



Understanding the basics of Medicare for City of Seattle group members

Presented by Hannah Bachelder, Group Retiree Consultant Kaiser Foundation Health Plan of Washington

Who can join Medicare?

You're eligible to join Medicare if:



You're 65 or older



You have end-stage renal (kidney) disease (ESRD)



You're under 65, but live with a disability

- Must be eligible for Social Security disability
- Requires a 2-year waiting period



You have amyotrophic lateral sclerosis (ALS)



What is Medicare?

- Medicare is a federally funded health insurance program.
- Medicare was established in 1965.
- Medicare is administered by the Centers for Medicare & Medicaid Services (CMS).
- Medicare includes 4 parts:



PART A
Hospital Insurance



PART B
Medical Insurance

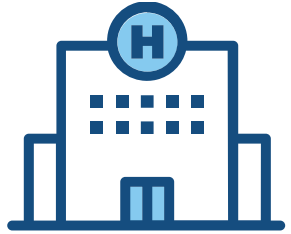


PART D
Prescription
Drug Coverage



PART C
(Medicare Advantage)
Includes Part A, B,
and usually D

Original Medicare



Part A: Hospital Insurance

What it does:

- Gives you coverage for inpatient hospital care
- Also covers skilled nursing care, hospice care, and home health care

What it costs:

- Most won't have to pay a premium for Part A. To make sure you qualify for premium-free Part A, contact Social Security.
- If you worked less than 10 years, there is a monthly premium up to \$471*, your monthly premium is set by a Medicare formula.

What to know:

- 2021 deductible: \$1,484* per benefit period

* Amount is for 2021



Part B: Medical Insurance

What it does:

- Helps cover doctors' and other health care providers' services, like lab and radiology
- Outpatient care, durable medical equipment, dialysis, and some preventive care services are also covered

What it costs:

- Your monthly premium is usually deducted from your Social Security or retirement check.
- Late enrollment penalty (LEP):
 - Your premium increases 10% for each 12-month period that you decline coverage.
 - Not a one-time penalty but **continues throughout enrollment.**
 - Not imposed if you continue to work for — and get your health coverage from — an employer or trust fund of 20 or more.
(You have up to 8 months after your employment ends to enroll.)

What to know:

- 2021 deductible: \$203* annually with 20% coinsurance after meeting your deductible and no out of pocket maximum.

* Amount is for 2020



Part B: Medical Insurance

Based on your 2019 yearly income, your 2021 Part B monthly cost is:

Single Filing individual tax return	Married Filing joint tax return	In 2021, you pay
\$88,000 or less	\$176,000 or less	\$148.50*
\$88,001 to \$111,000	\$176,001 to \$222,000	\$207.90
\$111,001 to \$138,000	\$222,001 to \$276,000	\$297.00
\$138,001 to \$165,000	\$276,001 to \$330,000	\$386.10
\$165,001 to \$500,000	\$330,001 to \$750,000	\$475.20
\$500,001 and above	\$750,001 and above	\$504.90

*You'll pay this standard amount if you: 1) enroll in Part B for the first time in 2021 2) don't get Social Security benefits; 3) are directly billed for your Part B premiums. See [medicare.gov](https://www.medicare.gov) for complete details.

Note: The above dollar amounts may change yearly.



Part B: Medical Insurance

Based on your 2019 yearly income, your 2021 Part B monthly cost is:

Married Filing individual tax return	In 2021, you each pay
Less than or equal to \$88,000	\$148.50
Greater than \$88,000 and less than \$412,000	\$475.20
Greater than or equal to \$412,000	\$504.90

*You'll pay this standard amount if you: 1) are filing separately from spouse 2) enroll in Part B for the first time in 2021 3) don't get Social Security benefits; 4) are directly billed for your Part B premiums. See [medicare.gov](https://www.medicare.gov) for complete details.

Note: The above dollar amounts may change yearly.



Part A & B: Enrolling in Medicare When First Eligible

Initial Enrollment Period

- If you're already getting benefits from Social Security, you'll be automatically enrolled in both Part A and Part B starting the first day of the month you turn 65.
- If you **do not** get benefits from Social Security, you'll need to contact Social Security.
- You can enroll over a 7-month period, which starts 3 months before your 65th birthday, known as the **Initial Enrollment Period**.
- You may be able to enroll online at **socialsecurity.gov**.



