



# Medicare 101 & Kaiser Permanente

## Making Medicare easy for you to understand

Francesca Parsons Conner, Medicare Consultant

June 10, 2013

For retirees of the City of Alexandria



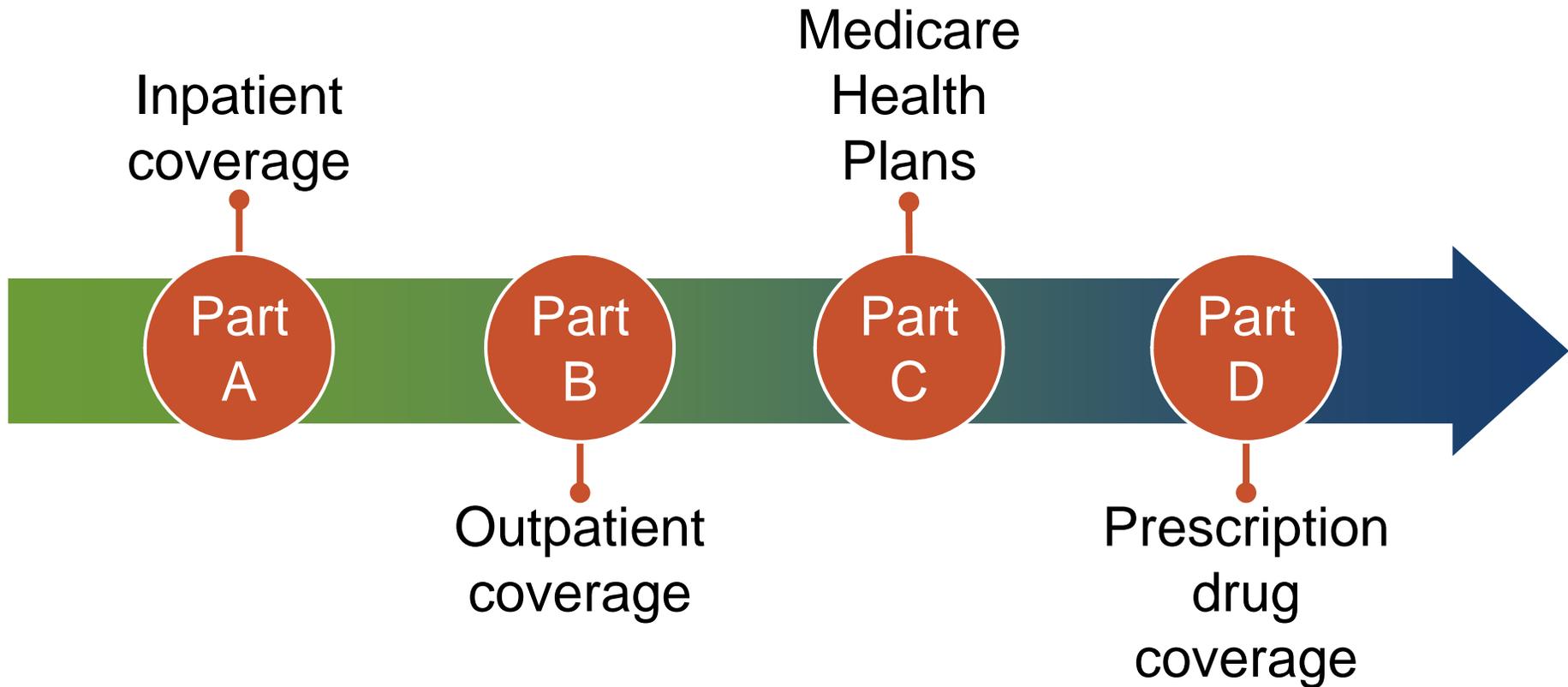
# What is Medicare?

