



State of Illinois
Illinois Department on Aging



ship state health insurance
assistance programs
NATIONAL NETWORK


LOCAL HELP FOR PEOPLE WITH MEDICARE

Senior Health Insurance Program (SHIP)

www.illinois.gov/aging/ship
800-252-8966
Aging.SHIP@illinois.gov

Dave Lecik
david.lecik@illinois.gov


1



ship state health insurance
assistance programs
NATIONAL NETWORK

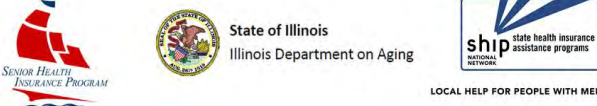
LOCAL HELP FOR PEOPLE WITH MEDICARE

What is SHIP?



SENIOR HEALTH
INSURANCE PROGRAM

2




State of Illinois
Illinois Department on Aging

ship state health insurance assistance programs
NATIONAL NETWORK
LOCAL HELP FOR PEOPLE WITH MEDICARE

- **SHIP was created by Congress** in 1988 to provide assistance to Medicare-eligible individuals, their families and caregivers.
- **The SHIP mission** is to empower, educate, and assist Medicare-eligible individuals, their families, and caregivers through objective outreach, counseling, and training, to make informed health insurance decisions that optimize access to care and benefits.
- **Funding for SHIPs** is via a grant from the U.S. Department of Health & Human Services, Administration for Community Living (ACL).
 - ACL provides SHIP funding to enhance the SHIP program through counselor development, training activities, outreach efforts and partnership building so that the states Medicare Beneficiaries are served.
- **Funds are used** to support locally accessible counseling services.

Reference: Administration for Community Living (ACL)


3




State of Illinois
Illinois Department on Aging

- The **Department on Aging, Senior Help Line (SHL)** maintains a toll-free line to provide beneficiaries easy access to information and assistance each business day.
- The phone line is staffed from 8:30 AM until 5:00PM, Monday through Friday, by staff trained in Medicare basics.
 - More complex issues are referred to a SHIP site for one-on-one counseling or to SHIP staff.
 - SHIP can be reached by calling 1-800-252-8966.
- SHIP reaches out to Medicare beneficiaries and potential sponsor organizations by participating in health fairs, senior fairs, aging conferences and numerous presentations to citizens groups throughout Illinois.

4




State of Illinois
Illinois Department on Aging




- The Illinois SHIP has over *370 offices* throughout the state, staffed by approximately *1150 counselors*.
- SHIP provides counselors with an initial four-day training and a national certification, as well as continuing education meetings, yearly conferences, and ongoing support of SHIP counselors.
- All SHIP offices are supported by local sponsoring organizations that offer services to seniors.
 - **Examples** of sponsoring organizations would include Senior Centers, hospitals, Townships, Centers for Independent Living (CILs), Retirement Senior Volunteer Programs (RSVP) offices, and City and County senior service organizations.
- The sponsoring organization, offering services to Medicare beneficiaries, provides a program coordinator, office space and office support services.

5



State of Illinois
Illinois Department on Aging



- **The SHIP Coordinator** is ordinarily a staff person from the sponsoring organization who is responsible for the administrative aspects of the SHIP program at the local level.
 - These duties would include publicizing SHIP services, reporting to the Department on Aging/SHIP, developing internal scheduling policies and responding to counselors needs. Many times the SHIP coordinator also serves as a counselor.
- **SHIP counselors** form the backbone of the SHIP program.
 - Counselors meet with clients, individually, to provide objective information about various forms of health insurance, advocacy assistance, or referral if appropriate.
 - Counselors are trained in Medicare, Medicare supplement insurance, Medicare managed care options, Long Term Care (nursing home) insurance, as well as claims filing and the appeals process.

