

MEDICARE BASICS BEFUDDLE BOOMERS

WHAT THEY
DON'T KNOW
CAN HURT THEM

A 65 INCORPORATED® PRESENTATION

MARCH 15

2013

Presented by Diane J. Omdahl, RN, MS

2013 Annual Conference of the
American Society on Aging



This presentation contains information to guide the Medicare enrollment process. 65 Incorporated® has used sources believed to be reliable and made every effort to include the most correct, current, and clearly expressed information possible. Opinions expressed are current to the date of the presentation and subject to change. 65 Incorporated encourages consumers to research their options carefully. Actual enrollment decisions depend on the individual's exact circumstances, supporting facts, and any future changes in the regulations. 65 Incorporated disclaims any responsibility for positions taken by individuals or for any misunderstanding on the part of the audience.

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MEDICARE BASICS BEFUDDLE BOOMERS

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About 65 Incorporated

Our Mission

65*Incorporated* is an educational services company providing comprehensive training and guidance on Medicare for consumers. We do not work for insurance companies or the government. Our only interest is in helping consumers understand and get the most out of Medicare. *65 Incorporated* is dedicated to the four Cs of Medicare.

- **Clear** — We present complication Medicare information in understandable terms.
- **Correct** — Our experts' information is always up-to-date and accurate.
- **Complete** — We can guide you all the way through the Medicare process from start to finish.
- **Credible** — Our sole purpose is to provide unbiased advice based on accurate information.

Our Presenter

Diane J. Omdahl RN, MS, is founder and President of *65 Incorporated*. A pioneer in home health agency management and training, Diane has kept her finger on the pulse of the healthcare industry's evolution for more than 30 years. She is best known for authoring one of the most resourceful guides to the Medicare process for homecare agencies, the *Beacon Guide to Medicare Service Delivery*. With her extensive experience in healthcare industry leadership roles, Diane is able to provide a wealth of clear and unbiased information to the aging population through *65 Incorporated*.

Diane is a registered nurse who previously launched and built Beacon Health Corporation into the leading provider of education, training and tools for home health agencies and their employees. Her extensive experience includes presenting more than 300 audio conferences and 100 seminars, along with producing instructional videos and educational resources for home health aides, registered nurses, and therapists.



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Today's Objectives

- Identify common causes of Medicare confusion that boomers confront
- Explain repercussions of making the wrong choices
- Describe the Medicare penalties that boomers confront



Parts of Medicare

- Part A, hospital insurance:
 - Inpatient care in hospitals and skilled nursing facilities
 - Home health care
 - Hospice
- Part B, medical insurance:
 - Medically necessary services to diagnose or treat a medical condition
 - Preventive services
 - Optional coverage



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Medicare Part D, Prescription Drug Coverage

- Helps cover prescription medications in a plan's formulary
- Creditable coverage means that the plan pays at least the same amount as a Medicare standard plan
- Stand-alone prescription drug plan (PDP) or a Medicare Advantage plan with prescription drug coverage (MA-PD)



Medicare Paths Original Medicare

- Original Medicare:
 - Part A and Part B
 - Comprehensive coverage includes Part D and a Medigap policy
- Medigap policy:
 - Helps cover Part A and Part B deductibles, copayments, and coinsurance
 - Standardized plans identified by letters A through G, K, L, M, and N
 - Massachusetts, Minnesota, and Wisconsin have their own requirements



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2013 PART A DEDUCTIBLES AND COINSURANCE

Service	Benefit	You Pay
Hospitalization (per benefit period)	First 60 days	\$1,184
	Days 61 to 90	\$296 per day
	Days 91 to 150*	\$592 per day
Skilled nursing facility (per benefit period after 3-day stay)	Days 1 to 20	\$0
	Days 21 to 100	\$148 per day
	Beyond 100 days	100 percent
Home health care	Visits	\$0
	Medical equipment	20 percent
Hospice care	Prescriptions	\$5

* Maximum of 60 days in a lifetime

2013 PART B DEDUCTIBLES AND COINSURANCE

Services	You Pay
Annual deductible	\$147
Medical care (physicians, therapists, equipment, ambulance, etc.)	20 percent after deductible
Outpatient hospital services	20 percent after deductible
Clinical laboratory services	Costs vary