National health program for:

- Individuals 65 or older
- Disabled persons under 65
- Those with end-stage renal disease



# Medicare: Four parts



# Medicare Part A



<b>What it covers</b>	<p>Inpatient care</p> <ul style="list-style-type: none"><li>▪ Hospital, skilled nursing facility, home health, hospice</li></ul>
<b>When people become eligible</b>	<ul style="list-style-type: none"><li>▪ First day of the month the retiree turns 65 (Exception: If birthday is first of the month, Medicare will start the month before)</li><li>▪ Two years after becoming disabled</li><li>▪ Soon after renal dialysis begins</li></ul>

# Medicare Part A



<b>Cost</b>	<ul style="list-style-type: none"><li>▪ No premium for people with 40 quarters of Medicare-covered employment</li><li>▪ In 2013, people with less than 40 quarters of Medicare-covered employment, will have to pay a maximum premium of \$441 to get Part A coverage.</li></ul>
<b>How enrollment works</b>	<ul style="list-style-type: none"><li>▪ Automatic enrollment—no action is required of most retirees.</li></ul>

# Medicare Part B



<b>What it covers</b>	Outpatient care such as: <ul style="list-style-type: none"><li>▪ Doctor visits, lab tests, X-rays, and more</li></ul>
<b>When people become eligible</b>	Same time frame as Part A: <ul style="list-style-type: none"><li>▪ First day of the month the retiree turns 65 (birthday exception applies)</li><li>▪ Two years after becoming disabled</li><li>▪ Soon after renal dialysis begins</li></ul>

# Medicare Part B



<b>Cost</b>	<ul style="list-style-type: none"><li>▪ Based on household income</li><li>▪ Most pay \$104.90 per month</li><li>▪ Can be deducted from Social Security check</li></ul>
<b>How enrollment works</b>	<ul style="list-style-type: none"><li>▪ Unlike Part A, Part B is optional—so you are responsible for your own enrollment</li><li>▪ 7-month window starting 3 months before turning 65</li><li>▪ Or at the point of retirement if they're past 65</li></ul>

# Medicare Part B—three enrollment options



## Option 1

Continue working and postpone enrollment until retirement

## Option 2

Buy Part B and use providers that accept Medicare (may result in coverage gaps; may cost more)

## Option 3

Buy Part B and join a Medicare plan (Part C) with richer coverage and \$0 copays for many services)

# Medicare Part B—late enrollment

If you don't sign up for Part B when you're first eligible or if you drop your Part B and then get it again later, you may have to pay a late enrollment penalty for as long as you have Medicare.



Late enrollment penalty (LEP) for missing the 7-month window

Premiums for retirees who don't enroll in Part B increase 10% for each 12 month period they do not take it. LEP also applies if one drops Part B later.

**Exception:** The LEP does not apply to employees covered by a group health plan while they are working, regardless of age.

# Medicare Part C

(Medicare Advantage or Medicare Cost plans)



Allows health plans like Kaiser Permanente to offer Medicare plans

## How it works

- Covers Part A, Part B, and Part D
- Retirees allow Medicare to reimburse health plan
- Member uses approved health plan providers to receive full benefits

## Advantages

- Seamless conversion for Kaiser Permanente members
- Richer benefits than a traditional Medicare plan

## When retirees can join

- When you retire (we suggest 60-90 days in advance).
- When your employer has an “Election Period” for retirees
- When you have received confirmation of your Medicare Part A and Part B coverage

# Medicare Part D



## What it covers

- Outpatient prescription drug coverage
- Available as part of health plan coverage or through special prescription drug plans

## When people become eligible

- During the age-in period, when they're turning 65 (7-month period)
- As in Part B, someone who turns 65 on June 15 can enroll March 15 through October 15, for example

# Medicare Part D



<b>Cost</b>	<ul style="list-style-type: none"><li>▪ Cost may vary depending on drugs covered</li><li>▪ Nearly all Kaiser Permanente plans combine Part D coverage within the medical plan package</li><li>▪ Total D Premium may vary based on income</li></ul>
<b>How enrollment works</b>	<ul style="list-style-type: none"><li>▪ Members enroll directly with the plan (You cannot buy it from Medicare)</li><li>▪ Eligible for initial enrollment during 7-month age-in period</li><li>▪ Members pay late enrollment penalty of 1% of that year's Part D base premium per month that enrollment is deferred, for as long as they are enrolled (just like Part B LEP). This penalty is added to the monthly premium bill.</li></ul>

