



Medicare Basics

October 11, 2017

Resources

1. **Medicare website**

www.medicare.gov

Anything and everything you might want to know about Medicare. Links to the Medicare Plan Finder, the Social Security website to enroll, and a wealth of information about the Medicare program.

2. **State Health Insurance Assistance Programs (SHIP)**

The SHIP program provides free, unbiased, confidential assistance in all states. Locate local help with Medicare at <https://www.shiptacenter.org>

3. **State Insurance Departments**

Most state insurance department websites contain information on Medicare supplement plans in their state. For a state not listed below, google the name of the state and SHIP.

a. **Idaho**

<http://www.doi.idaho.gov/SHIBA>

b. **Kansas**

<http://www.ksinsurance.org/healthlife/medicare/med-supp.php>

c. **Montana**

<http://csimt.gov/your-insurance/medicare/>

d. **North Dakota**

<https://www.nd.gov/ndins/shic/MedicareSupplement/>

4-6 Months before your month of eligibility:

- ✓ Confirm your eligibility for Medicare benefits.
 - Contact the Social Security Administration
(Railroad retirees contact the Railroad Retirement Board)
- ✓ Review your current health insurance to see what happens after you become eligible for Medicare
 - Contact your HR Department or current insurer
- ✓ Find out what Medicare covers and the different options for coverage
 - Contact SHICK or attend a local New to Medicare or Medicare Basics program

3 months before your month of eligibility:

The following steps MAY not be necessary for everyone

- ✓ Decide which Medicare option is best for you
 - Contact SHICK or attend a local New to Medicare or Medicare Basics program
- ✓ Check with your doctor(s) to see if they accept the different types of Medicare coverage
 - Contact your providers and local hospitals

1-3 months before your month of eligibility:

The following steps MAY not be necessary for everyone

- ✓ Enroll in Medicare A and B
 - Contact your local Social Security office or enroll online
 - If you are continuing work, enrolling in Part B may not be your best option
- ✓ Enroll in a Medicare Supplement Plan OR a Medicare Advantage (MA) Plan
 - You only need one of these options. Do NOT enroll in both a Supplement and MA plan
 - Contact insurance agent to enroll in a Supplement
 - Contact SHICK for assistance in choosing a MA plan
- ✓ Enroll in a Part D Prescription Drug Plan
 - Enroll online or contact SHICK for assistance
 - If you are enrolled in a MA plan that includes drug coverage, do not enroll in a Part D plan

Medicare Basics programs are held in the spring and fall of each year for those nearing age 65 or new to Medicare. For more information, contact Debra Wood at K-State Research and Extension, Central Kansas District Salina office at 785-309-5850.

Kansas State University Agricultural Experiment Station and Cooperative Extension Service

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OVERVIEW OF MEDICARE A & B

A

B

Key:
Shaded areas - Medicare pays
White areas - you pay

\$183 Deductible
(per calendar year applies first)

20%
Coinsurance

In-patient hospital

First 60 days **\$1,316 deductible**

Days 61-90 **\$329 per day coinsurance**

Lifetime Reserve **\$658 per day coinsurance**
Days 91-150

Skilled Nursing Facility

First 20 days **100% (no co-pay)**

Days 21-100 **\$164.50 per day coinsurance**

80%

Physician's charges
(in or out of hospital)

Durable medical equipment

Ambulance

Outpatient hospital charges

Blood - the first 3 pints

Lab services

Free Preventive services

flu shots

mammogram

pap test and pelvic exam

prostate exam

100% Services

Home health

Hospice

*Benefit period ends when patient is out of the hospital or skilled nursing facility for 60 consecutive days.