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Medicare Paths Medicare Advantage (Part C)

- Medicare administered by private insurance companies:
 - Part A and Part B services
 - Many plans include drug coverage (MA-PD)
 - A Medicare replacement policy
 - Many types of plans
- Beneficiaries who want a plan must elect Medicare Advantage



Which Way to Go? Original Medicare or Medicare Advantage

- Those with chronic conditions must check out a plan's requirements:
 - Networks
 - Prior authorization
 - Hospitalizations
- The wrong decision can have repercussions:
 - Not being able to see physicians of choice
 - Not getting necessary care or treatment
 - Huge copayments



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When to Sign Up

- Turning 65, already on Social Security:
 - Automatically enrolled in Medicare
 - Return Part B card if other coverage in effect
- Turning 65, giving up existing coverage or no coverage:
 - Initial Enrollment Period (seven-month period beginning three months before and ending three months after birth month)
 - Add Part D and a Medigap policy or enroll in an MA-PD plan



When to Sign Up Coverage Not Related to Current Employment

- COBRA, individual, retiree, or union coverage
- Original Medicare path:
 - Enroll in Part A and Part B during the Initial Enrollment Period
 - Plan takes the place of a Medigap policy
 - Verify that drug coverage is creditable or enroll in a Part D plan
- When coverage ends, there are special enrollment periods to purchase a Medigap policy, Part D drug plan, or MA-PD plan



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When to Sign Up Coverage Related to Current Employment

- Group health plan through employer with fewer than 20 employees:
 - Plan can exclude those who are Medicare eligible
 - If not, plan becomes secondary to Medicare
- Group health plan through employer with 20 or more employees:
Plan must offer same benefits to all employees
- Actions:
 - Enrollment in Part A recommended
 - Verify that drug coverage is creditable
 - Take action when employer coverage is ending
- One issue: Health Savings Account (HSA)



Repercussions

- Miss enrollment period:
 - Wait for General Enrollment Period (January 1-March 31)
 - May go without coverage for several months
- Part B enrollment more than one year late:
 - Late Enrollment Penalty
 - Adds 10 percent of standard Part B premium to monthly premium
- Drug coverage not creditable:
 - Face Late Enrollment Penalty for every month without coverage
 - Adds 1 percent of standard Part D premium to monthly premium



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How You Can Help Boomers

- *Medicare.gov*
- Medicare publications
- 1-800-MEDICARE
- *65incorporated.com*



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Medicare Advantage Plans

Health Maintenance Organization (HMO): This plan requires a member to select a primary physician who will coordinate care. A referral from that physician is usually required in order to see a specialist. Other than for true emergency situations, an HMO may not pay for care outside the network

Health Maintenance Organization with a Point-of-service Option (HMO-POS): This plan works with networks just like an HMO. However, its members can choose to see any doctor or provider that accepts Medicare. Some plans may require approval for these services. They will cost more but they offer options.

Preferred Provider Organization (PPO): This plan also has a network of preferred providers under contract for services. However, members may choose any doctor or provider who accepts Medicare, whether in network or out. A referral is not necessary but these services can cost more. A local PPO has a small service area, such as a county or part of a county. A regional PPO has a contracted network that serves an entire region or regions and includes many more providers in its network.

Private fee-for-service Plan (PFFS): These plans in many urban areas must have a network of providers. However, other PFFS plans in rural areas do not have to establish networks. Even though there may be a network, PFFS members don't have to use it. They can see any Medicare-approved provider who has agreed to accept the plan's terms and conditions of payment. These services can cost up to 15 percent more than in-network care.

Special Needs Plan (SNP): As the name suggests, this plan is for those with special needs. These include those with chronic conditions, dual-eligible recipients, or those living in a nursing home. SNPs are not available in all areas of the country.

Medical Savings Account (MSA): This plan has two parts: a health insurance policy with a high deductible, up to \$6,000, and a medical savings account to help pay the deductible. Unlike high-deductible insurance plans for those under 65, only the Medicare Advantage plan can contribute to the medical savings account.

