

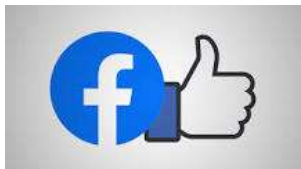
# Medicare in New Jersey 2021

**Cathy Forbes**

Mercer County SHIP Program Coordinator

609-273-0588

[cforbes@chsofnj.org](mailto:cforbes@chsofnj.org)



Follow us on Facebook:  
[www.facebook.com/MercerCountySHIP](https://www.facebook.com/MercerCountySHIP)

ship state health insurance  
assistance programs



THE STATE HEALTH INSURANCE ASSISTANCE PROGRAMS  
(SHIPS) PROVIDE LOCAL, IN-DEPTH, AND OBJECTIVE  
INSURANCE COUNSELING AND ASSISTANCE TO MEDICARE-  
ELIGIBLE INDIVIDUALS, THEIR FAMILIES, AND CAREGIVERS

**NJ State SHIP hotline: 1-800-792-8820**

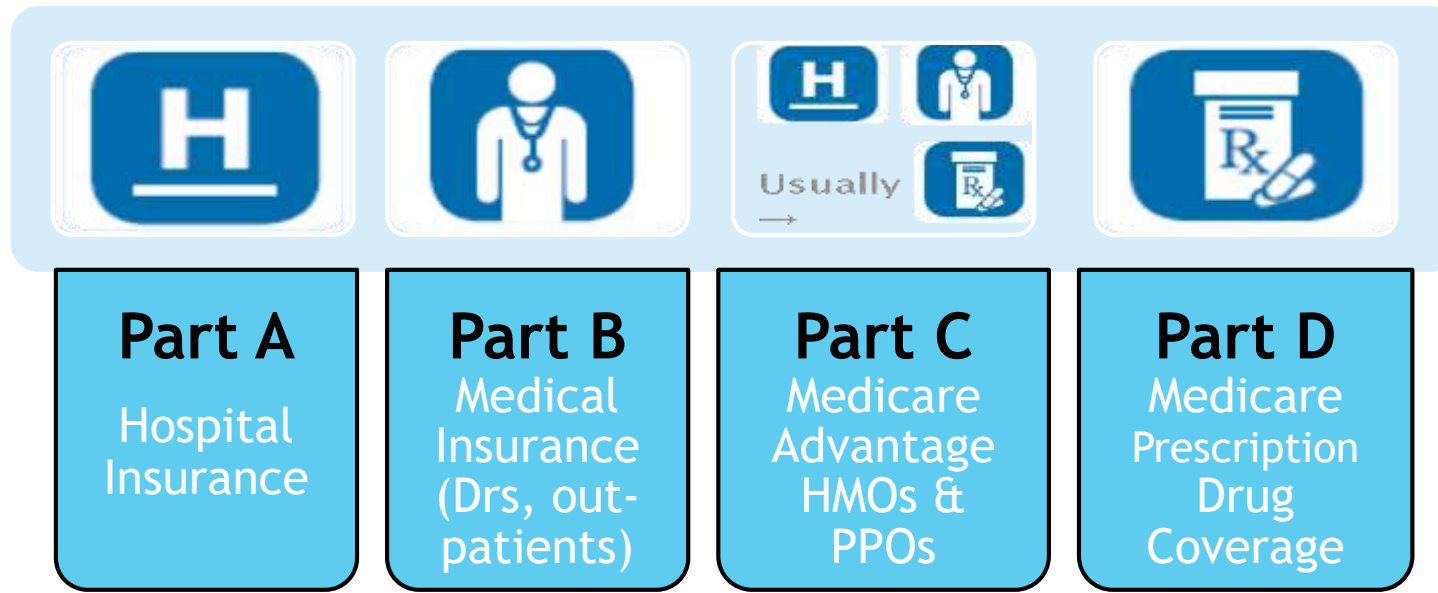
# Eligibility for Medicare

- ▶ You become eligible for Medicare when:
    - ▶ You turn 65
  - OR
  - ▶ You have received 24 months of Social Security Disability payments
- 
- ▶ You will be automatically enrolled in Parts A and B of Medicare IF you are collecting social security benefits at the time of eligibility

