



Medicare Basics

For Minnesotans

What's inside:

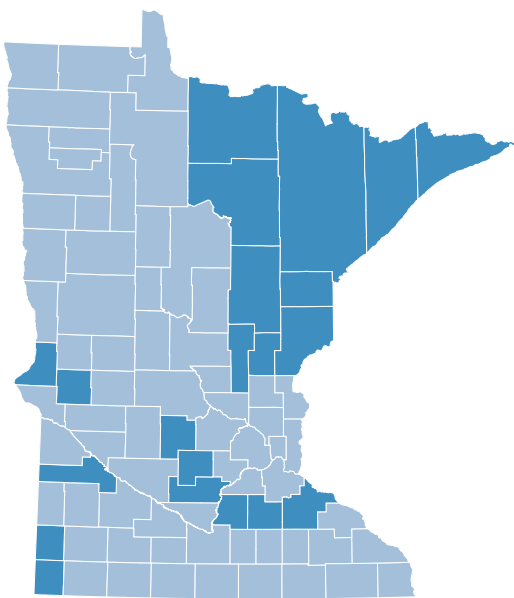
- Options for Cost Plan members
- An overview of Medicare and options
- Prescription drug, Medigap and Advantage Choices
- When and how to enroll

Changes coming to Minnesota Cost Plans in 2019

Beginning January 1, 2019, Medicare Cost Plans will no longer be available across much of Minnesota. The passing of the Medicare Access and CHIP Reauthorization Act (MACRA) in 2015 requires Costs Plans to close in the majority of MN Counties on December 31st, 2018. Many Cost Plan members will be deemed into a new Medicare Advantage Plan by their health insurance carrier – your health insurance will contact you to ensure you remain covered.

Minnesota, with nearly 400,000 seniors enrolled in a Cost Plan, is most affected by this change. Cost Plans have been provided in Minnesota by Blue Cross and Blue Shield, Medica and Health Partners. Your advisor and health insurance company are fully aware of the change and over the coming months will answer your questions. If you have a Cost Plan, your insurance company will have a new plan for you, ensuring your health insurance needs are covered in 2019 and beyond.

We anticipate Medicare Cost Plans will be available to current and new members in the following 21 counties in 2019.



CMS Cost Counties for 2019

Aitkin	Mille Lacs
Carlton	Pine
Cook	Pipestone
Goodhue	Rice
Itasca	Rock
Kanabec	Sibley
Koochiching	Stevens
Lake	St. Louis
Le Sueur	Traverse
McLeod	Yellow Medicine
Meeker	

** Cost plans may change from year to year by The Centers for Medicare and Medicaid Services (CMS).*

This pamphlet contains information about the basics of Medicare and options to replace Cost Plans.

Cost Plans FAQs:

How do I know if I have a Medicare Cost Plan?

More than half of Medicare enrolled members in Minnesota are on a Cost Plan and may need to find new coverage. To find out what type of Medicare plan you have, check your member card, call your insurance company or contact your advisor.

What if I don't have a Cost Plan?

If you are currently enrolled in Medicare but are not on a Cost Plan, you may be enrolled in a Medicare Supplement (MediGap) or a Medicare Advantage plan. You will not be affected by this change.

What happens if my current plan IS a Cost Plan?

If you have a Medicare Cost Plan (in a County losing coverage*) your plan expires on 12/31/2018. Your existing insurance company will have Medicare Supplement and Medicare Advantage plan options for you and will contact you to ensure you remain covered.

Do I need a medical exam or have to answer health questions to get new coverage?

If your Cost Plan is going away, there will be a Guaranteed Issue period where you may enroll in a Medicare Supplement or Medicare Advantage plan. Guaranteed Issue means there are no medical exams or health questionnaire. You will be guaranteed to receive the Medicare plan you select (if available in your area).

Will I lose coverage if I'm currently on a Cost Plan and don't do anything?

If you do nothing, you will still have "Original Medicare" (Part A & B). Check with your insurance company or advisor whether your Prescription Drug coverage will continue in 2019, if you do not select a new Medicare plan.

