



Basics of Medicare & Medi-Cal

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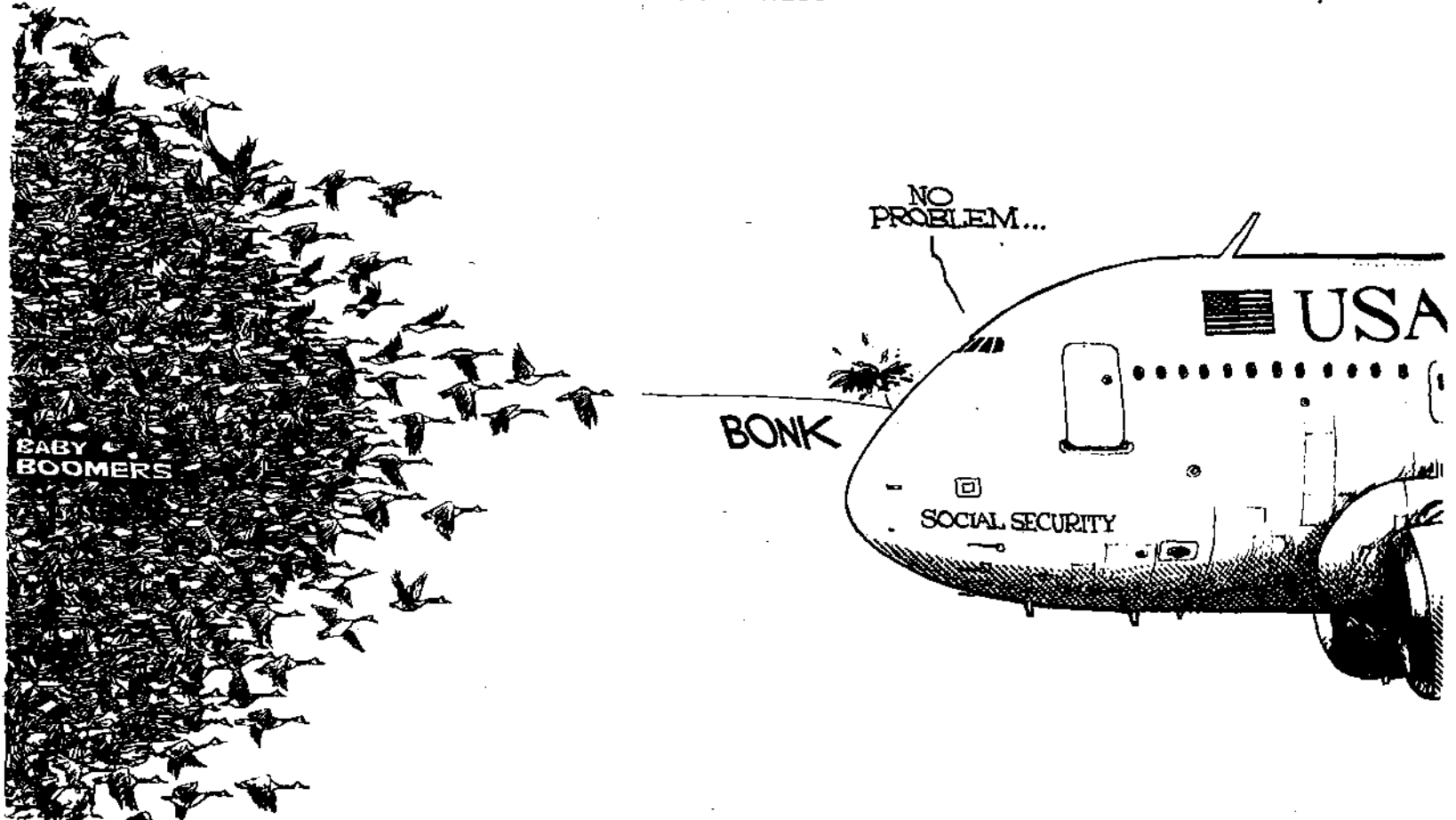
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Political Cartoon