# Enrolling in Medicare Part A & B

<b>Automatic Enrollment</b>	<ul style="list-style-type: none"><li>▪ If you already getting Social Security retirement benefits when turn age 65</li><li>▪ If on Social Security disability benefits for 25 months</li><li>▪ May opt out if you don't want to be enrolled because have other coverage</li></ul>
<b>Initial Enrollment Period (IEP)</b>	<ul style="list-style-type: none"><li>▪ 7 month period. Starts 3 months before month of eligibility, and includes the month you turn 65 and 3 months after the month you turn 65</li></ul>
<b>General Enrollment Period (GEP)</b>	<ul style="list-style-type: none"><li>▪ January 1 through March 31 each year</li><li>▪ Coverage effective July 1</li><li>▪ Premium penalty for Part B<ul style="list-style-type: none"><li>– 10% for each 12-month period eligible but not enrolled</li><li>– Paid for as long as the person has Part B</li><li>– Limited exceptions</li></ul></li></ul>
<b>Special Enrollment Period (SEP)</b>	<ul style="list-style-type: none"><li>▪ available if you wait to enroll in Medicare Part B after age 65 because you or spouse were working for large employer and continued to have employer health plan as primary</li></ul>

# Review of Basics: Medicare has Four Parts



Each part of Medicare has:

- ❑ Monthly premiums
- ❑ Deductibles
- ❑ Cost sharing for services (coinsurance and copays)
- ❑ Different rules for enrollment

# THE ABCDs OF MEDICARE

## PART OF MEDICARE

## WHAT'S COVERED



Original Medicare (CMS\*)

**Partial Coverage for:**  
Inpatient Hospital Stay  
Skilled Nursing Care  
Hospice  
Home Care



Original Medicare (CMS\*)

**Partial Coverage for:**  
Doctor Visits  
Surgery  
Lab Tests  
Medical Equipment  
Preventive Exams



Private Insurers and Health Plans

Similar to **Parts A & B** with predictable out-of-pocket costs and more coverage.

**Often fully covers:**  
Wellness Services  
Vision Exams  
Hearing Exams

**Often partially covers:**  
Eye Glasses  
Hearing Aids



Private Insurers and Health Plans

Helps with the cost of prescription drugs not covered by Original Medicare.



**Covers some:**  
Prescription Drugs



# Part A of Medicare: Costs


- ▶ No monthly premium if:
  - Contributed to Medicare through withholding tax for minimum 10 years (40 quarters)OR
  - Married to someone who “paid in” for 10 years (40 quarters)
- ▶ No late enrollment penalty
- ▶ Deductible for in-patient care, followed by daily copay for hospital stays over 60 days
  - ▶ Deductible in 2021: \$1484 (\$76 increase from 2020)
- ▶ Inpatient rehab stays **only** covered by Part A if have qualifying hospital stay first
  - ▶ **Note:** This requirement may be waived during the Covid-19 pandemic
  - ▶ Daily copays apply for stays over 20 days

# Part B of Medicare: Costs

- ▶ Monthly premium in 2021 for most people: \$ 148.50 (up from \$144.60 in 2020)
  - ▶ If your income on your last tax return was more than \$88,000 (single) or \$176,000 (joint) you will pay a higher premium
  - ▶  If your income this year is lower than last tax return due to a life changing event, e.g. change in job, loss of spouse, etc - you can appeal the higher premium using form SSA-44
  - ▶  If your annual income is less than \$17,466 (single) or \$23,514 (married), and you have limited assets, you may be eligible for the SLMB program that pays your Part B premium for you
- ▶ Annual part B deductible in 2021 - \$203 (was \$198 in 2020)
- ▶ Once deductible is met, Medicare will pay 80% of Medicare approved rate for covered services
  - ▶ If providers accept Medicare assignment they cannot charge more than the Medicare approved rate
  - ▶ If providers do not accept Medicare assignment they may charge up to 15% over the Medicare approved rate



