

Module 1-Program Basics

1. Module 1: Overview Medicare Program Basics

1.1 Overview: Medicare Program Basics



1.2 Navigation Instructions

Navigation Instructions

- The "PREV" and "NEXT" buttons at the bottom of each page will take you backwards and forward through the course one page at a time.
- Please note: Students are required to view each slide. Users can view the current slide and any slide they previously viewed but will be unable to skip and or jump ahead within the menu.
- Click the menu icon (≡) to expand and or collapse the table of contents.
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1.4 LEARNING OBJECTIVES


LEARNING OBJECTIVES




- 01** The different ways to get Medicare benefits
- 02** Eligibility for Part A and Part B
- 03** What is covered under Part A and Part B
- 04** Original Medicare premiums

- 05** Help for beneficiaries with limited income
- 06** Original Medicare beneficiary protections
- 07** Combining Original Medicare and Part D
- 08** Medigap Coverage

1.5 Training Roadmap: Part 1

A graphic showing a winding road with four location pins: yellow, green, blue, and red. A purple banner across the road reads "Training Roadmap: Module 1".

<input type="checkbox"/>	Medicare Program Basics
<input type="checkbox"/>	Different Ways to Get Medicare
<input type="checkbox"/>	Original Medicare Eligibility, Enrollment, and Entitlement
<input type="checkbox"/>	Original Medicare Premiums
<input type="checkbox"/>	Help for Individuals with Limited Income
<input type="checkbox"/>	Original Medicare Benefits
<input type="checkbox"/>	Original Medicare and Part D
<input type="checkbox"/>	Original Medicare Beneficiary Protections
<input type="checkbox"/>	Medigap Coverage: An Introduction
<input type="checkbox"/>	Medigap Coverage: A Closer Look
<input type="checkbox"/>	Medicare for Individuals Still Working

The AHIP logo, featuring the letters "AHIP" in a bold, sans-serif font, with a stylized star or arrow graphic above the "P".

1.6 Medicare Basics

Medicare Basics

- Medicare is the Federal health insurance program for individuals who are aged (65 and over) and younger individuals who are disabled.
- Medicare eligibility does not take into consideration an individual's income. However,
 - individuals may pay higher premiums based on income, and
 - low-income individuals may be eligible for additional assistance.
- Individuals can receive their Medicare medical coverage:
 - Directly from the Federal Government, which pays for services on a fee-for-service basis (this program is known as "Original Medicare" or "Fee-for-Service Medicare"); or
 - Through a private health plan.
- Individuals must receive most of their outpatient Medicare drug benefits through a private health plan (even if they get their medical coverage through Original Medicare).



1.7 Overview of Medicare Benefits and Coverage - Parts A, B, C, D

Overview of Medicare Benefits and Coverage - Parts A, B, C, D

- Medicare coverage is often known by the part of Medicare law under which it is authorized or regulated
 - Part A - Referred to as "Hospital Insurance Benefits," which also includes coverage for other inpatient care, including skilled nursing facilities, rehabilitation facilities, and hospice.
 - Part B - Referred to as "Supplementary Medical Insurance Benefits," which includes a broad range of outpatient services such as physician care and drugs that are administered by physicians or other health care professionals (such as vaccines and intravenous medications).
 - Part C - Regulates and authorizes Medicare Advantage plans, which must cover Part A (except for hospice) and Part B benefits.
 - Individuals enrolled in a Part C plan still get hospice benefits, but they are paid for by Original Medicare.
 - Part D - Prescription drug benefits (for self-administered drugs, such as those picked up at a pharmacy and taken at home) and regulation of Medicare prescription drug plans.



1.8 Overview of Medicare - Part E

Overview of Medicare - Part E

There is also a lesser-known Part E of Medicare law that regulates other miscellaneous programs including:

- Medicare cost plans (which also cover Part A and Part B benefits)
 - Medicare cost plans are only offered in a limited number of states and are most frequently found in rural areas.
- Medicare supplemental insurance (Medigap Plans)



1.9 Overview of Different Ways to Get Medicare

Overview of Different Ways to Get Medicare

There are different ways that beneficiaries can choose to receive their Medicare coverage.

- Original Medicare (Part A and Part B coverage only)
 - Can be combined with a Medicare Supplement Plan and/or a Medicare Prescription Drug Plan.
- Medicare Advantage Plans (Medicare Part C health plans, with or without Part D benefits)
- Medicare Prescription Drug Plans
- Medicare Cost Plans



1.10 Different Ways to Get Medicare — Brief Overview

Different Ways to Get Medicare — Brief Overview

Coverage Type	Ways to Get Medicare Coverage ¹			
	Part A and B benefits	Some of the cost sharing for Part A and B Benefits	Part D Benefits	Other Benefits
Original Medicare	X			
Part C (Medicare Advantage)	X	X	May cover depending on plan.	X (most offer additional benefits)
Cost Plans	X	X	May cover depending on plan	X (most offer additional benefits)
Medicare Prescription Drug Plans (PDPs)			X	
Original Medicare with a supplemental plan (Medigap)	X (Original Medicare)	X (Medigap)		Some Medigap Plans cover foreign travel emergencies