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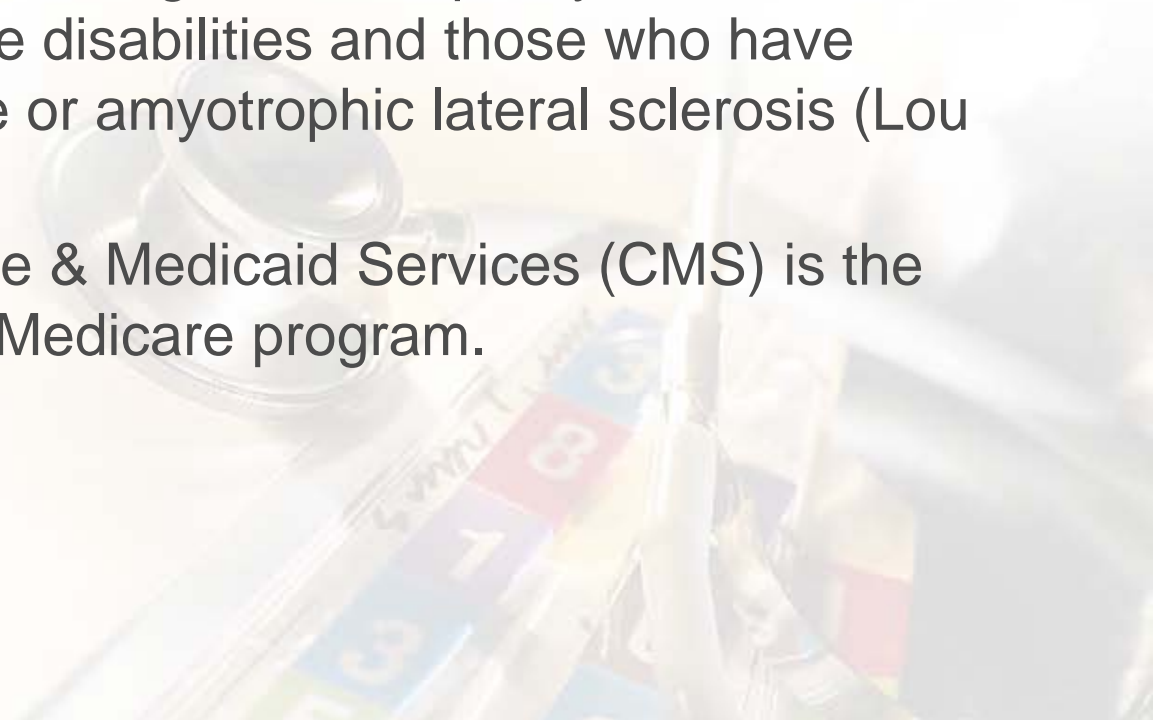


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What is Medicare?

- Medicare is our country's health insurance program for people age 65 or older.
 - The program helps with the cost of health care, but it does not cover all medical expenses or the cost of most long-term care.
 - Certain people younger than age 65 can qualify for Medicare, too, including those who have disabilities and those who have permanent kidney failure or amyotrophic lateral sclerosis (Lou Gehrig's disease).
 - The Centers for Medicare & Medicaid Services (CMS) is the agency in charge of the Medicare program.
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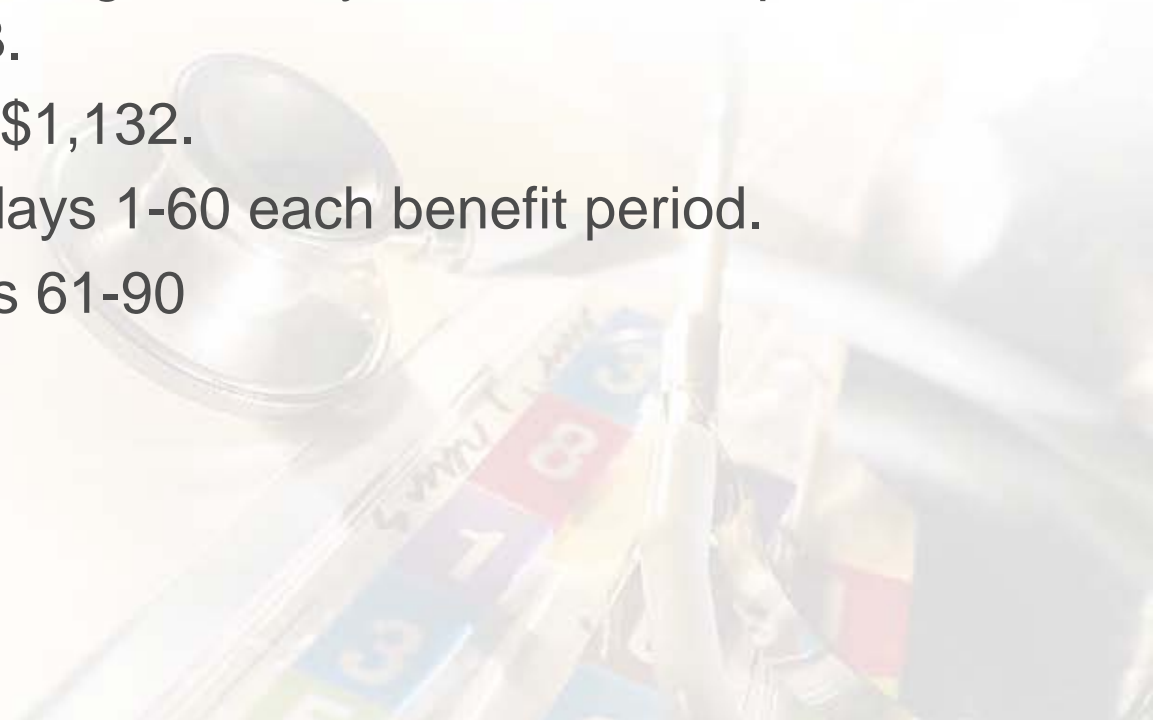
Medicare Has Four Parts