# Delaying Part B Enrollment

- ▶ You may defer Part B enrollment once you become eligible for Medicare **if**:
  - ▶ Still working and covered by health benefits from large employer
  - Or
  - ▶ Covered with health benefits by working spouse's large employer
- ▶ To avoid a late enrollment penalty you must enroll in Part B **if**:
  - ▶ On COBRA
  - ▶ Covered by a small employer
  - ▶ Have retiree coverage only
  - ▶ Have marketplace coverage
  - ▶ Have no other healthcare coverage
- ▶  “Large employer” defined as
  - ▶ 20 or more employees if on Medicare due to age
  - ▶ 100 or more employees if on Medicare due to disability

# Parts C and D of Medicare

- ▶ Will not see Parts C or D on your Medicare card - these are both **optional**
  - ▶ Part C - better known as Medicare Advantage (usually includes drug coverage)
  - ▶ Part D - Medicare drug coverage
- ▶ Generally cannot have both a Medicare Advantage and a Part D drug plan
  - ▶ NJ State Health Benefits Plan is the exception to this rule!
- ▶ Although **Medicare** drug coverage is optional, once you become eligible for Medicare you are required to have creditable drug coverage

# What is creditable drug coverage?

- ▶ Coverage as good as a basic Part D drug plan
  - ▶ E.g. employer, union or retiree coverage
  - ▶ Insurance company will be able confirm if coverage is considered creditable
- ▶ Drug coverage offered as part of a Medicare Advantage plan
- ▶ Creditable drug coverage **is not**:
  - ▶ Prescription discount cards, e.g. Good Rx
  - ▶ Drug manufacturer programs
  - ▶ Pharmacy or supermarket programs, e.g. Sam's Club

# Medicare Coverage Choices

## Option One: Original Medicare

This includes Part A and/or Part B



**Part A**

Hospital Insurance



**Part B**

Medical Insurance

You can add:



**Part D**

Medicare prescription drug coverage

You can also add:



**Medicare Supplement Insurance**

Medigap policy or retiree group health plan

## Option Two: Medicare Advantage (Part C)

These plans are like HMOs or PPOs and typically include Part D.



Show one card for hospital insurance, medical insurance and drug coverage.



**Part A**  
Hospital  
Insurance



**Part B**  
Medical  
Insurance



**Part D**  
Medicare  
prescription  
drug  
coverage

# Medigap Plans

- ▶ Coverage standardized by Medicare
  - ▶ 10 plans - labeled A through N
  - ▶ All policies offered under a Plan must offer same coverage
  - ▶ Only variation is the premium cost
- ▶ Premiums approx. \$100-\$350 per month depending on plan letter, age and gender
  - ▶ Premiums increase with age
  - ▶ Some companies offer household discounts
  - ▶ Premiums do not relate to your own claim history and as long as you pay premiums cannot lose your Medigap regardless of health status
- ▶ Can go to any doctor, provider or hospital that accepts Medicare
  - ▶ National plans (use in any state)
  - ▶ Cover some or all deductibles, copays and coinsurance
- ▶ Plans pay **after** Medicare pays
  - ▶ Only cover Medicare approved services

# Original Medicare

## What you will see on your Medicare Card:

- ▶ Part A - Hospital Coverage
  - ▶ No premium for most people
- ▶ Part B - Medical Coverage
  - ▶ In 2020: monthly premium \$144.60 for most people, annual deductible \$198
  - ▶ In 2021: monthly premium \$148.50 for most people, annual deductible \$203



## Review During Open Enrollment:

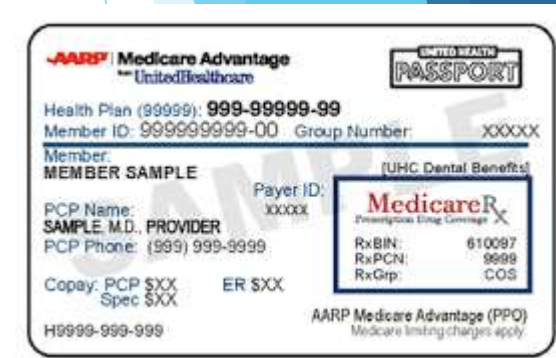
- ▶ Part D - Drug coverage

N.B. If you have Medigap coverage this can be changed or reviewed at any time of year but you will be subject to medical underwriting and may be turned down for a new plan

