



Free Service to Medicare Beneficiaries

MEDICARE 2021 Choices & Changes SLOCREA - Oct 12 Presenter: Buff Lawson

Serving San Luis Obispo & Santa Barbara Counties

Funded by the Area Agency on Aging

www.CentralCoastSeniors.org





HICAP

Health Insurance Counseling & Advocacy Program

- part of the national **State Health Insurance Program** “**SHIP**” offering assistance to people with Medicare
- publicly funded through the Older Californians Act and the Centers for Medicare and Medicaid Services
- only agency authorized by the California Department of Aging to provide Medicare counseling
- offers individual counseling and community education about Medicare, financial assistance programs, and long term care insurance



HICAP Provides **FREE and UNBIASED SERVICES**

- HICAP does not sell anything
- No affiliation with agents, brokers, insurance companies or HMOs
- Counseling is confidential and available by appointment
- Network of local volunteers
 - Trained by local Central Coast HICAP and the California Health Advocates organization
 - Registered by California Department of Aging



Topics for Today

- Overview of Medicare
- 2021 - Part D - Prescription Drug Plans
- Medicare Supplemental (Medigap) Plans
- 2021 - Medicare Advantage Plans

Medicare Overview



- Federal Health Insurance Program passed in 1965 for people who are U.S. citizens or have been legal residents for at least 5 years and are:
 - 65 and older
 - Under 65 with certain disabilities
 - Any age and have End State Renal Disease (ESRD) requiring dialysis or kidney transplant

- Parts of Medicare
 - Original Medicare: Part A-Hospital & Part B-Medical
 - Part C: authorizes Medicare Advantage Programs
 - Part D: authorizes Prescription Drug Plans



Medicare & County of SLO Retirees

- SLO County requires that you enroll in Medicare when:
 - You are *retired* and
 - You are *Medicare eligible* at age 65 or older

- If you are retired and not yet Medicare eligible
 - You and your dependents can continue in non-Medicare retiree county insurance plans

- If you are age 65 and you or your spouse still working
 - You are not required to enroll in Medicare
 - When you retire you have an 8-month window to enroll in Medicare without penalty



Enrolling in Medicare Parts A & B

- Automatic enrollment in **Parts A & B** at age 65 if receiving Social Security Benefits or are otherwise in the system

- If not, can apply during *Initial Enrollment Period* (IEP)
 - starts 3 months before the month you turn 65
 - ends 3 months after the month you turn 65

- To apply for Medicare
 - call Social Security: 1-800-772-1213
 - make appointment at local Social Security office
 - apply on-line: www.ssa.gov