6



LOCAL HELP FOR PEOPLE WITH MEDICARE



LOCAL HELP FOR PEOPLE WITH MEDICARE

All States & Territories Medicare Beneficiaries Served by SHIPs

Nationally: Medicare Beneficiary Client Contacts by SHIP Counselors

- 2016 = 3,167,831

Nationally: Public and Media Events for Medicare Beneficiaries

- 2016 = 97,666



Reference: SHIP National Performance Reporting (NPR) System

7

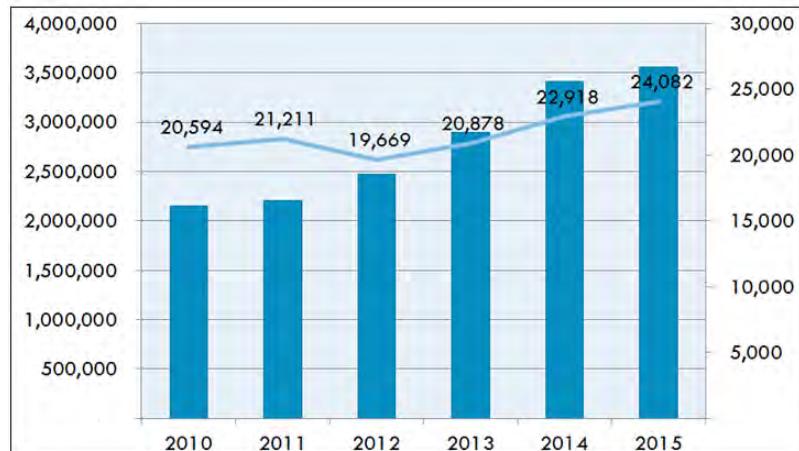


LOCAL HELP FOR PEOPLE WITH MEDICARE



LOCAL HELP FOR PEOPLE WITH MEDICARE

Nationally: Number of Client Contacts & Counselors is increasing



Reference: Administration for Community Living (ACL)

8



ILLINOIS

Beneficiary Contacts by SHIP Counselors

Illinois: Medicare Beneficiary Client Contacts by SHIP Counselors

- 2016 = 111,458
- 2015 = 92,798
- 2014 = 82,247

Illinois: Public and Media Events for Medicare Beneficiaries

- 2016 = 2,036
- 2015 = 1,744
- 2014 = 1,591

Reference: SHIP National Performance Reporting (NPR) System

9



State of Illinois
Illinois Department on Aging



Where to Find us

- Web: <https://www.illinois.gov/aging/ship>
- Phone: [1-800-252-8966](tel:1-800-252-8966)
- Email: Aging.SHIP@illinois.gov

Contact us anytime you have questions regarding
Medicare

10



Medicare -The Beginning

- Medicare enacted in 1965
- Implemented in 1966
- Enrollment:

1966	2017
Less than 19 million	58.4 million



President Johnson signs Medicare into law. President and Mrs. Truman receive the first Medicare cards.

The Centers for Medicare & Medicaid Services (CMS) administers the health coverage benefits

Reference: Centers for Medicare & Medicaid Services (CMS)

11

Medicare Enrollment

Age 65 and Over vs. People with Disabilities

Medicare Enrollment

(person-years in millions)

	2015	2016	2017
Aged 65 and Over	46.0	47.7	49.3
Disabled	9.0	9.0	9.0
Total Beneficiaries	55.0	56.7	58.4

Source: CMS office of the Actuary estimates.

Note: Numbers may not add due to rounding.



12



Medicare Health Benefits are Managed by the Centers for Medicare & Medicaid Services (CMS)

CMS Mission

As an effective steward of public funds, CMS is committed to strengthening and modernizing the nation's health care system to provide access to high quality care and improved health at lower cost.

CMS Vision

A high quality health care system that ensures better care, access to coverage and improved health.

Medicare Funding

Funded By	Through	To Finance
FICA taxes	Medicare Trust Funds	Medicare benefits
Medicare premiums		Quality Improvement Organizations
Investment interest		Medicare Integrity Program
Federal taxes		Program Management

Reference: Centers for Medicare & Medicaid Services (CMS) 13

Medicare is a health insurance program for:

- People 65 and older
- Certain people under 65 with disabilities
- People of all ages with End-Stage Renal Disease (ESRD)
- People with ALS (Lou Gehrig's disease)



- Are a U.S. Citizen; or
- Legal Resident with 5 years of continuous residence.

MEDICARE		HEALTH INSURANCE	
1-800-MEDICARE (1-800-633-4227)			
NAME OF BENEFICIARY JANE DOE			
MEDICARE CLAIM NUMBER	SEX		
000-00-0000-A	FEMALE		
IS ENTITLED TO	EFFECTIVE DATE		
HOSPITAL (PART A)	07-01-1986		
MEDICAL (PART B)	07-01-1986		
SIGN HERE →			

