

Welcome

Medicare 101 Educational Seminar

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Basics of Medicare



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What Is Medicare?

- Medicare is a federally funded health insurance program. It includes Part A and Part B (known as Original Medicare).
- Medicare was established in 1965.
- Medicare is administered by the Centers for Medicare & Medicaid Services (CMS).

Who Can Join Medicare?

Medicare beneficiaries include:

- People 65 or older if they or their spouses are eligible for Social Security
- People under 65 who are disabled
  - Must be eligible for Social Security disability
  - Requires a 2-year waiting period
- People of any age with end-stage renal (kidney) disease (ESRD)
  - Permanent kidney failure that requires dialysis
  - Needing a kidney transplant

Medicare Part A

Medicare Part A is hospital insurance that covers:

- Inpatient hospital care
- Skilled nursing facility care
- Hospice care
- Home health care

What does it cost?

- No premium if you or your spouse has worked for at least 10 years (40 quarters) and paid Medicare taxes.
- If you worked fewer than 10 years, there is a monthly premium up to $411, which is set by a Social Security Medicare formula.

Medicare Part B

Medicare Part B is medical insurance that covers outpatient services:

- Doctor and other health care provider services
- Outpatient care
- Lab
- Radiology
- Durable medical equipment
- Dialysis
- Some preventive care services

Medicare Part B

What does it cost?

2017 Medicare Part B Monthly Premiums*

YOUR YEARLY INCOME†		YOU PAY
Single-Standard‡ Married couple-Standard‡	$85,000 or less $170,000 or less	$134.00‡
Single Married couple	$85,001 – $107,000 $170,001 – $214,000	$187.50
Single Married couple	$107,001 – $160,000 $214,001 – $320,000	$267.90
Single Married couple	$160,001 – $214,000 $320,001 – $428,000	$348.30
Single Married couple	Above $214,000 Above $428,000	$428.60

If you're married, but file a tax return separately from your spouse

YOUR YEARLY INCOME†	YOU PAY
$85,000 or less-Standard‡	$134.00‡
$85,001 – $129,000	$348.30
Above $129,000	$428.60

*You must continue to pay your Medicare Part B premium and any other applicable Medicare premium(s), if not otherwise paid by Medicaid or another third party.

†Modified adjusted gross income as reported on your 2015 IRS tax return.

‡You will pay this Standard amount if you 1) enroll in Part B for the first time in 2017, 2) do not get Social Security benefits, 3) are directly billed for your Part B premiums. See medicare.gov for complete details. However, most people who get Social Security benefits will pay $109.00 on average in 2017.

Note: The above dollar amounts are for 2017 and may change in 2018.

Medicare Part B

Additional payment and cost information

- Your monthly premium is usually deducted from your Social Security check.
- Late enrollment penalty:
  - Premium goes up 10 percent for each 12-month period that you decline coverage.
  - Not a one-time penalty, but continues throughout enrollment.
  - Not imposed if you continue to work and get your health coverage from an employer or trust fund of 20 or more (Cobra and individual plans are not group coverage)
    (You have up to 8 months after your employment ends to enroll.)

How to Enroll in Medicare Parts A and B

Initial Enrollment Period

- For Medicare Part A
  - If you're already getting benefits from Social Security prior to age 65, you'll be automatically enrolled starting the first day of the month you turn 65.
- For Medicare Part B
  - If you're already getting benefits from Social Security prior to age 65, you'll be automatically enrolled starting the first day of the month you turn 65. If you will continue to have group coverage, make sure to decline Part B at age 65.
  - Contact Social Security.
  - You can enroll over a 7-month period, which starts 3 months before your 65th birthday, known as the Initial Enrollment Period.
  - You may be able to enroll online at socialsecurity.gov.
  - General Enrollment Period
- If you don't sign up for Part A and Part B when you're first eligible, you can sign up between January 1 and March 31 each year, for a July 1 effective date.

Note: Completing the application form and submitting it doesn't automatically enroll you in Medicare Part B. Social Security must first determine if you're eligible.