Medicare Cost Plan: Although not considered a Medicare Advantage plan, this is a type of HMO. Networks are available. However, if a plan member goes to a non-network provider, Original Medicare covers the services.

MEDICARE BASICS BEFUDDLE BOOMERS

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Resources

65 Incorporated (www.65incorporated.com)

A Quick Look at Medicare (www.medicare.gov/Pubs/pdf/11514.pdf)

Choosing a Medigap Policy: A Guide to Health Insurance for People with Medicare
(www.medicare.gov/Publications/Pubs/pdf/02110.pdf)

Medicare and Other Health Benefits: Your Guide to Who Pays First
(www.medicare.gov/Pubs/pdf/02179.pdf)

Medicare and You 2013 (www.medicare.gov/Publications/Pubs/pdf/10050.pdf)

Medicare Plan Finder (<https://www.medicare.gov/find-a-plan/questions/home.aspx>)

The State of Medicare Confusion (www.65incorporated.com/topics/state-medicare-confusion)

Understanding Medicare Enrollment Periods
(www.medicare.gov/Publications/Pubs/pdf/11219.pdf)

Your Guide to Medicare Prescription Drug Coverage
(www.medicare.gov/Pubs/pdf/11109.pdf)



MEDICARE BASICS BAFFLE BOOMERS: WHAT THEY DON'T KNOW CAN COST THEM

~ Evaluation ~

I. Please answer the following questions about today's presentation.

How relevant is this topic to you? ☐ Very ☐ Somewhat ☐ Not very ☐ Not at all

If not at all, please explain: _____

If relevant, did the presentation hit the mark? ☐ Yes, completely ☐ Mostly ☐ Somewhat ☐ Not at all

If somewhat or not at all, please explain: _____

Was the information you heard today credible? ☐ Yes ☐ No Was it valuable? ☐ Yes ☐ No

Did any information disagree with something you had previously learned? ☐ Yes ☐ No

Please describe: _____

Did you learn anything that you believe others do not know but *should* know? Please describe: _____

Please rate the Presenter's effectiveness in helping you understand this difficult material. Circle a number:

Teaching style: *Totally Ineffective* 1 2 3 4 5 *Very Effective*

Pace: *Went Too Slowly* 1 2 3 4 5 *Went Too Fast*

Choice of words: *Too Simplistic* 1 2 3 4 5 *Too Technical*

Please rate the handout material:

Adequate: ☐ Yes ☐ No Complete: ☐ Yes ☐ No Clear: ☐ Yes ☐ No Helpful: ☐ Yes ☐ No

II. Given your professional responsibilities, please answer these questions.

Why do you need to know about Medicare? _____

Based on your professional experience, can you list any specific topics that *65 Incorporated* should address?

(over, please)

III. Please add any comments in general.

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Name: _____

E-mail address: _____

Business/ Agency name: _____
(optional)

Telephone number: _____
(optional)

Medicare Basics Befuddle Boomers: What They Don't Know Can Cost Them

Diane J Omdahl, RN, MS

March 15, 2013

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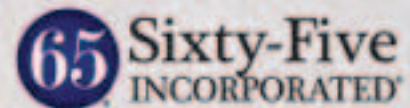
“In this world, nothing can be said to be certain, except death and taxes.”