- **(Part A) Hospital insurance** that helps pay for inpatient care in a hospital or skilled nursing facility (following a hospital stay), some home health care and hospice care.
- **(Part B) Medical insurance** that helps pay for doctors' services and many other medical services and supplies that are not covered by hospital insurance.
- **(Part C) Medicare Advantage** plans are available in many areas. People with Medicare Parts A and B can choose to receive all of their health care services through one of these provider organizations under Part C.
- **(Part D) Prescription drug coverage** that helps pay for medications doctors prescribe for treatment.



Part A – Covered Services

- **Hospital Stays (Inpatient)**

- Includes semi-private room, meals, general nursing, drugs as part of your inpatient treatment, and other hospital services and supplies.
 - The doctor services you get while you are in a hospital are covered under Part B.
 - Hospital deductible - \$1,132.
 - No Coinsurance for days 1-60 each benefit period.
 - \$283 per day for days 61-90
- 



Step 1

Decide if You Want Original Medicare or a Medicare Advantage Plan

Original Medicare Includes Part A (Hospital Insurance) and/or Part B (Medical Insurance)

- Medicare provides this coverage directly.
- You have your choice of doctors, hospitals, and other providers that accept Medicare.
- Generally, you or your supplemental coverage pay **deductibles** and **coinsurance**.
- You usually pay a monthly **premium** for Part B.

See pages 51–56.

Step 2

Decide If You Want Prescription Drug Coverage (Part D)

- If you want this coverage, you must join a Medicare Prescription Drug Plan. You usually pay a monthly premium.
- These plans are run by private companies approved by Medicare.
- See pages 72–83.

Step 3

Decide If You Want Supplemental Coverage

- You may want to get coverage that fills gaps in Original Medicare coverage. You can choose to buy a Medigap (Medicare Supplement Insurance) policy from a private company.
 - Costs vary by policy and company.
 - Employers/unions may offer similar coverage.
- See pages 57–59.

Medicare Advantage Plan

(like an HMO or PPO)

Part C—Includes BOTH Part A (Hospital Insurance) and Part B (Medical Insurance)

- Private insurance companies approved by Medicare provide this coverage.
 - In most plans, you need to use plan doctors, hospitals, and other providers, or you may pay more or all of the costs.
 - You usually pay a monthly premium (in addition to your Part B premium) and a **copayment** or coinsurance for covered services.
 - Costs, extra coverage, and rules vary by plan.
- See pages 60–69.

Step 2

Decide If You Want Prescription Drug Coverage (Part D)

- If you want prescription drug coverage, and it's offered by your plan, in most cases you must get it through your plan.
 - In some types of plans that don't offer drug coverage, you can join a Medicare Prescription Drug Plan.
- See pages 66–67.

Note: If you join a Medicare Advantage Plan, you don't need a Medigap policy. If you already have a Medigap policy, you can't use it to pay for out-of-pocket costs you have in the Medicare Advantage Plan. If you already have a Medicare Advantage Plan, you can't be sold a Medigap policy.

See pages 57–59.



