



Medicare Facts Made Simple



Virginia Premier is an HMO and HMO SNP organization with a Medicare contract. Enrollment in Virginia Premier depends on contract renewal.

From October 1 to March 31, we are open daily from 8:00 am to 8:00 pm, 7 days a week. From April 1 through September 30, we are open Monday through Friday, 8:00 am to 8:00 pm. On certain holidays and weekends from April 1 through September 30, your call will be handled by our automated phone system.

Virginia Premier Health Plan, Inc. is a fully-owned subsidiary of VCU Health.

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What Is Medicare?

Medicare is a government-run health insurance program covering people 65 and over.

It also covers people under 65 who have been receiving social security disability insurance for at least 24 months.

The Centers for Medicare and Medicaid Services (CMS) is the federal agency that runs Medicare. The program is funded in part by Social Security and Medicare taxes paid by people who are working.

Though they are all government programs, Medicare, Medicaid and Social Security are different:

Medicaid is a health insurance program for those with limited income.

Social Security provides benefits and assistance to retired people and to people who are unemployed or disabled.

Medicare and Social Security are linked:

Both serve people 65 and over as well as those receiving Social Security Disability Insurance due to a disability. To enroll in Medicare, you must sign up through the Social Security Administration.

Eligibility

Who is eligible for Medicare?

Generally, people who are:

- Ages 65 and over
- Under 65 with a qualifying disability
- Ages 21 and over who qualify due to end-stage renal disease

There are premiums for Medicare insurance. If you have a limited income, you may qualify for a program called Extra Help to pay for your monthly plan premium and prescription drugs.

The Medicare Alphabet

Medicare has four parts, each giving a different kind of coverage:

A	Covers hospital insurance
B	Covers medical insurance, like doctor visits
C	Medicare Advantage plans
D	Helps pay for prescription drugs

Combined, Parts A and B form Original Medicare. They are run and provided by the federal government.

What You Can Add To Original Medicare

In addition to Part A and Part B (Original Medicare) you have the option to purchase:

- Part D (a separate prescription drug plan)
- Supplemental insurance, sometimes called MediGap or MedSupp plans

MediGap and MedSupp plans usually cover items such as:

- co-payments
- co-insurance
- deductibles
- health care you get outside the U.S.

They usually don't help cover:

- vision care and eyeglasses
- hearing aids
- dental care
- long-term care
- private-duty nursing

Original Medicare does not cover expenses incurred by you if you are traveling outside of the United States, even if it is an emergency. Medicare Advantage plans typically have coverage for foreign travel outside the United States and Medicare Supplement plans may cover foreign travel as well.

Another option is to replace Original Medicare with a Medicare Advantage plan.

Part C: Medicare Advantage

- Can be purchased from private insurance companies such as Virginia Premier
- Allows you to choose a private insurance company such as Virginia Premier to receive your Medicare coverage
- Combines Part A and Part B into one plan for full coordination of your care and usually includes a Part D prescription drug plan
- Medicare Advantage provides most of what Original Medicare covers and can also include additional benefits like dental, hearing, vision, wellness services and a nurse phone line
- To be eligible for Medicare Parts C & D you must:
 - Reside in the approved service area
 - Have Parts A & B
 - Not be diagnosed with end-stage renal disease

If you choose a Medicare Advantage plan there are two options:

A Health Maintenance Organization (an HMO)

- You'll use doctors in the network
- You might need a referral to see a specialist
- HMO's generally have lower premiums than PPO's

A Preferred Provider Organization (a PPO)

- You're not assigned a Primary Care Physician (PCP)
- You can see a specialist without a referral

If you already have health insurance (e.g., coverage through an employer or union), check to see how it works with Medicare.

Medicare Star Ratings

Medicare uses a Star Rating System to measure how well Medicare Advantage and Part D drug plans perform.

Some of the areas Medicare reviews for these ratings include:

- How health plan members rate a plan's services and care
- How well the doctors detect illnesses and keep members healthy
- How well the plan helps our members use recommended and safe prescription medications.

The number of stars shows how well the health plan performs.

	5 stars - excellent
	4 stars - above average
	3 stars - average
	2 stars - below average
	1 star - poor

Learn more about star ratings at **medicare.gov**. You can view information about Medicare Advantage plans in your service area and their STAR ratings by selecting Find Health and Drug Plans. Health plans with less than two years of experience in Medicare Advantage plans are too new to be rated and will be noted as such for their Star measure.

Understanding the Part D Donut Hole

Medicare prescription drug plans include four stages, including the coverage gap stage, or “donut hole.”

The 4 drug payment stages

1. Deductible stage

During this stage, if your plan has an annual deductible you usually pay the full cost of your drugs up to the deductible amount. This generally applies to the drugs on Tiers 3, 4 and 5 (not Tiers 1 and 2).

Once you reach the deductible amount, you pay a co-pay or co-insurance in the initial coverage stage (below).

2. Initial coverage stage

During this stage, the plan pays its share of the cost and you pay a co-pay or co-insurance (your share of the cost) for each prescription you fill until your total drug costs reach \$3,820.

After you reach \$3,820, you enter the coverage gap or donut hole.

3. Coverage gap stage*

During this stage, you will receive a discount on brand-name drugs and generic drugs. For 2019, this is 75 percent on brand-name drugs and 63 percent on generic drugs. This stage continues until your yearly out-of-pocket drug costs reach \$5,100.

Once your yearly out-of-pocket costs reach \$5,100, you move to catastrophic coverage.

