

## Medicare Minute Script – January 2016 What's New in 2016?

Your Medicare coverage can change each year, so it is important to understand and review your rights, benefits, and costs.

### **Point 1: Review changes to your health coverage costs for 2016.**

Some costs associated with Medicare Part A have stayed the same for 2016 and some are higher. Remember, Part A covers inpatient hospital services, skilled nursing facility services, home health care, and hospice. You will notice these increases for 2016:

- A \$28 increase in the hospital deductible, which is now \$1,288 each benefit period.
- The hospital daily coinsurance rates are also higher by either \$10 or \$14 per day, depending on the number of inpatient days used in a benefit period. It is now \$322 per day for days 61-90 and \$644 per day for days 91-150 in each benefit period.
- Your skilled nursing facility coinsurance has also seen a \$3.50 increase per day for 2016, and it is now \$161 for days 21-100 in each benefit period.
- A \$2 or \$4 per month Part A premium increase, depending upon how long you worked, if you are one of the few people who has to pay for Part A.

Some costs associated with Medicare Part B have stayed the same for 2016, and some are higher. Remember, Part B covers outpatient medical services, such as physician services. For most people with Medicare, the Part B premium will remain the same. If you had at least two months of the Part B premium deducted from your Social Security benefit in 2015, you will continue to pay \$104.90. However, if you are new to Medicare Part B in 2016, the standard Part B premium will be higher - \$121.80 per month. The Part B deductible is now \$166: 19 dollars higher than in 2015. There are no changes to the Original Medicare coinsurance rules. You will continue to pay a 20 percent coinsurance for most services covered by Part B.

If you have a Medicare Advantage Plan, contact your plan if you need help understanding your costs and coverage rules. Contact your State Health Assistance Program (SHIP) for help understanding cost sharing (deductibles, coinsurance, and copayments) that apply to Medicare-covered benefits.

### **Point 2: Understand changes to your Medicare Part D costs for 2016.**

Part D costs (premium, deductible, coinsurance, and copayments) vary by plan. The national average for a Part D premium this year is \$34.10. If your plan has an annual deductible, that cost cannot be more than \$360. After spending \$3,310 in total drug costs you will enter the coverage gap. During the coverage gap you will have to pay 45 percent for most brand name drugs and 58 percent for generic drugs. In all plans, after you have spent \$4,850 out of pocket you will leave the coverage gap and enter the catastrophic coverage stage. While in the catastrophic coverage stage, you will pay 5 percent of the cost of each drug, or \$2.95 for generics and \$7.40 for brand-name drugs (whichever is greater). Contact your SHIP if you need help understanding the different stages of Part D coverage.

SHIP National Technical Assistance Center: 877-839-2675, [www.shiptacenter.org](http://www.shiptacenter.org) | [info@shiptacenter.org](mailto:info@shiptacenter.org)

SMP National Resource Center 877-808-2468 | [www.smpresource.org](http://www.smpresource.org) | [info@smpresource.org](mailto:info@smpresource.org)

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### Point 3: Review your options for changing your health coverage in 2016.

If you are unhappy with your Medicare Advantage Plan, you can switch to Original Medicare during the Medicare Advantage Disenrollment Period (MADP). This disenrollment period lasts from January 1 to February 14 each year and allows you to return to Original Medicare and enroll in a stand-alone Part D prescription drug plan. Leaving a Medicare Advantage Plan and returning to Original Medicare with a stand-alone Part D plan is the only change you can make during this time. For example, you cannot switch from one Medicare Advantage Plan to another, nor can you leave Original Medicare. Those changes are reserved for the annual Open Enrollment Period (October 15<sup>th</sup> – December 7<sup>th</sup> each year).

Contact your State Health Insurance Assistance Program (SHIP) to learn about insurance policies that supplement Original Medicare's coverage or about your rights during the Medicare Advantage Disenrollment Period. If you think you have been fraudulently enrolled in a Medicare Advantage Plan or Part D Prescription Drug Plan that doesn't meet your needs, contact your Senior Medicare Patrol (SMP) for assistance.

#### Take Action:

- 1) Review the 2016 changes to your health coverage costs.
- 2) If you need help making coverage changes or understanding your options, contact your SHIP.
- 3) If you receive suspicious offers or charges, contact your Senior Medicare Patrol (SMP) to discuss potential abuse or fraud.

Local SHIP Contact Information	Local SMP Contact Information
<b>SHIP toll-free:</b>	<b>SMP toll-free:</b>
<b>SHIP email:</b>	<b>SMP email:</b>
<b>SHIP website:</b>	<b>SMP website:</b>
<b>To find a SHIP in another state:</b> Call 877-839-2675 or visit <a href="http://www.shiptacenter.org">www.shiptacenter.org</a>	<b>To find an SMP in another state:</b> Call 877-808-2468 or visit <a href="http://www.smpresource.org">www.smpresource.org</a>
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