¹ Brief overview. As detailed later, some ways can be combined and not all beneficiaries are eligible for all types of coverage.
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1.11 Original Medicare

Original Medicare

- Original Medicare covers only Part A and Part B benefits
 - Part A - generally includes benefits for inpatient hospital, skilled nursing facility, hospice, and home health services
 - Part B - generally includes benefits for outpatient and professional services such as those provided by a doctor or non-physician professional, clinical lab services, durable medical equipment, preventive services, and other outpatient medical services



1.12 Eligibility for Part A and Part B Benefits

Eligibility for Part A and Part B Benefits

To be eligible for Medicare Part A and Part B, an individual must:

(1) Be age 65 or older, or be under age 65 with certain disabilities, including:

- All who get disability benefits from Social Security or certain disability benefits from the Railroad Retirement Board for 24 months; and
- Individuals with Amyotrophic Lateral Sclerosis (ALS), often referred to as Lou Gehrig's Disease or have an end-stage renal disease (ESRD)

(2) Be a U.S. resident;

- Be either a U.S. citizen, or
- Be an alien who has been lawfully admitted for permanent residence and has been residing in the United States for 5 continuous years before the month of filing an application for Medicare.



1.13 Medicare Enrollment - Parts A and B

Medicare Enrollment - Parts A and B

Some people are automatically enrolled in Parts A and B:

- Individuals who are already getting benefits from Social Security or the Railroad Retirement Board (RRB) will automatically be enrolled in Part A and Part B starting the first day of the month they turn 65. (If their birthday is on the first day of the month, Part A and Part B will start the first day of the prior month.) These individuals are also allowed to refuse Part B coverage. (See Medicare Part B for the potential consequences of refusing Part B).
- Individuals with disabilities who are under age 65 are automatically enrolled in Parts A and B the month after they have received Social Security or Railroad Retirement disability benefits for 24 months. However, they have an opportunity to refuse Part B coverage.
 - Disabled individuals who live in Puerto Rico automatically get Part A after 24 months but need to sign up for Part B if they want it.
- Individuals with ALS (Amyotrophic Lateral Sclerosis, also called Lou Gehrig's disease) get Part A and Part B automatically the month their Social Security disability benefits begin.



1.14 Medicare Enrollment – Part A and B, continued

Medicare Enrollment – Part A and B, continued

Other individuals will have to sign up if they want to be enrolled in Parts A and/or B.

- Individuals who are close to 65 but are not getting benefits from Social Security or the Railroad Retirement Board (RRB) may sign up for Parts A and B during their **initial enrollment period**, which begins 3 months before their 65th birthday, includes the month they turn 65 and ends 3 months after. (See Medicare Part B for the potential consequences of failing to sign up for Part B when first eligible).
- Individuals with end-stage renal disease (ESRD) may sign up for Medicare at any time. However, the date on which their Medicare coverage begins is usually on the fourth month after dialysis treatments begin but may be earlier if certain conditions are met.



1.15 Enrollment in Parts and A and B After the Initial Enrollment Period

Enrollment in Parts and A and B After the Initial Enrollment Period

- Individuals who do not enroll in Part B (or Part A if they have to buy it) when they are first eligible, can enroll during a General Enrollment Period each year from January 1 - March 31.
 - Coverage begins on July 1 of the year they enroll.
- Individuals who have group health plan coverage based on their current employment or the employment of a spouse may enroll in Part A (if they have to buy it) and/or Part B anytime while covered under the group health plan or during a Special Enrollment Period that occurs during the 8-month period immediately following the last month they have group coverage.

ENROLLMENT



1.16 Medicare Parts A Entitlement and Part B Enrollment

Medicare Parts A Entitlement and Part B Enrollment

- An individual is entitled to Part A if he or she is eligible for premium-free Part A or if the individual has enrolled in Part A and continues to pay the premium (or have the premium paid on his/her behalf).
- For an individual to enroll in Part B and remain enrolled in Part B, the individual must pay the Part B premium (or have the premium paid on his/her behalf).



1.17 Other Ways to get Medicare - Eligibility Overview

Other Ways to get Medicare - Eligibility Overview

To get Medicare benefits other than through Original Medicare, beneficiaries must meet certain eligibility criteria briefly addressed below and discussed in additional detail in Modules 2 and 3.

Part C ¹	Part D	Cost Plans
Individuals must: <ul style="list-style-type: none">• be entitled to Part A <u>and</u> enrolled in Part B; and• reside in the MA plan's service area.	Individuals must: <ul style="list-style-type: none">• be entitled to Part A <u>and/or</u> enrolled in Part B; and• reside in the Part D plan's service area.	Individuals must: <ul style="list-style-type: none">• be entitled to Part A <u>and/or</u> enrolled in Part B (if they are not entitled to Part A, they will not have coverage of Part A benefits under the cost plan); and• reside in the Part D plan's service area.

¹ Note that certain types of Part C plans such as Medical Saving Account plans and Special Needs Plans have additional eligibility requirements.

