Insurance Information Series

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Choosing A Medicare Plan

Medicare is confusing to most people. It doesn't have to be that way.

You don't need to be an expert to chose a Medicare plan. But, you do need some basic tools to feel confident that you made a good decision. I'll give you two examples: 1. Do you know what the government (Medicare) does for you and what is provided through your insurance company? And 2. Do you know if your insurance is a Supplement plan (Medigap) or an Advantage plan?

It is important to know, because Medicare by itself does not cover everything and these plans work very differently. The advertisements on television and in your mail box are trying to persuade you to choose one type of plan or the other. Do you know what they are selling?

Insurance companies can offer both Supplement plans (Medigap) and Advantage plans. So, just knowing what company you have doesn't tell you much about how your plan works. The rules are different for the two types of plans. Premiums, copays, and networks are all different.

As mentioned earlier, Medicare does not cover everything. There are services that Medicare does not cover. Prescription drugs, routine dental, routine vision, and routine hearing to name a few. If you have coverage for these services, it is through a private insurance company, not the government.

There are also out-of-pocket costs associated with using Medicare. Copays and deductibles, coinsurances and even excess charges. Supplements (Medigap) and Advantage plans can both help pay these costs for you. Knowing which type of plan you have will inform you on what your responsibilities are.

Do you know what type of plan you have and why? Do you know how it compares to any of the other types of plans that are available?

Being a broker for the past 15 years, I try to bring clarity to these questions. I work with all the different types of Medicare plans and most of the reputable companies who offer them. I don't have a bias for or against any of them. You should choose the plan that suits you best. I simply want you to understand what you choose and the rules you're signing up for. If we can accomplish that, you will tend to be much happier with your decisions.

In addition, having a trusted agent to call when life happens is crucial. Understanding how it "should" work in a perfect world is one thing. Reality is often much more complicated. When life throws you a curve, you may not know how it affects your Medicare plan. You need a stress free way to be able to get your questions answered quickly.

I hope you have someone you trust. Someone you can call with your big questions and your little ones. If not, give me a call. I would be happy to help if I can. No strings attached.

Matt Monk is a health insurance broker and manger with Kellogg Insurance Marketing. He specializes in Medicare plans and believes that people can make their own insurance decisions and be confident with their choices. He also knows a little help from someone who's worked in the industry for 15 years doesn't hurt! You can contact Matt at 928-308-0903 or matt@kelloggins.com.

Medicare v.s. Medicare Advantage

For most Medicare recipients the open enrollment period feels overwhelming trying to decide whether to get their benefits through traditional Medicare or a Medicare Advantage Plan like an HMO or PPO. Here are some of the differences between Medicare and Medicare Advantage:

Traditional Medicare

- Provided directly through Medicare
- Part A benefits (Inpatient, Skilled Nursing, Hospice or Home Health) are generally at no cost
- Part B benefits (doctors, outpatient services) require a monthly premium
- Can use any provider that participates in Medicare
- Can use in any state in U.S. but not out of country
- Authorization not required for Outpatient Services, but services must meet their criteria for medical necessity
- You are responsible for Part A & B deductibles plus 20% of billed charges at a Critical Access Hospital or Rural Health Clinic
- You can purchase a Medicare Supplement plan to help cover deductibles and co-insurance at an additional monthly premium
- You can purchase Part D benefits (pharmacy) at an additional monthly premium

Medicare Advantage:

- Provide coverage through a private insurance company
- Charge a monthly premium that includes your Part A, Part B, plus additional benefits such as dental/vision, and sometimes Part D (varies per plan)
- Each plan has different rules
- May require authorization for Outpatient Services in addition to meeting Medicare criteria medical necessity which may delay scheduling services
- Restricts usage to a limited network of providers and sometimes limited service areas. If you go outside that limited network, you may have to privately pay for those services.
- Some plans do not allow Nurse Practitioner's or Physician's Assistants as your Primary Care Provider
- You are responsible for your co-pays or co-insurance unless you have a secondary insurance
- Cannot use a Medicare Supplement plan with a Medicare Advantage plan

Wickenburg Hospital is a Critical Access Hospital and our Clinics are Rural Health Clinics. All our providers participate with Medicare but are not contracted with all Medicare Advantage Plans. If you prefer to use us as your provider for services, here are some questions to ask insurances when considering an Advantage plan:

1) Are my current providers and hospitals contracted with this plan?
2) Can I choose a nurse practitioner (NP) or physician's assistant (PA) as my Primary Care Provider? (verify if your primary provider is an NP or PA)
3) How will I know my service area? (Example: If I live in Yavapai county will Wickenburg Hospital & Clinics in Maricopa County be covered as in network)
4) What happens if I need medical coverage and I am outside my service area, out of state, or out of country?
5) Is Medicare part D (pharmacy) included in this plan?

If you have additional questions about Medicare vs Medicare Advantage you can contact the Medicare helpline at 1-800-MEDICARE.

Although we cannot make any specific recommendation on which plans you should choose, we can provide a general list of insurance plans we are contracted with. Please visit our website or come by our volunteer desk at the hospital for a copy.

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Medicare Part D

Esther Heo Medicare Part D paper

It's that time of the year again! Open enrollment for Medicare will begin October 15 through December 7, 2018. New patients who have turned 65 and anyone who is already enrolled in Medicare Part D should come to the Wickenburg Community Hospital Pharmacy to get a free consultation during this enrollment period. So, what even is Medicare Part D?

