



# **Basketball, Bluegrass, and Bourbon: A Kentucky Approach to Medicare Basics**

**Michelle List**

**Kentucky Senior Medicare Patrol**

**Presented to the KY Association of Community Health Workers**

# Presentation Objectives

- **To provide an overview of Medicare**
- **Participants will be able to describe the parts of Medicare**
- **Participants will be aware of Medicare resources**



# The SMP mission is...

to empower and assist Medicare beneficiaries, their families, and caregivers

to prevent, detect, and report health care fraud, errors, and abuse

through outreach, counseling, and education.

SMP is a grant funded project of the federal U.S Department of Health and Human Services (HHS), US Administration for Community Living (ACL)



# What do SMPs do?

## SMPs...

### **Educate**

Medicare beneficiaries to prevent, detect, and report health care fraud

### **Preserve**

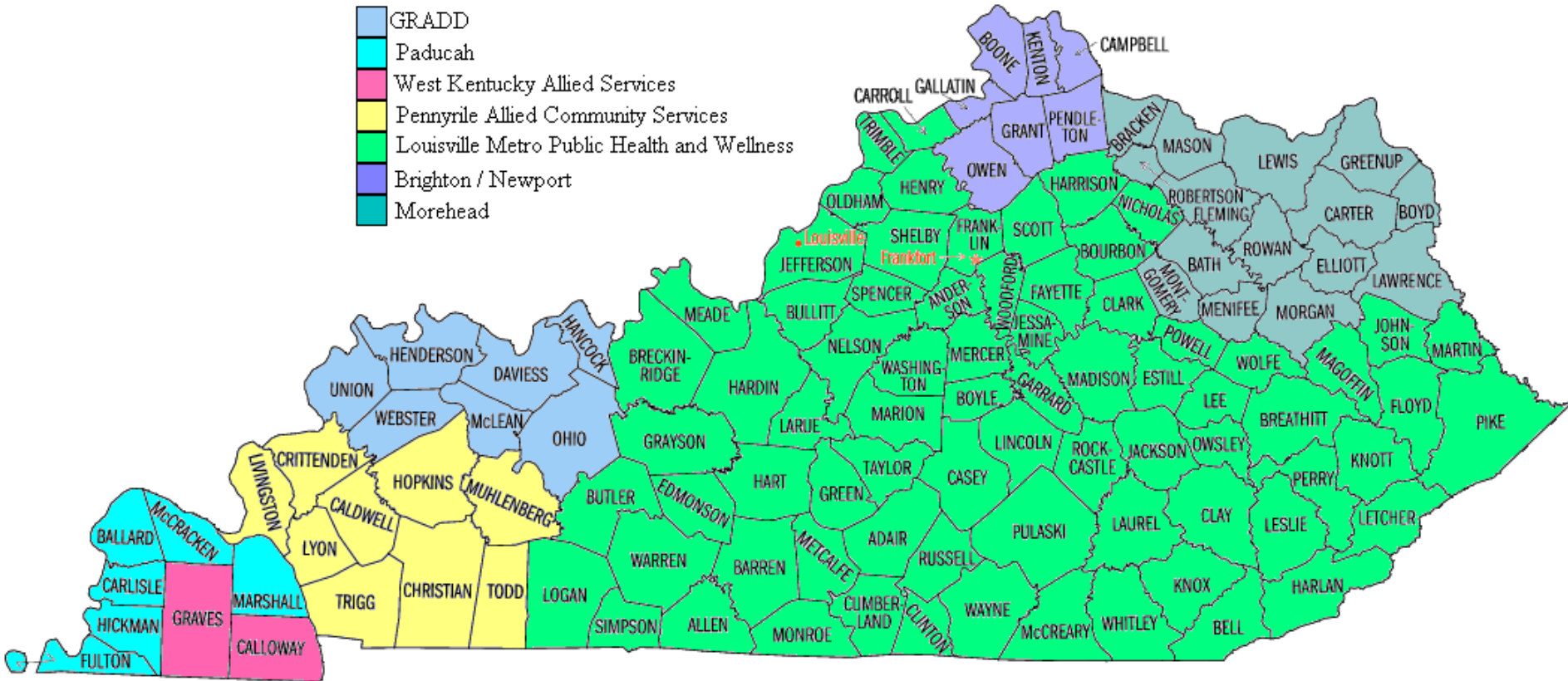
the integrity of the Medicare program

### **Train**

volunteers to facilitate peer-to-peer learning

# Subcontractor Map

- GRADD
