

Medicare Minute Teaching Materials – January 2017 What’s New in 2017?

1. Have costs for Medicare Part A (hospital insurance) changed in 2017?

Yes, the costs associated with Part A are different this year. Remember, Medicare Part A covers inpatient hospital services, skilled nursing facility services, home health care, and hospice. Look through your 2017 *Medicare & You* handbook to understand Part A-covered services. The following chart shows costs last year compared to this year:

Original Medicare Part A Costs: 2016 vs. 2017		
	2016	2017
Part A premium	\$0/month if you’ve worked 10 years or more (with 40 or more Quarters of Coverage)	\$0/month if you’ve worked 10 years or more (with 40 or more Quarters of Coverage)
	\$226/month if you’ve worked between 7.5 and 10 years (with 30-39 Quarters of Coverage)	\$227/month if you’ve worked between 7.5 and 10 years (with 30-39 Quarters of Coverage)
	\$411/month if you’ve worked fewer than 7.5 years (with 29 Quarters of Coverage or less)	\$413/month if you’ve worked fewer than 7.5 years (with 29 Quarters of Coverage or less)
Hospital deductible	\$1,288 each benefit period	\$1,316 each benefit period
Hospital copay	\$0/day for days 1 – 60 once you’ve met your deductible	\$0/day for days 1-60 once you’ve met your deductible
	\$322/day for days 61–90 each benefit period	\$329/day for days 61-90 each benefit period
	\$644/day for days 91–150 (non-renewable lifetime reserve days)	\$658/day for days 91-150 (non-renewable lifetime reserve days)
Skilled nursing facility copay	\$0/day for days 1 – 20 each benefit period (after a minimum 3-day inpatient hospital stay)	\$0/day for days 1-20 each benefit period (after a minimum 3-day inpatient hospital stay)
	\$161/day for days 21–100 each benefit period	\$164.50/day for days 21-100 each benefit period

If you have a Medicare Advantage Plan, your plan provides your Part A coverage. If you have the same Medicare Advantage Plan in 2017 as you did in 2016, your plan should have sent you an Annual Notice of Change (ANOC) or Evidence of Coverage (EOC) notice explaining any changes for the coming year. Review this notice to understand any changes in your plan’s costs, covered services, and rules. Contact your plan if you didn’t receive these documents in the fall or if you want another copy. If you chose a new Medicare Advantage Plan, review the costs associated with the plan for 2017.

2. Have costs for Medicare Part B (medical insurance) changed in 2017?

Most people with Medicare pay a monthly premium for Part B. In 2017, the Part B premium is not the same for everyone. The base premium is \$134 per month, but if you are protected by the **hold harmless provision** in 2017 then you will pay a lower amount. You are **protected by hold harmless** if:

- You were entitled to Social Security benefits for November and December of 2016, **and**
- The Part B premium was or will be deducted from those benefits for November 2016 through January 2017.

This is the case for the majority of people with Medicare. If you are protected by hold harmless for 2017, your Part B premium will go up the same amount that your monthly Social Security payment increased as a result of the Cost of Living Adjustment (COLA). In 2017 the COLA is 0.3%. This means that if your Social Security award amount was \$1,000 in 2016, it will be \$1,003 in 2017. The average Part B premium for those protected by hold harmless will increase from \$104.90 in 2016 to \$109 in 2017, but your premium may be higher or lower. To make sure of the amount, check your Social Security statement or contact the Social Security Administration (SSA) at 800-772-1213.

Hold harmless does not apply to you, and you will pay a base Part B premium of \$134 if:

- You are new to Medicare.
- You already pay higher Part B premiums because of Income-Related Monthly Adjustment Amount (IRMAA) eligibility.
- You are enrolled in a Medicare Savings Program (MSP). However, the MSP will continue paying for your full Part B premium as long as you are enrolled, so you will not be responsible for the increased amount.
- You were enrolled in a Medicare Savings Program in 2016 but lost the benefit because your income increased or you did not recertify.

Look through your 2017 *Medicare & You* handbook to understand Part B-covered services. The following chart shows costs last year compared to this year:

Original Medicare Part B Costs: 2016 vs. 2017		
	2016	2017
Part B monthly premium*	<p>\$121.80 if your annual income is below \$85,000 (\$170,000 for couples) and you do not qualify for hold harmless protection. This includes a \$3 “surcharge” amount as a result of the budget agreement which reduced the premium increase.</p> <p>\$104.90 if you qualify for hold harmless protection.</p>	<p>\$134 is the standard premium if your annual income is below \$85,000 (\$170,000 for couples). If you are covered by hold harmless, on average you will pay \$109. Most people will pay a premium that is lower than the standard premium because of the hold harmless provision. If you are not covered by hold harmless, including if you are new to Medicare in 2017 or if you don’t collect Social Security, you will likely pay</p>

		the standard premium.
<i>Cont.</i>	2016	2017
Part B deductible	\$166/year	\$183/year
Part B coinsurance	20% of Medicare’s approved amount for most services	20% of Medicare’s approved amount for most services
* If your annual income is higher than \$85,000 for an individual (\$170,000 for a couple), you will pay a higher Part B premium. Visit www.medicare.gov for Part B costs by annual income.		

