

Navigating Medicare



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What does Medicare Cover?

**Original Medicare
has two parts:**



Part A: Hospital Insurance

Helps pay for inpatient hospital services



Part B: Medical Insurance

Helps pay for outpatient and doctor care

Original Medicare does not cover everything

Non-covered items include:



All out-of-pocket costs – Beneficiary cost share with no out-of-pocket limit



Up to 15% excess charges from “non-participating” providers



Prescription drugs



Routine dental, vision and hearing care



Corrective lenses or hearing aids

What does Original Medicare cost?



Part A:

\$0 premium if you or your spouse worked and paid taxes for at least 40 quarters (10 years)



Part B:

Premiums can vary based on income

Medicare Costs

	2023	2024
Part A Deductible (per 60-day benefit period)	\$1,600	\$1,632
Inpatient days 1 – 60 of each benefit period	\$0/day	\$0/day
Inpatient days 61 – 90 of each benefit period	\$400/day	\$408/day
Lifetime reserve days (maximum of 60 over lifetime)	\$800/day	\$816/day
Skilled Nursing Facility daily coinsurance (days 21 – 100)	\$200/day	\$204/day
Part B Base Premium (monthly)	\$164.90	\$174.70
Part B Deductible (annual deductible)	\$226	\$240
Part B Coinsurance (after deductible)	20%	20%



Part D: Prescription Drug Coverage

Coverage stages are standardized

2023 Coverage Stages

Annual Deductible	Initial Coverage	Coverage Gap (Donut Hole)	Catastrophic Coverage
Up to plan deductible	Up to \$4,660 total drug costs	Up to \$7,400 out-of-pocket costs	To end of year

2024 Coverage Stages

Annual Deductible	Initial Coverage	Coverage Gap (Donut Hole)	Catastrophic Coverage
Up to plan deductible	Up to \$5,030 total drug costs	Up to \$8,000 out-of-pocket costs	\$0 through EOY

Where can I get more coverage?

Option 1

Add one or both of the following to Original Medicare:

Medicare Supplement Insurance (Medigap)

Offered by private insurance companies



Helps pay some or all out-of-pocket costs not paid by Original Medicare

Medicare Part D Plan

Offered by private insurance companies



Helps pay for prescription drugs

OR

Option 2

Choose a Medicare Advantage plan:

Medicare Advantage (Part C) Plan

Offered by private insurance companies



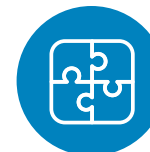
Part C

Combines Part A (hospital insurance) and Part B (medical insurance) in one plan



Part D

Usually includes prescription drug coverage



May offer additional benefits like vision and dental coverage

Medicare Supplement



➔ Highlights

- Plans help pay for out-of-pocket costs not paid by Original Medicare
- Offered by private insurance companies
- Plans labeled by letters and are standardized by Federal and State law
- Same letter plans offer the same benefits except in MA, MN and WI, which standardize differently

Plans do not help cover:

- Prescription drugs
- Routine dental, vision or hearing care
- Corrective lenses or hearing aids
- Long-term care

Medicare Supplement

	Plan A	Plan B	Plan D	Plan G ¹	Plan K	Plan L	Plan M	Plan N	Plan C	Plan F ¹
Hospital Part A coinsurance, days 61-90 (\$400 per day)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Hospital Lifetime Reserve, days 91-150 (\$800 per day)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
365 more Hospital Days-100%	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Parts A and B Blood (first 3 pints)	✓	✓	✓	✓	50%	75%	✓	✓	✓	✓
Part B Medical coinsurance or copayment (20%)	✓	✓	✓	✓	50%	75%	✓	✓ ³ copays apply	✓	✓
Part A hospice coinsurance	✓	✓	✓	✓	50%	75%	✓	✓	✓	✓
Skilled nursing facility coinsurance, days 21-100 (\$200 each day)			✓	✓	50%	75%	✓	✓	✓	✓
Part A Hospital deductible (\$1,600)		✓	✓	✓	50%	75%	50%	✓	✓	✓
Part B Medical deductible (\$226)									✓	✓
Part B excess charges (15%)				✓						✓
Foreign travel emergency			✓	✓			✓	✓	✓	✓
Out-of-pocket limit in 2023 ²					\$6,940	\$3,470 ²				
Doctor visits								\$20 copay ³		
ER visits								\$50 copay ³		

