

# Understanding the Medicare System Part 1: Entering Medicare

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# What is Medicare?

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Characteristics of the Medicare System

# MEDICARE

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is a federal government program that provides health care coverage for qualified individuals

## **ADMINISTERED BY**

Centers for Medicare & Medicaid Services (CMS)

## **ENROLLMENT IS THROUGH**

Social Security Administration (SSA) or  
Railroad Retirement Board (RRB) for railroad retirees

# MEDICARE

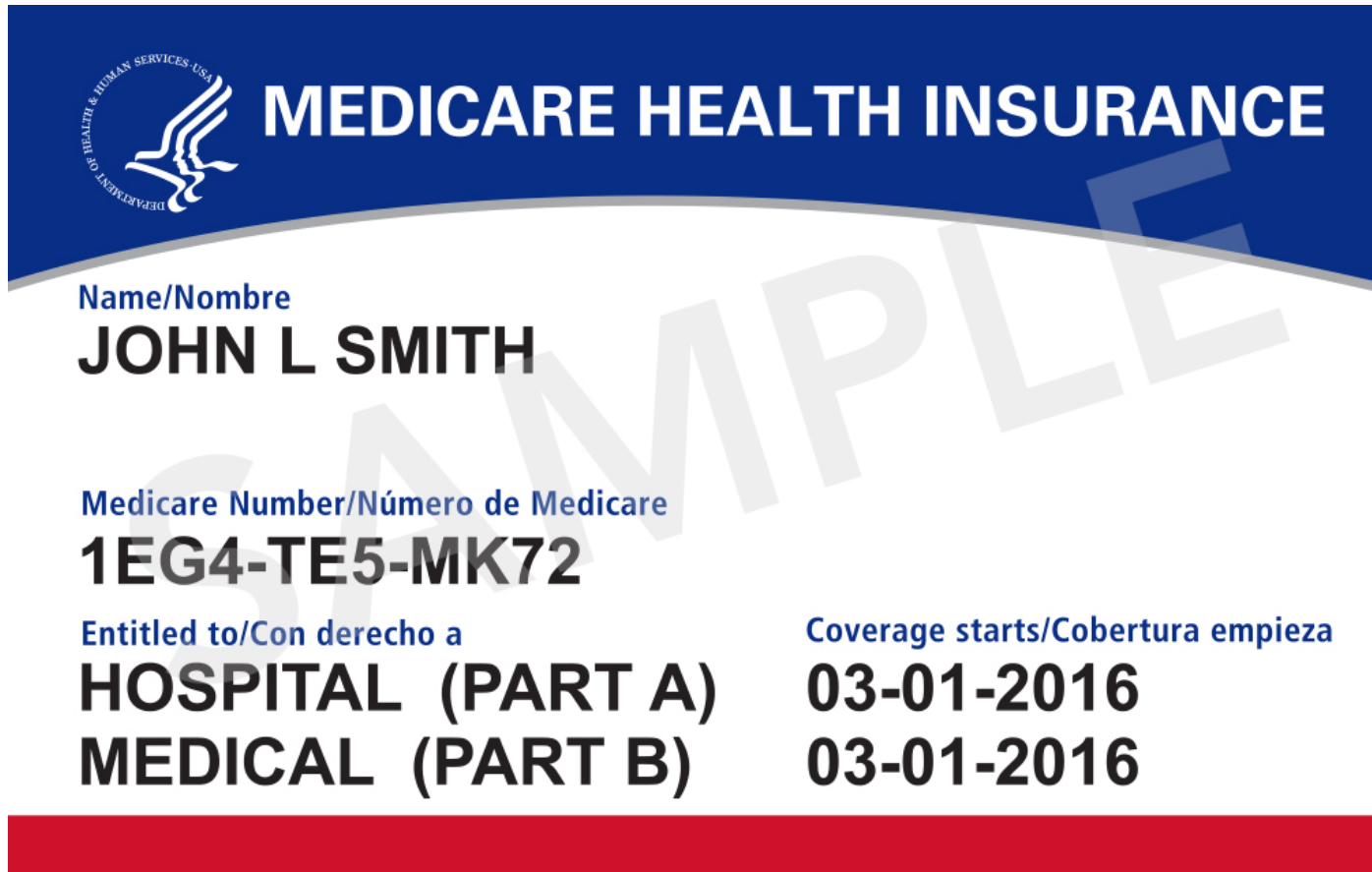
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- Fee for Service payment system
- Beneficiaries can go to any provider that accepts Medicare
- Deductibles & Coinsurances Apply
  - Beneficiaries purchase additional insurance to cover these costs

# MEDICARE

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- Use Red, White & Blue Medicare Card as proof of insurance