I have more questions that are not answered here, who can help me?

You may reach out to your advisor or contact the agency listed on the back of this pamphlet to ensure you understand all your Medicare options.

What happens if I live in a county where Cost Plans end?

Your existing insurance company will have Medicare Supplement and Medicare Advantage plan options for you and will contact you to ensure you remain covered.

Medicare Overview

What is Medicare?

Medicare is the federal health insurance program for people 65 or older, under 65 with disabilities and for those with end stage renal disease or Lou Gehrig's Disease. The program helps with the cost of health care. However, Medicare does not cover all medical expenses or the cost of long-term care. Medicare has four parts: Part A, Part B, Part C, and Part D.

Who Is Eligible?

In general, citizens 65 years or older and persons on disability; if you have worked for at least 10 years there may be no premium for Medicare Part A, premiums for Part B are based on income.

How Do I Enroll in Medicare?

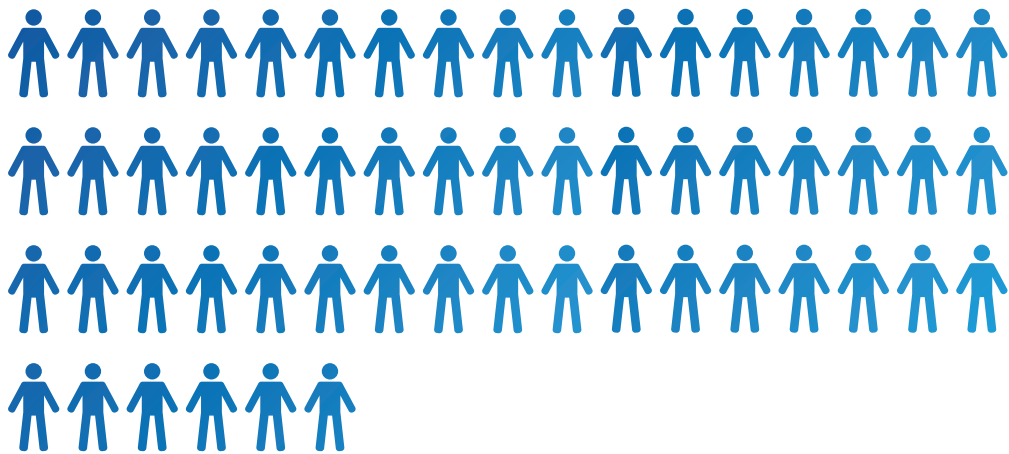
An individual can enroll in Original Medicare (A+B) at a Social Security office. Recommended and usually much easier is to enroll online at **www.SocialSecurity.gov**. There are specific time frames when enrolling. Consult your advisor about your enrollment periods. A Medicare advisor will help you decide if your current employer plan or enrolling in Medicare meets your needs.

Why Is It Important to Enroll?

There are regulations that can result in financial penalties for late enrollment. If you are working you may or may not need to enroll in Part A and/or Part B. Other regulations involve COBRA, HSA contributions and whether your existing coverage is creditable or non-creditable. Your health or financial advisor can help with your decisions.

Fast facts:

57 Million Americans have Medicare



Member Profiles - Types of Medicare Coverage



14% Have only Original Medicare (A+B only)



19% Receive Medicare through an employer or union group plan



32% Have a Part C Medicare Advantage Plan



54% Have a Medicare Supplement



72% Have Prescription Drug covered by Medicare

Sourced from **Medicare.gov**

Medicare Part A to Part D



Part A Hospital

Medicare Part A covers hospital inpatient and skilled nursing care. If you or your spouse have worked 10 years there may be no premium for Part A.



Part B Doctor & Outpatient

Medicare Part B covers services and supplies that are medically necessary, including outpatient care, preventive services, ambulance services and durable medical equipment. There is a premium you must pay for Part B and without supplemental coverage you may be responsible for 20% of Medicare approved fees. This is a primary reason people select supplemental coverage.

Part A & B together make up what is known as Original Medicare and there is no drug coverage (except while inpatient at hospital).