Part C: Medicare Advantage



➔ Highlights

- Alternative to Original Medicare
- Members still have Medicare and must maintain Medicare eligibility/enrollment
- Plans and benefits are offered and administered by private insurance companies
- Medicare Advantage plans cover:
 - All Part A benefits (Hospice is still covered by Part A)
 - All Part B benefits
 - Part D prescription drugs (unless MA only)
- Medicare Advantage plans may include benefits such as:
 - Routine dental, vision and hearing care
 - Corrective lenses and hearing aids
 - Fitness memberships and over-the-counter allowances

Medicare Supplement

Hypothetical example

Plan G*

- **\$162**/Monthly Premium
- **\$240**/Annual Part B Deductible
- **\$17**/Monthly PDP Premium

-
- **\$49**/Month Stand-Alone Dental
 - **\$15**/Month Stand-Alone Vision

\$3,156 Estimated Annual Cost

*Premium estimates based on 65 Male Non-Smoker in Douglas County, NE

- No network – Freedom to seek care from any provider that accepts Medicare
- Underwriting to determine rate and/or acceptance if not in a guarantee issue scenario
- Premium increases
- ‘Pay Forever’ – Pay premiums regardless of utilization
- No dental, vision or other ancillary benefits included

Medicare Advantage

Medicare Advantage (PPO)

- **\$25**/Monthly Premium
 - **\$0**/Deductible
 - **\$3,900**/Maximum Out Of Pocket Protection
 - Part D Coverage Included
-

- Dental Included
 - Vision Included
-

\$300 Annual
Cost

- No Underwriting
 - Flexibility of In-Network or Out-of-Network coverage
 - ‘Pay as you go’ – Only pay when you use the plan
 - Additional benefits not covered by Medicare included at no additional cost:
 - \$1,750 Dental
 - \$200 Eyewear
 - ~\$600 Fitness/gym benefit
 - \$1,000 Hearing Aids
 - \$240 OTC (\$60/quarter)
-

→ **\$3,790** Additional value included!

Pay As You Go vs. Pay Forever

MA PPO Hypothetical utilization

Premium	x12	\$25	\$300
Primary Care Visits	x5	\$0	\$0
Specialist Visits	x3	\$40	\$120
Inpatient Hospital Stay	x4	\$375/day	\$1,500
Outpatient Procedure	x1	\$295	\$295
Total			\$2,215

Plan G + PDP 65 Male

Plan G Premium	x12	\$162	\$1,944
Part B Deductible	x1	\$240	\$240
PDP	X12	\$17	\$204
Dental + Vision	X12	\$64	\$768
Monthly Total		\$243	
Annual Total			\$3,156

Pay As You Go vs. Pay Forever

MA PPO Hypothetical utilization

Premium	x12	\$25	\$300
Primary Care Visits	x5	\$0	\$0
Specialist Visits	x3	\$40	\$120
Inpatient Hospital Stay	x4	\$375/day	\$1,500
Outpatient Procedure	x1	\$295	\$295
Total			\$2,215

Plan G + PDP 75 Male

Plan G Premium	x12	\$222	\$2,664
Part B Deductible	x1	\$240	\$240
PDP	X12	\$17	\$204
Dental + Vision	X12	\$64	\$768
Monthly Total		\$303	
Annual Total			\$3,876

Pay As You Go vs. Pay Forever

MA PPO Hypothetical utilization

Premium	x12	\$25	\$300
Primary Care Visits	x5	\$0	\$0
Specialist Visits	x3	\$40	\$120
Inpatient Hospital Stay	x4	\$375/day	\$1,500
Outpatient Procedure	x1	\$295	\$295
Total			\$2,215