Part A – Covered Services (cont'd)

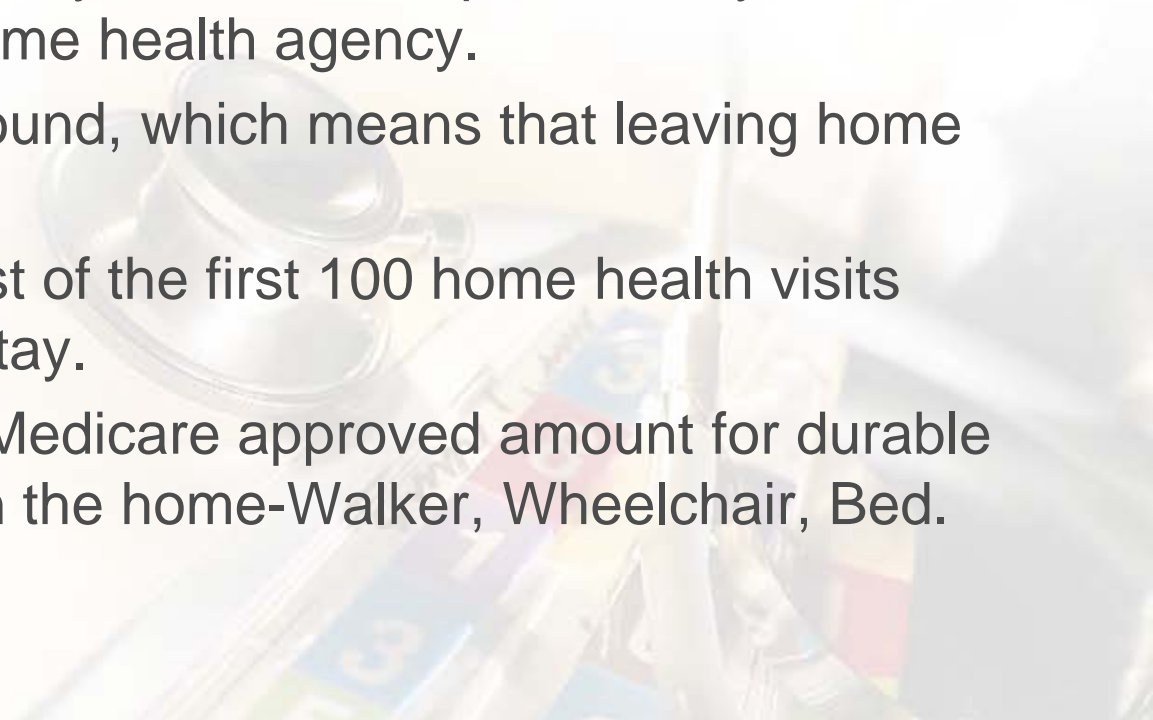
- **Skilled Nursing Facility Care**

- Include semi-private room, meals, skilled nursing and rehabilitative services, other services and supplies (**only after a 3-day minimum inpatient hospital stay for a related illness or injury**) for up to 100 days in a benefit period.
- Beware of **DOU(Direct Observation Unit)** “admissions” at Acute Hospitals-**Does not qualify** for 3 Day Minimum!
- To get care in a skilled nursing facility, your doctor must certify that you need daily skilled care like intravenous injections or physical therapy.
- Medicare **Does Not** cover long-term care or custodial care in this setting.
- \$0 for first 20 days, \$141.50 co-pay for days 21-100



Part A – Covered Services (cont'd)

- **Home Health Services**

- Limited to medically necessary part-time or intermittent skilled nursing care or physical therapy, speech-language pathology, or a continuing need for occupational therapy.
 - Care must be ordered by a doctor and provided by a Medicare-certified home health agency.
 - You must be homebound, which means that leaving home takes a lot of effort.
 - Part A covers the cost of the first 100 home health visits following a hospital stay.
 - You will pay 20% of Medicare approved amount for durable medical equipment in the home-Walker, Wheelchair, Bed.
- 



Part A – Covered Services (cont'd)

- **Hospice Care**

- For people with a terminal illness who are expected to live 6 months or less (as certified by a doctor).
- Coverage may include drugs (for pain relief and symptom management), medical, nursing, social services, and other covered services not usually covered by Medicare (like grief counseling).
- Hospice care is usually given in your home (or other facility like a nursing home) by a Medicare-approved hospice.
- Medicare may pay for covered services for health problems that aren't related to your terminal illness.
- Medicare **Does Not** cover room and board when you receive hospice care in the home or another facility.