Part D Drug Coverage

Medicare Part D are private plans providing prescription drug coverage. It is available as stand-alone coverage with a Medicare Supplement or embedded within a Medicare Advantage Plan. Plans vary in price, networks, copays and the drugs included on their formulary (prescription drug list).



Part C Medicare Advantage

Medicare Part C, also known as Medicare Advantage, is offered by private companies approved by Medicare, as an alternative to Original Medicare. Your Medicare benefits are assigned to your health plan who in return provide your Medicare Advantage Plan; Medicare Advantage Plans must provide coverage at least as good as Original Medicare.

Medicare Advantage Plans have variable premiums depending on factors such as networks and how much of the cost you share. All Medicare Advantage Plans have an out-of-pocket maximum, limiting your financial risk. Medicare Advantage Plans may include additional benefits not covered by Original Medicare, such as prescription drugs, comprehensive physical exams, dental, vision, and gym memberships.

The number of people enrolling into Medicare Advantage Plans is increasing every year due to the similarity of Medicare Advantage Plans with conventional health insurance plans offered by employers before retirement.



Medicare Supplement Insurance (Medigap plans)

Medicare Supplement Insurance, also known as Medigap, was created by private companies to fill gaps in Original Medicare. These gaps include deductibles, copays and your liability for the 20% cost sharing with Original Medicare. Medigap plans typically do not have a network and can be used with any provider that accepts Medicare. Combining Original Medicare with Prescription Drug coverage and a Medigap plan is a popular strategy. Medigap plans are guaranteed issue during the first six months of eligibility, however, after that you may have to go through underwriting.

Review your choices once a year

Once you have Original Medicare, a Medicare Supplement, Part D or a Medicare Advantage Plan, you can review your options each year during the period between October 15 and December 7. This is known as the Annual Election Period (AEP), when you change your plan for a January 1 effective date.

Enrollment Periods

- **Medicare Annual Enrollment Period (AEP):** The annual designated time period where you can make changes to your Medicare plan. This year's AEP runs from October 15 to December 7, 2018.
- **Special Enrollment Period (SEP):** Under special circumstances outside of AEP you may be eligible for a SEP, such as moving home, to enroll into a new plan. With the close of Cost Plans, there is an SEP between December 8 and February 28, 2019.
- **Medicare Advantage Open Enrollment Period (OEP):** Open enrollment returns with the signing of the 21st Century Cures Act. During this time, those with Medicare Advantage, have a one-time opportunity to change plans between January 1 and March 31, 2019.

Contact your advisor to learn more about each enrollment period, when you can enroll or make changes to your Medicare coverage.

Medicare Terms

- **Medicare Assignment** - *agreement from your doctor, provider, or supplier to accept the Medicare reimbursement amount as full payment for covered services.*
- **Co-insurance** - *you and your health insurance pay a percentage.*
- **Co-pay** - *a fixed amount you pay towards a doctor, ER visit or prescription.*
- **Cost sharing** - *a principle whereby you are responsible for a certain amount of your medical bills.*
- **Deductible** - *the amount you pay before your health insurance.*
- **Network** - *a medical provider network of facilities and physicians contracted with your health insurance. Networks are common with Medicare Advantage Plans. Generally, you must get your care and services from within the plans network, except Emergency Care, Out-of-area Urgent Care or Dialysis.*

Medicare Terms

- **Max Out-of-Pocket** – the most you will pay during a policy period. After you reach your maximum your plan pays 100% of covered services.
 - **Premium** – the amount you pay to Medicare or your insurance company for Medicare coverage. Premiums may be monthly or periodically.
 - **Scope of Appointment Form** - Before you discuss your Medicare and health insurance needs with your Advisor, they will ask you to complete a Scope of Appointment Form (SOA). The SOA identifies which health insurance products you wish to discuss; this is a consumer protection. It is not permissible for your advisor to discuss life insurance or financial products during a Medicare appointment.
 - **Underwriting** - An evaluation of your Medical history in order to set premiums or decide eligibility for coverage. Medicare Supplements may have underwriting requirements outside of Guaranteed Issue periods.
 - **Guaranteed Issue (GI)** - A situation where a policy is offered to any eligible applicant without regard to health status. Aging into Medicare and the withdrawal of plans from the market such as the Cost Plan transition create GI situations.
-

Medicare FAQs:

Can I keep my doctor if I enroll in Medicare?