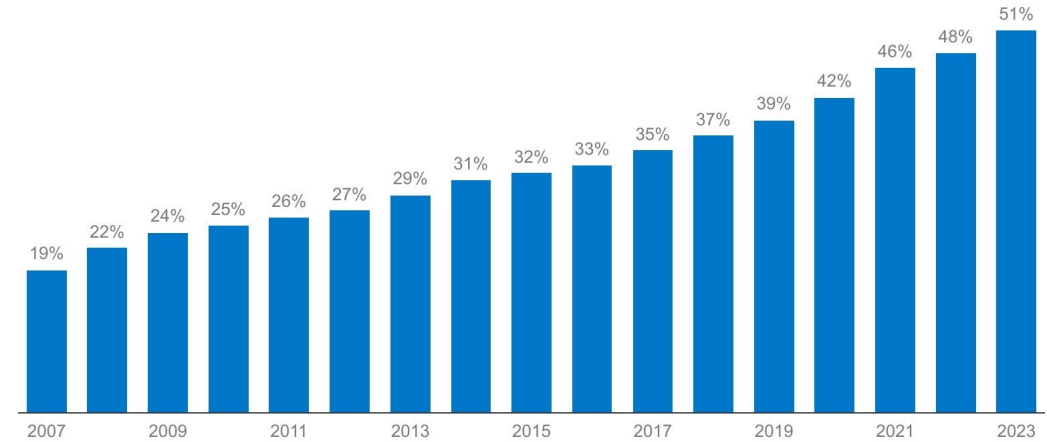
Plan G + PDP 80 Male

Plan G Premium	x12	\$259	\$3,108
Part B Deductible	x1	\$240	\$240
PDP	X12	\$17	\$204
Dental + Vision	X12	\$64	\$768
Monthly Total		\$340	
Annual Total			\$4,320

MA by the Numbers: Enrollment Trends

Figure 1

Total Medicare Advantage Enrollment, 2007-2023

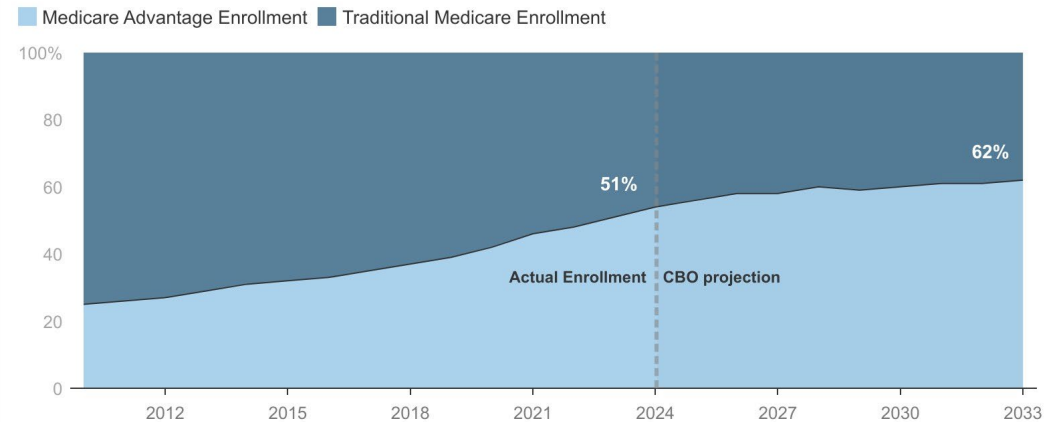


NOTE: Enrollment data are from March of each year. Includes Medicare Advantage plans: HMOs, PPOs (local and regional), PFFS, and MSAs. About 60.0 million people are enrolled in Medicare Parts A and B in 2023.
 SOURCE: KFF analysis of CMS Medicare Advantage Enrollment Files, 2010-2023; Medicare Chronic Conditions (CCW) Data Warehouse from 5 percent of beneficiaries, 2010-2016; CCW data from 20 percent of beneficiaries, 2017-2020; and Medicare Enrollment Dashboard 2021-2023.



Figure 2

Medicare Advantage and Traditional Medicare Enrollment, Past and Projected



SOURCE: KFF analysis Medicare Chronic Conditions (CCW) Data Warehouse from 5 percent of beneficiaries, 2010-2016; CCW data from 20 percent of beneficiaries, 2017-2020; and Medicare Enrollment Dashboard 2021-2023. Enrollment numbers from March of the respective year. Projections for 2023 to 2033 are from the May Congressional Budget Office (CBO) Medicare Baseline for 2023.



MA by the Numbers: Improved Outcomes

Compared to FFS Medicare, MA members...



Experience 24% fewer preventable hospitalizations*



Readmitted 70% fewer times*



Have 21% lower rates of misuse of high-risk medication*

*Source: <https://www.fiercehealthcare.com/payers/harvard-study-ma-enrollees-have-fewer-hospitalizations>

Questions

