare.

SHIPtalk

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Welcome to SHIPtalk

The State Health Insurance Assistance Program, or SHIP, is a national program that offers one-on-one counseling and assistance to people with Medicare and their families. Through federal grants directed to states, SHIPs provide free counseling and assistance via telephone and face-to-face interactive sessions, public education presentations and programs, and media activities. If you want to know more about the SHIP program in your state, or you want to contact a SHIP counselor in your area, please click on the appropriate button under the About SHIP Menu at left.

Resources

- **Medicare**
 - ✓ www.medicare.gov 1-800-633-4227
- **AARP's Doughnut Hole Calculator**
 - ✓ www.aarp.org/doughnuthole
- **State Health Insurance Assistance Program (SHIP)**
 - ✓ www.shiptalk.org
- **Social Security**
 - ✓ www.socialsecurity.gov 1-800-325-0778
- **TRICARE (Department of Defense)**
 - ✓ www.tricare.mil/mybenefit 1-866-773-0404
- **Office of Personnel Management**
 - ✓ www.opm.gov/insure 1-888-767-6738

Resources

AARP on Medicare

- Find educational articles on the basics of Medicare
- Join active online communities on Insurance and Medicare

www.aarp.org/health/insurance

Resources

AARP on Medicare

➤ Medicare Interactive

- Free interactive tool that helps you find expert advice, and helpful information on Medicare

www.aarp.org/medicareinteractive

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