



UNIVERSITY of MARYLAND
HEALTH ADVANTAGE
Your Local Medicare Advantage Health Plan

Medicare in Maryland

Navigating Medicare and Understanding Your Options



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UNIVERSITY of MARYLAND
HEALTH ADVANTAGE
*Your Local **Medicare Advantage** Health Plan*

We, at the University of Maryland Health Advantage (HMO and HMO SNP), know the difficulties of navigating the Medicare system. At this chapter in your life, you've probably established a set of standards associated with your healthcare and expect your Medicare transition to be as seamless as possible.

This book is dedicated to you, the Medicare shopper. The information found here will arm you with everything you need to navigate through the sometimes overwhelming Medicare system. The more you know, the better informed you will be to choose a Medicare plan that is perfect for you.

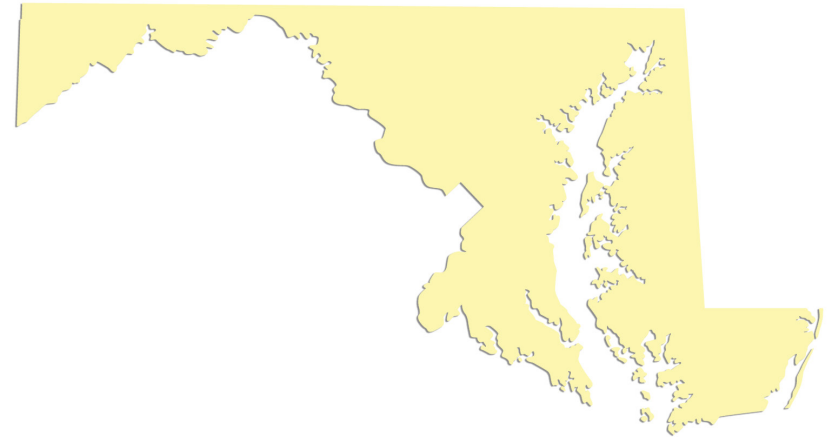
Medicare: A Brief History

The Medicare program started in 1965 after a national study showed that more than half of Americans over the age of 65 were not covered by health insurance. Once the program was in place and coverage took effect, seniors ages 65 years and older were enrolled. In 1972, a law was passed to include individuals under the age of 65 who have long-term disabilities or End-Stage Renal Disease (ESRD). Today, those receiving Social Security disability or a disability pension from the Railroad Retirement Board, in addition to those already eligible, can take advantage of the Medicare program.

There are currently over 55 million¹ people in the United States enrolled in Medicare. About 1 million² of those are from Maryland. The Medicare program is managed by the Centers for Medicare and Medicaid (CMS).



In the **United States**, there are approximately **37.7 million¹** people enrolled in **Original Medicare** (Part A and Part B) and about **19.9 million¹** people enrolled in a **Medicare Advantage** plan (Part C).



In the State of **Maryland**, there are approximately **882,104²** people enrolled in **Original Medicare** (Part A and Part B) and about **109,293²** people enrolled in a **Medicare Advantage** plan (Part C).

¹ Source - Centers for Medicare and Medicaid Services (CMS), CMS Program statistics accessed March 2016.

² Source - CMS.gov, accessed May 8, 2017.

The Four Parts of Medicare

Part A - Hospital Insurance



- Inpatient hospital care
- Skilled Nursing Facility (SNF) care after a hospital stay
- Home health expenses
- Hospice care

Part B - Medical Insurance



- Services from doctors and other health care providers
- Outpatient care
- Home health care
- Durable Medical Equipment (DME)
- Some preventive services

Part C - Medicare Advantage



- All benefits from Medicare Part A and Part B
- May offer prescription drug coverage (Part D)
- May include extra benefits like:
 - Dental
 - Transportation
 - Vision
 - Over-the-Counter (OTC)
 - Hearing
 - Wellness
 - Meals after hospital/SNF stay
- May offer a Maximum Out-of-Pocket limit (MOOP)
- Cannot be used with a Medigap Plan, also known as a Medicare Supplement

Part D - Prescription Drugs



- Helps cover the cost for prescription drugs
- Available to people who are enrolled in Medicare Part A, or Part A and Part B
- May lower your prescription drug cost and may protect against future higher costs