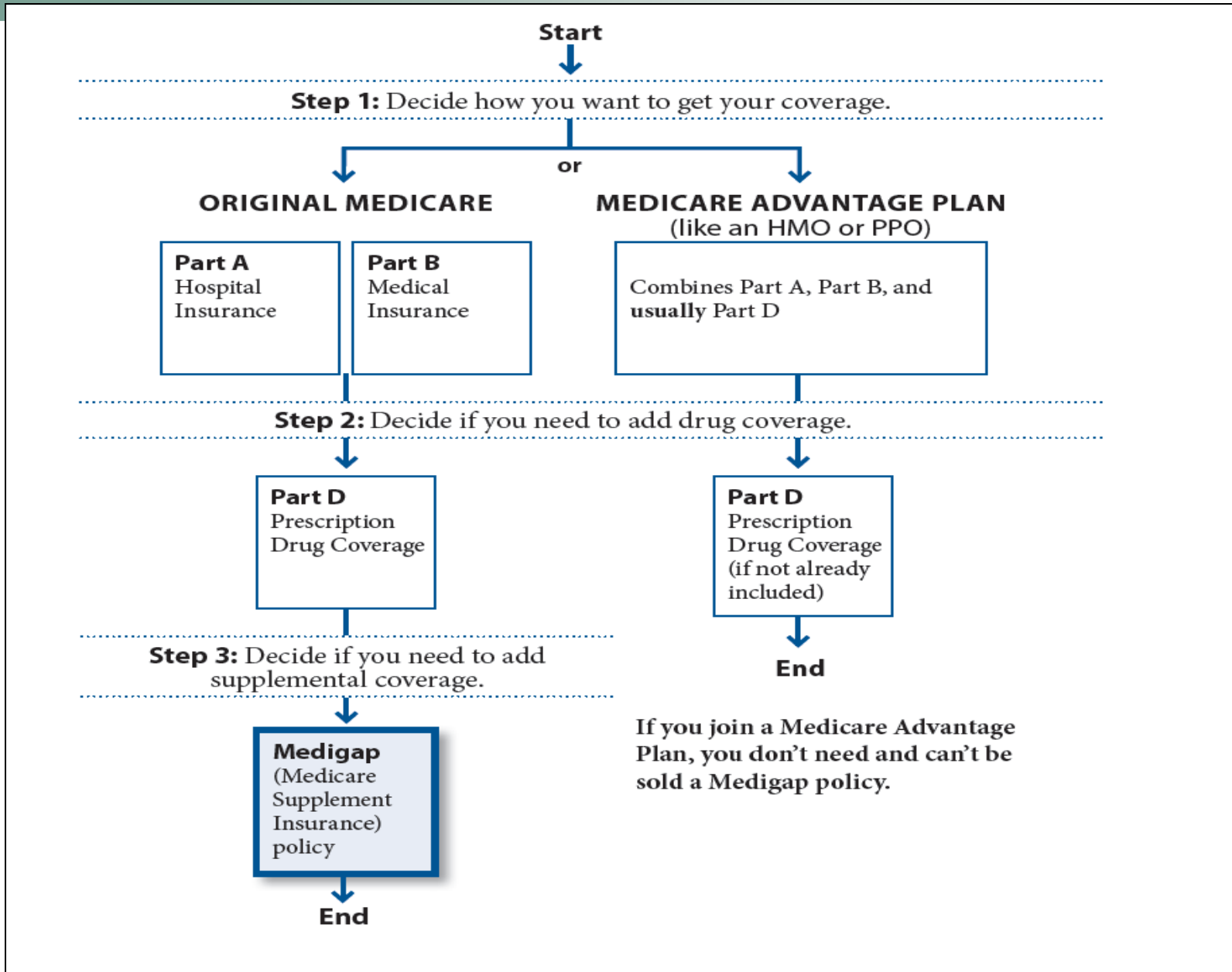
 ***this is a good time to schedule an appointment with HICAP and/or attend a New to Medicare seminar***



What does Medicare Cost?

- **Medicare Part A – Hospital**
 - no monthly premium if you or your spouse have at least 40 quarters of Medicare covered employment

- **Medicare Part B – Medical**
 - **\$144.60** standard monthly premium if new in 2020
 - premium may be higher if income was over \$87,000 (single) or \$174,000 (couple) in 2018
 - premium deducted from Social Security check or billed quarterly





Part D

Prescription Drug Plans

- Prescription drug insurance sold by private insurance companies
- Voluntary (but subject to late enrollment penalty)
- Must have Medicare Part A **or** B to enroll in a stand alone Part D Plan
- Plans approved and monitored by Medicare to ensure strict guidelines are followed



Part D

Prescription Drug Plans

- Two ways to enroll in a Part D plan:
 - **Prescription Drug Plans** – PDP – stand-alone plans offered by private health companies
 - **Medicare Advantage** – MA-PD – plans such as HMOs that include prescription drug coverage

- Do not need Part D if you have prescription coverage through:
 - The VA or TRICARE
 - An employer or union drug plan and you have a letter of **creditable coverage** from employer or union plan



Part D

2021 Coverage Periods

- **Deductible** – 0 to **\$445**
- **Initial Coverage** – after deductible plan pays 75% of drug cost – continues until member and plan have paid **\$4,130** for drugs under the plan
- **Coverage Gap** – from **\$4,130** to **\$9,313.75 = \$5,183.75**
 - During the gap, beneficiary pays **25%** for Generics and **25%** (plus pharm disp fee) for Brand Name
- **Catastrophic Coverage** – begins after beneficiary out-of-pocket spending reaches **\$6,550**
- beneficiary pays greater of 5% of the drug cost or **\$3.70** (generic) and **\$9.20** (brand)



2021 Part D

Prescription Drug Plans

- 32 stand alone plans in California - vary on:
 - deductible
 - **\$0 to \$445 in 2021**
 - monthly premium
 - Lowest: **\$ 7.20 SilverScript SmartRx (new)**
 - Highest: **\$130.40 Blue Shield Rx Enhanced**
 - premium to calculate Late Enrollment Penalty: **\$33.06**
 - income-related premium additions
 - formularies
 - co-payments
 - pharmacy network
 - gap coverage