The Medicare prescription Drug, Improvement, and Modernization Act of 2003 established a prescription drug coverage under Medicare. Now Medicare has Part A, which covers hospital insurance, Part B, which covers doctor visits and medical supplies, and now Part D, which covers prescription drug insurance. There are two types of plans one can choose from. This first is known as the standalone Prescription Drug Plan (PDP) in which drug coverage is provided from private insurances. This type of insurance requires an enrollment in either Part A or Part B. Then there is the Medicare Advantage Plan, which requires an enrollment in both Part A and Part B. The Advantage Plan also has other benefits such as dental and eye care. Whichever plan you choose, it is important to have prescription drug insurance.

So how does Part D even work? First off, there is a standard prescription drug coverage that all participants will have. The enrollee will first pay a deductible (in 2018 it was $405 and in 2019 it will be $415). Once the deductible has been met, then the enrollee pays 25% of the cost of their medications, and the plan covers 75% up to an initial coverage limit (in 2018 the limit was $3,750 and in 2019 it will be $3,820). Once this limit has been reached, the enrollee goes into a stage known as the coverage gap, or "doughnut hole." During this time, the enrollee must pay for the majority of their medications until they reach $5,000 in total out-of-pocket costs (in 2019 it will increase $5,100). After they have reached the threshold, then they go into another stage known as the catastrophic coverage. During this stage, Medicare subsidizes 80% of the costs, and enrollees pay either a specific co-payment ($3.85 for generic drugs and $8.35 for brand name drugs) or a 5% coinsurance.

In regard to how much actual money you spend will depend on what plan you decide to get. For example, some plans cover part of the initial coverage as well as help cover some costs during the coverage gap.

So, why should you come for a free consultation? Every year the Center of Medicare and Medicare Services changes the formula and updates the Part D coverage parameters of the deductible, initial coverage limit, and out-of-pocket amount. As shown earlier, participants in Part D will have to pay a little more out-of-pocket. Also, every year, insurance plans change their premium, co-pays, deductibles, and formularies. Therefore, the plan that you are on now, may not be the best plan for next year. Your insurance plan may increase or decrease the prices of drugs they cover, preferred pharmacies may change, and drug utilization management requirements may differ.

It is important to sign up for Medicare when you reach 65 because if you decide to not have any type of medical insurance and postpone joining Medicare later, there is a penalty tax for late enrollment that is permanently added to your premium. The penalty is based on 1% of the national base premium multiplied by the number of full months the patient went without coverage. For example, if the premium is $35.02 and you waited 30 months to enroll, you would have to pay $10.50 extra each month on your premium for the **rest of your life**.

There are certain kinds of drugs that Part D will cover and certain drugs that it will exclude. As long as the drug is included in the formulary drug plan and FDA approved, it can be covered. Vaccines and insulin are also

covered. What Part D does not cover are drugs for anorexia, weight loss, weight gain, fertility, cosmetics such as hair growth, and erectile dysfunction. Prescription vitamins and medications to help relieve cough and cold symptoms are also excluded.

There are a variety of different ways you can sign up for Part D. You can fill out a paper application, visit the Medicare's website at http://www.medicare.gov, call the company to sign up, or you can call 1-800-MEDICARE. In order to be eligible for Medicare, one has to be 65 or older, a U.S. citizen, and have never been incarcerated.

At the Wickenburg Community Hospital Pharmacy, we will be providing free consultations for patients who are enrolled in Part D as well as new patients who are enrolling into Medicare Part D during the enrollment period between October 15 through December 7. As pharmacists, we will be able to evaluate your medication lists and find the best drug plan specifically suited for your needs. We hope to see you soon!

Air Program

PHI Air Medical has partnered with Wickenburg Community Hospital to provide air ambulance services for your community.

PHI Air provides a quality membership program for families to protect families from the high cost of air ambulance transportation.

The membership program is national coverage, wherever we have a helicopter bases. The coverage / service area for each helicopter base is approximately 200 miles.

The benefits of the PHI Cares air ambulance membership program includes:*

- **No additional cost, co-pays or deductibles for PHI Air Medical air ambulance transports**
- **No limit to the number of registered household members included in your membership and up to three non-family members are included in your household membership**
- **Your air membership includes both accident scene calls and inter-facility hospital transfers**

The annual membership cost for household benefit coverage is only $50.00 and individual coverage is also available for $30.00 per year for new members with health insurance. The benefits are only applicable if PHI Air Medical transports a member, which is generally the case with all air ambulance industry providers.

Most insurance companies only pay a fraction of the air ambulance bill, leaving a high balance bill the responsibility of the patient. This can easily be thousands of dollars or more.

I encourage everyone to ask their insurance companies how much they cover for air ambulance services and also to encourage them to understand every provider who services their rural area. No one can guarantee they will be available to transport a member, due to operational, safety, weather or other situations. If you live in a rural area, every resident needs to have all of the local air ambulance provider membership programs. It's very inexpensive protection from the high cost of air medical transport.

There are over 550,000 air medical transports every year, which is equal to one every minute, every day…

The cost to operate one base with a high-tech helicopter, well trained crew, pilot, mechanic, flight nurses and paramedics is millions of dollars each year…that's why it's so expensive…and most insurance companies refuse to pay the actual cost.

PHI has over 70 bases across the country, with 12 bases throughout Arizona. We're one of the largest operators in the State of Arizona:

Wickenburg | Deer Valley | Payson | Buckeye | Phoenix | Mesa
San Tan Valley | Miami | Show Low | Casa Grand | Safford | Sierra Vista

If you have any questions or would like to enroll in the PHI Cares membership program, please visit our website www.PHICares.com or call us at 1.888.435.9744 Monday through Friday, 8:00 a.m. to 4:00 p.m. MST, or email us at membership@PHIcares.com

*Benefits are covered only when a patient is transported by PHI Air Medical. Please see our complete list of terms and conditions at www.phicares.com

PHICares.com | 1-888-435-9744