

Medicare 101

CSEBO

Maria Harlan
Senior Retiree Solutions Manager
April 2, 2019



Basics of Medicare



What Is Medicare?



- Medicare is a federally funded health insurance program.
- 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
- People with amyotrophic lateral sclerosis (ALS)

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 and paid Medicare taxes.
- If you worked fewer than 10 years, there is a monthly premium up to \$437*, which is set by a Medicare formula.

* Amount is for 2019

Medicare Part B

Medicare Part B is medical insurance that covers:

- 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?

2019 Medicare Part B Monthly Premiums*

YOUR YEARLY INCOME†		YOU PAY
Single	\$85,000 or less	\$135.50‡
Married couple	\$170,000 or less	
Single	\$85,001 – \$107,000	\$186.60
Married couple	\$170,001 – \$214,000	
Single	\$107,001 – \$133,500	\$270.90
Married couple	\$214,001 – \$267,000	
Single	\$133,501 – \$160,000	\$352.20
Married couple	\$267,001 – \$320,000	
Single	\$160,001 – \$500,000	\$433.40
Married couple	\$320,001 – \$750,000	
Single	above \$500,001	\$460.50
Married couple	above \$750,001	

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

YOUR YEARLY INCOME†	YOU PAY
\$85,000 or less-Standard‡	\$135.50‡
\$85,001 – less than \$415,000	\$433.40
Greater than or equal to \$415,000	\$460.50

*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 2017 IRS tax return.

‡You will pay this Standard amount if you 1) enroll in Part B for the first time in 2019, 2) do not get Social Security benefits, 3) are directly billed for your Part B premiums. See medicare.gov for complete details.

Note: The above dollar amounts are for 2019 and may change in 2020.

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 for — and get your health coverage from — an employer or trust fund of 20 or more.
(You have up to 8 months after your employment ends to enroll.)

How to Enroll

Initial Enrollment Period

- If you're already getting benefits from Social Security, you'll be automatically enrolled in both Part A and Part B starting the first day of the month you turn 65.
- If you **do not already** get benefits from Social Security, you'll need to 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 HEALTH INSURANCE

Name/Nombre
JOHN L SMITH

Medicare Number/Número de Medicare
1EG4-TE5-MK72

Entitled to/Con derecho a	Coverage starts/Cobertura empieza
HOSPITAL (PART A)	03-01-2016
MEDICAL (PART B)	03-01-2016

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.



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).

Part C — Medicare Advantage Plans (continued)

- Payment and costs:
 - Medicare pays an amount for your coverage each month to these private health plans.
 - Some plans have additional monthly premiums; in many plans, you pay a copay for covered services.
 - If you choose an out-of-network provider, you'll be financially responsible, except in the case of an emergency or urgent care.

Medicare Part D

Part D covers outpatient prescription drugs.

You have options for enrolling in Part D:

- A Medicare Advantage plan that includes Part D prescription drug coverage
- A stand-alone Prescription Drug Plan that offers prescription drug coverage only

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

Medicare Part D Income Related Monthly Adjustment Amount (IRMAA)

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.

2019 Medicare Monthly Premium Adjustment

YOUR YEARLY INCOME*

YOU PAY (MONTHLY)

Single	\$85,000 or less	No premium adjustment
Married couple	\$170,000 or less	
Single	\$85,001 – \$107,000	\$12.40
Married couple	\$170,001 – \$214,000	
Single	\$107,001 – \$133,500	\$31.90
Married couple	\$214,001 – \$267,000	
Single	\$133,501 – \$160,000	\$51.40
Married couple	\$267,001 – \$320,000	
Single	\$160,001 – \$500,000	\$70.90
Married couple	\$320,001 – \$750,000	
Single	above \$500,001	\$77.40
Married couple	above \$750,001	

*Modified adjusted gross income as reported on your 2017 IRS tax return.

Note: The above dollar amounts are for 2019 and may change in 2020.

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.



High Medicare Star Quality Ratings You Can Depend On*

MEDICARE
STAR
RATINGS

Feel confident with Star quality

For peace of mind knowing you're getting a quality plan, check out how highly rated* our 2019 Medicare health plans are at kp.org/medicarestars.

* Every year, Medicare evaluates plans based on a 5-star rating system.

Contact Information

- 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.