Part B (Medical Insurance)

- **What is Part B (Medical Insurance)**
 - Part B helps cover medically-necessary services like doctor's services, outpatient care, and other medical services. Part B also covers some preventative services. You can find out if you have Part B by looking at your Medicare card.
- **How much does Part B cost?**
 - You pay the Part B premium each month. Most people will pay the standard premium amount, which is \$96.40 per month in 2011.
 - Annual deductible for Part B services is \$162.



Part B Covered Services

- **Medically-Necessary Services**

- Services or supplies that are needed for the diagnosis or treatment of your medical condition and meet accepted standards of medical practice.

- **Ambulance Services**

- Emergency ground transportation when you need to be transported to a hospital or skilled nursing facility for medically necessary services, and transportation in any other vehicle could endanger your health.
- You pay 20% of the Medicare-approved amount and the Part B deductible applies.



Part B Covered Services (cont'd)

- **Ambulatory Surgical Centers**
 - Facility fees for approved surgical procedures provided in an ambulatory surgical center (facility where surgical procedures are performed, and the patient is released the same day).
 - You pay 20% of the Medicare-approved amount and the Part B deductible applies.
- **Blood**
 - If the provider has to buy blood for you, you must either pay the provider costs for the first 3 pints of blood you get in a calendar year or have the blood donated.
 - You pay 20% of the Medicare-approved amount for the additional pints of blood you get as an outpatient, and the Part B deductible applies.



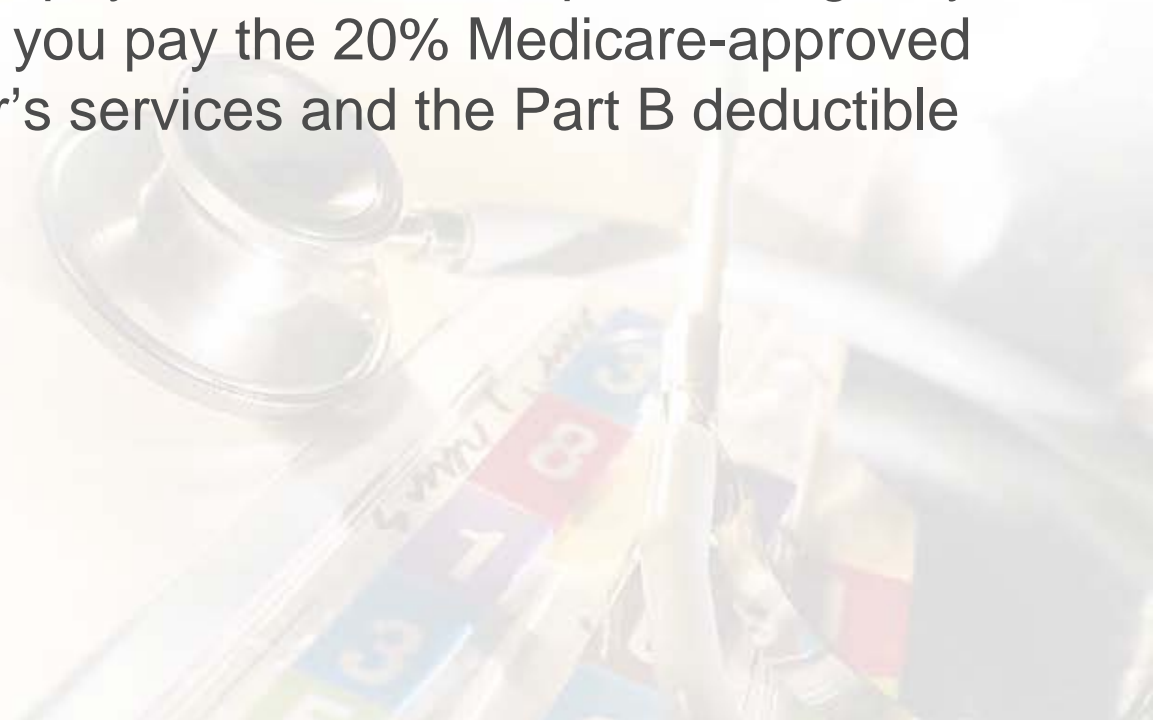
Part B Covered Services (cont'd)

- **Doctor services**
 - Services that are medically necessary (includes outpatient and some doctor services you get when you are a hospital inpatient) or covered preventative services.
 - Doesn't cover routine physicals except for the one-time "Welcome to Medicare" physical exam
 - You pay 20% of the Medicare-approved amount, and the Part B deductible applies.
- **Durable Medical Equipment (like walkers)**
 - Items such as oxygen equipment and supplies, wheelchairs, walkers, and hospital beds ordered by your doctor for use in the home. Some items must first be rented.
 - You pay 20% of the Medicare-approved amount, and the Part B deductible applies.
 - You must get your covered equipment or supplies from a retailer enrolled in Medicare.