2021 Part D California Plans

- **3 New Plans in 2021**

	Premium
□ Silver Script Smart Rx	\$ 7.20
□ Elixir Rx Plus	\$15.10
□ Mutual of Omaha Rx Premier	\$24.00

- **1 Consolidated Plan**

Mutual of Omaha Rx Value (\$23.10) has been consolidated with **Rx Plus** (\$51.70) plan - 2021 premium **\$100.00**

2020 **Rx Value** members will be cross-walked to 2021 **Rx Plus**

- **2 Discontinued 2020 Plans**

- **Journey Rx Value** **\$23.70**
- **Journey Rx Standard** **\$29.50**

There are no 2021 plans from this company - current members will be “let go” and will have to enroll in a new 2021 plan



Part D 2021 - Insulin ≤\$35

Nine 2021 Part D plans have adopted the **Part D Senior Savings Model** and will offer some insulin products with a maximum \$35 co-pay for a 30 days' supply.

- ❖ Plans must include at least one **vial** dosage form and one **pen** dosage form, when available as part of the Part D sponsor's formulary, of each of the following insulins:
 - ❖ **rapid-acting, short-acting, intermediate-acting, and long-acting**
- ❖ The \$35 maximum for a 30 days' supply must apply during the **Deductible**, **Initial Coverage**, and **Coverage Gap** levels
 - ❖ in the **Catastrophic** level, the co-pay will be 5% of the retail cost
- ❖ Plans offering 60 and 90 days' supplies cannot exceed the equivalent of \$35 for each 30 days - e.g. co-pay for 60 days = \$70, for 90 days = \$105

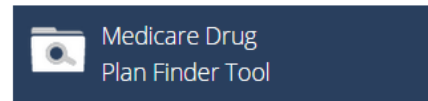
Part D

Choosing a Prescription Drug Plan

- Prescription Drug Plan Finder tool at www.Medicare.gov gives drug plan cost information for stand alone Part D plans and MA-PD plans

- Complete your own online search at Medicare.gov:
 - find and compare all plans in your area
 - enroll in a plan
 - view your current plan

- Have HICAP complete the search for you:
 - www.CentralCoastSeniors.org/hicap
 - complete the simple form online, or
 - mail a paper worksheet to HICAP
 - receive search results of the top 3 plans specific to your medications





Ways to Lower Drug Costs

- Consider Switching to Generic Drugs
- Use of Mail Order pharmacies
- Prescription Discount cards
- Pharmaceutical Assistance Programs
 - **Alliance for Pharmaceutical Access**
 - Offices in Santa Maria, SLO, AG, Solvang and Lompoc
 - Call for location closest to you: (805) 614-2040

**Apply for Extra Help with Part D Costs
Low Income Subsidy**



Low Income Assistance Program

Extra Help with Part D Costs

- Social Security program that provides assistance to Medicare beneficiaries
 - who have countable monthly income below 150% of the Federal Poverty Level: **\$1,595** Individuals - **\$2,155** couples
 - have resources (excluding house & car) that are less than: **\$14,610** for single people and **\$29,160** for couples
- Can help pay costs charged by Part D plan, including premium, deductible and co-pays for covered drugs
 - Apply on-line at **www.ssa.gov**
 - Call Social Security at 1-800-772-1213
 - Call HICAP for assistance at 1-800-434-0222



Medicare Supplemental Policies

Medigap Plans

- If you use Original Medicare Parts A & B you may purchase a Medigap policy, sold by private insurance companies
 - cover some or all out-of-pocket expenses – e.g. Parts A & B deductibles and co-insurances for *approved* Medicare service

Annual Open Enrollment does not apply to Medigap policies

- You can apply for a plan at any time, but companies may require medical underwriting and are not required to accept you except in certain circumstances, including:
 - **If you are just starting Medicare, or are leaving an employer sponsored plan, you have a six month period to purchase a Medigap policy when companies are required to accept you without medical screening**
 - In California, can change plans every year to the same level plan or lower ***without medical underwriting*** from your **birthday plus 60 days**