If you have a Medicare Supplement Plan then you must check to see if your doctor or provider accepts Medicare Assignment. With a Medicare Advantage Plan you must check the network associated with your plan.

Am I taking prescription drugs?

Part D plans and Medicare Advantage plans have formularies and the drugs on these lists may change from year to year. Reviewing your formulary is important so we recommend bringing the labels or photos of your medication labels when meeting with your advisor.

Will I have Medicare coverage during international travels?

Medicare does not provide health insurance coverage outside of the United States. Some Supplements and Medicare Advantage Plans may have limited cover for emergencies worldwide. We recommend speaking to your advisor about a Travel Medical Plan to ensure your medical and repatriation needs are covered abroad.

Will I have Medicare coverage during domestic travels?

Whether a snowbird or just traveling, you need to discuss portability with your advisor. Some Medicare Advantage plans have broad and some narrow networks. Medicare Supplements may provide coverage across the country but always check to see if a provider accepts Medicare.

How does Social Security benefits impact my Medicare coverage?

If you are not receiving Social Security, you will have to enroll into Medicare Parts A & B in order to receive benefits. If you are receiving Social Security, you may be auto enrolled into Medicare. It is your choice to make, if you are 65 or older, on whether to you would like to receive or delay Social Security. Your Medicare Part B premium may be deducted from your Social Security checks if you are receiving Social Security.

How am I impacted if I am over 65 and am still on my employer's health insurance plan?

If your employer offers health insurance, speak to your HR and/or advisor to discuss how Medicare impacts you. By remaining on your employer plan you may be able to delay enrolling in Medicare.

Medicare costs.

Medicare increases have been stable for many years. Generally, you need to pay the Part A deductible, Part B premium and a Part B deductible. Most people don't pay a premium for Part A since they or their spouse have worked for 10 years or more.

Part D also has a monthly premium, as do Medicare Supplement plans and Medicare Advantage Plans. Price varies with plan design and geographical location. Medicare Advantage Plans often include Part D drug coverage.

You must continue to pay Part B premiums if you have a Medicare Supplement or Advantage plan.





Qualifying for Extra Help/Medicaid.

People with limited income and resources may qualify for Extra Help/Medicaid programs that pay the Part B premium and/or lower the cost of Medicare prescription drug coverage. You can get more information about assistance by visiting a Social Security office, visiting **www.SocialSecurity.gov** or talking to your advisor.

Additional questions.

Medicare.gov offers many helpful resources for you to learn more.

Medicare Plan Options

	 Part A Hospital Coverage	 Part B Doctor & Outpatient Coverage	 Part D Prescription Drug Coverage	 Medicare Supplement Insurance (Medigap)
Coverage Options				
Original Medicare (OM)	✓	✓		
OM + Drugs	✓	✓	+	✓
OM + Drugs + Supplements	✓	✓	+	✓
Medicare Advantage (Part C)	✓	✓	✓*	✓*

Suitability is key. Take into consideration your health, lifestyle, desired benefits, pharmacy, network and costs when choosing the right Medicare coverage for you.



**Medicare Advantage plans vary and may or may not include prescription drug, supplemental coverage and additional benefits.*

To learn more contact our Medicare Advisor Team at:



6701 Upper Afton Road
Saint Paul, MN 55125

651.358.2990
medicare@leclairgroup.com
minnesotabenefitassociation.org

The information in this pamphlet was developed by LeClair Group for educational purposes and does not offer coverage nor medical advice. This pamphlet is designed to provide an overview of Medicare and your options. It is not a comprehensive guide to Medicare.

For more information about Medicare or how to apply for coverage, contact your advisor or the agency listed on this pamphlet.

Medicare has neither reviewed nor endorsed this information.

© 2018 LeClair Group. All rights reserved.

DEP01_DOC001_V03_102018