Part B Covered Services (cont'd)

- **Emergency Room Services**

- When you believe your health is in serious danger. You may have a bad injury, a sudden illness, or an illness that quickly gets much worse.
 - You pay a specified copayment for the hospital emergency department visit, and you pay the 20% Medicare-approved amount for the doctor's services and the Part B deductible applies.
- 




Part B Covered Services (cont'd)

- **Home Health Services**

- Limited to medically-necessary part-time or intermittent skilled nursing care or physical therapy, or speech-language pathology, or a continuing need for occupational therapy.
- Must be ordered by a doctor or provided by a Medicare-certified home health agency.
- Home health services may also include medical social services, part-time or intermittent home health aide services, durable medical equipment and medical supplies for use at home.
- You just be homebound, which means leaving home takes a lot of effort.
- No cost to you for home health services.



What's Not Covered by Part A and Part B?

- Chiropractic services
 - Custodial Nursing care at home or in a Nursing Home
 - Deductibles, coinsurance, or copayments
 - Dental care and dentures
 - Eye exams (routine)
 - Hearing aids and exams for the purpose of fitting a hearing aid
 - Long-term care
 - Prescription drugs
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Typical Medicare Coverage Example

Mary Smith

Age 75


Medicare A & B Coverage

Fall at home – fractured hip

- **Ambulance transportation to local hospital**
 - Part B Coverage
 - You pay 20% of cost + deductible
- **Acute Hospital Stay for 3 Midnights**
 - Part A Coverage
 - Hospital deductible - \$1,132 – You pay
- **Physician Services while in acute hospital**
 - Part B Coverage
 - You pay 20% of cost

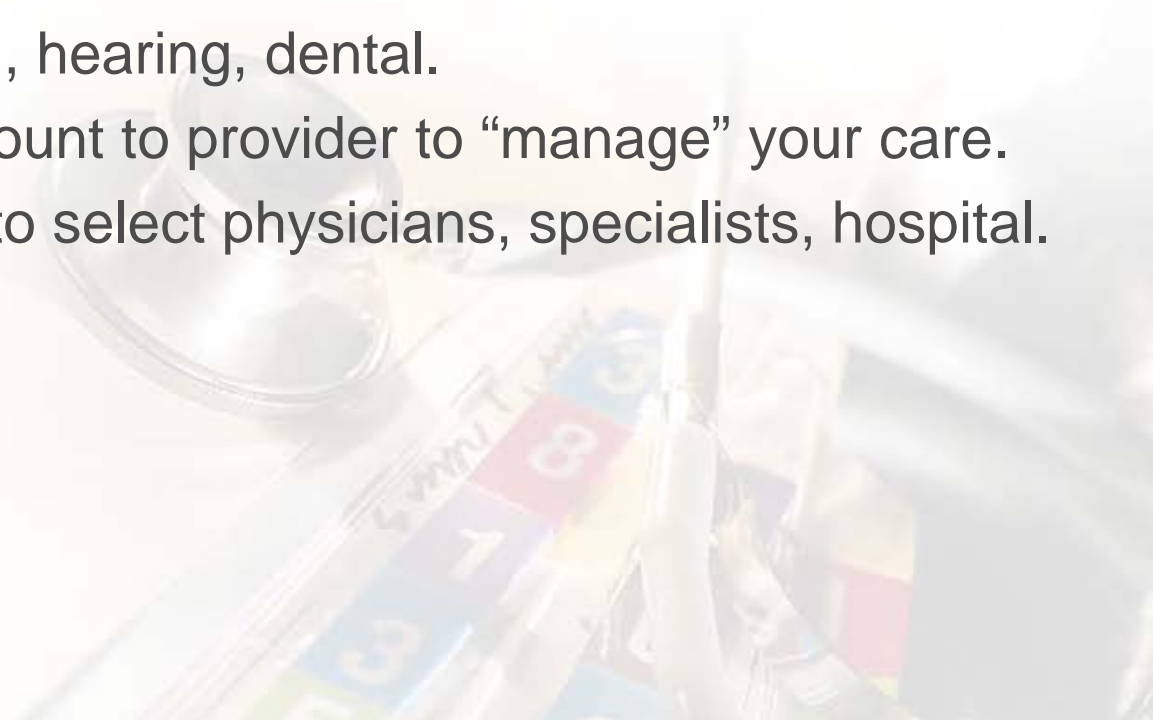


Typical Medicare Coverage Example (cont'd)