If you have a Medicare Advantage Plan, your plan provides your Part B coverage. Remember that most people with Medicare, whether they have Original Medicare or a Medicare Advantage Plan, pay the Part B monthly premium. Some people with a Medicare Advantage Plan may also pay an additional monthly premium for being enrolled in that plan.

If you have the same Medicare Advantage Plan in 2017 as you did in 2016, your plan should have sent you an Annual Notice of Change (ANOC) or Evidence of Coverage (EOC) notice explaining any changes for the coming year. Review this notice to understand any changes in your plan’s costs, covered services, and rules. Contact your plan if you didn’t receive a notice in the fall or want another copy. If you chose a new Medicare Advantage Plan, review the costs associated with the plan for 2017.

3. Have costs for Medicare Part D (prescription drug coverage) changed in 2017?

If you have Medicare prescription drug coverage, often referred to as Part D, your plan should have notified you about any changes in costs for 2017. Part D plans can change the drugs they cover, their pharmacy networks, and their costs (such as copayments, coinsurance charges, and deductibles) from year to year. Remember, there are two main ways that you can get your Medicare prescription drug coverage:

- A Medicare Advantage Plan that provides both health and drug coverage, or
- A stand-alone Part D plan that works with Original Medicare.

Your Part D plan should have sent you an ANOC or EOC notice informing you of your plan’s benefits, costs, and covered drugs for 2017. If you have a Medicare Advantage Plan with prescription drug coverage, you should have received one EOC that describes both your health and prescription drug coverage for 2017.

Part D plans must include the minimum coverage that is set by law, but each plan may offer varying types of coverage. For example, in 2017 Part D plans can set a maximum deductible (amount you pay out-of-pocket before your insurance begins to pay) of \$400 . However, some plans may not require you to pay any deductible. The following chart shows last year’s costs compared to this year. Be sure to review your plan materials for specific cost changes.

The chart on the next page outlines Part D cost changes for 2017.

Medicare Part D Costs: 2016 vs. 2017		
	2016	2017
Part D maximum deductible	Up to \$360/year	Up to \$400/year
Part D initial coverage period costs During the initial coverage period you pay your plan's copays or coinsurance amounts for covered drugs.		
Part D coverage gap threshold You reach the coverage gap, or donut hole , when you and your plan together have spent this much on covered drugs since the start of the year.	\$3,310	\$3,700
Part D catastrophic coverage limit You get out of the donut hole and reach catastrophic coverage when you have spent this much out of pocket* since the start of the year. This doesn't include what the plan has paid toward your drugs.	\$4,850	\$4,950

*Note the out-of-pocket costs that help you get out of the donut hole include what you've spent on covered drugs since the start of the year (deductible, copays); most of the discount for brand-name drugs while you're in the donut hole; and any drug costs paid by family members, most charities, State Pharmaceutical Assistance Programs (SPAPs), AIDS Drug Assistance Programs (ADAPs), and/or the Indian Health Service.

4. What is the *Medicare & You* handbook? How can I get one?

Medicare & You is a handbook published by Medicare each year. It explains Medicare-covered services and the costs associated with Original Medicare for the coming year. Each Medicare beneficiary is mailed a copy of *Medicare & You* in the early fall, regardless of whether they have Original Medicare or a Medicare Advantage Plan. If you did not receive one, you can call 1-800-MEDICARE to request a copy. You can also access it online at www.medicare.gov.

5. What is the Medicare Advantage Disenrollment Period?

If you are dissatisfied with your Medicare Advantage Plan, you may switch to Original Medicare and choose a new stand-alone Part D prescription drug plan during the Medicare Advantage Disenrollment Period (MADP), which runs January 1 through February 14 of each year. This period **only** allows you to switch from a Medicare Advantage Plan to Original Medicare and a stand-alone Part D plan. You cannot enroll into another Medicare Advantage Plan or make any changes to current Original Medicare coverage. If you enrolled in a new Medicare Advantage Plan during Fall Open Enrollment, you can disenroll from that plan and join Original Medicare during the MADP if you find that you are not satisfied with your plan. Before making any changes, you can contact your local State Health Insurance Assistance Program (SHIP) to make sure you know how changing health and drug coverage will affect you. See the last page of the Teaching Materials for SHIP contact information. Changes made during this period are effective the first of the following month. For example, if you switched from a Medicare Advantage Plan to Original Medicare and a stand-alone Part D plan on February 10, your new coverage would begin March 1.