1.18 Medicare Premiums - Part A

Medicare Premiums - Part A

Most individuals are entitled to Part A without paying a premium.

- For individuals age 65 or older to be entitled to premium-free Part A, the individual or their spouse must have worked and paid Medicare taxes for at least 10 years; or
- All individuals eligible for Medicare due to a disability, End-Stage Renal Disease (ESRD), or Amyotrophic Lateral Sclerosis (ALS) are eligible for premium-free Part A.

For those individuals who do not automatically qualify for premium-free Part A coverage, the monthly Part A premium in 2021 is:

- \$471, for individuals or their spouses who paid Medicare taxes for less than 30 quarters.
- \$259, for individuals or their spouses who paid Medicare taxes for 30-39 quarters.
- Individuals who are not eligible for premium-free Part A and who don't buy Part A when they are first eligible may pay a late penalty of up to 10% unless they enroll during a special enrollment period. (They will have to pay the higher premium for twice the number of years they could have had Part A but did not sign up.)



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1.19 Medicare Premiums for Part B

Medicare Premiums for Part B

Beneficiaries enrolled in Part B must pay a monthly premium.

- In 2021, the standard monthly premium for Part B is \$148.50. Most people pay the standard monthly premium. However, some people pay more based on their income.



1.20 Medicare Premiums for Part B and the IRMAA

Medicare Premiums for Part B and the IRMAA

- Individuals with incomes in 2019 over \$88,000 or filing jointly with incomes over \$176,000, pay more in 2021 up to \$504.90 a month, based on the income-related monthly adjustment amount (IRMAA).

Individual tax return	Joint tax return	2021 Part B premium
< \$88,000	<\$176,000	\$148.50
>\$88,000 to \$111,000>	>\$176,000 to \$222,000	\$207.90
>\$111,000 to \$138,000	>\$222,000 to \$276,000	\$297.00
>\$138,000 to \$165,000	>\$276,000 to \$330,000	\$386.10
>\$165,000 to \$500,000	>\$330,000 to \$750,000	\$475.20
= or > \$500,000	= or > \$750,000	\$504.90

* There are separate standards for beneficiaries who are married and lived with their spouses at any time during the year, but who file separate tax returns from their spouses

1.21 Medicare Premiums for Part B: Payment Mechanisms and Penalties

Medicare Premiums for Part B: Payment Mechanisms and Penalties

- Part B premiums may be deducted from Social Security checks, Railroad Retirement checks, or Office of Personnel Management (civil service annuity) checks. If an individual does not get these checks, they will get a premium bill from Medicare every 3 months.
- Employers may pay monthly Part B premiums on behalf of retirees.
- For individuals who do not enroll in Part B when first eligible, the Part B premium is increased 10% for each full 12-month period the beneficiary could have had Part B but did not enroll. This is known as a “late enrollment penalty.”



Exception from Penalty: Individuals who have group health plan coverage based on their own current employment or the employment of a spouse are not subject to the premium increase penalty if they enroll in Part B anytime while covered under the group health plan or during the special enrollment period that occurs during the 8-month period immediately following the last month they have group coverage.

1.22 Medicare Premiums for Part B - Examples

Medicare Premiums for Part B - Examples

Example: Ms. Stein retired when she was 66 but did not enroll in Medicare Part B after her group coverage ended because she was healthy and thought her Part A benefit would cover catastrophic costs. Ms. Stein is now 72 and wants to get Part B because her doctors bills, lab tests and vaccines are getting very expensive. Ms. Stein will have to pay the monthly part B premium plus an additional 10 percent for each 12-month period since her group coverage ended. This obligation will continue as long as she has Part B unless she qualifies for extra help with her Medicare bills.

Example: Mr. O'Hare, who is 70 and does not have Part B, is retired, but he has health coverage through his wife's current employer. If Mr. O'Hare decides to get Part B while the group coverage is in effect or within 8 months after his last month of group coverage, he can do so without incurring a late enrollment penalty.



1.23 Help for Individuals with Limited Income



1.24 Help for Individuals with Limited Income/Resources

Help for Individuals with Limited Income/Resources

- Beneficiaries may qualify for help to pay the Medicare Part A (if any) and Part B premium, the Part A and Part B deductibles and cost-sharing, and/or some Part D prescription drug costs.
- Beneficiaries may qualify for the following programs by applying to the State Medicaid office:
 - Medicare Savings Program: help paying for the Medicare Part A and Part B premiums and, in some cases, deductibles and cost-sharing. The “Qualified Medicare Beneficiary” program is one type of Medicare Savings Program. Qualified Medicare Beneficiaries enrolled in Medicare Advantage plans also get help with their Medicare Advantage cost-sharing amounts.
 - Part D low-income subsidy (also known as “Extra Help”): help to pay for prescription drug coverage. Persons interested in Part D help only may also call the Social Security Administration (SSA) at 1-800-772-1213 or apply online at www.ssa.gov/prescriptionhelp. Extra help isn’t available in Puerto Rico, the U.S. Virgin Islands, Guam, the Northern Mariana Islands, or American Samoa.
 - Persons who do not qualify for the Part D low-income subsidy but are of limited means may qualify for help in paying Part D drug costs through a State’s Pharmaceutical Assistance Program.
 - Medicaid: help with health care costs not covered by Medicare, such as custodial/long term care.