14

Medicare = Timelines

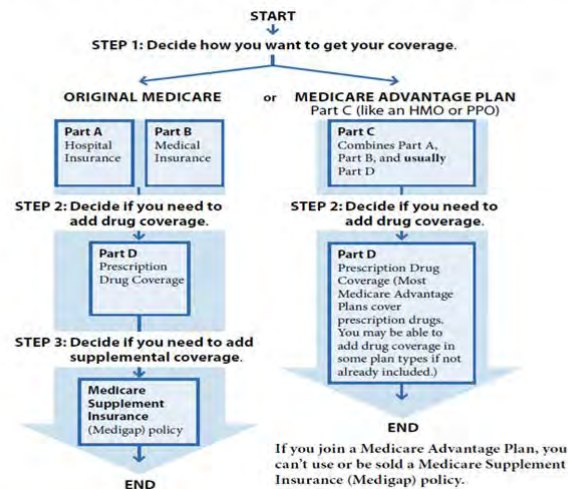
- ▶ Enrollment and/or Changes in Medicare are limited to certain times.
- ▶ You can't always sign up when you want, so it's important to know when you can enroll in the different parts of Medicare.
- ▶ Medicare has specific types of enrollment periods.



15




Two different ways to get Medicare








Note: If have a Medicare Advantage PFFS plan, you can purchase a separate Part D Plan. If you have an HMO or PPO, drug coverage must be included in that plan.

16



Parts of Medicare

			
Part A Hospital Insurance	Part B Medical Insurance	Part C Medicare Advantage Plans (like HMOs/PPOs) Includes Part A, Part B, and sometimes Part D coverage	Part D Medicare Prescription Drug Coverage




17


Original Medicare Part A Inpatient Hospital Insurance

(Without Medigap or Secondary coverage)

- **Inpatient Hospitalization**
 - Semi-private room and board, general nursing, inpatient drugs and miscellaneous hospital services and supplies
- **Skilled Nursing Facility Care (SNF)**
 - Custodial care not covered
- **Home Health Care**
 - After a prior inpatient hospital stay; up to 100 visits
- **Hospice Care Available to terminally ill**



18

 2017 Original Medicare Costs (Without Medigap or Secondary coverage)		Beneficiary Cost
PART A		
Deductible for Benefit Period covering the first 60 days of Medicare-covered inpatient hospital care in a benefit period		\$1,316.00
Daily coinsurance for the 61st through 90th day of inpatient hospital care in a benefit period		\$329
Daily coinsurance for the 91st through 150th (lifetime reserve) days of inpatient hospital care in a benefit period		\$658
Daily coinsurance for beyond the 150th day of inpatient hospital care in a benefit period		All Costs
Skilled Nursing Facility (SNF) daily coinsurance for days 1 through 20 in a benefit period		\$0.00
Skilled Nursing Facility (SNF) daily coinsurance for days 21 through 100 in a benefit period		\$164.50
Part A Monthly Premium for beneficiaries with 40 quarters of coverage		\$0.00
Part A Monthly Premium for beneficiaries with 30-39 quarters of coverage		\$227.00
Part A Monthly Premium for beneficiaries with less than 30 quarters of coverage		\$413.00


19

Original Medicare Part B Medical Coverage

- **Medical Expenses**
 - Physician's services, some diagnostic tests, physical and speech therapy, ambulance, etc.
- **Home Health Care**
 - Visits limited to medically necessary part-time skilled care of a homebound individual
- **Outpatient Hospital Services**
 - Medically necessary treatment such as outpatient surgery, diagnostic procedures, emergency room, etc.
- **Durable Medical Equipment (DME)**
 - Medically necessary equipment and supplies such as walkers, wheel chairs, hospital beds, etc.



20

 2017 Original Medicare Costs (Without Medigap or Secondary coverage)	Beneficiary Cost
PART B	
Annual Deductible	\$183.00
Part B copays or coinsurance	Normally 20%
Part B Monthly Premium For beneficiaries not collecting Social Security (SS) benefits, those who will enroll in Part B for the first time in 2017, and those who have their Part B premiums paid by Medicaid	\$134.00
Part B Monthly Premium (for beneficiaries <u>subject to the “hold harmless” provision</u>) Premium varies based on the hold harmless requirement that the SS benefit cannot decrease.	Average of \$109.00
<p>The “hold harmless provision” in the Social Security Act disallows an increase in the Medicare Part B premium for qualifying Social Security recipients if their COLA is not large enough to cover the increase in the Part B premium. Who may see an increase in their 2017 premium? Anyone new to Medicare in 2017 Those with income related monthly adjustment premium increase Those not having premiums deducted from Social Security check Anyone who’s Part B premium is paid by the State via the Medicare Savings program (MSP) – State pays \$134</p> <p>Those who are held harmless will not see their Part B premium increase by an amount that is greater than the dollar amount of their COLA increase. Because the COLA is a percentage of a person’s Social Security benefits, the exact dollar amount of the increase, and the premium, will vary. For example, someone who has a premium of 104.90 deducted from their full Social Security benefits of \$1,000 in 2016 will see a COLA of \$3 and will have \$107.90 deducted from their check for the Part B premium in 2017. Someone who gets 2,000 in Social Security benefits will see a COLA of \$6 and will have a Part B premium of \$110.90. will see a COLA of \$6 and will have a Part B premium of \$110.90.</p>	