Benjamin Franklin, 1769



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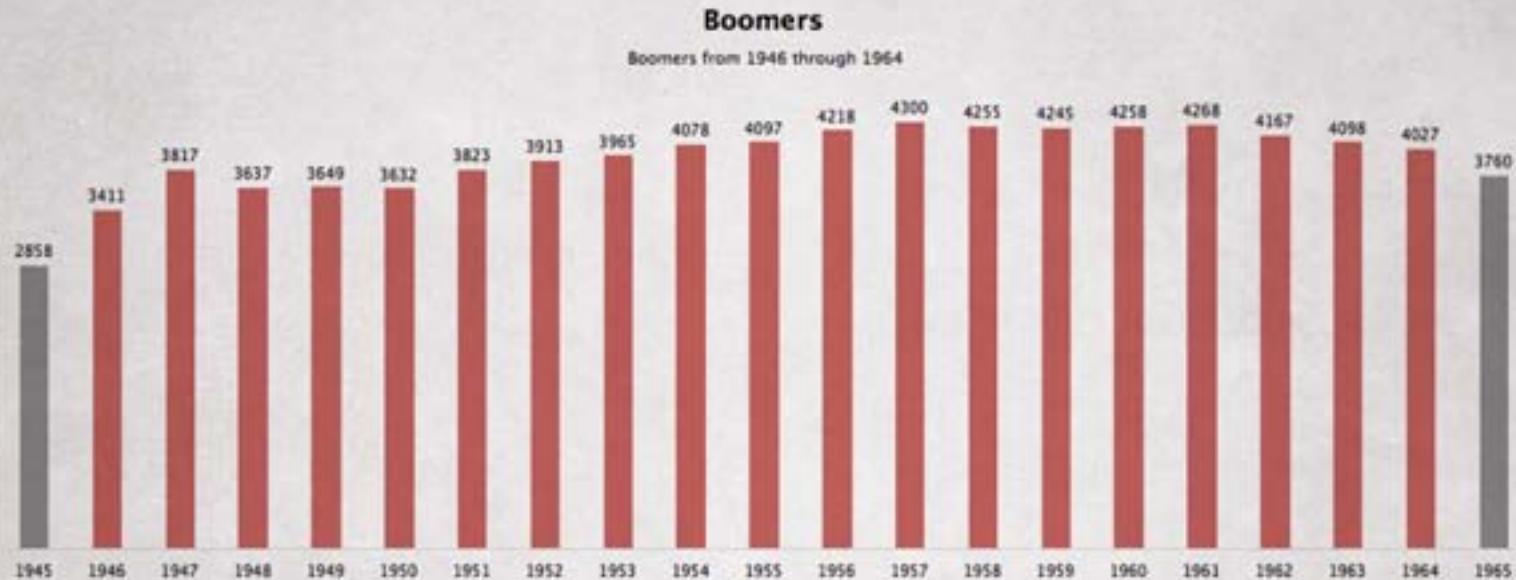
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and Medicare
confusion





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65 Sixty-Five
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10,000 boomers will turn 65 today
... and everyday for the next 17 years.
Medicare numbers will grow by 36 percent.

Today's Objectives

- Identify common causes of Medicare confusion that boomers confront
- Explain repercussions of making the wrong choices
- Describe the Medicare penalties that boomers confront

- Parts of Medicare
- Medicare paths
- When to enroll

Parts of Medicare

Part A & Part B

- Part A, hospital insurance:
 - Inpatient care in hospitals
 - Inpatient care in skilled nursing facilities
 - Home health care
 - Hospice
- Part B, medical insurance:
 - Medically necessary services
 - Preventive services
 - Optional coverage