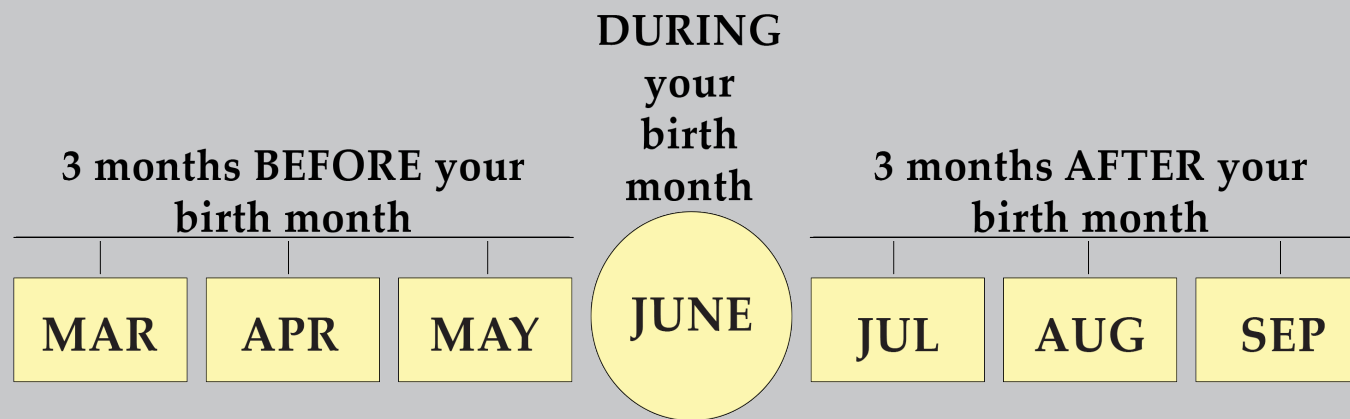
Original Medicare

“Original Medicare” consists of Part A and Part B and is a federal government-provided program. Those who qualify for Original Medicare are:

- People who are 65 or older
- People under 65 with specific disabilities who are receiving Social Security Disability or Railroad Retirement Board disability benefits (RRB)
- People with End Stage Renal Disease (ESRD)
- People who have Lou Gehrig’s Disease (Amyotrophic Lateral Sclerosis [ALS])

If you are automatically enrolled in Medicare Part A and Part B because you are receiving Social Security or Railroad Retirement benefits, you will receive a red, white, and blue Medicare card in the mail three months before your 65th birthday during the Initial Enrollment Period (IEP). If you are not eligible to be automatically enrolled, you will have to apply for Medicare Part A and Part B.

Initial Enrollment Period



Medicare Part A Explained

Part A - Hospital Insurance

- Inpatient hospital care
- Skilled Nursing Facility (SNF) care after a hospital stay
- Home health expenses
- Hospice care



Part A Deductible and Coinsurance

Inpatient Hospital Stay	
Length of Stay	What You Pay
Days 1 - 60 per benefit period	\$0 coinsurance \$1,316 deductible
Days 61 - 90 per benefit period	\$329 coinsurance per day
Days 91 and beyond coinsurance per each lifetime reserve day after day 90 for each benefit period (up to 60 days over your lifetime)	\$658 coinsurance per day
Skilled Nursing Facility	
Length of Stay	What You Pay
Days 1 - 20 per benefit period	\$0 coinsurance
Days 21 - 100 per benefit period	\$164.50 coinsurance per day
Days 101 and beyond	All costs of stay

* Credit requirements vary for those who are disabled, dependent, born before 1929, and those who are in jobs such as domestic work, farm work, work for a church, and those who are in the military and/or self-employed.

Most people are automatically enrolled in Medicare Part A once they turn 65 because they already receive or are eligible for (but have not filed yet) Social Security or Railroad Retirement Board benefits; or, if the person or their spouse had Medicare-covered government employment.

Premiums are based on the amount of credits (quarters) you earned during the time you or your spouse worked*. You can receive one credit per quarter, up to four credits per year. Typically, you must have at least 40 credits to receive Part A for free; however, you are also eligible for a premium-free Part A if you are under 65 and received Social Security or Railroad Retirement Board disability benefits for 24 months or you have End-Stage Renal Disease and meet certain requirements.