1.25 Assisting Individuals with Limited Income/Resources

Assisting Individuals with Limited Income/Resources

- Beneficiaries with limited income and resources should be encouraged to apply to their State Medicaid office to determine eligibility for various (Federal or State) programs.
- Agents should tell beneficiaries who may be eligible to call or visit their Medicaid office, and ask for information on Medicare Savings Programs. To get the phone number for the state, visit [Medicare.gov/contacts](https://www.medicare.gov/contacts) or call 1-800-MEDICARE (1-800-633-4227) or contact the State Health Insurance Assistance Program (SHIP).



1.26 Medicare Part A Benefits and Original Medicare Cost Sharing

**Medicare Part A Benefits and Original
Medicare Cost Sharing**

MEDICARE



1.27 Medicare Part A Benefits

Medicare Part A Benefits

- Part A provides coverage for:
 - Inpatient hospital care
 - Skilled nursing and rehabilitation care, but only after a three-day hospital stay (Medicare Advantage plans may waive the 3-day stay requirement)
 - Blood
 - Hospice care
 - Up to 100 days of home health care after an individual is in a hospital or skilled nursing facility (SNF), including:
 - Short-term, intermittent skilled nursing care
 - Physical, occupational, and speech-language therapy
 - Medical social worker services
 - Intermittent hands-on home health aide services
 - Inpatient psychiatric care (up to 190 lifetime days)
- Part A does not cover custodial or long-term care



1.28 Medicare Part A - Original Medicare Cost Sharing for Inpatient Hospital Care

Medicare Part A - Original Medicare Cost Sharing for Inpatient Hospital Care

- In 2021, beneficiaries pay the following amounts for inpatient hospital care covered under Original Medicare:
 - \$1,484 deductible for each benefit period
 - A benefit period begins the day an individual is admitted to a hospital or skilled nursing facility (SNF) and ends when an individual has not received hospital or SNF care for 60 days in a row.
 - Days 1-60: \$0 coinsurance for each benefit period
 - Days 61-90: \$371 coinsurance per day of each benefit period
 - Days 91 and beyond: \$742 coinsurance per each "lifetime reserve day" after day 90 for each benefit period
 - Lifetime reserve days are days a beneficiary may use after they have been in an inpatient hospital for 90 days. A beneficiary has 60 such days to use in their lifetime.
 - Beyond lifetime reserve days: all costs



1.29 Medicare Part A - Original Medicare Cost Sharing for Skilled Nursing and Rehabilitative Care

Medicare Part A - Original Medicare Cost Sharing for Skilled Nursing and Rehabilitative Care

In 2021 beneficiaries pay the following amounts for skilled nursing and rehabilitative care covered under Original Medicare:

- Days 1-20: \$0 for each benefit period (as defined by Medicare)
- Days 21-100: \$185.50 coinsurance per day of each benefit period
- Days 101 and beyond: all costs



1.30 Medicare Part B Benefits

Medicare Part B Benefits

Part B generally covers:

- Physician and other health care professional services
- Outpatient hospital services
- Clinical lab and diagnostic tests, such as X-rays, MRIs, CT scans
- Medical equipment
- Home health care not covered under Part A (because the individual was not in a hospital or SNF or has exceeded 100 days)
- Medications and supplies provided incident to a physician's service
- Prosthetic/orthotic items
- Second surgical opinions



1.31 Other Part B Items and Services

Other Part B Items and Services

- Ambulance services
- Chiropractic services - for limited situations
- Clinical research studies-some costs of certain care in approved studies
- Diabetic supplies
- Eyeglasses after cataract surgery-limits apply
- Kidney dialysis
- Mental health care (outpatient) - limits apply
- Limited telehealth services
- Transplant physician services and drugs



1.32 Medicare Part B - Original Medicare Cost Sharing

Medicare Part B - Original Medicare Cost Sharing

In 2021, beneficiaries pay the following amounts for Part B services covered under Original Medicare:

- A \$203 annual deductible. The deductible does not apply to certain Part B covered preventive services.
- After the deductible, is satisfied, beneficiaries typically pay 20% of the Medicare-approved cost for Part B covered services.



1.33 Medicare Part B Benefits - Preventive Services and Screenings

Medicare Part B Benefits - Preventive Services and Screenings

Beneficiaries covered under Original Medicare and Medicare Advantage plans will have no cost-sharing for most preventive services.