Medigap Plans

2020

Benefits	Plans Available to All Applicants								Medicare first eligible before 2020 only	
	A	B	D	G*	K**	L**	M	N	C	F*
Medicare Part A coinsurance and hospital costs up to an additional 365 days after Medicare benefits are used up	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Medicare Part B coinsurance or copayment	✓	✓	✓	✓	50%	75%	✓	✓***	✓	✓
Blood (first 3 pints)	✓	✓	✓	✓	50%	75%	✓	✓	✓	✓
Part A hospice care coinsurance or copayment	✓	✓	✓	✓	50%	75%	✓	✓	✓	✓
Skilled nursing facility care coinsurance			✓	✓	50%	75%	✓	✓	✓	✓
Medicare Part A deductible		✓	✓	✓	50%	75%	50%	✓	✓	✓
Medicare Part B deductible									✓	✓
Medicare Part B excess charges				✓						✓
Foreign travel emergency (up to plan limits)			✓	✓			✓	✓	✓	✓
Out-of-pocket limit in 2020**	➔				\$5,880	\$2,940				

* Plans "F and G" also have a **high-deductible option**, which require first paying a plan deductible of **\$2,340 in 2020** before the plan begins to pay. Once the plan deductible and the annual Part B deductible are met, the plan pays 100% of covered services for the rest of the calendar year. High deductible plan G does not cover the Medicare Part B deductible. However, high deductible plans F and G count your payment of the Medicare Part B deductible toward meeting the plan deductible.

** Plans "K and L" pay 100% of covered services for the rest of the calendar year once you meet the out-of-pocket yearly limit

*** Plan "N" pays 100% of the Part B coinsurance, except for a copayment of up to \$20 for some office visits and up to a \$50 copayment for emergency room visits that don't result in inpatient admission



California Department of Insurance

Guide to Medicare Supplements

- List of Medicare Supplement Insurance Companies
- Medicare Supplement Insurance Rates Survey
 - Company-provided Sample Rates on annual basis
 - Dates provided varies by company
 - Search by your age and zip code
- Access at www.insurance.ca.gov
- <http://www.insurance.ca.gov/01-consumers/105-type/95-guides/05-health/03-medsup/>
- Link <http://centralcoastseniors.org/hicap/>