21


Part D

Medicare Prescription Drug Coverage

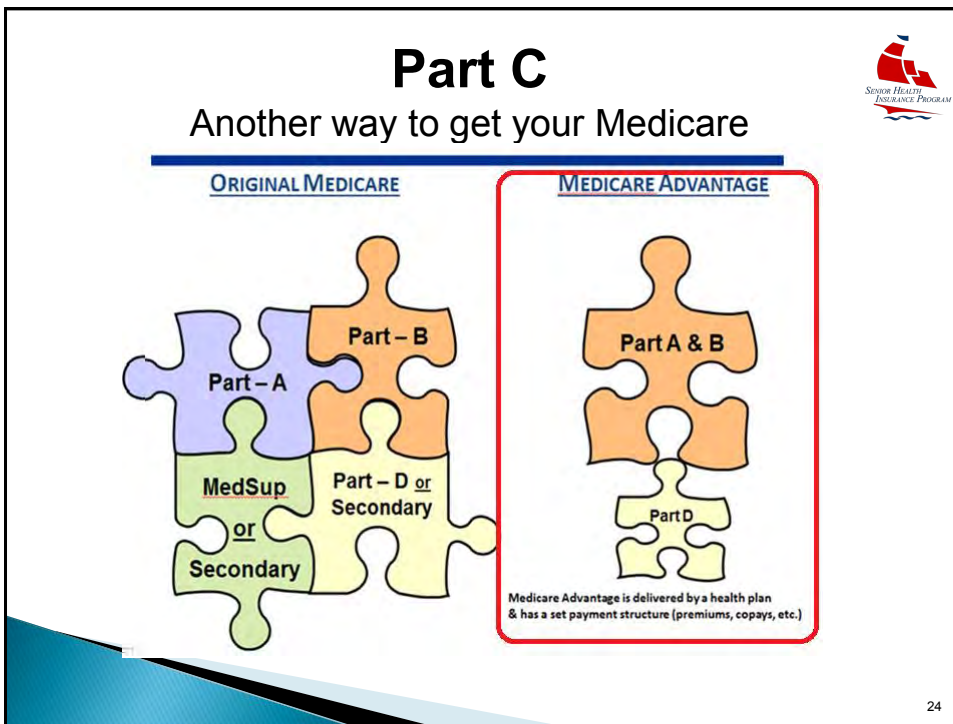
- Medicare drug plans
 - Approved by Medicare
 - Administered by private companies
 - Available to everyone with Medicare
- You must join a plan to get coverage
- There are two ways to get coverage
 - Medicare Prescription Drug Plans
 - Medicare Health Plans with prescription drug coverage



22

 2017 Part D STANDARD COVERAGE and COST of DRUG BENEFIT				
Benefit Stage	Coverage Range	Medicare / Plan Pays		Beneficiary Pays
Stage 1 Annual Deductible <i>Pre-Initial Coverage</i>	\$0 - \$400 If choosing a plan with a deductible, the beneficiary pays the first \$400 in total drug costs, out of pocket, before the plan begins to pay its share.	0%	\$0	100% up to \$400 *
Stage 2 Initial Coverage <i>Copay - Coinsurance</i>	\$400 - \$3,700 After the deductible is met (in total drug costs), the plan and the beneficiary begin paying their share of drug costs (75%/25%)	75% Average		25% Average
Stage 3 Coverage Gap (Donut Hole)	\$3,700 - \$4,950 Out of pocket threshold The coverage gap begins when total drug costs (the plan and beneficiary total cost, plus the deductible) reach \$3,700, and lasts until the beneficiary has paid \$4,950 out of pocket. The plan and beneficiary pay their percentage of cost. In the gap	60% - Brand Name 49% - Generic	40% Brand Name 51% Generic	
Stage 4 Catastrophic Coverage	\$4,950 and Up When the beneficiary's total out-of-pocket cost reaches \$4,950, catastrophic coverage begins and continues for the remainder of the calendar year.	95%	No Maximum	5% No Maximum

23



24

Part C

Medicare Advantage (MA) Plans

Medicare Advantage (Part C) is another way to get your Medicare:

- ▶ Different **delivery** and **cost share structure**
 - HMO (generally least expensive, but most rule restrictions)
 - PPO (generally a bit more expensive, but less rule restrictions)
 - PFFS (generally more expensive, but minimal rule restrictions)
 - SNP (Plans built around specific medical or situational need)



25

Part D Drug Plan Costs Too High?

