Medicare Q & A 2013/2014

Q: Who is Eligible for Medicare?
A: (1) U.S. Citizens and Lawfully Admitted Permanent Residents 65 & older
(2) Disabled individuals 24 months after receiving SSDI disability benefits
(3) People with end-stage-renal disease

Q: Now that the Social Security full retirement age has been increased to 66, is Medicare eligibility affected also?
A: No. Currently Medicare eligibility begins at age 65 regardless of when full retirement benefits are available. Retirees need to contact Social Security to begin their Medicare at age 65.

Q: How is the baby boom population affecting Medicare?
A: Every day more than 7,000 persons become Medicare eligible from the baby boomers. In Arizona more than 75,000 seniors will become Medicare eligible during 2013.

Q: When is the open-enrollment period?
A: Open-enrollment to change Advantage Plans or Prescription Drug Plans begins on October 15th and ends on December 7th. It is critically important for current beneficiaries to be aware of the change so they don't miss their opportunity to make changes to their enrollment for 2014. If someone misses the date and wants to make a change to their enrollment after 12/7/13 it will be too late.

Q: I am still working at age 65 and insured under my employer's group health plan. Should I enroll in Medicare?
A: Yes, and no. Someone over 65 and still covered under their employer's coverage does not have to enroll into Medicare, and there are no penalties for waiting so long as the person maintains their group coverage, and continues to be an active employee. However, it makes sense for the 65 year old worker to enroll into Medicare Part A since it is normally premium-free and provides secondary hospitalization coverage.

Q: I am retired and turning 65, and have retirement insurance, should I enroll in Medicare?
A: Yes, most likely. The vast majority of retirement policies are secondary payers to Medicare, including Tricare for Life for retired military personnel. Each retirement insurance policy is different so the beneficiary should check with their retirement insurance plan to see how it works with Medicare.

Q: What are the different parts of Medicare?

A: Medicare has 4 different parts: Part A that covers hospitalization, Part B that covers medical services; Part C which are Medicare Advantage Plans, and Part D which covers prescription drug coverage. Part C, or the Medicare Advantage Plans, are HMO's or PPO's that consolidate Part A, B, and D coverage and services.

Q: What is a Medicare Supplement Policy?

A: A Medicare Supplement Policy, also called a Medigap Policy, is a private insurance policy that is a supplemental payer of Medicare Part A and B services. It is most advantageous for a Medicare beneficiary to sign up for a supplement policy in the first 6 months after they enroll into Part B and are at least 65 years old to ensure guaranteed issue without medical underwriting. Depending on the plan selected, the supplement policy may cover all deductibles, co-pays, and co-insurances otherwise associated with using Part A and Part B. It does not participate with Part D drug coverage.

Q: How do I enroll in Medicare?

A: For people turning 65 and not already receiving social security benefits they must actively enroll, and can either enroll online at www.socialsecurity.gov or with the Social Security Administration. SSA can either conduct an in-person interview or handle it over the telephone. For someone already receiving social security benefits they are automatically enrolled in Parts A & B when they turn 65, or after 24 months receiving disability benefits.

Q: I'm turning 65, is it important for me to enroll right away, or can I wait?

A: Everyone who is turning 65 should carefully consider all enrollment decisions, and for most people it is very important to enroll when turning 65. The initial enrollment period for Medicare benefits begins the 3 months before turning 65, then the month you turn 65, and three months after turning 65. So someone turning 65 has a 7 month initial enrollment period to sign up for all parts without any late enrollment penalties.

Q: What are the Medicare monthly premiums?

A: Medicare Part A is normally premium-free, although there are a very small group of eligible persons who don't have enough social security work credits, and can pay up to $441/month for Part A. Medicare Part B has monthly premiums of $104.90 in 2013. In 2014 the Part B premium will be _(unknown)_. There are higher Part B premiums for beneficiaries who's individual income is more than $85,000/year, or couples whose income is more than $170,000/year. Medicare Part D premiums range from about $18.50/month to $99/month depending on the insurance plan and benefits, and each plan's premium can change year to year also. There are also higher Part D premiums for beneficiaries who has individual income is more than $85,000/year, or couples whose income is more than $170,000/year.

Q: Are there additional costs to the beneficiary beyond these premiums?

A: Yes. Even when first introduced, Medicare was never intended to pay 100% of a person's health costs. Beyond the premiums original Medicare has deductibles ($1184/benefit period for Part A in 2013; $147 for Part B in 2012) and co-pays for services (20%). People can either reduce or eliminate these deductibles or co-pays by purchasing a Medicare Supplement Policy or enrolling into a Medicare Advantage Plan. The prescription drug costs get a little more complicated and depend on many factors such as a beneficiary's income & resources, whether they are subject to the donut-hole, and which prescription drug plan they select.

Q: I heard that the donut hole is shrinking, is that true?

A: Yes. As a result of the Affordable Care Act of 2010 the donut hole became smaller for all Medicare beneficiaries. In 2014 beneficiaries will pay 47.5% of brand-name drug costs in the donut-hole, and 72% of generic drug costs in the donut-hole. The donut hole continues to shrink through 2020, when beneficiaries will only pay 25% of drug costs, the same as they pay in the initial coverage period.

Q: Is there extra help paying for these costs to low income individuals?

A: Yes. If a Medicare beneficiary is single and their total income is less than $1436/month, or less than $1939 if married, there are low-income programs that can save beneficiaries on their prescription drugs, and in some cases pay for their Part A and B premiums.

Q: What is new about Medicare in 2014?

A: There is a continued effort to expand preventive services available to all Medicare beneficiaries without any co-pays. Beginning in 2012 all Medicare beneficiaries, no matter what type of enrollment they have, can receive a long list of preventive services without co-pays. The cost of prescription drugs in the donut-hole continues to shrink, and the co-insurance for mental health treatment is reduced to 20%. Finally, in July of 2013 the DMEPOS Competitive Bidding Program was introduced to Maricopa County and all Medicare beneficiaries now receive durable medical equipment (DME) and diabetes supplies from designated Medicare contracted providers.

Q: If I need help enrolling, or have questions about my coverage where do I call?

A: In Maricopa County they can call the Area Agency on Aging's Benefits Assistance Program at 602-264-4357. We are one of the many State Health Insurance Programs, or SHIPs, that offer free and independent assistance to Medicare beneficiaries with plan enrollments and changes to coverage. Throughout Arizona, people can call the State SHIP Hotline at 1-800-432-4040.