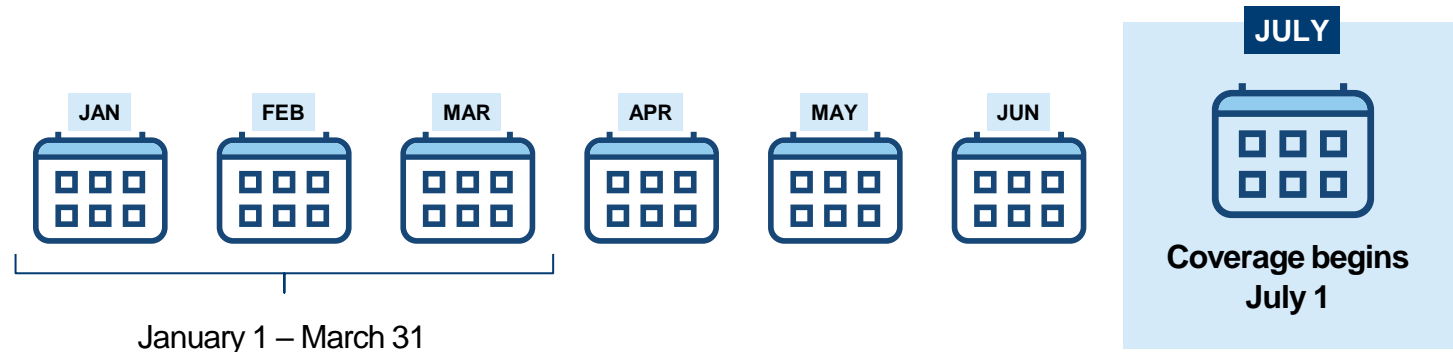
Note: Completing the application form and submitting it doesn't automatically enroll you in Medicare Part B. Social Security must first determine if you're eligible.



Part A & B: Late Enrollment Into Medicare

General Enrollment Period

- If you do not sign up for Part A and Part B when you're first eligible, you can sign up between January 1 and March 31 each year, for a **July 1 effective date**.



Special Enrollment Period

- Triggered by certain events, such as loss of employment or retirement, that allow you to enroll in Medicare or change plans.

Annual Enrollment Period

- Period may be held by employers when you can disenroll from your current plan and switch to a Medicare Advantage plan.

Note: Completing the application form and submitting it doesn't automatically enroll you in Medicare Part B. Social Security must first determine if you're eligible.



Part D: Prescription Drug Coverage

What it does:

- Covers outpatient prescription drugs

To enroll:

You have 3 options for enrolling in Part D:

1. A Medicare Advantage plan that includes Part D prescription drug coverage
2. A stand-alone Prescription Drug Plan that offers prescription drug coverage only
3. Coverage through an employer or union

Unlike with Parts A and B, you **sign up for Part D directly** with your plan. Part D is not directly offered by Medicare or Social Security.



Part D: Prescription Drug Coverage

Medicare Part D Income Related Monthly Adjustment Amount (IRMAA)

The Part D higher-income premium is in addition to the annual Part B premium adjustment and is determined according to formulas set by federal law.

Based on your 2019 yearly income, your 2021 Part D monthly cost is:

File individual tax return	File joint tax return	In 2021, you pay monthly
\$88,000 or less	\$176,000 or less	No Part D IRMAA Premium
\$88,001 to \$111,000	\$176,001 to \$222,000	\$12.30
\$111,001 to \$138,000	\$222,001 to \$276,000	\$31.80
\$138,001 to \$165,000	\$276,001 to \$330,000	\$51.20
\$165,001 to \$500,000	\$330,001 to \$750,000	\$70.70
above \$500,001	above \$750,001	\$77.10

These amounts may change yearly.



Part C: Medicare Advantage

What it does:

- Combines your benefits from Parts A, B, and sometimes D (prescription drug coverage) in a single plan and are an alternative to Original Medicare*
- Services under a network of providers that you must use for care

What it costs:

- Medicare pays an amount for your coverage each month to private health plans.
- Some plans have additional monthly premiums; in many plans, you pay a copay for covered services.
- If you choose an out-of-network provider, you'll be financially responsible, except in the case of an emergency or urgent care.