Preventive services include, but are not limited to:

- One-time "Welcome to Medicare" physical
- Annual wellness visit after 12 months enrolled in Part B and annually thereafter
- Immunizations - pneumococcal, hepatitis B, annual flu shot (Note: shingles shots are covered under Part D, not Part B)
- Bone mass measurement - every 24 months for certain conditions or meets certain criteria
- Mammogram (Breast Cancer Screening) - annual screening for most women



1.34 Medicare Part B Benefits - Preventive Services and Screenings, continued

Medicare Part B Benefits - Preventive Services and Screenings, continued

- Colorectal cancer screening - five different tests, vary in frequency
- Pap test and pelvic examination - every 24 months for all women; every 12 months for those at high risk
- Diabetes screenings - up to two per year for those with risk factors
- Prostate cancer screening - every 12 months for men over age 50
- Smoking and tobacco-use cessation counseling - for any illness related to tobacco use
- Glaucoma testing - once per year for those at high risk



1.35 Not Covered by Medicare Part A & B

Not Covered by Medicare Part A & B

- Routine dental care/dentures
- Cosmetic surgery
- Custodial/long term care
- Health care while traveling outside the US
- Hearing aids
- Outpatient prescription drugs (this is covered under Part D)
- Massage Therapy
- Routine eye care and eyeglasses
- Vaccines, except as previously listed (those not covered under Part B are covered under Part D)
- Syringes and insulin unless used with an insulin pump (this is covered under Part D)



1.36 Original Medicare and Part D



1.37 Original Medicare and Part D Prescription Drug Coverage

Original Medicare and Part D Prescription Drug Coverage

- A beneficiary in Original Medicare may receive Part D prescription drug coverage through a stand-alone prescription drug plan (PDP).
- Generally, except for those dually eligible for Medicare and Medicaid, Medicare beneficiaries must actively select a Part D plan.
- Annual Election Period for Part D is October 15 to December 7
- Cost - Beneficiaries who enroll in Part D typically pay a monthly premium, annual deductible, and per-prescription cost-sharing.
- In selecting a Part D plan, beneficiaries should consider expected premiums and cost-sharing, formulary, and network pharmacies among other factors.



1.38 Original Medicare Beneficiary Protections



1.39 Appeals related to Part A and Part B Coverage and Payment Determinations

Appeals related to Part A and Part B Coverage and Payment Determinations

Beneficiaries receiving their Part A and/or Part B services through Original Medicare have a right to appeal Medicare coverage and payment decisions.

- Beneficiaries should look at their "Medicare Summary Notice" (MSN). The MSN also shows if Medicare has fully or partially denied their medical claim
- Beneficiaries can also track their Medicare claims or view electronic MSNs by visiting [MyMedicare.gov](https://www.mymedicare.gov).
- Beneficiaries must file an appeal related to Part A or B services within 120 days of the date they get the MSN in the mail. The appeal should be sent to the Medicare Administrative Contractor (MAC) that processed their claim (indicated on the MSN). Instructions for filing an appeal can be found on [Medicare.gov](https://www.medicare.gov).
- If a beneficiary disagrees with the MAC's decision on the appeal, he/she has 180 days after getting the decision notice to request a reconsideration by a Qualified Independent Contractor (QIC).
- Additional levels of appeal may also be available, depending on the amount in controversy.

1.40 Fast appeals under Original Medicare for Certain Services and Grievances

Fast appeals under Original Medicare for Certain Services and Grievances

- Beneficiaries receiving their Part A and/or Part B services through Original Medicare have a right to a fast appeal if they believe certain Medicare covered services are ending too soon.
 - This includes services provided by a hospital, skilled nursing facility, home health agency, comprehensive outpatient rehabilitation facility or hospice.
 - Their provider will give them a written notice before their services end. The notice tells them how to ask for a fast appeal.
- Beneficiaries may also file complaints about their providers or the quality of care they received.
 - Instructions for filing grievances can be found at <https://www.medicare.gov/claims-appeals/how-to-file-a-complaint-grievance>



1.41 Additional Beneficiary Protections under Original Medicare

Additional Beneficiary Protections under Original Medicare

- Medicare operates a 24-hour helpline at 1-800-Medicare. (TTY users should call **1-877-486-2048**.)
 - Beneficiaries can use this number to find out about their claim status, coverage, and benefits, premium payments, or to ask other questions about Medicare.
- Beneficiaries can also get assistance with Medicare, including help filing an appeal or grievance, through their local State Health Insurance Assistance Program (SHIP).
 - Contact information for their SHIP can be found at <https://www.shiptacenter.org/>