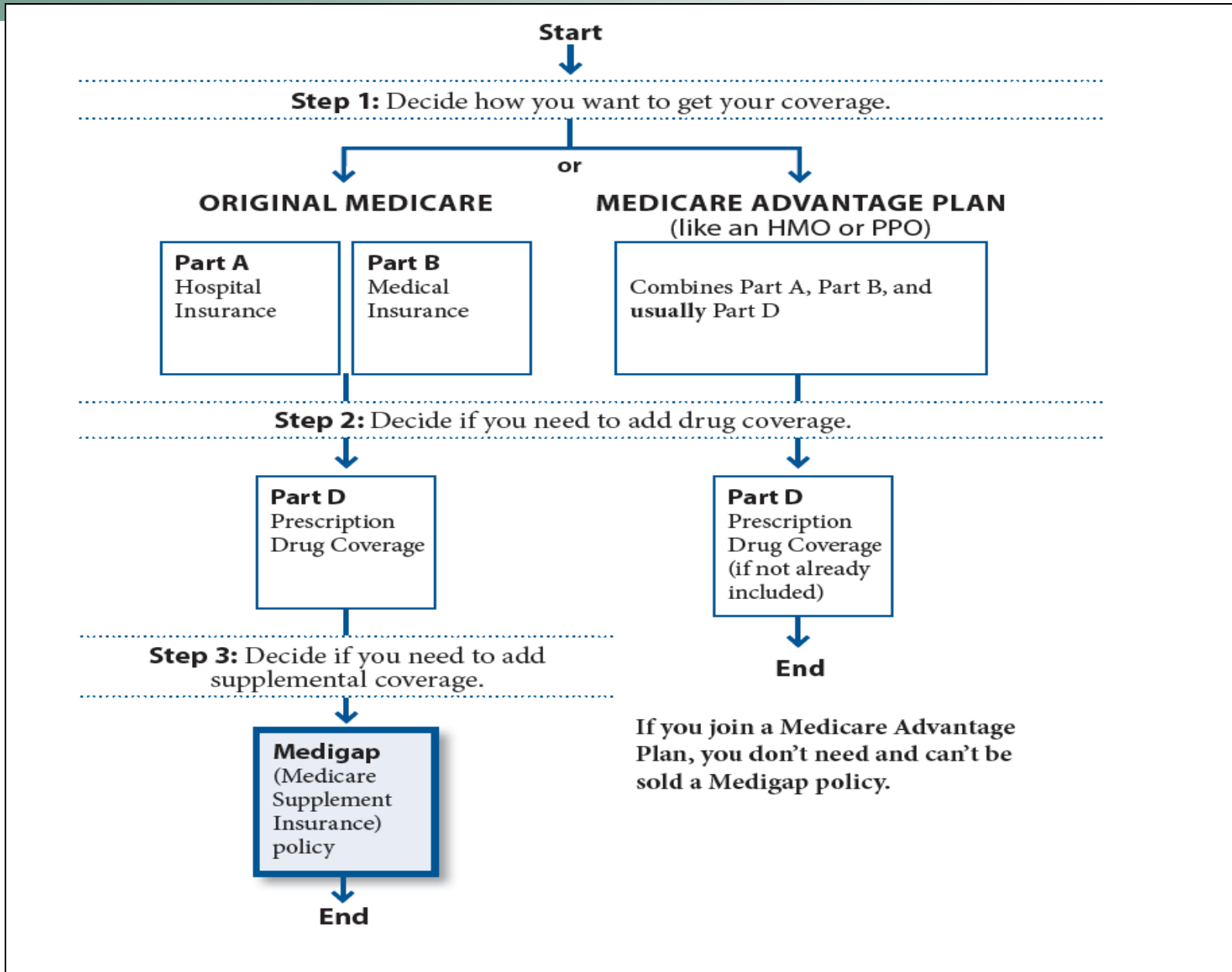


Sample Medigap Monthly Premiums

www.insurance.ca.gov - Rate Survey

Company X Premiums – effective Jan 1, 2020

Medigap	Plan A	Plan G	Hi Ded G
Age 65	\$113	\$144	\$45
Age 70	\$125	\$159	\$49
Age 75	\$164	\$188	\$58
Age 80	\$174	\$219	\$68





Medicare Advantage Plans

- Alternative to fee-for-service delivery of Medicare Part A and Part B benefits - may have monthly premium and co-pays for services
- Must have Medicare Parts A & B to enroll
 - Still pay Part B Premium
- Medicare sponsors MA plans and pays private insurance companies to provide health services to beneficiaries who have enrolled in plans
- Plans are geographic-specific and can change each year
- MA plans with Part D follow the same rules and coverage periods as stand alone Part D plans
- Can include benefits in addition to Medicare covered services
 - [Additional Benefits](#) listed in the following slides are not comprehensive
 - see plan documents for details



2021 Medicare Advantage Plans

San Luis Obispo County

All plans available in entire County

- **AARP Medicare Advantage Secure Horizons HMO - Plan 1 - \$89/mo ***
 - Maximum Out of Pocket Costs **\$6,700**
 - Part D Deductible **\$375** (some drugs) PCP - \$10 Spec - \$20
 - Additional Benefits: Hearing Exam & Aids – Vision & Glasses - Renew
Active Fitness - Optional Dental - \$45

- **AARP Medicare Advantage Secure Horizons HMO - Plan 2 - \$25/mo ***
 - Maximum Out of Pocket Costs \$3,400 PCP - 0 Spec - \$10
 - Part D Deductible \$375 - Additional Benefits as above

- **AARP Medicare Advantage Patriot HMO - \$0 premium NEW**
 - Maximum Out of Pocket Costs **\$4,900 - No Rx coverage**
 - PCP - \$5 Spec - \$10 Part B Premium Reduction up to \$25
 - Additional Benefits as above

* Insulin coverage \leq \$35



2021 Medicare Advantage Plans

San Luis Obispo County

- **Blue Shield 65 Plus HMO - \$0 premium**
 - Maximum Out of Pocket Costs **\$3,000** PCP - \$0 Specialist - \$ 0
 - Additional Benefits: Hearing Exam & Aids, Vision & Glasses
OTC – Silver Sneakers - Telehealth - **Optional Dental** - \$40.50/mo

- **Connected Care HMO (Golden State) - \$0 premium ***
 - Maximum Out of Pocket Costs **\$1,499** PCP - \$0 Specialist - \$ 0
 - Additional Benefits: Hearing Exam & Aids, Vision & Glasses
OTC – Silver Sneakers - Preventive Dental - Telehealth