If you don't meet the 40-credit requirement for premium-free Part A, you will have to pay the premium which is based on how many credits you do have, if any.

If you are eligible for Part A but do not receive it for free and do not buy it, your monthly premium could go up 10 percent. You must pay this higher premium for twice the amount of time you should have had it but didn't pay.

Medicare Part B Explained

Part B - Medical Insurance

- Services from doctors and other health care providers
- Outpatient care
- Home health care
- Durable Medical Equipment (DME)
- Some preventive services



Scenario 1: Mrs. Sally is 67 years old. On her 65th birthday, she was not eligible to receive free Medicare Part B and did not purchase it. Two years later, Mrs. Sally made the decision to purchase Medicare Part B. As Mrs. Sally took two years to purchase her monthly Part B Medicare benefits, her premium will go up 10% for each full 12-month period that she did not have Medicare Part B. Mrs. Sally will pay a higher premium as long as she has Medicare Part B. If Mrs. Sally qualifies for a Special Enrollment Period (SEP), she will not have to pay the penalty.

To read more about Special Election Period (SEP), please turn to page 12.

Just like Medicare Part A, most people are automatically enrolled in Medicare Part B once they turn 65 because they already receive Social Security or Railroad Retirement benefits. If you are not eligible to receive premium-free Part A, you can buy Part B without having Part A.

Unlike Medicare Part A, there is no option to receive premium-free Part B (unless you are eligible for state assistance in which the state will cover your Part B premium). The premium amount is based on your level of income; however, most people will pay the standard rate.

The Part B standard premium and the deductible are announced together. Both may increase year to year. After your deductible is met, you will pay 20 percent for most doctor services while Medicare pays the additional 80 percent.

You always have the option to opt out of purchasing Part B. But if you are eligible and you opt out of Part B without being covered under group insurance through you or your spouse's employment, you will face a premium increase. You will pay this penalty as long as you have Part B and your premium could increase 10 percent for each year you could have had Part B but didn't.

Medicare Part C Explained

Part C - Medicare Advantage



- All Benefits from Medicare Part A and Part B
- May offer prescription drug coverage (Part D)
- May include extra benefits like:
 - Dental
 - Transportation
 - Vision
 - Over-the-Counter (OTC)
 - Hearing
 - Wellness
 - Meals after hospital/SNF stay
- May offer a Maximum Out-of-Pocket limit (MOOP)
- Cannot be used with a Medigap Plan, also known as a Medicare Supplement

Common Medicare Advantage Plan Options

HMO	Health Maintenance Organization. You will only be covered if seen by an in-network doctor or other health care provider or hospital. Some plans require a referral to see a specialist.
PPO	Preferred Provider Organization. You will be covered in or out of network. If you are seen out of network, you'll pay more of the cost. You'll most likely not need a referral to see a specialist.
PFFS	Private Fee For Service. Plans cover you based on their determination of payment to the provider, and your copayment. There is no network and you are able to see any health care provider of your choice.
SNP	Special Needs Plan. A type of Medicare Advantage plan which limits membership to those with special needs. Typically, SNPs have a network of providers. All SNPs must include a prescription drug plan

Medicare Part C is a privatized service. This means private insurance companies can provide Medicare health coverage with their own costs and additional benefits. All Part C plans must cover the same benefits as Original Medicare. You're typically eligible for a Medicare Advantage plan if:

- you live in the plan's service area you wish to join
- you have Medicare Part A and Part B
- you do not have End-Stage Renal Disease (ESRD)

Each private insurance company offering Medicare Advantage can decide the cost of their premium. Beneficiaries must continue to pay the Medicare Part B premium in addition to the Part C premium set by the insurance company.

Unless you become eligible to enroll during a Special Election Period (SEP) (see page 12) you are only able to change plans from October 15th to December 7th each year. When you shop for your Part C plan, make sure to compare plans and choose the one that fits your needs and your budget.