*Except care for some clinical research and hospice care (Original Medicare covers hospice care even if you're in a Medicare Advantage Plan).



Part C: Medicare Advantage

Types of Medicare Advantage plans:

- Health maintenance organization (HMO) plans
- Point-of-service (HMO-POS) plans
- Preferred provider organization (PPO) plans
- Private fee-for-service (PFFS) plans
- Medical savings account (MSA) plans

Medicare's Extra Help Program: Low-Income Subsidy

- For Medicare beneficiaries with limited income and resources
- Provides extra help with Part D premiums and outpatient drug copays
 - Degree of help depends on income and resources
- Additional facts about extra help:
 - Apply at Social Security or state Medicaid office
 - Administered by your plan, for CMS
 - You must be enrolled in a Part D plan to get help



The Medicare Star Quality Rating System

Every year, Medicare rates Medicare health plans on a 5-star rating system. Star ratings give you a way to compare the quality of care and customer service that different Medicare plans offer.

The ratings based on major categories that include:

- Preventive care
- Chronic care
- Prescription drug services
- Customer service
- Member satisfaction

MEDICARE
STAR
RATINGS

Every year, Medicare evaluates plans based on a 5-star rating system.

The Medicare Star Quality Rating System

After Medicare evaluates performance, each plan is assigned a rating between 1 and 5 stars – 5 being the highest rating:



You can use the star ratings to compare the quality of care and customer service that different Medicare plans offer.

High Medicare Star Quality Ratings You Can Depend On*

Kaiser Permanente region	Star rating*
California	★★★★★
Colorado	★★★★★
Georgia	★★★★★
Hawaii	★★★★★
Mid-Atlantic States (MD, VA, D.C.)	★★★★★
Northwest (OR, SW Washington)	★★★★★
Kaiser Permanente Washington	★★★★☆

Check out our highly rated* 2021 Medicare health plans at kp.org/medicarestars.

*Every year, Medicare evaluates plans based on a 5-star rating system.



Medicare coverage options

Ways to get Medicare coverage:

- Original Medicare plan through the Centers for Medicare & Medicaid Services (CMS)
- Medicare prescription drug plan (PDP) as a stand-alone plan or as part of some Medicare Advantage health plans
- Medicare Advantage plan, known as Medicare Part C, through private insurance companies
- Supplement Original Medicare by enrolling in a Medicare Supplement plan, also known as “Medigap”
- You can get a retiree plan through your former employer group, if they offer one

Medicare Supplement plans

- Often referred to as “Medigap”
- Standardized benefit plans A–N
- Average monthly cost varies, depending on which company offers the plan
- You can choose your own provider that accepts Medicare
- Make sure that your provider will accept the plan you choose
- For prescription drug coverage, you must purchase a stand-alone Part D plan

Additional information on these plans can be found at [medicare.gov](https://www.medicare.gov) or The Office of the Insurance Commissioner for your State.

Employer retiree group plans

- May be offered by your employer once you retire
- Benefits may be similar to active employee plan
- Plan may have more comprehensive benefits – for example, no Part D prescription drug coverage gap (donut hole)
- Once you leave an employer plan, you may not be able to re-enroll
- Examples include:
 - State retirees
 - Federal government retirees
 - Large employer groups

You can get more information about retiree group plans from your employer.

Contact Information

If you have questions about the Kaiser Permanente Medicare health plan, contact reach out to:

City of Seattle Retirees Division: 206-386-1292

5 days a week, 8 a.m. to 5 p.m.

Kaiser Permanente Medicare Sales and Support: 1-800-433-0815

(TTY 711) 7 days a week, 8 a.m. to 8 p.m.

www.kp.org

Social Security: 1-800-772-1213 (TTY 1-800-325-0778)

Monday through Friday, 7 a.m. to 7 p.m.

www.SSA.gov

Medicare: 1-800-MEDICARE (1-800-633-4227) TTY 1-877-486-2048

24 hours a day, 7 days a week.

www.Medicare.gov





Kaiser Permanente is an HMO plan with a Medicare contract. Enrollment in Kaiser Permanente depends on contract renewal. You must reside in the Kaiser Permanente Medicare health plan service area in which you enroll.

Kaiser Foundation Health Plan of Washington; 1300 SW 27th Street Renton, WA 98057