Medicare Coverage Options

Here are some ways you can get Medicare coverage:

- You get an Original Medicare Plan through the Centers for Medicare & Medicaid Services (CMS).
  - You can supplement Original Medicare by enrolling in a MediGap Plan. Premiums for these plans are not covered. (Note: Kaiser Permanente does not offer MediGap plans.)
- You can sign up for a Medicare Advantage Plan, known as Medicare Part C, through private insurance companies

  Example: Kaiser Permanente Senior Advantage

Part C — Medicare Advantage Plans

- Medicare Part C, Medicare Advantage, covers:
  - All the services Original Medicare covers*
  - With most plans, medical benefits and services in addition to Original Medicare
  - Services under a network of providers that you must use for care

- Different types of Medicare Advantage plans:
  - Health maintenance organization (HMO) plans
  - Point-of-service (HMO-POS) plans
  - Preferred provider organization (PPO) plans
  - Private fee-for-service (PFFS) plans
  - Medical savings account (MSA) plans

*Except care for some clinical research and hospice care (Original Medicare covers hospice care even if you're in a Medicare Advantage Plan).

Medicare Part D

Part D covers outpatient prescription drugs.

You have 3 options for enrolling in Part D:

- A Medicare Advantage plan that includes Part D prescription drug coverage

  Example: Kaiser Permanente Senior Advantage

- A stand-alone Prescription Drug Plan that offers prescription drug coverage only
- Coverage through an employer or union

Unlike with Parts A and B, you sign up for Part D directly with your plan. Part D is not directly offered by Medicare or Social Security.

Medicare Part D

What does it cost?

The Part D higher-income premium is in addition to the annual Part B premium adjustment and is determined according to formulas set by federal law.

2017 Medicare Monthly Premium Adjustment

YOUR YEARLY INCOME*		YOU PAY (MONTHLY)
Single Married couple	$85,000 or less $170,000 or less	No premium adjustment
Single Married couple	$85,001 – $107,000 $170,001 – $214,000	$13.30
Single Married couple	$107,001 – $160,000 $214,001 – $320,000	$34.20
Single Married couple	$160,001 – $214,000 $320,001 – $428,000	$55.20
Single Married couple	Above $214,000 Above $428,000	$76.20

*Modified adjusted gross income as reported on your 2015 IRS tax return.

Note: The above dollar amounts are for 2017 and may change in 2018.

Enrolling in Medicare Parts C and D

- Initial Enrollment Period: The 7-month period that starts 3 months before your 65th birthday
- Annual Open Enrollment Period: Period held by employers when you can disenroll from your current plan and switch to a Medicare Advantage plan
- Special Enrollment Period: Triggered by certain events, such as loss of employment or retirement, that allow you to change plans
- Late enrollment penalty
  - As with Part B, you must sign up for Part D coverage as soon as you're eligible or you'll be charged a penalty.
  - The penalty is 1 percent of that year's Part D base premium per month that you do not maintain creditable coverage.

Medicare's Extra Help Program: Low-Income Subsidy

- For Medicare beneficiaries with limited income and resources.
- Provides extra help with Part D premiums and outpatient drug copays.
  - Degree of help depends on income and resources.
- Additional facts about extra help:
  - Apply at Social Security or state Medicaid office.
  - Administered by your plan, for CMS.
  - You must be enrolled in a Part D plan to get help.

2017 Medicare Ratings

Our Medicare health plans for 2017 received Medicare's highest possible rating, 5 out of 5 Stars, in California, Colorado, Maryland, Oregon, Virginia, Washington, and Washington, D.C., and 4.5 out of 5 Stars in Georgia and Hawaii.*

Kaiser Permanente region	Star rating*
California	
Colorado	
Georgia	
Hawaii	
Mid-Atlantic States (MD, VA, D.C.)	
Northwest (OR, WA)	

*Medicare evaluates plans based on a 5-star rating system. Star Ratings are calculated each year and may change from one year to the next. Centers for Medicare & Medicaid Services Health Plan Management System, Plan Ratings 2017. Kaiser Permanente contract #s H0524, H0630, H1170, H1230, H2150, and H9003.

Contact Information

- If you have questions about the Senior Advantage plan plan offered by your group contact your Benefits Department.
- Kaiser Permanente Member Services: 1-800-443-0815 (TTY 711), 7 days a week, 8 a.m. to 8 p.m.
- Social Security: 1-800-772-1213 (TTY 1-800-325-0778), Monday through Friday, 7 a.m. to 7 p.m.
- Medicare: 1-800-MEDICARE (1-800-633-4227) TTY 1-877-486-2048, 24 hours a day, 7 days a week.