Medicare Part D Explained

Part D - Prescription Drugs

- Helps cover the cost for prescription drugs
- Available to people who are enrolled in Medicare Part A, or Part A and Part B
- May lower your prescription drug cost and may protect against future higher costs



Example 1: The late enrollment penalty is an amount added to your Medicare Part D monthly premium. You may owe a late enrollment penalty if you did not enroll in a Medicare Advantage Prescription Drug Plan when you were initially eligible during your Initial Enrollment Period. Or, you have gone without creditable prescription drug coverage for any continuous period of 63 days or more after your Initial Enrollment Period was over.

If you qualify for “Extra Help,” you do not pay the late enrollment penalty.

Like Medicare Part C, Medicare Part D is also a privatized service which covers outpatient prescription drugs. This also means you are not automatically enrolled like Parts A and B therefore you must purchase a Part D plan separately. Some Medicare Advantage plans include a prescription drug coverage benefit.

In order to be able to purchase a Part D plan, you must have either Part A and Part B, or Part C. While you have Part D, you will be paying your Part B premium and your Part D premium unless it's included in your Part C plan.

You should take advantage of signing up for Part D or Part C with a prescription drug plan during your Initial Enrollment Period (explained on page 12) to avoid a late enrollment penalty. Penalties are charged if you are without prescription drug coverage for a continuous period of 63 days or more after your Initial Enrollment Period is over. The cost of the penalty depends on how long you went without prescription drug coverage. Keep in mind the penalty stays with you from plan to plan until you pay it.

Coverage Gap Example

Once you reach your plan's initial coverage limit, you will enter the "Coverage Gap." Here, you will pay a percentage of the total cost of the drug. The amount you pay will be put toward your payment goal to get out of the Coverage Gap.

**\$400
Annual
Deductible**

**\$3,700
Initial
Coverage**

**\$4,950
Coverage
Gap**

**\$3.30 generic
\$8.25 all other drugs
Catastrophic Coverage**

The amount which goes towards the Coverage Gap payment is based on if you are spending on brand name or generic drugs. Once you reach the end of the Coverage Gap, or "Out-of-Pocket limit," you will pay a lowered copayment for your medication.

Medicare Supplement Insurance

Also known as "Medigap"

A Medicare Supplement (Medigap) policy is a plan sold by a private company that can help pay some of the health care costs that are not covered by Original Medicare. In short, you are paying a Medigap premium, to pay less in deductibles and copayments from Original Medicare.

In order to purchase a Medigap plan, you must have Medicare Part A and Part B. You cannot use the policy if you are also enrolled in a Medicare Advantage plan. While you are paying your Medigap premium, you will also be paying your Part B premium.

Currently, there are 10 Medigap policies, each offering a different set of benefits. The policies are listed alphabetically: A, B, C, D, F, G, K, L, M, and N. This is to ensure that all Medigap plans under the same policy letter must offer the same benefits even though they may vary in cost.

Coverage of each Medigap plan

	A	B	C	D	F *	G	K	L	M	N
Part A coinsurance and hospital costs up to 365 days after Medicare benefits are used	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Covered Part B copayment or coinsurance	✓	✓	✓	✓	✓	✓	50%	75%	✓	***
First three pints of blood	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Part A hospice care coinsurance or copayment	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Skilled Nursing Facility care	X	X	✓	✓	✓	✓	50%	75%	✓	✓
Part A deductible	X	✓	✓	✓	✓	✓	50%	75%	50%	✓
Part B deductible	X	X	✓	X	✓	X	X	X	X	X
Part B excess charge	X	X	X	X	✓	✓	X	X	X	X
Foreign travel exchange (up to plan limits)	X	X	80%	80%	80%	80%	X	X	80%	80%
Out-of-pocket limit **	N/A	N/A	N/A	N/A	N/A	N/A	\$5,120	\$2,560	N/A	N/A