- Paducah
- West Kentucky Allied Services
- Pennyriple Allied Community Services
- Louisville Metro Public Health and Wellness
- Brighton / Newport
- Morehead



# Medicare



Program created by Congress in 1965



The federal health insurance program for  
People 65 and older;  
Some people with disabilities under 65



Not designed to pay 100% of all medical bills



In 2013, covered over fifty-two million people

# Medicare in the Bluegrass

- In 2016, Kentucky's 65+ population numbered 691,000
- On average, KY retirees receive about \$1,173 a month from Social Security



# Eligibility for Medicare

## 1) Be a U.S. citizen, *or*

- Be a permanent resident and have lived in the U.S. continuously for 5 consecutive years

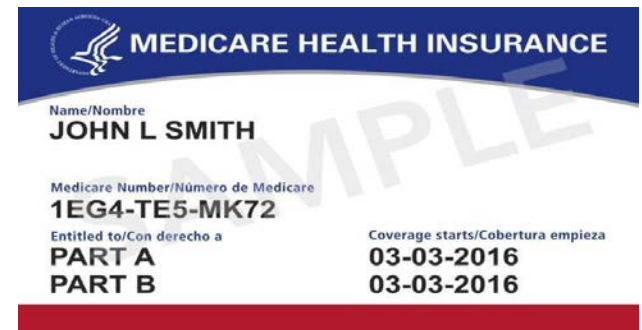
## 2) Be 65 or older, *or*

- Be under 65 but over 18, and receiving Social Security Disability Insurance (SSDI) for at least 24 months
- Be under 65 but over 18, and get SSDI because of a diagnosis of ALS (Lou Gehrig's disease)
- At any age, with End-Stage Renal Disease (ESRD)