Excess Charges
15% over
Medicare charges



2017 MEDICARE AMOUNTS

Part A - Hospital Insurance

Part A Standard Premium - No charge for most people (at least 40 work credits)
 \$413 per month for people with less than 30 work credits
 \$227 per month for people with 30 or more work credits

Part A Deductible for Each Benefit Period	\$1,316
Hospital Inpatient	<ul style="list-style-type: none"> • \$0 for days 1-60 • \$329 a day for days 61-90 • \$658 a day for days 91-150 (lifetime reserve days) • All costs for all days after 150
Skilled Nursing Facility	<ul style="list-style-type: none"> • \$0 for days 1-20 • \$164.50 a day for days 21-100 • All costs for all days after 100
Home Health Care	<ul style="list-style-type: none"> • \$0 for home health care services • 20% of the Medicare-approved amount for durable medical equipment
Hospice Care	<ul style="list-style-type: none"> • \$0 for hospice care <p>You may need to pay a copayment of no more than \$5 for each prescription drug and other similar products for pain relief and symptom control while you're at home. In the rare case your drug isn't covered by the hospice benefit, your hospice provider should contact your Medicare drug plan to see if it's covered under Part D.</p> <p>You may need to pay 5% of the Medicare-approved amount for inpatient respite care.</p> <p>Medicare doesn't cover room and board when you get hospice care in your home or another facility where you live (like a nursing home).</p>

Part A Late Enrollment Surcharges/Penalties:

If you aren't eligible for premium-free Part A, and you don't buy it when you're first eligible, your monthly premium may go up 10%. You'll have to pay the higher premium for twice the number of years you could've had Part A, but didn't sign up.



Part B - Medical Insurance

Part B deductible - \$183 per year

Part B coinsurance - After your deductible is met, you typically pay 20% of the Medicare-approved amount for most doctor services (including most doctor services while you're a hospital inpatient), outpatient therapy, and durable medical equipment.

Part B Standard Premium - \$134 per month (or higher depending on your income)

The standard Part B premium amount in 2017 will be \$134 (or higher depending on your income). However, most people who get Social Security benefits will pay less than this amount. This is because the Part B premium increased more than the cost-of-living increase for 2017 Social Security benefits. If you pay your Part B premium through your monthly Social Security benefit, you'll pay less (\$109 on average). Social Security will tell you the exact amount you will pay for Part B in 2017.

You'll pay the standard premium amount if:

- You enroll in Part B for the first time in 2017.
- You don't get Social Security benefits.
- You're directly billed for your Part B premiums.
- You have Medicare and Medicaid, and Medicaid pays your premiums. (Your state will pay the standard premium amount of \$134.)
- Your modified adjusted gross income as reported on your IRS tax return from 2 years ago is above a certain amount. If so, you'll pay the standard premium amount and an Income Related Monthly Adjustment Amount (IRMAA). IRMAA is an extra charge added to your premium

Since 2007, beneficiaries with higher incomes have paid higher Medicare Part B monthly premiums. These income-related monthly premium rates affect roughly five percent of people with Medicare. The total Medicare Part B premiums for high income beneficiaries for 2017 are shown in the following table:

If your yearly income in 2016 (for what you pay in 2017) was			
File individual tax return	File joint tax return	File married and separate tax return	You pay (in 2017)
\$85,000 or less	\$170,000 or less	\$85,000 or less	\$134.00
above \$85,000 up to \$107,000	above \$170,000 up to \$214,000	Not applicable	\$187.50
above \$107,000 up to \$160,000	above \$214,000 up to \$320,000	Not applicable	\$267.90
above \$160,000 up to \$214,000	above \$320,000 up to \$428,000	above \$85,000 and up to \$129,000	\$348.30
above \$214,000	above \$428,000	above \$129,000	\$428.60



Part B Late Enrollment Surcharges/Penalties:

If you don't sign up for Part B when you're first eligible, or if you drop Part B and then get it later, you may have to pay a late enrollment penalty for as long as you have Medicare. Your monthly premium for Part B may go up 10% for each full 12-month period that you could've had Part B, but didn't sign up for it.

Part D – Medicare Prescription Drug Coverage

Part D Base Beneficiary Premium - \$35.63 (Used to determine any late enrollment penalty amount).

Listed below are the 2017 Part D monthly income-related premium adjustment amounts to be paid by beneficiaries who file an individual tax return (including those who are single, head of household, qualifying widow(er) with dependent child, or married filing separately who lived apart from their spouse for the entire taxable year), or a joint tax return.