Does the beneficiary have lower income?

“Extra Help” with Part D Costs

- ▶ Program to help pay for Medicare prescription drug costs, if low income
- ▶ For people with limited income and resources
- ▶ Single = \$1,508 Monthly Income for 2017
 - Choice of plans that offer **\$0** premiums / **\$0** deductibles
 - Pay no more than **\$8.25** for each drug your plan covers in 2017



26

Part D Drug Plan Costs Too High?

Does the beneficiary have lower income?

2017 - Extra Help with Part D Drug Costs

Medicare beneficiaries can qualify for Extra Help (from Social Security) with their Medicare prescription drug plan costs. To qualify for the Extra Help, a person must be receiving Medicare, have limited resources and income, and reside in one of the 50 States or the District of Columbia. Apply at SSA.gov

	Medicare & Medicaid Full Benefit Dual Institutionalized or receiving Home & Community Based Services (HCBS) <small>(Includes CCP services)</small>	Medicare & Medicaid Full Benefit Dual 100% FPL \$1,005 Individual \$1,353 Couple (+ \$25 income disregard) Full Premium Subsidy	Medicare & MSP Medicare Savings Program Up to 150% FPL Resources/Asset Limit \$7,280 Individual \$10,930 Couple (QMB, SLMB, QI) Full Premium Subsidy	Medicare Only 135% FPL \$1356 Individual \$1826 Couple Resources/Asset Limit \$8,890 Individual \$14,090 Couple Full Premium Subsidy	Medicare Only 135% FPL with higher resource limit \$1356 Individual \$1826 Couple Resources/Asset Limit \$13,820 Individual \$27,600 Couple Full Premium Subsidy	Medicare Only 150% FPL \$1,508 Individual \$2,030 Couple Resources/Asset Limit \$13,820 Individual \$27,600 Couple Partial Premium Subsidy
Monthly Part D Premium	\$0	\$0	\$0	\$0	\$0	Sliding scale 136-140% = 75% premium subsidy 141-145% = 50% premium subsidy 146-149% = 25% premium subsidy
Annual deductible	\$0	\$0	\$0	\$0	\$74	\$82
Copay or Coinsurance	\$0	\$1.20 / \$3.70 Copay	\$3.30 / \$8.25 Copay	\$3.30 / \$8.25 Copay	15% Coinsurance Up to \$4950 out-of-pocket cost	15% Coinsurance Up to \$4950 out-of-pocket cost
Catastrophic coverage	N/A	N/A	N/A	N/A	\$3.30 / \$8.25 Copay After \$4,950 out-of-pocket cost	\$3.30 / \$8.25 Copay After \$4,950 out-of-pocket cost

Note: 2017 resource limits include \$1,500 per person for burial expenses.
NOTE: If chose a non-benchmark plan, monthly premium reduced by \$28.68 for 2017

27




The Medicare Savings Program (MSP)

A State Medicaid program that can help to pay Medicare premiums, and possibly deductibles, and coinsurance for Medicare beneficiaries (elderly or disabled) who qualify.


Your Monthly Income Limits*	Your Resource/Asset Limits	Program May Pay *	Cost Sharing Program Name
100% FPL \$1,005 Individual (+ \$25) \$1,353 Couple (+ \$25)	\$7,280 Individual \$10,930 Couple	Part A & B Premiums, deductibles, & coinsurance	Qualified Medicare Beneficiary (QMB)
120% FPL \$1,205 Individual (+ \$25) \$1,623 Couple (+ \$25)	\$7,280 Individual \$10,930 Couple	Medicare Part B premiums	Specified Low-Income Medicare Beneficiary (SLIB/SLMB)
135 % FPL \$1,356 Individual (+ \$25) \$1,826 Couple (+ \$25)	\$7,280 Individual \$10,930 Couple	Medicare Part B premiums	Qualified Individual-1 (QI-1)