# Medicare Advantage plans

## What you will see on your Medicare Card:

- ▶ Part A - Hospital Coverage
  - ▶ No premium for most people
- ▶ Part B - Medical Coverage
  - ▶ In 2020: monthly premium \$144.60 for most people
  - ▶ In 2021: monthly premium \$148.50 for most people
- ▶ Medicare Advantage plan sets own cost sharing rules for Parts A and B
  - ▶ Maximum medical out of pocket in 2020: \$7550 for in network care



NB You **must** be enrolled in Medicare Parts A and B to have a Medicare Advantage plan but when you get medical services you show your Medicare Advantage plan to the provider

## Review During Open Enrollment:

- ▶ Medicare Advantage plan choice
- ▶ If you want to choose Original Medicare with a Part D drug plan

# Switching between Original Medicare and Medicare Advantage

- ▶ Easy to switch from Original Medicare to a Medicare Advantage plan
  - ▶ Opportunity to make this change every open enrollment (Oct 15 through Dec 7)
  - ▶ Cannot be turned down for a Medicare Advantage plan on offer in your county
- ▶ Easy to switch from Medicare Advantage to Original Medicare with a drug plan
  - ▶ Opportunity to make this change every open enrollment (Oct 15 through Dec 7)
  - ▶ Second opportunity during Medicare Advantage open enrollment (Jan 1 through Mar 31)

## **BUT**

- ▶ Difficult to switch from Medicare Advantage to Original Medicare with a drug plan and a Medigap plan
  - ▶ Unless you have a guaranteed issue right, purchasing a Medigap plan is subject to medical underwriting and you may be turned down or charged a higher price based on your health history



# Part D Prescription Drug plans

- ▶ Offered by insurance companies contracted by Medicare
  - ▶ Must offer at least 2 prescription drugs in each treatment class
  - ▶ Cover insulin and supplies for injecting insulin (**not** test strips)
  - ▶ Cover most vaccines - cost of drug and fee to administer, e.g. shingles
- ▶ If a drug is not on formulary, you must pay full cost of medication
- ▶ Tier level of formulary drugs affects how much you will pay
  - ▶ Tiers 1 and 2 - generic medications
  - ▶ Tiers 3 and 4 - brand name medications
  - ▶ Tier 5 - specialty medications
  - ▶ Tier 6 - clinically effective, low cost medications (not offered by all plans)

# Part D prescription drug plan costs

- ▶ Premiums for 2021 in NJ: Range \$7.30 to \$97.70/month
- ▶ Median premium in NJ in 2021 - \$34.40/month
- ▶ Deductible: In 2021, maximum \$445
  - ▶ During deductible period pay full cost of medication (up to deductible limit)
  - ▶ Deductible amount varies between plans
  - ▶ Deductible may only apply to certain tiers (e.g. Tiers 3, 4 and 5)
- ▶ Three different coverage periods after deductible period

Coverage Period	You pay Co-pay or Coinsurance	Total drug costs paid by You & Insurance
Initial Coverage Period	% of drug cost as defined by insurance	Up to \$4,130
Coverage Gap (“donut hole”)	No more than 25% of cost of drug (brand name or generic)	Up to \$6,550
Catastrophic Benefit	5% or \$3.35 - \$8.35 copay per drug for the remainder of the year (whichever is highest)	Remainder paid by insurance