File individual tax return	File joint tax return	File married and separate tax return	You pay (in 2016) Income-related monthly adjustment amount + your plan premium (YPP)
	\$170,000 or less	\$85,000 or less	\$0.00 + YPP
above \$85,000 up to \$107,000	above \$170,000 up to \$214,000	Not applicable	\$13.30 + YPP
	above \$214,000 up to \$320,000	Not applicable	\$34.20 + YPP
above \$160,000 up to \$214,000	above \$320,000 up to \$428,000	above \$85,000 and up to \$129,000	\$55.20 + YPP
	above \$428,000	above \$129,000	\$76.20 + YPP

Part D deductibles, copayments, & coinsurance:

The amount you pay for Part D deductibles, copayments, and/or coinsurance varies by plan. [Look for specific Medicare drug plan costs](#), and then call the plans you're interested in to get more details.

Part D Late Enrollment Surcharges/Penalties:

If you don't sign up for Part D when you're first eligible, or if you drop Part D and then get it later, you may have to pay a late enrollment penalty for as long as you have Part D. The cost of the late enrollment penalty depends on how long you didn't have creditable prescription drug coverage. The late enrollment penalty is calculated by multiplying 1% of the national base beneficiary premium (\$35.63 in 2017) times the number of full, uncovered months that you were eligible but didn't join a Medicare prescription drug plan and went without other creditable prescription drug coverage. This final amount is rounded to the nearest \$.10 and added to your monthly premium. The national base beneficiary premium may increase each year, so the penalty amount may also increase each year.

Full Low-Income Subsidy (LIS)/Extra Help (2017) - 48 STATES + DC

Beneficiary Group	Annual Income Eligibility Requirement	Monthly Income Eligibility Requirement	Asset Eligibility Requirement	Need to apply for LIS?	Monthly Premium	Annual Deductible	Copay/Coinsurance Plan's Formulary Drugs
Full-Benefits Duals: Institutionalized or receiving Home and Community-based Services	Meet State Medicaid financial eligibility	Meet State Medicaid financial eligibility	Meet State Medicaid financial eligibility	No, receive it automatically	No	No	None
Full-Benefit Duals: income ≤ 100% FPL	Meet State Medicaid/MSP financial eligibility	Meet State Medicaid/MSP financial eligibility	Meet State Medicaid/MSP financial eligibility	No, receive it automatically	No	No	Copay: \$1.20 generic /\$3.70 brand Catastrophic Copay: \$0
Full-Benefit Duals: income > 100% FPL	Meet State Medicaid/MSP financial eligibility	Meet State Medicaid/MSP financial eligibility	Meet State Medicaid/MSP financial eligibility	No, receive it automatically	No	No	Copay: \$3.30 generic/\$8.25 brand Catastrophic Copay: \$0
Non-duals: income ≤ 135% FPL <u>AND</u> lower asset levels	Single: \$16,281/\$16,521* Couple: \$21,924/\$22,164*	Single: \$1,357/\$1,377* Couple: \$1,827/\$1,847*	Single: \$7,390/\$8,890** Couple: \$11,090/\$14,090**	No, if receiving SSI; otherwise, yes	No	No	Copay: \$3.30 generic/\$8.25 brand Catastrophic Copay: \$0

Partial Low-Income Subsidy (LIS)/Extra Help (2017) - 48 STATES + DC

Beneficiary Group	Income Eligibility Requirement	Monthly Income Eligibility Requirement	Asset Eligibility Requirement	Need to apply for LIS?	Monthly Premium	Annual Deductible	Copay/Coinsurance Plan's Formulary Drugs
Non duals with income ≤ 135% FPL <u>AND</u> assets between lower and higher limits	Single: \$16,281/\$16,521* Couple: \$21,924/\$22,164*	Single: \$1,357/\$1,377* Couple: \$1,827/\$1,847*	Single: between \$7,390/\$8,890 - \$12,320/\$13,820** Couple: between \$11,090/\$14,090 - \$24,600/\$27,600**	Yes	No	\$82	Coinsurance: 15% Catastrophic Copay: \$3.30 generic/\$8.25 brand
Non duals with income between 135-150% FPL	Single: \$18,090/\$18,330* Couple: \$24,360/\$24,600*	Single: \$1,508/\$1,528* Couple: \$2,030/\$2,050*	Single: \$12,320/\$13,820** Couple: \$24,600/\$27,600**	Yes	Yes, Sliding scale	\$82	Coinsurance: 15% Catastrophic Copay: \$3.30 generic/\$8.25 brand

* Income amounts reflect threshold without/with the \$20 monthly income disregard (annually = \$240); income is rounded to the nearest whole dollar.