4. Catastrophic coverage stage

In this stage, you pay only a small co-pay or co-insurance amount for each prescription you fill. The co-pay is \$8.50 for brand-name drugs and \$3.40 for generic drugs (or 5 percent of retail costs, whichever is higher).

*This gap stage payment cost continues to reduce each year.

Enrolling in Medicare

The Initial Enrollment Period begins 3 months before your 65th birthday, and includes your birthday month and extends 3 months after. This is the earliest you can apply for Medicare coverage.

For example, this is your Initial Enrollment Period if you were born in May:



Enrollment Periods

You're entitled to Part A when you reach 65, and you're eligible for Part B. This means that generally, once you qualify for Medicare, you're automatically enrolled in Part A but you will need to enroll in Part B. If you don't, you could be charged a late enrollment penalty that could increase your monthly premiums for Part B. This penalty lasts as long as you remain enrolled in Part B. We can tell you how to avoid late enrollment penalties.

You can enroll in or switch Medicare plans during Medicare enrollment periods. Other life events – such as moving or retirement – can qualify you for a special enrollment period.

Special Election Periods

You may be eligible to apply for Original Medicare or a Medicare Advantage plan past the Initial Election Period under special circumstances; these are called Special Election Periods and include the following situations:

- You work past 65 and have employer group insurance and retire at a later date
- You move out of the service area of the Medicare Advantage plan you are enrolled in
- The Medicare Advantage plan you are enrolled in goes out of business
- You change income status and qualify for low income assistance

Ask us for more details about enrollment periods.

Frequently Asked Questions

Q. I'm still working and on my employer's health insurance plan. When I turn 65, do I need to sign up for Part B during my Initial Enrollment Period?

A. No. You can wait until you're ready to retire and move off your employer plan or your spouse's insurance plan if that is an option. When you do so, you'll be eligible for a Special Enrollment Period and have an eight-month window to sign up for Part B. The eight-month period begins when your employer or union coverage ends or when your employment ends, whichever is first. Be sure to elect Part B at that time so you don't have to pay a late enrollment penalty. That penalty is 10% a year for late enrollment.

Q. If I'm covered for Medicare, is my spouse automatically covered as well?

A. No. Medicare is an individual enrollment. Both you and your spouse must sign up for coverage and the policies are not related. There is no family coverage under Medicare.

Q. If I enroll for Medicare Parts A and B with Social Security, do I also enroll for Part D prescription drug coverage?

A. No. Part D is not related to your Original Medicare coverage. It is additional coverage for prescription drugs your doctor prescribes. You must enroll with a private insurance plan that contracts with Medicare. You have two choices: you can take Original Medicare and then sign up with a Part D plan or you could enroll in a Medicare Advantage Part C plan that has prescription drug and medical in an all-in-one plan.

Q. When I decide to enroll in Medicare and choose a Medicare Advantage plan do I need to stay with the same insurance company I had with my employer?

A. No. When you leave your employer and no longer have health insurance coverage you can choose a Medicare Advantage plan from any company that offers service in your area. Or you may stay in Original Medicare and buy a Medicare Supplement plan and a Part D prescription drug plan.

Q. Does all Medicare private coverage have annual open enrollment periods?

A. No. It's important to know the difference before you enroll:

For Medicare Advantage and Medicare Part D prescription drug plans, there's an annual open enrollment period (October 15 to December 7, with enrollments effective January 1 of the coming year). During this time, you can switch to any other Medicare Advantage or Part D plan available in your area, regardless of your medical history.

There's no annual open enrollment period for Medicare Supplement plans. You can apply for a Medicare Supplement plan anytime, but after your initial seven-month enrollment window has passed, the carrier can use your medical history to determine your eligibility and premium.

However, states can impose their own regulations for Medigap plans. If you're in good health, you'll be able to switch to a different Medicare Supplement plan, but some Medicare Supplement plans are priced based on the enrollee's age when the plan is issued, so they'll be more expensive if you enroll later, even if you're healthy.

If you have questions, check with your State Health Insurance Program – the Virginia Counseling and Assistance Program (VICAP). VICAP offers free unbiased, confidential counseling on health insurance, education and assistance to seniors and adults with disabilities and their families. This program can help in understanding Medicare and making decisions about prescription drug plans, Medicare Advantage plans, Medicare Supplement plans or long-term care insurance.

How can I reach VICAP?

Write to:

Virginia Division for the Aging (DARS)
1610 Forest Avenue, Suite 100
Richmond, Virginia 23229

Toll-Free: **1-800-552-3402 (Nationwide Voice/TTY)**

Phone: **1-804-662-9333**

Fax: **1-804-662-9354**

E-mail: **aging@vda.virginia.gov**

VICAP Web site: **vda.virginia.gov/vicap.htm**

Resources:

- Speak with a Medicare Benefit Advisor at **1-833-270-2112 (TTY: 711), 8 am to 8 pm, Monday through Friday.**
- Call the Social Security Administration (SSA) at **1-800-772-1213 (TTY: 1-800-325-0778)**
- Go to your local SSA office; find locations at **ssa.gov**
- Sign up online at **MyMedicare.gov**
- **1-800-MEDICARE (1-800-633-4227), TTY: 1-877-486-2048, 24 hours a day, 7 days a week**
- Find more information at **medicare.gov**



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Just Ask

Medicare can be complicated! Don't be afraid to ask us for help.

Call 1-833-280-1194