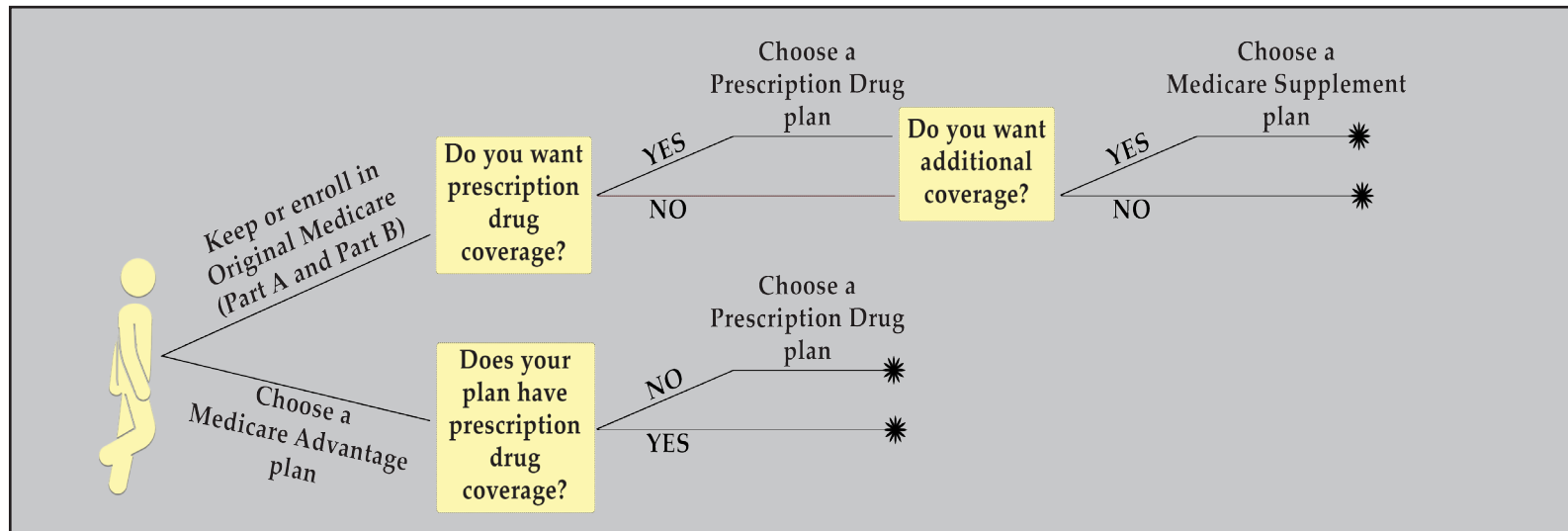
* Plan F also offers a high-deductible plan. If you choose this option, this means you must pay for Medicare covered costs up to the deductible amount of \$2,200 in 2017 before your Medigap plan pays anything.

** After you meet your out-of-pocket yearly limit and your yearly Part B deductible, the Medigap plan pays 100% of covered services for the rest of the calendar year.

*** 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.

The Right Health Care Coverage For You

Choosing the right Medicare coverage for you is an important decision. The two main ways to get coverage are through Original Medicare (Part A and Part B) or Medicare Advantage (Part C). Once you've decided which of those best fits your needs, you can decide on a Prescription Drug plan (Part D) if you choose to have one or if your Medicare Advantage plan doesn't offer prescription drug coverage.



If you decide to go with a Medicare Advantage plan or a Prescription Drug plan, you will want to ask yourself some questions to help you choose the best plan to fit your needs.

- How much can I afford to pay each month?
- Do my current doctors accept the plan I am considering?
- Am I willing to change a doctor that will accept my new insurance if my current doctors do not?
- Are the network providers, hospitals, and pharmacies easily accessible to me?
- Do I qualify for Low Income Subsidy (LIS), Senior Prescription Drug Assistance Program (SPDAP), or Medicaid?

Enrolling or Changing Coverage

Annual Enrollment and Special Enrollment

There are specific periods when you are able to enroll, change, or drop your Medicare coverage each with their own set of requirements. The most popular periods are Annual Enrollment Period (AEP), Special Enrollment Period (SEP), Medigap Open Enrollment Period (OEP), and Medicare Advantage Disenrollment Period.