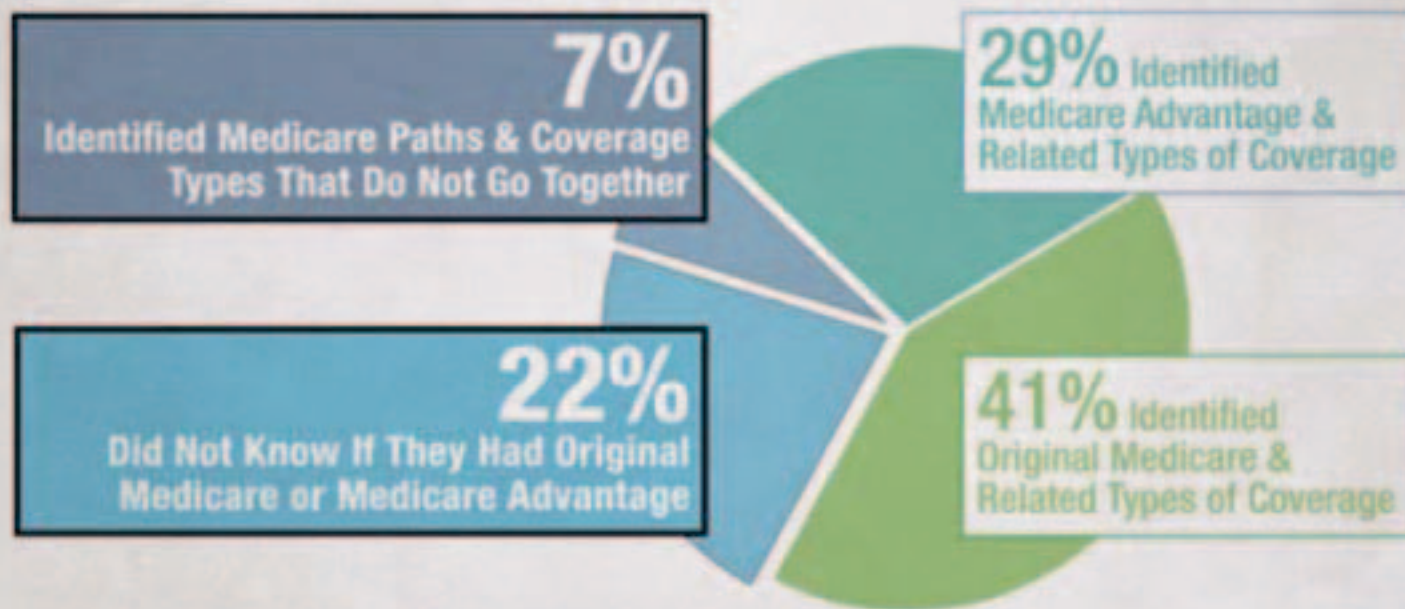
Part D, Prescription Drug Coverage

- Helps cover prescription drugs in a formulary
- Two ways to get coverage:
 - Stand-alone prescription drug plan (PDP)
 - Medicare Advantage plan with prescription drug coverage (MA-PD)
- Not needed if there is other creditable coverage



Medicare Paths

29% of people who said they understood all or the majority of Medicare could NOT identify their Medicare path or coverage types.



Original Medicare

- Part A and Part B
- Part D, prescription drug plan
- Medigap policy:
 - Part A and Part B out-of-pocket expenses
 - Standardized plans (A through G, K, L, M, and N)
 - Massachusetts, Minnesota, and Wisconsin have their own requirements



Medicare Advantage (Part C)



- Medicare administered by private insurance companies:
 - Part A and Part B services
 - Many plans include drug coverage (MA-PD)
 - A Medicare replacement policy
 - Many types of plans
- Beneficiaries who want a plan must elect Medicare Advantage

Which Way to Go?

Original Medicare or Medicare Advantage?

- Those with chronic conditions must check out a plan's requirements:
 - Networks
 - Prior authorization
 - Hospitalizations
- The wrong decision can have repercussions:
 - Not being able to see physicians of choice
 - Not getting necessary care or treatment
 - Huge copayments
 - Limited opportunities to change paths