LOCAL HELP FOR PEOPLE WITH MEDICARE

6. What is a transition fill?

A transition fill is typically a one-time, 30-day supply of a drug that your Part D plan must cover when you're in a new plan or when your existing plan changes coverage. Transition fills let you get temporary coverage for drugs that aren't on your plan's formulary (list of covered drugs) or for drugs that have coverage restrictions on them. Coverage restrictions include prior authorization (your plan must approve the drug before it will cover it), step therapy (your plan requires you to try a cheaper, generic drug before it will cover a brand-name or more expensive drug), and quantity limits (you can only get a certain amount of your prescription in a certain amount of time).

Transition fills aren't for new prescriptions. You can only get transition fills for drugs you were already taking before switching plans or before your existing plan changed its coverage. The purpose of a transition fill is to give you the chance to make the transition from a non-covered drug to a drug that is covered by your plan. Before your 30-day transition supply is up, it is a good idea to speak with your doctor about other drugs you can take that will be covered by your plan.

If your plan took your drug off of its formulary or added coverage restrictions for 2017, it must give you a 30-day transition fill within the first 90 days of the new calendar year, along with a notice that your drug is no longer covered. You will not qualify for a transition fill if: 1) your plan helped you appeal for coverage of that drug before January 1, 2017, or 2) your plan helped you switch to a similar drug after telling you about the formulary change before January 1, 2017.

If you are new to a plan that doesn't cover a Medicare-covered drug you have been taking or has coverage restrictions on your drug, you can get a 30-day transition fill within the first 90 days that you are enrolled in that plan.

7. What resources are available to help me understand my coverage and make good decisions?

Social Security Administration: Contact the Social Security Administration (800-772-1213) with questions about your Social Security award for 2017 and how much you will pay for the Part B premium.

State Health Insurance Assistance Program (SHIP): Contact your local SHIP for personalized, one-on-one counseling and assistance with understanding Medicare costs and coverage in 2017. The national 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. See the last page of the Teaching Materials for SHIP contact information.

Senior Medicare Patrol (SMP): Contact your local Senior Medicare Patrol (SMP) for education and assistance regarding suspected Medicare fraud, errors, or abuse. The national 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. See the last page of the Teaching Materials for SMP program contact information.

SHIP Case Study

Micky is 73 years old and has Original Medicare. He paid \$104.90 for his Part B premium in 2016, and had that amount deducted from his Social Security check. After attending a Medicare presentation at his local community center, Micky was informed that the Part B premium will be \$134 in 2017, but that not everyone will pay that amount. Micky is confused about what his Part B premium will be for 2017. He is worried about being able to afford a higher premium in 2017, since he is on a fixed income.

What should Micky do?

- Micky should contact his SHIP to determine how he will be affected by the Part B premium increase.
 - If Micky doesn't know how to find his SHIP, he can go to www.shiptacenter.org or call 877-839-2675 for assistance.
- The SHIP counselor should be able to explain the hold harmless provision and inform Micky about how the increase to his Social Security benefits will affect the increase to his Part B premium. The SHIP counselor can help Micky look at his Social Security statement or call Social Security at 1-800-772-1213 to determine his Part B premium for 2017.

SMP Case Study

Eliza is 79 years old and switched from Original Medicare to a Medicare Advantage Plan last year during Medicare's Open Enrollment. Before enrolling, Eliza spoke with a plan representative about her health needs and the services the plan offers. Eliza chose this particular plan because it included an annual eye check-up. The plan representative told Eliza that she would enroll her in the plan. Eliza recently went to an in-network eye doctor for her annual exam, but later received a notice telling her the services were denied. Eliza called her plan and learned that she had been enrolled in a different Medicare Advantage Plan than the one she had discussed with the representative.

What should Eliza do?

- Eliza may have been the victim of fraudulent marketing. She should contact her local SMP to report the insurance company.
 - If Eliza doesn't know how to find her local SMP, she can go to www.smpresource.org or call 1-877-808-2468 for assistance.
- The SMP representative will collect clarifying information in order to help Eliza resolve her issue.
- If fraud or abuse is suspected based upon the information collected, the SMP will report the situation to the proper authorities.
- The SMP representative can let Eliza know if she may qualify for a Special Enrollment Period to enroll in a new plan based her experience with potential marketing fraud.
- The SMP representative will also educate Eliza about how to protect herself from other types of fraud or abuse.

[Local SHIP and SMP contact information is on the next page.]



LOCAL HELP FOR PEOPLE WITH MEDICARE

Local SHIP Contact Information	Local SMP Contact Information
<p>SHIP toll-free:</p> <p>SHIP email:</p> <p>SHIP website:</p> <p>To find a SHIP in another state: Call 877-839-2675 or visit www.shiptacenter.org.</p>	<p>SMP toll-free:</p> <p>SMP email:</p> <p>SMP website:</p> <p>To find an SMP in another state: Call 877-808-2468 or visit www.smpresource.org.</p>
<p><i>The production of this document was supported by Grant Numbers 90ST1001 and 90NP0003 from the Administration for Community Living (ACL). Its contents are solely the responsibility of the SHIP National Technical Assistance Center (SHIP TA Center) and Senior Medicare Patrol National Resource Center and do not necessarily represent the official views of ACL.</i></p>	