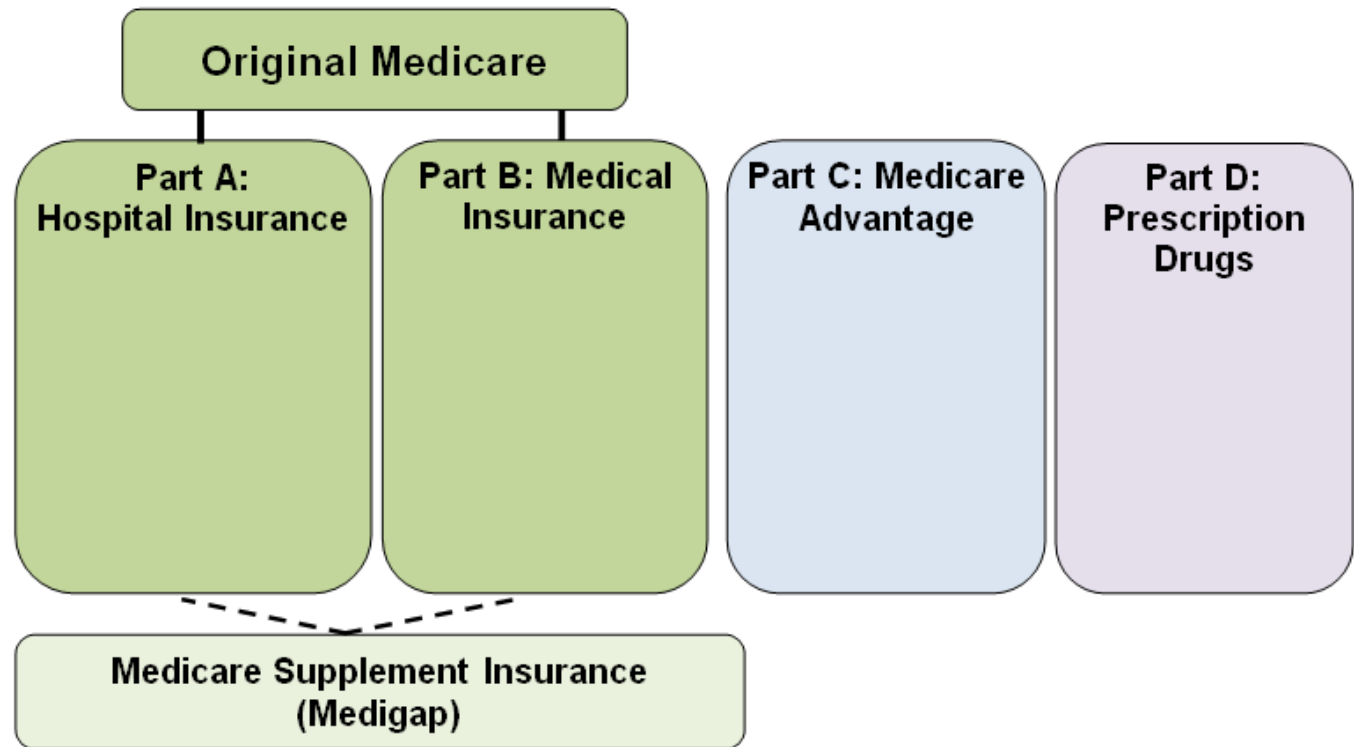


# New Medicare Cards

- New Medicare cards will NOT contain Social Security numbers
- New cards start arriving April 2018 until April 2019
- You do not need to do anything
- New cards are free



# The A, B, C, and D of Medicare



# Part A: Hospital Insurance

## Part A Benefits

- Inpatient Hospital Care
- Skilled Nursing Facility Care
- Home Health Care
- Hospice Care



### 2017 COSTS

**Premium** Free, if you've worked 10 years or more

**Deductible** \$1316 each benefit period

**Coinsurance** \$0 for first 60 days

**SNF Coinsurance** \$0 for first 20 days after a minimum 3 day inpatient hospital stay

# Part B: Medical Insurance

## Part B Benefits

- Doctor services
- Durable medical equipment
- Home health care
- X-rays, lab services
- Outpatient hospital services
- Mental health services
- Most preventive health care services  
("Welcome to Medicare" or yearly "Wellness" visits)



### 2017 COSTS

**Premium** \$134 is the standard premium

**Deductible** \$183 per year

**Coinsurance** 20% of Medicare approved amount for most services Part B covers

# Part B Assignment

## An agreement by a doctor, provider, or supplier

- To be paid directly by Medicare,
- To accept the payment amount Medicare approves for the service, and
- NOT to bill for any more than the Medicare deductible and coinsurance.

### **SMP TIP**

Beneficiaries in Original Medicare should ask before selecting doctors and suppliers if they accept payment from Medicare AND if they accept assignment.

# Medicare Supplement Insurance: Medigap

## Medigap Policies

- Help cover Medicare's "gaps" (out-of-pocket costs)
- Sold by private insurance companies
- Some offer coverage for services that Original Medicare doesn't cover
- 10 types of standardized policies in most states
- Only for beneficiaries in Original Medicare

### **SMP TIP**

Medigap is NOT a Medicare Program.