# MEDICARE ELIGIBILITY

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- **65 years of age and older**
- **or**
- **Under 65 - receiving SSA or RRB disability benefits**
  - receive disability benefits for 24 months before eligibility
  - (ALS exception)
- **or**
- **Under 65 - diagnosed with End Stage Renal Disease**
  - End Stage Renal Disease or
  - Kidney Transplant

# MEDICARE'S COMPONENTS

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Medicare has multiple parts, each of which provides coverage for specific kinds of health care services



# MEDICARE'S COMPONENTS

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## PART A: HOSPITAL CARE

Covers in-patient care/services



## PART B: MEDICAL CARE

Covers out-patient care/services



Parts A and B are usually referred to as **“Traditional”** or **“Original”** Medicare

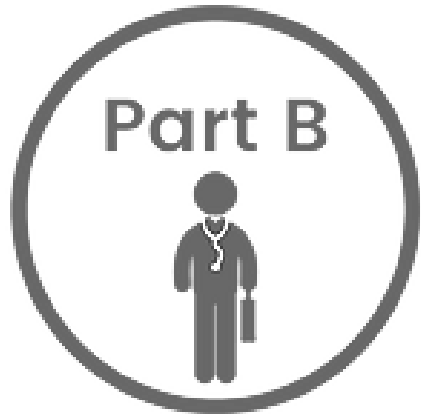


# MEDICARE COVERAGE BASICS

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- Inpatient Hospital Care
- Skilled Nursing Care
- Home Health Care
- Hospice Care



- Outpatient Care Services
- Diagnostic Tests
- Preventive Services
- Outpatient Therapies
- Durable Medical Equipment

# WHAT TRADITIONAL MEDICARE DOES NOT COVER

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- Routine Eye Care (and Corrective Lenses)
- Routine Dental Care (and Dentures)
- Hearing Aids (and exams for fitting hearing aids)
- Long-term care
- Any care/services that are not recognized by Medicare as “Medically Necessary”

# 2022 (Monthly) PART A PREMIUM

<b>Benefit Quarters</b>	<b>Premium</b>
<b>40 or more quarters</b>	<b>\$0</b>
<b>30-39 quarters</b>	<b>\$274</b>
<b>Less than 30 quarters</b>	<b>\$499</b>

# 2022 (Monthly) Part B Premium

Annual Income		Premium
Individual Tax Return	Joint Tax Return	
\$91,000 or less	\$182,000 or less	<b>\$170.10</b>
\$91,001 - \$114,000	\$182,001 - \$228,000	\$238.10 (\$68.00 IRMAA)
114,001- \$142,000	\$228,001 - \$284,000	\$340.20 (\$170.10 IRMAA)
\$142,001 - \$170,000	\$284,001 - \$340,000	\$442.30 (\$272.20 IRMAA)
\$170,001 - \$500,000	\$340,001 - \$750,000	\$544.30 (\$374.20 IRMAA)
Above \$500,000	Above \$750,000	\$578.30 (\$408.20 IRMAA)

# **PAYING THE PART B PREMIUM**

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## **DEDUCTED MONTHLY FROM**

- Social Security
- Railroad retirement
- Federal retirement payments

## **IF NOT DEDUCTED**

- Billed every 3 months
- “Medicare Easy Pay” deduct from bank account

# Enrolling into Medicare

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When to

Why to

How to

# **ENROLLMENT IS HANDLED 2 WAYS:**

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**AUTOMATIC**

**BY APPLICATION**



# AUTOMATIC ENROLLMENT

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## **IF ALREADY RECEIVING:**

- Social Security Benefits
- Social Security Disability
- Railroad Retirement Benefits

## **BENEFICIARY RECEIVES *INITIAL ENROLLMENT PACKAGE***

### **3 MONTHS BEFORE:**

- 25<sup>th</sup> month of disability benefits
- Age 65



# ENROLLMENT BY APPLICATION

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## **IF NOT ALREADY RECEIVING BENEFITS:**

beneficiary applies through Social Security Administration  
(or Railroad Retirement Board for railroad retirees)

- 3 months before turning 65
- month beneficiary turns 65
- 3 months after turning 65