(+ \$25) = Illinois Medicaid income disregard

28




For higher income individuals



**2017 Income-Related Monthly Adjustment (IRMA)
for Medicare Part D and Part B Monthly Premium**

If your 2015 Annual Income is		In 2017 You Pay	
File Individual Tax Return	File Joint Tax Return	Part D IRMA	Part B Monthly Premium
\$85,000 or less	\$170,000 or less	\$0.00	\$134.00
\$85,001 - \$107,000	\$170,001 - \$214,000	\$13.30	\$187.50
\$107,001 - \$160,000	\$214,001 - \$320,000	\$34.20	\$267.90
\$160,001 - \$214,000	\$320,001 - \$428,000	\$55.20	\$348.30
Above \$214,000	Above \$428,000	\$76.20	\$428.60
You are married but filed separate tax return		You Pay	
\$85,000 or less		\$0.00	\$134.00
\$85,001 - \$129,000		\$55.20	\$348.30
Above \$129,000		\$76.20	\$428.60

29



What is a Medicare Supplement policy?

- Supplemental health insurance - for individuals only
- Sold by private insurance companies
- Supplements Original Medicare only
 - Pays share of specific Medicare-covered services
 - Plans differ in coverage

They are **standardized** and follow federal/state laws

30

	Medicare Supplement Insurance (Medigap) Plans									
Benefits	A	B	C	D	F*	G	K	L	M	N**
Medicare Part A coinsurance and hospital Costs (up to an additional 362 days after Medicare benefits used)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Medicare Part B coinsurance or copayment	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
Blood deductible (first 3 pints)	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
Medicare Part A hospice coinsurance or copayment	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
Skilled Nursing Facility Care coinsurance			100%	100%	100%	100%	50%	75%	100%	100%
Medicare Part A deductible		100%	100%	100%	100%	100%	50%	75%	50%	100%
Medicare Part B deductible			100%		100%					
Medicare Part B excess charges					100%	100%				
Foreign travel emergency			100%	100%	100%	100%			100%	100%
								Out-of-pocket Limit in 2017		
								\$5,120	\$2,560	

* High deductible option for Plan F

** Plan N will cover 100% of the Medicare Part B Coinsurance and Copayment benefits except for a \$20 per physician visit and \$50 per Emergency room visit. Emergency Room visit copayment will be waived if admitted into the hospital.

31

What Is NOT a Medicare Supplement policy?

Medicare Supplement policies are NOT:

Some beneficiaries have coverage that pays “secondary” to Medicare, paying some of the costs that Medicare doesn’t, but is not a Medicare Supplement Policy.

- Retiree Group Health Plan
- Medicaid
- Veterans Benefit
- Tricare
- Private medical insurance, etc.

These are “secondary” policies that may pay before or after Medicare.

- They are not Medicare Supplements

32



Medicare and the Marketplace



Choosing the Marketplace Instead of Medicare

- If you must pay a premium for Medicare Part A (no 40 quarters credit)
 - You would need to drop Part A and Part B to be eligible to get a Marketplace plan
 - However, if you're receiving Social Security benefits, you must drop your Social Security if you drop Medicare
 - Lose premium tax credits
 - If you delay enrolling in Medicare after your Initial Enrollment Period (IEP) ends, a late enrollment penalty will apply when you do sign up (lifetime penalty)

- **Terminating Medicare for Marketplace Plan If have Medicare premium free Part A**
 - Must withdraw the application for Social Security benefits
 - Pay back all Social Security and Medicare benefits received
 - Lose premium tax credits

33

Information Resources

Illinois Department Aging

800-252-8966

SHIP

800-252-8966

www.illinois.gov/aging/SHIP

Or email SHIP at Aging.SHIP@illinois.gov

Medicare

Medicare & You 2017 handbook

1-800-633-4227

www.medicare.gov

www.mymedicare.gov

TTY 1-877-486-2048

Social Security Administration (SSA)

Extra Help application

800-772-1213

www.ssa.gov

34

Medicare.gov

- Official U.S. Government site for people with Medicare and their caregivers
 - Compare Medicare health and drug plans
 - Find a doctor, provider or supplier
 - Compare the quality of health care providers
 - Order publications or view them online
 - Find helpful contact information
 - Sign up for MyMedicare.gov



35

CMS.gov

- CMS.gov/
 - Program information
 - Regulations and guidance
 - Research, statistics, data and systems
 - Outreach and education
 - Toolkits, publications, e-mail updates
- National Medicare Education Program
- CMS National Training Program
- Open Door Forums
- Medicare Learning Network



36

Thank you

Questions?



Dave Lecik
david.lecik@illinois.gov

37