Annual Enrollment Period

October 15th to December 7th

- Change from Original Medicare to Medicare Advantage or vice versa
- Switch from one Medicare Advantage plan to another
- Join a Medicare Prescription Drug plan or switch your plans
- Drop your Prescription Drug plan

Initial Enrollment Period (graphic on page 4)

Based on your birthday

- Begins three months before your 65th birthday
- Includes the month of your 65th birthday
- Ends the last day of the month, three months after your 65th birthday

Special Enrollment Period

Anytime qualifications are met. Some examples include, but are not limited to:

- You recently moved to a new address that is not in your current plan's service area
- You recently left coverage from your employer or union
- You recently disenrolled from a Medicare Part D plan and are looking to enroll in creditable coverage (TriCare or VA Benefits)
- You are eligible for both Medicare and Medicaid
- You are enrolled in a Senior Prescription Drug Assistance Program (SPDAP) or lose SPDAP
- You qualify for Extra Help paying for Medicare prescription drug coverage
- You recently received a notice stating you have been approved by Medicare for a "retroactive" date
- You recently dropped your coverage in a Program of All-Inclusive Care for the Elderly (PACE Plan)

Medigap Open Enrollment and Medicare Advantage Disenrollment

Medigap Open Enrollment Period

Six months from the 1st of the month you turn 65

- The six-month period starting the first day of the month you turn 65 or older and are enrolled in Part B
- If you miss this opportunity, your option to enroll in a Medigap plan may be limited and may cost more
- You cannot be completely denied Medigap coverage unless you have a preexisting condition and miss your Medigap Open Enrollment Period

Medicare Advantage Disenrollment Period

January 1st to February 14th

- Disenroll from your Medicare Advantage plan and go back to Original Medicare
- Enroll in a new Prescription Drug plan (Part D) if you no longer have Part D due to the disenrollment from your Part C plan

Example 2: Medigap policies can't work with Medicare Advantage plans. If you have a Medigap policy and join a Medicare Advantage plan (Part C), you may want to drop your Medigap policy. Your Medigap policy can't be used to pay your Medicare Advantage plan copayments, deductibles, and premiums.

If you want to cancel your Medigap policy, contact your insurance company. If you leave the Medicare Advantage plan, you might not be able to get the same, or in some cases, any Medigap policy back unless you have a "trial right."

If you have a Medicare Advantage plan, it's illegal for anyone to sell you a Medigap policy unless you're switching back to Original Medicare. Contact your State Insurance Department if this happens to you.

Scenario 2: Mr. Davis purchased a Medicare Advantage plan November 20th during the Medicare Open Enrollment Period. After looking over his plan, he realizes it does not offer the benefits he needs. On January 25th, Mr. Davis disenrolls from the Medicare Advantage plan he is unhappy with and goes back to Original Medicare.

Important Medicare Information for Maryland Residents Who are Enrolled in a Medicare Advantage Plan

- Your Medicare Advantage plan's MOOP or Maximum Out-of-Pocket limit is the total amount you will spend this year on copayments and coinsurance for covered or eligible medical services. So, when you have reached your annual MOOP limit, your Medicare Advantage plan's eligible medical services are covered for the remainder of the year at no cost to you.
- You should confirm if you qualify for state subsidy programs. State subsidy programs can reduce your premiums such as:
 - Senior Prescription Drug Assistance Program (SPDAP)
Website: www.marylandspdap.com
 - Low-Income Subsidy
Website: www.cms.gov
- Be sure to verify the plan options within your service area. You will need to confirm your plan network such as:
 - Affiliated provider network
 - Non-affiliated provider network
 - Both affiliated and non-affiliated provider network
- When you look at your plan options, make sure to confirm the following:
 - Your *Primary Care Physician (PCP)*, *specialists*, and your *hospital* are in-network
 - What is the cost for your deductible, MOOP, and copayment/coinsurance
 - Your medication is in the plan's formulary
 - Does your Medicare Advantage plan offer additional benefits and if there are any additional costs



For more information about our plan:
University of Maryland Health Advantage

1-844-331-6334 (TTY: 711)

8 am to 8 pm ET, Monday through Friday, February 15 - September 30
8 am to 8 pm ET, 7 days a week, October 1 - February 14

UMMedicareAdvantage.org

For more information about Medicare:
U.S. Centers for Medicare and Medicaid Services

CMS.gov

Medicare.gov

1-800-MEDICARE

1-800-633-4227

(TTY: 1-877-486-2048)

This pamphlet reflects the 2017 Medicare Plan Benefit Year

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