- **Humana Gold Plus HMO - \$0 premium ***
 - Maximum Out of Pocket Costs **\$5,900** PCP - \$0 Specialist - \$10
 - Additional Benefits: Hearing Exam & Aids – Routine Dental - Vision & Glasses - OTC - Silver Sneakers - **Optional Dental** - \$22.80 or \$29.80/mo

* Insulin coverage ≤ \$35



2021 Medicare Advantage Plans

San Luis Obispo County

Alignment Health Plans - NEW in 2021

■ **AVA HMO - \$0 premium**

- ▶ Maximum Out of Pocket Costs **\$999** PCP - \$35 Specialist - \$35
- ▶ Additional Benefits – Hearing Exam & Aids – Dental -Vision – Fitness – OTC \$100/mo - Chiropractic - Acupuncture - **Part B Rebate \$50**
- Enhanced Dental Option - \$22.72/mo

■ **My Choice HMO - \$0 premium**

- Maximum Out of Pocket Costs **\$1,400** PCP - \$0 Specialist - \$ 0
- Additional Benefits – Vision & Glasses - Hearing Exam & Aids – Dental - Fitness – OTC (\$15/mo) - Transportation
- Enhanced Dental Option - \$22.72/mo



2021 Medicare Advantage Plans

San Luis Obispo County

■ **Cal Plus HMO - \$20.10/mo**

- Maximum Out of Pocket Costs **\$4,900** - Part D Deductible **\$445**
- PCP - \$0 Specialist - \$ 0
- Additional Benefits – Vision & Glasses - Hearing Exam & Aids –Dental - Fitness – OTC (\$100/mo) - Chiropractic - Acupuncture

Alignment Plans Featured Extras	My Choice	AVA	Cal Plus
24/7 CONCIERGE SERVICE	X	X	X
ACCESS ON-DEMAND BLACK CARD	X	X	X
24/7 ACCESS TO CARE	X	X	X
ONLINE MEMBER ACCOUNT	X	X	X
COMPANION CARE - qualified		X	X
GROCERY ALLOWANCE - qualified		X	X
PET SERVICES- qualified	X	X	



2021 Medicare Advantage Plans

San Luis Obispo County

Special Needs Plans

- **Anthem MediBlue ESRD (PPO SNP) - \$31.50 /month**
 - Eligibility - End Stage Renal Disease Requiring Dialysis
 - Part D Deductible **\$130** Maximum Out of Pocket:
 - In network - \$7,550 In and out of network combined - \$11,330

- **Connected Care Select HMO – SNP - \$0 premium ***
 - Eligibility - Chronic Cardiovascular Disorders, Chronic Heart Failure and Diabetes

- **Humana Gold Plus HMO – SNP-DE – \$0 premium**
 - Dual Eligible (Medicare & Medi-Cal) Special Needs Plan

* Insulin coverage \leq \$35



Annual Choices

Changing Plans for 2021

Medicare Open Enrollment Period
October 15 – December 7

- Can join, switch, or drop **Part D** or Medicare Advantage plans
- Enrolling in new plan automatically disenrolls you from old plan effective January 1

this is the time to do a new PDP comparison

- use the Plan Finder on Medicare.gov
- request HICAP to complete a search for you by submitting information online or mailing a paper worksheet to us by November 25



Medicare Advantage Open Enrollment Period

January 1 to March 31, 2021

- If you *are enrolled in an MA plan on January 1*
 - You can switch to another MA plan
 - You can disenroll from your MA plan and return to Original Medicare and if you choose enroll in a Part D plan

- You can only make **one change** during this period, and any change will be effective the first of the month after making the change

- During this period you **cannot**
 - Switch from Original Medicare to an MA Plan
 - Join a Part D Plan if you're in Original Medicare
 - Switch from one PDP to another if you're in Original Medicare



Questions?

- HICAP: 1-800-434-0222 or 805-928-5663
- Senior Connection: 1-800-510-2020
- Medicare: 1-800-633-4227
- Social Security 1-800-772-1213
 - San Luis Obispo: 855-207-4865
 - Santa Maria: 866-331-2316
 - Santa Barbara: 866-695-6285

for further information and upcoming HICAP seminars go to

www.CentralCoastSeniors.org

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To view available “Virtual” presentations and to register to participate in one, go to:

<https://centralcoastseniors.org/blog/hicap-presentation-calendar/>