** Asset limits include amount without/with \$1,500/person burial allowance.

Income Levels Source: <https://aspe.hhs.gov/poverty-guidelines>

Asset/Resource Levels: <https://www.ncoa.org/resources/2017-resource-cost-sharing-limits-low-income-subsidy-lis-announcement/>

Part D Cost-Sharing Source: <https://www.cms.gov/Medicare/Health-Plans/MedicareAdvtdSpecRateStats/Downloads/Announcement2017.pdf>



2017 - 2018 Standard Drug Benefit

Benefit Parameters	2017	2018
Deductible	\$400.00	\$405.00
Initial Coverage Limit	\$3,700.00	\$3,750.00
Out-of-Pocket Threshold	\$4,950.00	\$5,000.00
Total Covered Drug Spending at OOP Threshold	\$8,071.16	\$8,417.60
Minimum Cost-Sharing in Catastrophic Coverage	\$3.30/\$8.25	\$3.35/\$8.35

Extra Help Copayments	2017	2018
Institutional (Level 3)	\$0	\$0
Receiving Home and Community-Based Services (under waiver only) (Level 3)	\$0	\$0
Up to or at 100% Federal Poverty Level (Level 2)	\$1.20/\$3.70	\$1.25/\$3.70
Full Extra Help (Level 1)	\$3.30/\$8.25	\$3.35/\$8.35
Partial Extra Help (Deductible/Cost-Sharing) (Level 4)	\$82.00/15%	\$83.00/15%

Source: [Announcement of Calendar Year \(CY\) 2018 Medicare Advantage Capitation Rates and Medicare Advantage and Part D Payment Policies and Final Call Letter and Request for Information](#) Table VI-1. Updated Part D Benefit Parameters for Defined Standard Benefit, Low-Income Subsidy, and Retiree Drug Subsidy, see page 48

STANDARDIZED MEDICARE SUPPLEMENT OPTIONS*

BASIC BENEFITS	PLAN A	PLAN B	PLAN C	PLAN D	PLAN F**	PLAN G	PLAN K	PLAN L	PLAN M	PLAN N	
Part A Hospital Coinsurance, days 61-90 (\$329 in 2017)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Lifetime Reserve Days, days 91-150 (\$658 in 2017)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
365 More Hospital Days - 100%	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Parts A and B Blood	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓	
Part B Coinsurance	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓ ¹	
Part A Hospice Coinsurance	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓	
ADDITIONAL BENEFITS											
Skilled Nursing Facility Coinsurance, days 21 - 100 (\$164.50 in 2017)			✓	✓	✓	✓	50%	75%	✓	✓	
Part A Deductible (\$1,316 in 2017)		✓	✓	✓	✓	✓	50%	75%	50%	✓	
Part B Deductible (\$183 in 2017)			✓		✓						
Part B Excess Charges					✓	✓					
Foreign Travel Emergency			✓	✓	✓	✓			✓	✓	
Preventive Care Coinsurance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
2017 Out-of-Pocket Limit							\$5,120	\$2,560			

* Plans E, H, I, and J will no longer be sold beginning 6/1/10. Consumers who have purchased those plans will not lose their current policies, but no new policies can be sold.

** Plan F also offers a high-deductible plan. With this option, you must pay for Medicare-covered costs up to the deductible amount of \$2,200 for 2017 before your Medigap plan pays anything.

¹ Plan N pays 100% Part B coinsurance except up to \$20 copayment for office visits and up to \$50 copayment for ER visits.