



# CENTRAL VIRGINIA LEGAL AID SOCIETY

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## Medicare

### What is Medicare?

Medicare is a national health insurance program run by the Social Security Administration (SSA). It consists of Part A (Hospital Insurance), Part B (Medical Insurance), and Part D (Prescription Drugs). Part A covers part of the cost of hospitalization, extended care facilities (nursing homes) and home health services (visiting nurses). Part B covers part of medical expenses such as doctor's fees, outpatient treatment and laboratory work. Part D covers part of the cost of prescription drugs.

### Who can get Medicare?

You can get Medicare if one of these is true.

- You are 65 or older and entitled to or receiving Social Security Retirement Benefits or Railroad Retirement Benefits.
- You are 65 or older and not entitled to Social Security Retirement Benefits or Railroad Retirement Benefits, but are willing to pay monthly premiums.
- You have been receiving or been entitled to Social Security Disability Benefits for the past 24 months.

### What does Part A cover?

Medicare Part A helps pay for inpatient care in a hospital or skilled nursing facility (following a hospital stay), some home health care and hospice care. In a hospital, it helps pay for a semiprivate room, meals, general nursing, and other hospital services and supplies. Medicare Part A also pays all of the cost for the first 20 days in a skilled nursing facility, and part of the cost for days 21-100. It pays none of the cost after 100 days.

### What does Part B cover?

Medicare Part B helps pay for doctors' services and many other medical services and supplies that are not covered by hospital insurance. This includes these things.

- Physicians' services.
- Outpatient hospital services.
- X-rays and laboratory tests.
- Certain ambulance services.
- Durable medical equipment, such as wheelchairs and hospital beds, used at home.

- Services of certain specially qualified practitioners who are not physicians.
- Physical and occupational therapy.
- Speech-language pathology services.
- Outpatient mental health care.
- Mammograms and pap smears.
- Home health care if you do not have Part A.
- Blood
- Second surgical opinions.

### **What does Part D cover?**

Medicare Part D helps pay for medications doctors prescribe for treatment. Joining a Medicare prescription drug plan is voluntary. Like other insurance, if you join, you will pay a monthly premium, which varies by plan, and a yearly deductible (no more than \$360.00 in 2016). You will also pay a part of the cost of your prescriptions, including a co-payment or coinsurance. Costs will vary depending on which drug plan you choose. Some plans may offer more coverage and additional drugs for a higher monthly premium. If you have limited income and resources, and you qualify for extra help, you may not have to pay a premium or deductible.

You can get more information about Medicare Part D Prescription Drug Plans by contacting the Virginia Insurance Counseling Assistance Project (VICAP) at 804-662-9333 or toll-free at 1-800-552-3402.

### **What are the costs to get Medicare?**

Medicare recipients may have to pay these expenses.

1. Monthly premiums. These are amounts paid each month to be insured under Medicare Part B and Part D (and under Medicare Part A, if not automatically eligible). Under Part B, the premium in 2016 is \$121.90 per month. Under Part D, the premium varies by plan and the drugs you take, and ranges between about \$20.00 and about \$60.00 per month.

2. Deductibles. These are amounts before Medicare will pay anything. Under Part A, the deductible is an amount during each spell of illness. In 2016, it is \$1,288.00 per spell of illness. Under Part B, the deductible is an amount during each year. In 2016, this is \$166.00 per year. Under Part D, the deductible varies by plan and in 2016 can be no more than \$360.00 per year.

3. Coinsurance. These are amounts paid in the following cases:

- If insured under Part A, there is a charge each day after 60 days in a hospital, and after 20 days in a skilled nursing home.
- If insured under Part B, you must pay 20 percent of approved charges for doctors and covered services, as well as allowable excess charges.
- If insured under Part D, most prescription drug plans have a coverage gap (also called the “donut hole.”) This means there’s a temporary limit on what the drug plan will cover for drugs. Not everyone will enter the coverage gap. In 2016, the coverage gap begins after you and your drug plan have spent \$3,310 on covered drugs. Once you reach the coverage gap,

you'll pay 45% of the plan's cost for covered brand-name prescription drugs and 58% for generic drugs.

Once you've spent \$4,850 out-of-pocket in 2016, you're out of the coverage gap and you automatically get "catastrophic coverage." It assures you only pay a small coinsurance amount or copayment for covered drugs for the rest of the year. (Low-income recipients may get additional help with all these costs.)

4. Allowable excess charges. These are amounts which remain unpaid after you pay any deductible and coinsurance and Medicare pays its share. This happens if the amount billed for health care services is more than the approved charge set by Medicare for the services.

### **What type of help is available for low income people to pay Medicare costs?**

If you cannot afford to pay your Medicare premiums, deductibles, co-payments and other medical costs, you may be able to get help from your state. Virginia offers programs for people who are entitled to Medicare and have low income. The programs may pay some or all of Medicare's premiums and also may pay Medicare deductibles and coinsurance. To qualify, you must have Part A (hospital insurance), a limited income, and your resources must not be more than \$4,000 for a single person or \$6,000 for a couple.

Only your state can decide if you qualify for help under these programs. To find out, contact your city or county's Department of Social Services.

### **What is not covered under Medicare?**

Medicare will not pay for eyeglasses or eye exams, hearing aids or exams, dentures or dental work, orthopedic shoes or routine foot care, immunizations, medical equipment needed for comfort, custodial care, and expendable medical equipment.

### **How do I apply for Medicare?**

If you are already getting Social Security retirement or disability benefits or railroad retirement checks, you will be contacted a few months before you become eligible for Medicare and given the information you need. You will be enrolled in Medicare Parts A and B automatically. However, because you must pay a premium for Part B coverage, you have the option of turning it down. If you are not already getting retirement benefits, you should contact the Social Security Administration about three months before your 65<sup>th</sup> birthday to sign up for Medicare. You can sign up for Medicare even if you do not plan to retire at age 65.

### **How do I appeal a Medicare decision I disagree with?**

If you disagree with a decision made on Medicare by the Social Security Administration or by your insurance company, you can file a written appeal within 60 days of the decision.