# Medicare Part D



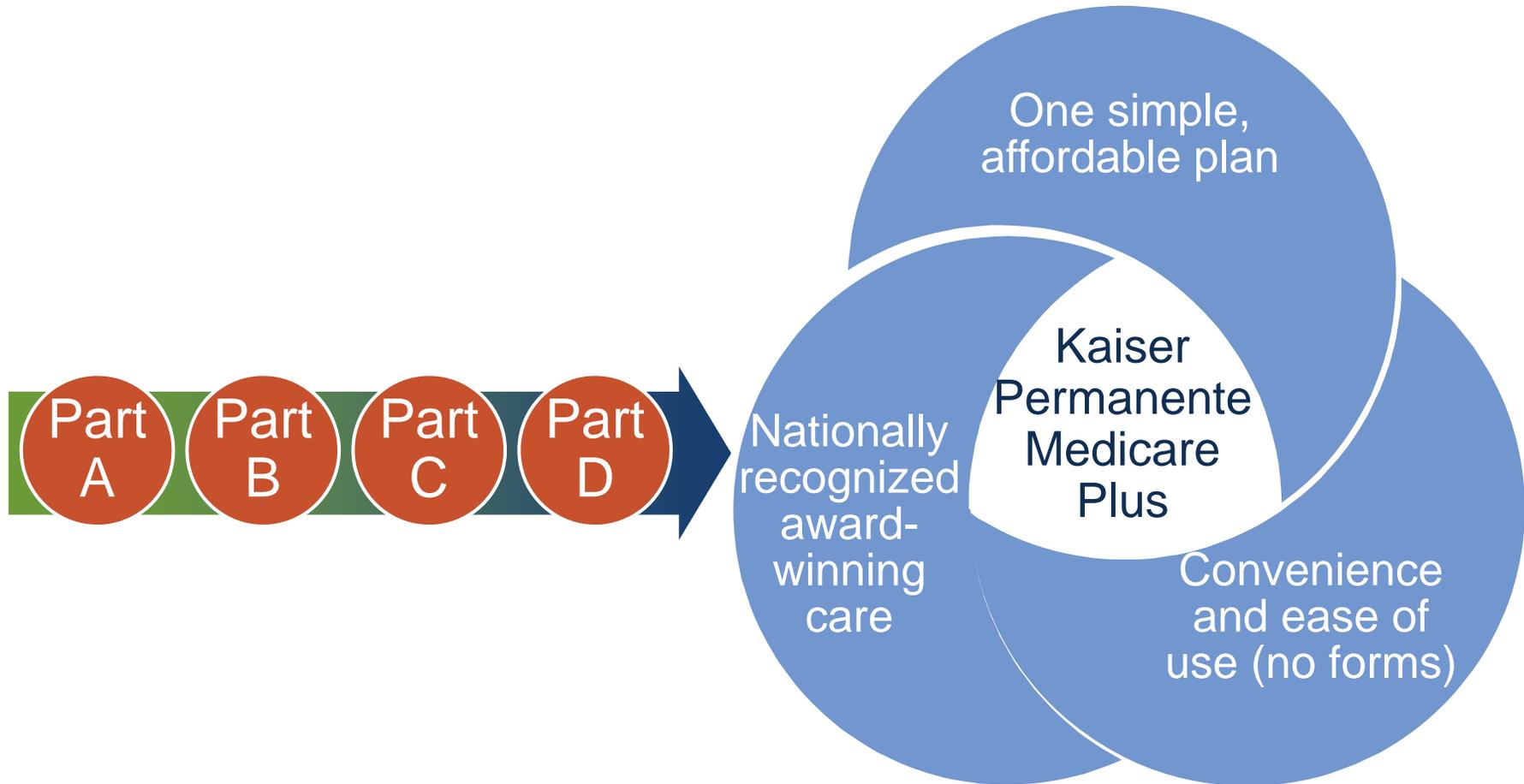
Higher  
premiums  
based on  
income

- Part of the Affordable Care Act
- Individuals \$85,000+/couples \$170,000+
- Determined by federal formulas

Low-income  
subsidy

- Extra help to pay for prescription drugs
- Usually pay no premiums or deductibles and reduced copayments
- Call 1-800-MEDICARE to ask if you qualify

# Bringing it all together with Kaiser Permanente Medicare Plus



# Award-winning care

**Excellent** care and disease management from leading physicians

**Convenient**, all-in-one medical centers make it easy to get the care you need.

**Integrated care**—doctors, specialists, pharmacy, labs, radiology and hospitals

**Online services**—electronic health record, emailing doctor's office, renewing prescriptions



# Recognized for our Quality

Kaiser Permanente Mid-Atlantic is widely recognized as a leader in quality and service.