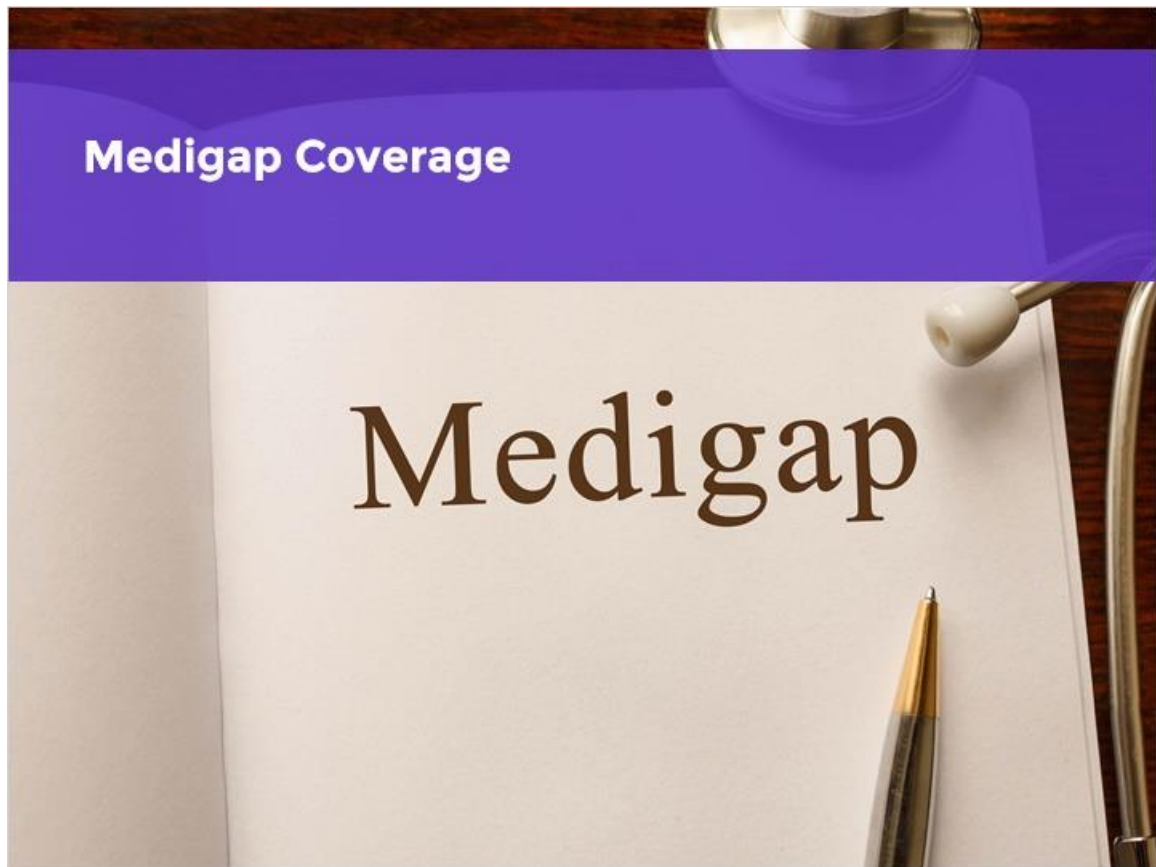


1.42 For More Information about Medicare

For More Information about Medicare

- Centers for Medicare & Medicaid Services (technical information)
www.cms.gov
- Medicare (beneficiary audience)
www.medicare.gov
- Medicare & You Handbook
<https://www.medicare.gov/pubs/pdf/10050-Medicare-and-You.pdf>
- Your Medicare Benefits handbook <https://www.medicare.gov/Pubs/pdf/10116-your-medicare-benefits.pdf>

1.43 Medigap Coverage



1.44 Medigap (Medicare Supplement Insurance)

Medigap (Medicare Supplement Insurance)

Medigap insurance:

- Works only with Original Medicare
- Is sold by private insurance companies to fill “gaps” in Original Medicare coverage, such as all or part of the deductibles or coinsurance.
- It does not cover Medicare benefits but coordinates with Original Medicare coverage
- Some Medigap policies cover limited benefits not covered by Part A or Part B of Original Medicare, such as extra days of coverage for inpatient hospital care or foreign travel emergency care



1.45 Medigap is NOT

Medigap is NOT

- Medigap is NOT a Medicare Advantage health plan or other Medicare health plan.
- Medigap is NOT original Medicare. Medigap supplements Original Medicare benefits only.
- In addition,
 - A Medigap plan cannot be used with a Medicare Advantage health plan.
 - It is illegal to sell a Medigap plan to someone already in a Medicare Advantage health plan.



1.46 Entitlement to/Enrollment in Original Medicare, Premiums, & Eligibility

Entitlement to/Enrollment in Original Medicare, Premiums, & Eligibility

Medicare Enrollment Form

1a. INSURED'S I.D. NUMBER

4. INSURED'S NAME (Last Name, First Name, Middle Initial)

7. INSURED'S ADDRESS (No., Street)

CITY

ZIP CODE

TELEPHONE (INCLUDE AREA CODE)

11. INSURED'S POLICY GROUP OR FECA NUMBER

12. INSURED'S DATE OF BIRTH

13. EMPLOYER'S NAME OR SCHOOL NAME

14. PLAN NAME OR PROGRAM

3. PATIENT'S BIRTH DATE

MM DD YY

6. PATIENT RELATIONSHIP TO INSURED

Self ☐ Spouse ☐ Child ☐ Other ☐

8. PATIENT STATUS

Single ☐ Married ☐ Other ☐

Employed ☐ Full-Time Student ☐ Part-Time Student ☐

10. IS PATIENT'S CONDITION RELATED TO EMPLOYMENT? CURRENT OR PREVIOUS

YES ☐ NO ☐

PLACE (State)

1.47 Further Information on Medigap (Medicare Supplement Insurance)

Further Information on Medigap (Medicare Supplement Insurance)

- Medigap policies are available in standardized benefit plans, identified by certain letters between A and N (however, different plans are offered in Massachusetts, Minnesota, and Wisconsin).
- Turning age 65 and signing up for Part B triggers a six-month Medigap open enrollment period when Medigap insurers must issue you a policy, regardless of any pre-existing conditions. This is called a guaranteed issue right.
- In certain limited instances, leaving a Medicare Advantage plan may trigger a guarantee issue opportunity. Some states have additional guarantee issue periods for Medicare beneficiaries. Agents should look into state-specific Medigap laws.