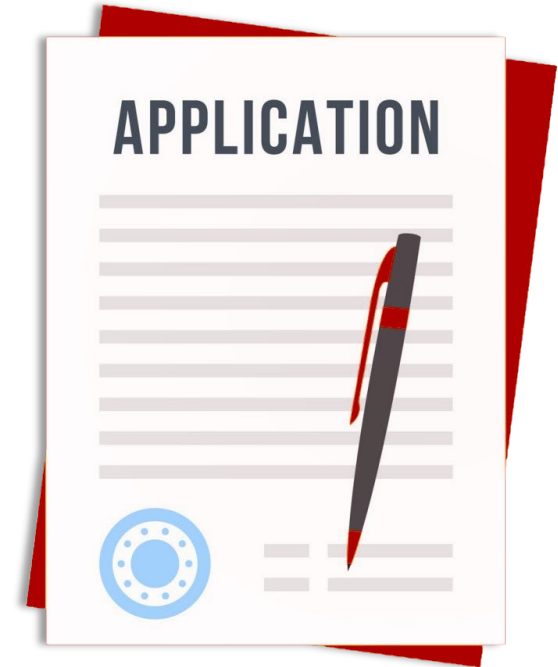
**THIS IS CALLED THE *INITIAL ENROLLMENT PERIOD***

# 7-Month Initial Enrollment Period

No Delay				Delayed Start			
Enroll	<b>3</b> months before the month you turn 65	<b>2</b> months before the month you turn 65	<b>1</b> month before the month you turn 65	The month you turn 65  Next month	<b>1</b> month after you turn 65  2 months later	<b>2</b> months after you turn 65  3 months later	<b>3</b> months after you turn 65  3 months later
To have Medicare coverage for the month you turn 65– must sign up during 3 months immediately prior to the month you turn 65				Waiting until the last 4 months of the Initial Enrollment Period to sign up for Medicare, will delay start date for coverage			

# NORMALLY – 3 APPLICATION OPTIONS

- Apply in person at a local SSA office  
(Directory of SSA offices:  
[www.secure.ssa.gov/ICON/main.jsp](http://www.secure.ssa.gov/ICON/main.jsp))
- Apply by phone at **1-800-772-1213**
- Apply online at **[www.ssa.gov/medicare](http://www.ssa.gov/medicare)**



# APPLYING ONLINE

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## **DURING *INITIAL ENROLLMENT PERIOD***

- Person turning 65 in next 3 months and
- Wants to fully enroll in the Medicare system (Parts A and B)

**GO TO [www.ssa.gov/medicare/apply.html](http://www.ssa.gov/medicare/apply.html) AND SELECT “Apply for Medicare Only”**

**COMPLETE ONLINE APPLICATION – TAKES ABOUT 15 MINUTES**

## **HIT “*Submit Now*” TO SEND APPLICATION ELECTRONICALLY TO SSA**

- You’ll see a receipt on the screen – print and keep for your records
- You’ll also get a confirmation number – use to check the status of application
- SSA will review application and contact you if clarification is needed or if SSA needs to see any documents
- SSA will process application and mail you a determination letter

# Delaying Enrollment

into Medicare

# **DELAYING ENROLLMENT**

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## **Things to Consider:**

- Part A and B can supplement employer coverage
- Part A has a zero premium for most enrollees
- Part B has a premium cost for all enrollees
- Cannot turn down Part A if receiving SSA/RRB benefits
- Special Considerations for employees of small employers

# DELAYING ENROLLMENT

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## Delaying Enrollment into Medicare (without adverse impact):

- IF actively employed (or spouse actively employed) by a *large employer*
- **AND** covered under group health insurance through employment

# DELAYING ENROLLMENT

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## Can later enroll in Medicare when:

Employer Group Health Insurance ends

You have **EIGHT MONTHS** to enroll;  
This 8-month period is called the  
***SPECIAL ENROLLMENT PERIOD***



# APPLYING ONLINE

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## **DURING *SPECIAL ENROLLMENT PERIOD***

- Person is over 65 years old
- Postponed enrolling in Medicare because of employer health benefit
- Person will terminate employment and employer health benefit ends

## **NEED TO COMPLETE 2 FORMS:**

- **CMS 40-B** – Application for Enrollment in Medicare
- **CMS L564** – Request for Employment Information (evidence of coverage)

## **3 OPTIONS TO SUBMIT FORMS UNDER SPECIAL ENROLLMENT PERIOD**

- Go to **ssa.gov** and complete **CMS 40B** online and upload **CMS L564**
- Mail **CMS 40B**, **CMS L564** and **evidence** to local SSA field office
- Fax **forms** and **evidence** to **1-833-914-2016**

# **Medicare Cost Sharing**

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**and Private Insurance Products  
as part of Medicare Coverage**

# **COST SHARING**

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**COST SHARING** was intentionally built into Medicare system

Beneficiaries are expected to share the cost of coverage through payments of:

- **Deductibles**
- **Co-payments**
- **Co-insurance**

# **COST SHARING**

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## **AS A RESULT:**

A key characteristic of the Medicare system is utilization of

**PRIVATE INSURANCE**

to help with the costs that “Basic” Medicare does not cover