Washington, DC – Baltimore – Northern Virginia



Kaiser Permanente Medicare Plus (Cost) is Rated an Excellent 5 out of 5 Stars Overall.

## J.D. Power and Associates: "Highest Member Satisfaction among Commercial Health Plans in the Mid-Atlantic region, Five Years in a Row."

Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc., received the highest numerical score among commercial health plans in the Virginia-Maryland region in the proprietary J.D. Power and Associates 2013 U.S. Member Health Insurance Plan Studies.<sup>SM</sup> The 2013 Member Health Plan Study is based on responses from more than 33,000 members of 136 commercial health plans across 17 regions in the United States. The study was fielded in December 2012 and January 2013. For more comprehensive health plan rankings for all 17 U.S. regions, please visit [www.jdpower.com](http://www.jdpower.com).

## Washington Post Magazine recognized 110 Mid-Atlantic Permanente Medical Group Physicians as "Super Doctors" in their October 28, 2012, issue.

The Super Doctors list honors top physicians in dozens of medical specialties.

## Both KPMAS commercial and Medicare plans were recently awarded "Excellent" status by NCOA.

Kaiser Permanente of the Mid-Atlantic States ranked among the top 15 Commercial and Medicare health plans nationwide. MAPMG had more physicians recognized by the Diabetes Physicians Recognition Program (DPRP) than any other medical group or diabetic center medical staff in all the Mid-Atlantic region.

Kaiser Permanente Medicare Plus (Cost) is rated an excellent 5 out of 5 Stars overall, based on major categories that include: Preventive care, chronic care, prescription drug service, customer service, and member satisfaction.

# How Kaiser Permanente earns their stars



Medicare star ratings are based on the plan's performance in more than 50 categories across these five measures:

## Staying healthy

How often members receive screening tests, vaccines, and checkups to keep them healthy

## Managing chronic conditions

Whether members with health concerns get the care they need to manage their conditions

## Member satisfaction

How quickly and easily members get the care they need, and how satisfied they are

## Customer service

How responsive and helpful a plan's service is, and how well the plan ensures access to care

## Pharmacy services

Drug pricing, patient safety, and member experience with prescription benefits

# Healthy Lifestyle Programs for our Members



Weight



Stress



Depression



Chronic  
Conditions



Back Pain



Nutrition



Smoking



Insomnia



Diabetes



Chronic Pain

Spanish language programs: Weight, Stress, Nutrition, and Smoking

# Kaiser Permanente Makes Medicare easier.

- A single, powerful plan
- Top quality health care
- Complete, comprehensive coverage (Hospital, Medical and Prescription Drug – PLUS vision and dental discounts)
- Little or no paperwork
- Great value



# Enrollment and disenrollment for Medicare Plans

## Enrollment

- Medicare plans (Part C) are coordinated with and funded by Medicare .
- There may be forms that must be received by Medicare or by health plans prior to effective date.
- ...sent to you by the City of Alexandria or Kaiser Permanente
- Retroactive enrollments or changes generally aren't allowed.

## Disenrollment

- Change forms or requests must be received before the desired change effective date
- Forms are sent to you by the City of Alexandria or Kaiser Permanente

- You can only be enrolled in one Medicare plan at a time (for health care and/or prescription drug coverage). If you enroll in something new, you will likely automatically cancel out your current plan coverage.
- If you wish to continue or discontinue with the health care benefits from the City, do not make any changes to your insurance coverage without first contacting the City of Alexandria Human Resources Department.

# Benefits and Copayments for City of Alexandria Medicare retirees

## ❖ No deductibles

- \$15 copay for each office visit (primary care or specialists)
- \$0 copay for Medicare covered preventive care

## Part D Prescription Drug Coverage included (also no deductible)

- Kaiser Permanente Mail Order: \$10 for up to a 90 day supply
- Kaiser Permanente Center Pharmacy: \$15 for up to a 60 day supply

## Covered in full:

- Ambulance
- Durable Medical Equipment
- Home Health Care
- Skilled Nursing Care
  
- \$50 copay Emergency Room
- \$100 copay Inpatient Admission

Includes Discount Dental plan with preventive care and discount on eyeglasses, contact lenses

# How do I start?

## **Rule #1 :**

If you wish to continue with the health care benefits from the City, do not make any changes to your insurance coverage without first contacting the City of Alexandria Human Resources Department. (703) 746-3777

## **How to sign up for Part A & Part B:**

Apply online at [SocialSecurity.Gov/Medicareonly](https://www.SocialSecurity.gov/Medicareonly)

Visit your local Social Security office.

