



# ELDER LAW PRACTICE OF TIMOTHY L. TAKACS

## Life Care Planning Firm

## Medicare 101

Medicare is a federal health insurance program for people who are age 65 or older and certain younger people with disabilities. Unlike Medicaid, there are no income limits to qualify for Medicare.

Medicare covers certain medical services and supplies in hospitals, doctors' offices, and other health care settings. Services are either covered under Medicare Part A (Hospital Insurance) or Medicare Part B (Medical Insurance).

In 2006, Medicare prescription benefits were added and is known as Part D. It is voluntary for anyone who is eligible for Medicare. Except in special situations, individuals who wish to have the drug coverage must choose and enroll in one of the drug plans that contract with Medicare.

There are certain enrollment periods in which a person may sign up for Medicare. The most common time is when a person turns age 65. It is important to know when and if you should enroll in Medicare, because you might have to pay a higher premium for Part B if you do not enroll when you are first eligible. The same is true for Medicare Part D.

If you or your spouse are still working past the age of 65 and covered under an employer group health plan, you might have other options available to you which include postponing your enrollment in Medicare.

Medicare eligibility and enrollment is handled through the Social Security Administration, **1-800-772-1213**, [www.ssa.gov](http://www.ssa.gov).

### **Original Medicare**

**Part A (Hospital Insurance):** Most people do not usually have to pay a premium. It covers hospitalization, home health care, hospice care and limited skilled nursing facility care based on medical necessity. Most services are subject to certain time frames and a deductible per benefit period.

**Part B (Medical Insurance):** Most people have to pay a monthly premium for coverage. It is usually withheld from the participant's Social Security check. The Part B premium is higher for those who have higher incomes. Most Medicare Part B covered services are generally paid at 80 percent. Patients are responsible for the remaining 20 percent ("co-insurance") together with any non-covered services and an annual deductible.

### **Medicare Gaps**

It is important to understand that Medicare was not designed to cover 100% of healthcare. As shown above, there are gaps such as deductibles and co-insurance for which the patient is responsible. For that reason, many people who have original Medicare may also want to purchase a Medicare Supplement policy (known as Medigap.)

Some people might have retiree coverage or VA TriCare for Life which can help pay Medicare's gaps.

Some people might elect to enroll in a Medicare Advantage Plan, instead of having Original Medicare and a supplement.



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### **Medicare Supplement/Medigap**

These plans are designed to cover Medicare gaps. It is important to know that you only get one “Open Enrollment Period” that occurs when you are both age 65 (or older) AND have Medicare Part B. It gives you six months to buy a Medigap policy without being required to pay a higher premium because of a health condition you might have.

There are 10 standard plans available to choose from. The premiums can vary depending on the company who sells the plan. Medicare offers a free, helpful booklet called, “*Choosing a Medigap Policy: A Guide to Health Insurance for People with Medicare.*” You may request it from the Medicare help line, **1-800-MEDICARE (1-800-633-4227)** or through the Medicare web site, [www.medicare.gov](http://www.medicare.gov).

### **Medicare Prescription Benefits (Part D)**

People who do not already have prescription coverage that is equal to or better than Medicare’s (known as “creditable coverage”) should consider joining a Medicare Prescription drug plan. Standard Medicare Supplement plans do NOT offer creditable prescription coverage. Individuals who wish to have the drug coverage must choose and enroll in one of the drug plans that contract with Medicare. Be aware, Medicare does not pay 100 percent of prescription drug costs. There are varying cost-shares for which the member will be responsible, unless in certain situations. For most people, there is also a monthly premium that can be deducted from the member’s Social Security check. There are certain enrollment periods in which a person may join or change their Medicare prescription coverage.

### **Medicare Advantage Plans**

Instead of having Original Medicare and a supplemental insurance policy, people on Medicare may choose to have a Medicare Advantage Plan. These are private health plans that contract with Medicare to provide another way to receive Medicare benefits. The advantage is that they provide more coverage, for less cost, than original Medicare and a supplement combined. In return, members must follow certain rules and may be subject to certain restrictions. Medicare Advantage Plans contract with the federal government on a yearly basis; therefore, the benefits and plans may change each year. Many plans also include Medicare prescription drug coverage.

### **Medicare Assistance for People with Low Income and Limited Resources**

*Medicare Savings Program:* This program offers three tiers of help (called “QMB, SLMB, and QP”) which can help certain people pay their Medicare premiums, deductible and co-insurance. To get more information, contact the QMB Hotline at **1-800-624-5547**, Legal Aid Society at **1-800-238-1443**, the TN State Health Insurance Assistance Program (SHIP) at **1-877-801-0044** or your local Department of Human Services office.

*TennCare CHOICES:* Another public benefit program that can help with Medicare gaps is TennCare CHOICES. This is a Medicaid program that offers options for meeting the long-term care needs of the elderly and adults with physical disabilities whose income and assets are below certain limits. For more information about the CHOICES program, call your local Area Agency on Aging and Disability (AAAD) at **1-866-836-6678**. You can also visit <https://www.tn.gov/tenncare/topic/choices>.



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*Part D Low-Income Subsidy (“Extra Help”):* There is also a Part D low-income subsidy (known as “extra help”) that can help some people with their Medicare Part D out-of-pocket expenses. Certain groups of people automatically qualify but others may apply through Social Security either in person, by phone, **1-800-772-1213** or on-line, [www.ssa.gov](http://www.ssa.gov).

### **Medicare Help Line**

Medicare has a toll-free “help line” open seven days a week, 24 hours a day, **1-800-633-4227 (1-800-MEDICARE)**. Web sites are also available: [www.medicare.gov](http://www.medicare.gov) and [www.mymedicare.gov](http://www.mymedicare.gov).