# Part C: Medicare Advantage

## Medicare Advantage Plans

- Offered by private insurance companies
- Must provide all Medicare Part A and Part B benefits
- Many offer benefits that Original Medicare doesn't cover
- Most also include Medicare Part D prescription drug coverage

## Part D: Prescription Drug

- Run by private insurance companies
- Compare... coverage varies!
- Beneficiaries with Original Medicare and in some types of Medicare Advantage Plans *without* Part D coverage may be eligible

### Costs for 2017

Each Part D plan charges a different premium & deductible

**Premium** average is \$35.63 per month

**Deductible** maximum is \$400 per year



# Medicare Enrollment Periods

- Automatic Enrollment
- Initial Enrollment Period
- General Enrollment Period
- Special Enrollment Period

# Automatic Enrollment

## Individuals will be automatically enrolled in Original Medicare if:

- They have already been receiving retirement benefits from Social Security or the Railroad Retirement Board (RRB) before they turn 65
- They have a disability, are under age 65, and have been receiving Social Security Disability Insurance (SSDI) for at least 24 months

# Initial Enrollment Period (IEP)

## 7 month period surrounding 65th birthday

3 months before birth month

Birthday month

3 months after

- Sign up early to avoid coverage gaps and late enrollment penalties

# Initial Enrollment Period

Part A or Part B Sign up Month	When your coverage starts
First 3 months of IEP	First day of birth month unless birthday is the 1 <sup>st</sup> day of month
Birth month	1 month after
1 month after birth month	2 months after
2 months after birth month	3 months after
3 months	3 months after
GEP (1/1 – 3/31)	July 1

# General Enrollment Period

## For those who did not enroll during the Initial Enrollment Period

- January 1 - March 31 (each year)
- Coverage starts on July 1
- Late enrollment penalties may apply for those who wait a full year beyond their 65th birthday to enroll

# Special Enrollment Period

## For individuals not bound to the IEP or GEP

- Individuals who work past age 65 & covered by employer-provided group health plans
- Original Medicare - coverage starts the month after sign-up
- 8 month period
- Enroll early to avoid a lapse in coverage
- Usually no late premium penalty

# Basketball in the Bluegrass State



# Medicare Fraud, Errors, and Abuse

## Everyone

- **Billions** of taxpayer dollars lost to improper claims
- Medicare trust fund at risk
- Higher premiums

## Medicare Beneficiaries

- Personal financial loss
- Identity Theft
- Quality of treatment





# What is Medicare Fraud?



**Intentionally** billing Medicare for services that were not received or billing for a service at a higher rate than is actually justified

# What Makes a **Bourbon**: A Cheat Sheet

Must be...

- ✓ Made in the United States
- ✓ Contain 51% corn
- ✓ Aged in new oak charred barrels
- ✓ Distilled to no more than 160 proof and entered into the barrel at 125 proof
- ✓ Bottled at no less than 80 proof
- ✓ Must not contain any added flavoring, coloring or other additives

# What is Medicare Abuse?



Providers supply services or products that are **not medically necessary** or that do not meet professional standards



# Resources

- **Medicare**  
[www.medicare.gov](http://www.medicare.gov) or 1-800-Medicare
- **Medicare Made Clear**  
[www.medicaremadeclear.com](http://www.medicaremadeclear.com)
- **SHIP**  
[www.shiptacenter.org](http://www.shiptacenter.org)
- **SMP**  
[www.smpresource.org](http://www.smpresource.org)
- **Social Security Administration**  
[www.ssa.gov](http://www.ssa.gov) or 1-800-772-1213

# References

<http://www.mensjournal.com/food-drink/drinks/what-exactly-is-the-difference-between-bourbon-and-whiskey-20140905>

<https://www.gq.com/story/bourbon-whiskey-family-tree>

<https://www.medicaremadeclear.com/>

**OASDI Beneficiaries by State and County, 2016. Social Security Administration:**

[https://www.ssa.gov/policy/docs/statcomps/oasdi\\_sc/2016/ky.pdf](https://www.ssa.gov/policy/docs/statcomps/oasdi_sc/2016/ky.pdf)

**Senior Medicare Patrol (SMP) National Resource Center. (2014). SMP Foundations Training, Chapter 2 Medicare Basics. [PowerPoint slides].**