When to Sign Up



Turning 65

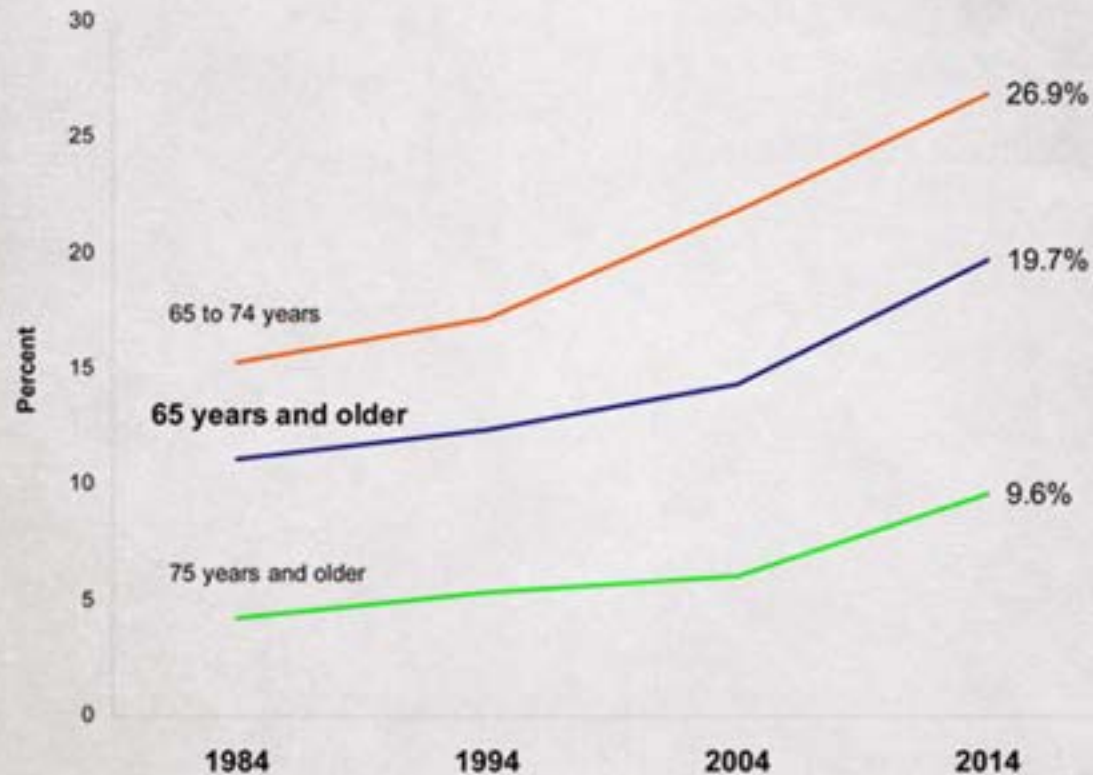
- Already on Social Security:
 - Automatically enrolled in Part A
 - Return Part B card if other coverage in effect
- Giving up existing coverage or no coverage:
 - Initial Enrollment Period
 - Add Part D and a Medigap policy or enroll in an MA-PD plan



Coverage, No Current Employment

- COBRA, individual, retiree, or union coverage
- Original Medicare path:
 - Enroll in Part A and Part B
 - Plan takes the place of a Medigap policy
 - Verify that drug coverage is creditable or enroll in a Part D plan
- When coverage ends, there are special enrollment periods to purchase a:
 - Medigap policy
 - Part D drug plan
 - MA-PD plan

The number of workers 65 years and older will increase through 2014



Source: Bureau of Labor Statistics, "Labor force projections to 2014: retiring boomers" (2005)

Group Health Plan: Fewer than 20 Employees

- Plan can exclude Medicare eligible
- If not, plan becomes secondary to Medicare:
 - Must enroll in Part A
 - Verify that drug coverage is creditable
 - Take action when coverage is ending



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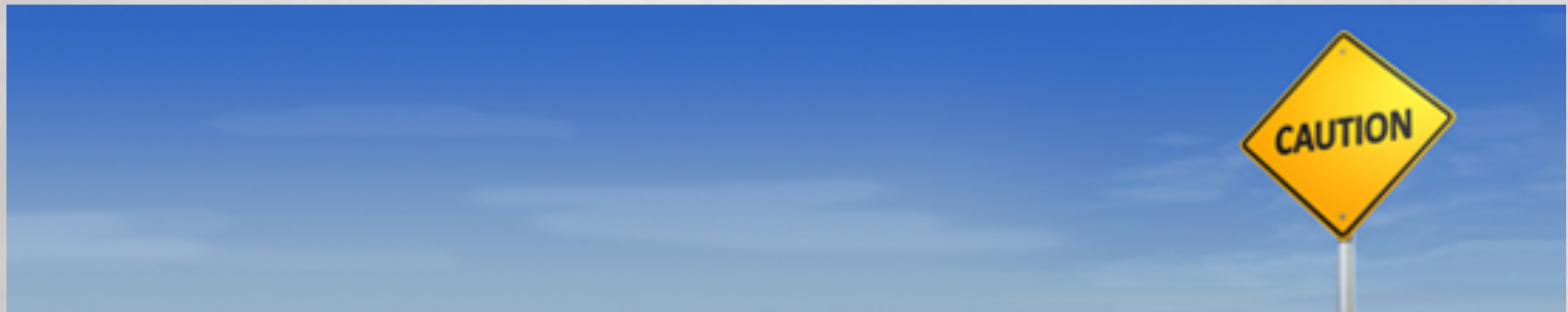
Group Health Plan: 20 or More Employees