Call Social Security at 1-800-772-1213.

If you worked for a railroad, call the RRB at 1-877-772-5772.

# Special notes for retirees of the City of Alexandria

- ❖ The City of Alexandria has selected a special benefits plan from Kaiser Permanente for their retirees.
- ❖ The City includes Medicare Part D benefits in their Kaiser Permanente Medicare Plus plan.
- ❖ Someone who has not earned benefits through the City of Alexandria cannot buy this benefits package.
- ❖ Kaiser Permanente bills the City of Alexandria directly for the premium.
- ❖ This premium is dependent upon the retiree or member having Medicare Part A and Part B.
- ❖ The premium does not include any Late Enrollment Penalties or IRMAA



# Appendix to Medicare & Kaiser Permanente

## Making Medicare easy for you to understand

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**KAISER PERMANENTE**®

# National Committee on Quality Assurance Medicare plan rankings

Kaiser Permanente region	CMS Stars ranking	National ranking by NCQA	State ranking by NCQA
Mid-Atlantic States	★★★★★	12th	First in the Region (DC, MD, VA)
Southern California	★★★★★	1st	1st
Northern California	★★★★★	3rd	2nd
Colorado	★★★★★	2nd	1st
Northwest	★★★★★	5th	1st in the region (1st in OR, WA)
Ohio	★★★★★	16th	1st
Georgia	★★★★☆	27th	1st

# Medicare Part B—2013 monthly premiums

You pay	If your yearly income is*	
	Single	Married couple
\$104.90	\$85,000 or less	\$170,000 or less
\$146.90	\$85,001–107,000	\$170,001–214,000
\$209.80	\$107,001–160,000	\$214,001–320,000
\$272.70	\$160,001–214,000	\$320,001–428,000
\$335.70	Above \$214,000	Above \$428,000
	<b>If you are married but you file a separate tax return from your spouse and your yearly income is:</b>	
\$104.90	\$85,000 or less	
\$272.70	\$85,001–129,000	
\$335.70	Above \$129,000	

\* Modified adjusted gross income as reported on your 2011 IRS tax return.  
 If you have questions about your Part B premium, call Social Security at  
 1-800-772-1213. TTY users should call 1-800-325-0778.

# 2013 Medicare Part D premium adjustment

You pay	If your yearly income is*	
	Single	Married couple
\$11.60	\$85,001–107,000	\$170,001–214,000
\$29.90	\$107,001–160,000	\$214,001–320,000
\$48.30	\$160,001–214,000	\$320,001–428,000
\$66.60	Above \$214,000	Above \$428,000

- The Part D higher-income premium is in addition to the annual Part B premium adjustment.
- The Part D premium is determined according to formulas set by federal law, not by the health plan.
- The premium adjustment is billed directly to you by Medicare

\* Modified adjusted gross income as reported on your 2011 IRS tax return.  
 If you have questions about your Part B premium, call Social Security at 1-800-772-1213. TTY users should call 1-800-325-0778.

# Confusion can cost money, and your health care coverage.

*To Do:  
Get help with Medicare!*



There are people available to help you:

- ❖ The City of Alexandria Human Resources Department (703)746-3777
- ❖ [Http://www.Medicare.Gov](http://www.Medicare.Gov)
- ❖ Your local Social Security office (Call 1-800-772-1213 for locations)
- ❖ Your State's Department of Medical Assistance – (804) 786-7933 in Virginia
- ❖ Your Area Agency on Aging
- ❖ <http://www.vsb.org/site/publications/senior-citizens-handbook>

# Contact information (toll free)

Francesca Parsons Conner, Kaiser Permanente	301-816-5690 or 1-866-335-8657	Monday-Friday, 9 a.m. – 5:00 p.m.
Kaiser Permanente Member Services	800-464-4000 (TTY 800-777-1370)	Monday–Friday, 7 a.m.–7 p.m. Saturday–Sunday, 7 a.m.–3 p.m.
Social Security Administration	800-772-1213 (TTY 800-325-0778)	Monday–Friday, 7 a.m.–7 p.m.
Medicare	800-MEDICARE or 800-633-4227 (TTY 877-486-2048)	24 hours a day