# Part D in New Jersey in 2021

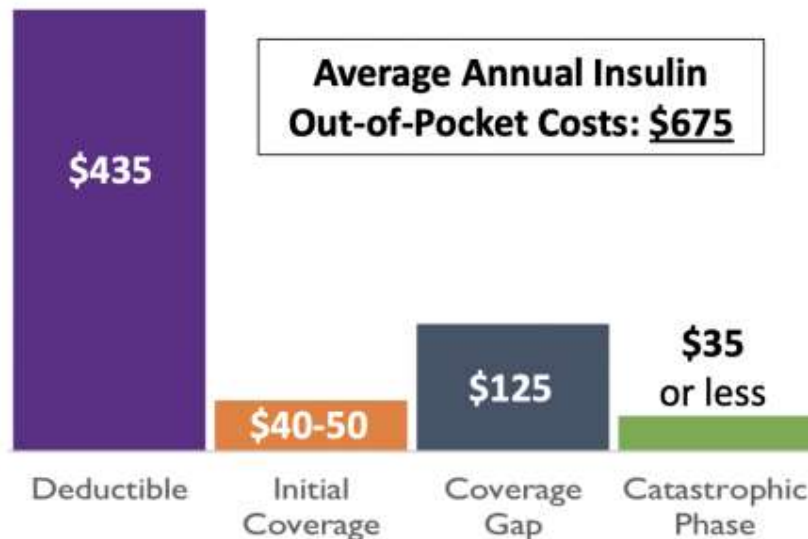
- ▶ 30 standalone Part D plans on offer in NJ (28 in 2020)
- ▶ Lowest premium plan: SilverScript Smart Rx at \$7.30/month
  - ▶ 4 other plans with monthly premiums under \$17/month)
- ▶ 17 plans have \$0 deductible for some tiers
- ▶ 4 plans have extra coverage in coverage gap
  - ▶ Means members will pay less than 25% of the cost of **certain** drugs during this coverage period
- ▶ All Silverscript plans are now owned by Aetna (but will keep Silverscript name)

# New for 2021: Senior Savings Model

**i** Senior Savings Model Part D plans will cap insulin at \$35/month in any phase

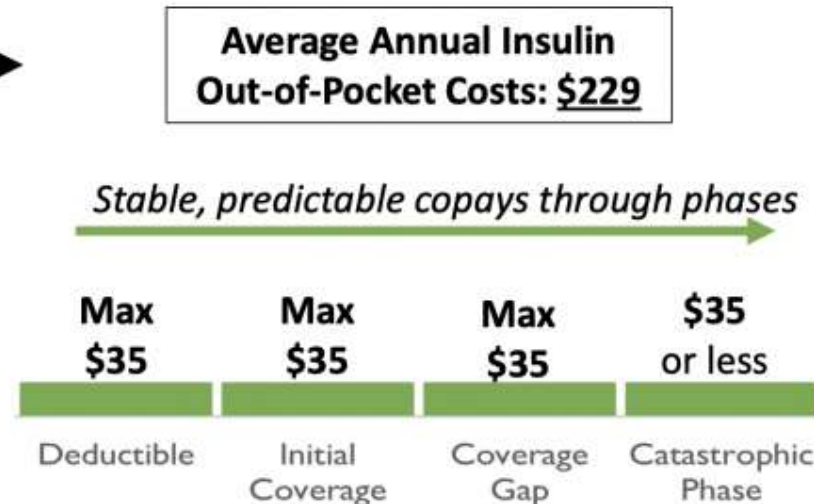
- ▶ Insulin manufacturers will cover difference in cost
- ▶ Aim is to make insulin costs more predictable

## Non-Model Part D Plan




## Model Part D Plan

**Average Savings of \$446 per year (66%) on Insulin Costs**



All estimates and averages are based on beneficiary out-of-pocket costs from 2018 CMS Prescription Drug Event data, inclusive of the majority of rapid-, short-, intermediate-, and long-acting insulins. Costs are calculated only for non-Low-Income Subsidy (non-LIS) beneficiaries in enhanced alternative standalone prescription drug plans and Medicare Advantage plans that offer prescription drug coverage. Individual savings may vary.