MEDIGAP

1.48 Medigap Coverage

Medigap Coverage

All Medigap plans pay for some or all of the following costs:

- Part A coinsurance
- Coverage for 365 additional hospital days when Medicare coverage for hospitalization ends
- Part B coinsurance or copayment
- Blood (First 3 pints)
- Hospice care coinsurance or copayment

Most Medigap plans pay for some or all of the following costs:

- Part A Deductible
- Skilled nursing facility care coinsurance or copayment

Some Medigap plans also cover:

- Foreign travel emergency not covered by Medicare
- Part B excess charges (excess charges are additional amounts that certain Medicare providers are allowed to charge beneficiaries)
- Part B deductible (but only for Individuals eligible for Medicare before 2020)



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1.49 Beneficiaries with Medigap Plans with Drug Coverage

Beneficiaries with Medigap Plans with Drug Coverage

- Medigap plans H, I, and J offer non-Medicare drug coverage. These plans could no longer be sold as of January 1, 2006. However, some beneficiaries may have decided to keep their H, I, or J policy with the drug coverage they had before January 1, 2006.
- Individuals who are enrolled in Medigap plans may only obtain Medicare drug coverage (Part D) through a stand-alone prescription drug plan
- To enroll in Part D, individuals who have Medigap plans H, I or J may:
 - Keep their Medigap coverage with the drug portion of the coverage removed and enroll in a Part D PDP plan; or
 - Drop their Medigap coverage and enroll in an MA-PD or other health plans with a PDP.



1.50 Beneficiaries with Medigap Drug Coverage - Creditable Coverage

Beneficiaries with Medigap Drug Coverage - Creditable Coverage

- Non-Medicare insurers (including Medigap plans) are required to notify beneficiaries annually whether or not the prescription drug coverage they have is creditable (coverage that expects to pay, on average, at least as much as Medicare's standard Part D coverage expects to pay).
- All beneficiaries who do not maintain creditable coverage must pay a Part D late enrollment penalty if they wish to enroll in Part D unless they qualify for 'Extra Help' or enroll in Part D during the special enrollment period for loss of creditable coverage (discussed later).
- Beneficiaries who previously had creditable coverage and are informed that their non-Medicare drug coverage is no longer creditable will have a special enrollment period to enroll in a Part D plan without the obligation to pay a Part D late enrollment penalty.



1.51 Changes in Medigap for individuals Who Become Eligible for Medicare after December 31, 2019

Changes in Medigap for individuals Who Become Eligible for Medicare after December 31, 2019


- Newly eligible individuals may not purchase a Medigap plan that pays the Part B deductible (generally plans C, F, or high deductible F, but the prohibition also applies in waiver states with non-standard packages).
 - “Newly eligible individuals” are defined as those: (1) who have attained age 65 on or after January 1, 2020; or (2) first become eligible for Medicare due to age, disability or end-stage renal disease on or after January 1, 2020.
- Individuals enrolled in plans that cover the Part B deductible may remain enrolled in those plans.
- Individuals who became eligible for Medicare **before** 2020 may enroll in plans that cover the Part B deductible.



1.52 Medigap Plans

Medigap Plans										
Plans available to all beneficiaries										Plans available only to beneficiaries eligible before 2020
Medigap Benefits	A	B	D	G ⁵	K ⁴	L ⁴	M	N	C	F ¹
Part A Coinsurance and Hospital Benefits	X ²	X	X	X	X	X	X	X	X	X
Part B Coinsurance or Copayment	X	X	X	X	50%	75%	X	X ³	X	X
Blood (First 3 pints)	X	X	X	X	50%	75%	X	X	X	X
Part A Hospice Care Coinsurance/ Copayment	X	X	X	X	50%	75%	X	X	X	X
Skilled Nursing Facility Care Coinsurance			X	X	50%	75%	X	X	X	X

1. Plan F also offers a high-deductible plan that is only available to individuals eligible for Medicare before January 1, 2020. In 2021, a policyholder pays \$2,370 before the Medigap policy pays anything.
 2. "X" indicates that coverage is 100% of the Medicare allowable amount. A percentage number indicates the proportion of the Medicare allowable amount covered.
 3. Plan N has a copayment of up to \$20 for physician office visits and up to \$50 for emergency room visits (waived in certain circumstances).
 4. Plans K and L pay 100% after out-of-pocket limit is reached. In 2021 the out-of-pocket limits for Plan K and Plan L are \$6,220 and \$3,110, respectively.
 5. There is a high deductible version of Plan G. The deductible for 2021 is \$2,370.