- **Transferred to local Skilled Nursing Facility for Rehabilitation**
 - Part A Coverage
 - Days 1-20 paid 100% by Medicare
 - Days 21-100: Medicare pays 80% and you pay 20%
 - You pay co-insurance - \$141.50/day
 - **Transferred back home with Home Health Care for 2 weeks of physical therapy follow up visits**
 - Part A Coverage
 - No charge
 - Up to 100 visits
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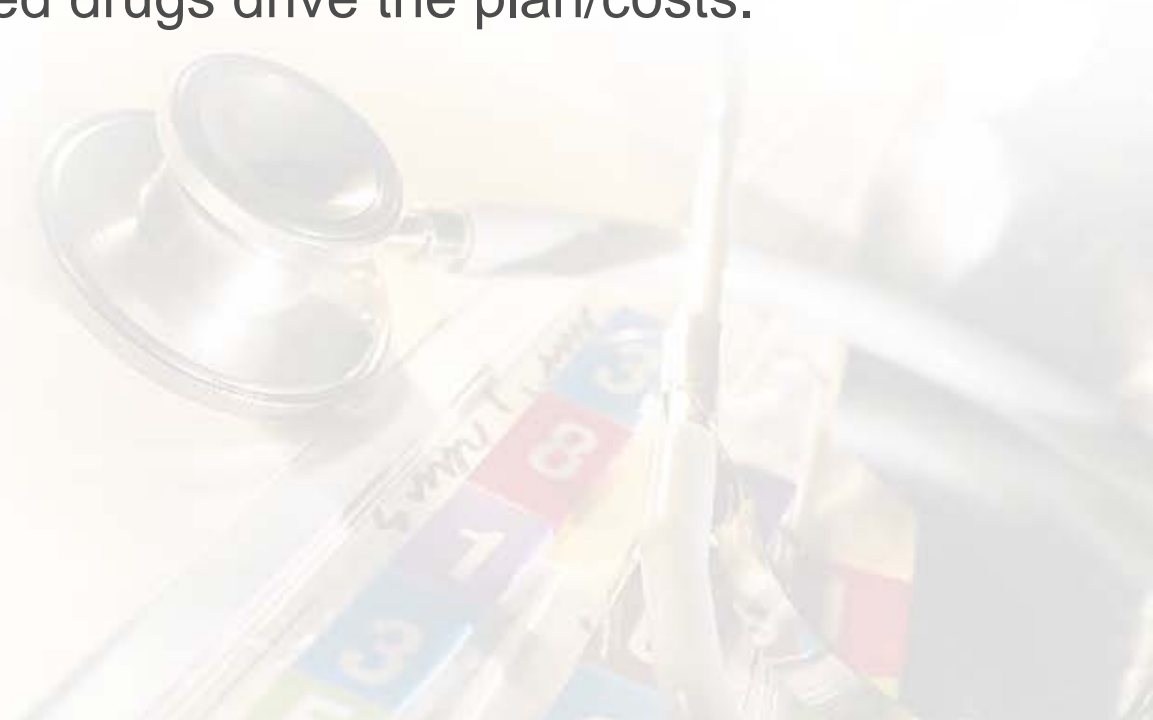


Part C – Medicare Advantage Plans

- Medicare Advantage Plans are health plan options (like an HMO or PPO). You Pledge your Medicare Benefits to receive a package of care.
 - You must have Parts A & B.
 - Out-of-pocket costs vary.
 - May offer extras – vision, hearing, dental.
 - Medicare pays a set amount to provider to “manage” your care.
 - You lose some choices to select physicians, specialists, hospital.
- 




Part D – Medicare Drug Coverage

- You must have Part A and/or Part B.
 - Enrollment periods: November 15th – December 31st each year.
 - Many plans to choose from.
 - Various options for co-pays, coverage and limits.
 - Formularies and approved drugs drive the plan/costs.
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Medigap Policies

(Medical Supplement Insurance)

- Original Medicare pays for many, but not all, health care services and supplies.
 - A Medigap policy, sold by private insurance companies, can help pay for some of the health care costs (“gaps”) that Original Medicare doesn’t cover like copayments, coinsurance, and deductibles.
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What You Need to Know Before You Buy a Medigap Policy

- Generally, you must have Parts A and B to buy a Medigap policy.
- You pay a monthly premium for your Medigap policy to the private insurer, **and** you pay your monthly Part B premium.
- A Medigap policy only covers one person. If you and your spouse both want Medigap coverage, you must buy separate Medigap policies.
- It's important to compare Medigap policies since the costs can vary and may go up as you get older.