# How to find the most cost effective Part D drug plan?

- ▶ Use [www.medicare.gov](http://www.medicare.gov) planfinder tool
    - ▶ Enter current medications, dose and frequency
    - ▶ Enter preferred pharmacies (including mail order options)
    - ▶ Look for plan with total lowest cost premium and medication cost
  - ▶ Look out for any coverage restrictions:
    - ▶ Quantity limits
    - ▶ Prior authorization
    - ▶ Step therapy
-  Review plan choice every year during annual enrollment period (October 15 to December 7<sup>th</sup>)

# Programs to help with Part D prescription costs

- ▶ For NJ residents only:

- ▶  PAAD program:

- ▶ State of NJ will enroll in Part D plan and pay premium and any Part D late enrollment penalty
    - ▶ Caps costs at \$5 for generic and \$7 for brand name covered medications
    - ▶ Must meet income limits (in 2020: less than \$2367/month single, less than \$2900/month married)

- ▶  Senior Gold prescription discount program

- ▶ Wraps around existing Part D prescription plan
    - ▶ Pay \$15 plus 50% of remaining cost for medications
    - ▶ Income eligibility higher than for PAAD (in 2020: less than \$3200/month single, less than \$3734/month married)

- ▶ Federal Extra Help program

- ▶ Automatically enrolled if on Medicaid or receive assistance with Part B premiums

- ▶ Apply for programs through NJ Save

# NJ Save

- ▶ Can apply on-line with ONE application for
    - ▶ PAAD, Senior Gold, and federal Extra Help with prescription costs
    - ▶ Help with Medicare Part B premium costs (SLMB program)
    - ▶ Help with heating bills (Utility Assistance)
    - ▶ And more!
  - ▶ Go to [www.aging.nj.gov](http://www.aging.nj.gov)
- Or
- ▶ Contact SHIP for application assistance - 609-273-0588

**NJ Save**

APPLY ONLINE



State of New Jersey



# Medicare Advantage Plans

- ▶ Offered by insurance companies contracted by Medicare and structured as HMO or PPO plans
- ▶ **You must get all medical services and drugs through plan**
  - ▶ Specific doctors, hospitals & labs may be required
  - ▶ Pre-approvals and/or referrals may be required
  - ▶ Co-pay fees for services vary between plans
  - ▶ All claims processed by plan (not Medicare)
  - ▶ Use only insurance plan card (do not carry Medicare card)
- ▶ **May offer additional benefits not available with Original Medicare, for example:**
  - ▶ Basic vision, dental and hearing coverage
  - ▶ Gym membership
- ▶ **Since 2019 plans have been able to offer even more benefits such as:**
  - ▶ Expanded dental, home-delivered meals after hospital stay, \$\$ to be used for over-the-counter health-related items, transportation to medical appointments
  - ▶ Check each plan's Summary of Benefits for details



# Medicare Advantage plan costs



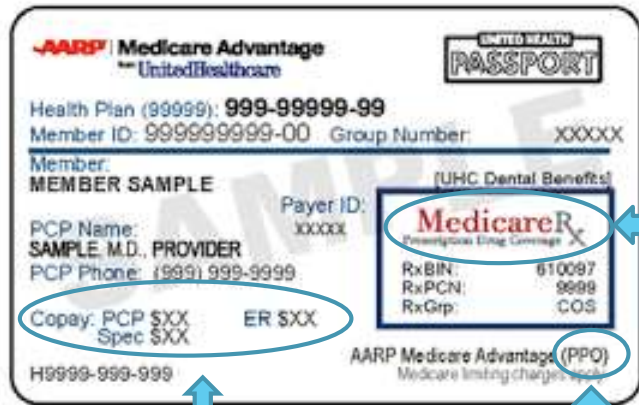
Premiums range from \$0/month to \$114/month

- ▶ Payable addition to Part B premium (must be enrolled in Parts A and B)
- ▶ If enrolled in PAAD or Extra Help may get a discount of up to \$35.50 on Medicare Advantage plans with premiums plus medication costs capped at pharmacy counter
  
- ▶ Primary doctor co-pays range from \$0-\$35
  
- ▶ Specialist doctor co-pays range from \$5-\$50
  
- ▶ Remember to check costs of other items, e.g. ambulance trip, in-patient daily co-pays, out patient surgery, investigative tests, mental health, therapies
  
- ▶ Maximum out of pocket costs on medical capped at \$7550 per year (after that plan will pay medical costs)

# Medicare Advantage plans without drug coverage

- ▶ Often aimed at military veterans who have drug coverage through the VA
  - ▶ VA benefits are considered creditable drug coverage therefore do not also have to get Medicare prescription drug coverage
- But**
  - ▶ To use VA drug coverage you must fill your prescriptions at a VA pharmacy or facility
- ▶ Cannot have a Medicare Advantage plan (with or without drug coverage) and a separate Medicare prescription drug plan
- ▶ If you do not have creditable drug coverage, you will be subject to a late enrollment penalty if you decide at a later date to enroll in Medicare prescription coverage

# What to look for on a Medicare Advantage card



Remember to check costs of other services

Is your plan a PPO or an HMO?