1.53 Medigap Plans

Medigap Plans									
Plans available to all beneficiaries									Plans available only to beneficiaries eligible before 2020
Medigap Benefits	A	B	D	G ⁵	K ⁴	L ⁴	M	N	C F ¹
Medicare Part A Deductible		X	X	X	50%	75%	50%	X	X X
Medicare Part B Deductible									X X
Medicare Part B Excess Charges				X					X
Foreign Travel Emergency (up to plan limits) ³			80%	80%			80%	80%	80% 80%


1. Plan F also has a high-deductible option. In 2021, a policyholder pays \$2,370 before the Medigap policy pays anything. Once the plan deductible is met, the plan pays 100% of covered services for the rest of the calendar year. However, high deductible Plan F counts payment of the Medicare Part B deductible toward meeting the plan deductible.

2. "X" indicates that coverage is up to 100% of the Medicare allowable amount. A percentage number indicates the proportion of the Medicare allowable amount covered, except for foreign travel.

3. The foreign travel benefit pays 80% of charges after a \$250 deductible, up to a \$50,000 lifetime maximum.

4. Plans K and L pay 100% after out-of-pocket limit is reached. In 2021 the out-of-pocket limits for Plan K and Plan L are \$6,220 and \$3,110, respectively.

5. There is a high deductible version of Plan G. The deductible for 2021 is \$2,370.



1.54 Medigap Plans – Case Study

Medigap Plans – Case Study

Ms. Smith wishes to buy a Medigap plan. She became Medicare eligible in June 2019. She tells her agent that she wants the most comprehensive coverage she can get that would also cover emergencies when she travels outside of the United States. Her agent wisely suggests Plan F without a deductible for her.



1.55 For More Information about Medigap

For More Information about Medigap

- Centers for Medicare & Medicaid Services:
<http://www.cms.gov/Medigap/>
- 2020 Choosing a Medigap Policy: A Guide to Health Insurance for People with Medicare:
https://www.medicare.gov/sites/default/files/2020-12/10050-Medicare-and-You_0.pdf

1.56 Medicare Coordination with Employer Group Health Plans

Medicare Coordination with Employer Group Health Plans

The rules for what plans employers may offer to their Medicare-eligible employee and whether Medicare or the group health plan pays primary depend on several factors, including:

- Whether the coverage is offered by a large group health plan
 - A large group health plan (GHP) has 20 or more employees for each working day in each of 20 or more calendar weeks in the current calendar year or the preceding calendar year.
- Whether the individual has coverage under the individual's or the individual's spouse's current employment.
 - Medicare is primary for retirees covered under GHPs.



1.57 Medicare for Individuals Who are Still Working - Large Group Health Plans

Medicare for Individuals Who are Still Working - Large Group Health Plans

Medicare law prohibits large GHPs from considering that an individual (or the individual's spouse) covered under the GHP by current employment status is entitled to Medicare benefits.

It also requires large GHPs to provide any individual age 65 or older (and the spouse age 65 or older) who has current employment status the same benefits under the plan under the same conditions as any such individual (or spouse) under age 65.



1.58 Medicare for Individuals Who are Still Working - Large GHP Prohibitions

Medicare for Individuals Who are Still Working - Large GHP Prohibitions

It is illegal for a large GHP to encourage a Medicare-eligible employee to decline the employer GHP and obtain Medicare instead or offer them a different coverage than offered to individuals who are not Medicare eligible. This would include:

- Offering its employees and their spouses a Medicare Advantage Plan
- Offering its employees and their spouses a Medicare Supplemental Plan

Individuals with large GHP coverage under their or a spouse's current employment may choose not to enroll in Part B when they first become eligible. As long as they maintain GHP coverage, they will not have to pay a late penalty if they enroll later.



1.59 Medicare for Individuals Who are Still Working - Small GHPs

Medicare for Individuals Who are Still Working - Small GHPs

Medicare is the primary payor for individuals who have group health coverage as a result of their or their spouse's current employment with a company that is not a large GHP. That is, Medicare will pay before the group health plan and the employer does not have to offer an individual who is Medicare eligible coverage under the group health plan.

In addition, small GHPs are not subject to the requirement to offer their age 65 and over employees and their spouses the same benefits under the plan under the same conditions as any such individual (or spouse) under age 65.

Such employers can purchase a Medicare Advantage plan for their employees and their spouses or offer them Medigap coverage (note that employers may not be limited to the Medigap standard plans).

The individuals in small GHPs should generally enroll in Medicare Part B when they become eligible for Medicare.



1.60 For More Information about Medicare Secondary Payor

For More Information about Medicare Secondary Payor

Note that different rules apply with regard to employees or their spouses who become eligible for Medicare because of ESRD or Disability status.

“Medicare & Other Health Benefits: Your Guide to Who Pays First.”

<https://www.medicare.gov/Pubs/pdf/02179-medicare-coordination-benefits-payer.pdf>

Medicare Secondary Payor Manual

<https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Internet-Only-Manuals-IOMs-Items/CMS019017>

1.61 THANK YOU

THANK YOU

You have reach the end of Module 1: Overview Medicare Program Basics. You may restart the module or take the final quick review to test your knowledge by clicking on the tabs below.

**RESTART
COURSE**

**START FINAL
QUICK REVIEW**