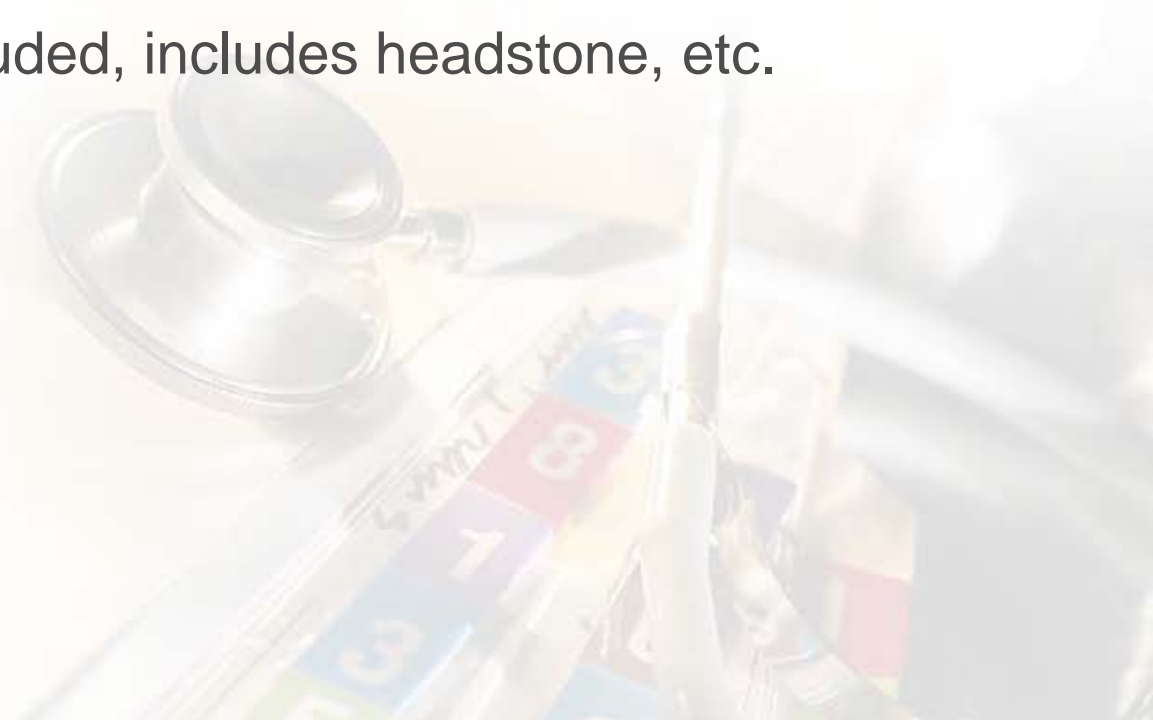
Medi-Cal Basics

- **Qualifying Factors**

- \$2,000 or less in cash reserve
 - Savings, checking, etc. for Medi-Cal applicant
- Community Spouse Resource Allowance (CSRA) for 2011
 - The spouse at home can keep the first \$109,650 in assets (same since 2009) and may be able to keep more if his/her income is below the **Minimum Monthly Maintenance Needs Allowance (MMMNA)**.
 - For 2011 the MMMNA amount is \$2,739.




Medi-Cal Resource Limits for Long Term Care

- The home: totally excluded, if it is the principal residence. The applicant must state an “intent to return to the home.”
 - Household goods and personal effects: totally exempt.
 - One car is generally exempt if used for the benefit of the applicant/beneficiary or if needed for medical reasons.
 - Burial plots: totally excluded, includes headstone, etc.
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2011 Medi-Cal Limits

- **CSRA** \$109,560
(Community Spouse Resource Allowance)
 - **MMMNA** \$2,739
(Minimum Monthly Maintenance Needs Allowance)
 - **APPR** \$6,311
(Annual Private Pay Rate)
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This presentation is available at our
Alzheimer's Care Solutions website:

<http://www.alzheimerscaresolutions.com>



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