MedicareRx means the plan offers prescription drug coverage




If the plan is an HMO are referrals required?

# Medicare Advantage plans in New Jersey in 2021

- ▶ 60 plans Medicare Advantage plans available in New Jersey in 2021
  - ▶ Plan availability varies by county - for example 34 plans available in Mercer County
  - ▶ 6 plans have no drug coverage
  - ▶ Both PPO and HMO plans available
  - ▶ All plans offer some vision, dental and hearing coverage
- ▶ Almost half of the Medicare Advantage plans with drug coverage have a \$0 premium
  - ▶ Several plans offer a discount on Part B premiums (\$40-60)
- ▶ If already enrolled in a Medicare Advantage plan look for mail from the plan
  - ▶ Some plans are seeing premium increases
  - ▶ Some plans are changing the benefits they offer, copays for services or rules regarding networks, etc
  - ▶ Some plans are terminating in some counties - if this is the case members will have a guaranteed issue right for a Medigap plan or can change to another Medicare Advantage plan

# How to find the most cost effective Medicare Advantage plan?

- ▶ Use [www.medicare.gov](http://www.medicare.gov) planfinder tool to check costs of medications
    - ▶ Enter current medications, dose and frequency
    - ▶ Enter preferred pharmacies (including mail order options)
    - ▶ Look for plan with total lowest cost premium and medication cost
  - ▶ Use SHIP Medicare Advantage plan summary chart for your county to compare costs for medical care
  - ▶ Check your doctors are in network with the plan (but be aware they can leave the network at any point in the year)
-  Review plan choice every year during annual enrollment period (October 15 to December 7<sup>th</sup>)

# Final Reminders

- ▶ If you have Original Medicare make sure you take advantage of your free and reduced cost Part B preventive benefits
  - ▶ E.g. Annual flu shot, annual wellness visit, various screenings
  - ▶ See your Medicare and You handbook or check [www.medicare.gov](http://www.medicare.gov) for full list
- ▶ Beware of scams
  - ▶ Keep your Medicare number safe
  - ▶ Be cautious of anyone who comes to your door offering free coronavirus testing, treatment, or supplies
  - ▶ Do not provide your personal details in exchange for a Covid-19 test
- ▶ Remember the Medicare Open enrollment runs Oct 15<sup>th</sup>-Dec 7<sup>th</sup>
- ▶ SHIP is here to help!

# Mercer County SHIP Contact information:

Call/text: 609-273-0588

Email: [cforbes@chsofnj.org](mailto:cforbes@chsofnj.org)

Facebook: MercerCountySHIP

## ▶ Contact us for:

- ▶ More information or help applying for programs to assist with Medicare costs
- ▶ Help reviewing Medicare coverage choices and costs
- ▶ Assistance reviewing coverage during the annual enrollment period (October 15<sup>th</sup> to December 7<sup>th</sup>)
- ▶ Any other Medicare questions!

# Part B - Free Preventive Benefits

- ▶ Welcome to Medicare” physical
- ▶ Annual wellness visit
- ▶ Abdominal aortic aneurysm screening
- ▶ Cardiovascular screening blood tests
- ▶ Diabetic screening tests
- ▶ Bone mass measurement
- ▶ Screening mammography
- ▶ Screening PAP test & pelvic exam
- ▶ Colorectal cancer screening
- ▶ Prostate cancer screening tests (PSA)
- ▶ Preventive smoking cessation counseling
- ▶ Flu & Pneumococcal vaccination
- ▶ Hepatitis B shots
- ▶ Screening - depression, HIV and STD (VD)
- ▶ Obesity counseling

Free if provider accepts Medicare's approved rate (assignment)