- Plan must offer same benefits to all employees
- Enrollment in Part A recommended
- Verify that drug coverage is creditable
- Take action when coverage is ending
- One issue: Health Savings Account (HSA)

Repercussions

Missing the Enrollment Period

- Wait for General Enrollment Period (January 1-March 31)
- Coverage effective July 1; may go without coverage for several months



Part B Enrollment More Than One Year Late

- Late Enrollment Penalty
- Adds 10 percent of standard Part B premium to monthly premium

One year late enrolling in Part B:

$$\text{\$104.90} + \text{\$10.49} = \text{\$115.39}$$

Drug Coverage Not Creditable or Late Enrollment in Part D

- Face Late Enrollment Penalty for every month without coverage
- Adds 1 percent of standard Part D premium to monthly premium

Five years late enrolling in Part D:

$$(\$0.31 \times 72) + \$25.00 = \$47.32$$

How You Can Help Boomers



Resources

- *Medicare.gov*
- Medicare publications
- 1-800-MEDICARE
- *65incorporated.com*



www.65incorporated.com

65 Sixty-Five
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Advice for Boomers

- Learn about Medicare
- Take charge of decisions
- Don't rely on agents or friends to pick your path
- Double check anything that can affect coverage or cost



Thank you.

Diane J Omdahl, RN, MS

March 15, 2013

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The Myth and Reality of Medicare Home Health Care

A Guide for Consumers and Caregivers

Barbara McCann, MA

March 15, 2013

www.interimhealthcare.com

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The Acute Home Health Benefit

- Under Original Medicare:
 - Must be “homebound”
 - Care must be medically necessary, require skills of a professional; not custodial or maintenance
 - Not daily, not forever
- Under Medicare Advantage:
 - Must be same benefit as original Medicare, minimum
 - May add care, services
 - Application of benefits may vary

When to Advocate for Home Health

- Family caregiver needs to know and to ask for home health before the crisis of hospitalization
- Most hospitals send the majority (65%) of Medicare patients home to 'self-care'—that means you!
- Post hospital, rehabilitation, nursing home (SNF) stay, ASK for home health care!

The Hospital Reality

- Many have 'hospitalists' who don't practice outside the hospital
- You need a primary care physician in community
- You need to have discharged prescriptions reconciled with those at home within 24 hours of discharge from any facility
- You need to see a community physician within seven days of discharge from any facility

The Warning Signs: **GET HELP!**

- Warning signs:
 - OTC drugs, vitamins and herbal supplements
 - Four or more medications
 - Blood thinner or diabetes medication (accidental overdose common)
- Actions:
 - A nursing visit for reconciliation and assessment (right medication, right dose, right time)
 - Automated medication reminders connected to Personal emergency response system (PERS)

Functional Safety Keeps Us at Home

- Can he really bathe safely? Is he bathing?
- Can he toilet safely?
- Is he skipping medications so he won't get up at night?
- Can she dress without help?
- Can she shop and cook? How is the kitchen arranged?
- Walk over uneven surfaces? If use a cane, walker, etc., at risk for falls; get a PERS!

Home Nursing or Therapy Evaluation

- Jimmo vs. Sebelius: Contractors cannot apply “improvement” standard in claims review
- Chronically ill can receive a home nursing or therapy evaluation
- Other homecare criteria still apply

Holiday Check-Up: Watch and Listen

- Steady on their feet?
- Dressed right? Stains on clothes?
- Ask what they did during the last week?
Social isolation? Depression?
- How many medicines? Does it seem confusing?
- When did they last see doctor? Specialist?

Benefits/Threats in Washington, DC

- Benefit: New models offer primary-centered care, somebody watching
- Benefit: Preventive care without copay
- Threat: Observation status
- Threat: No long-term care solution

Thank you.

Barbara McCann, MA

March 15, 2013

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