

MEDICARE

Medigap-PFFS-Long-Term Care Insurance

Medicare is a health insurance program for persons age 65 and older, people who have received Social Security Disability benefits for 24 consecutive months, or individuals of any age with permanent kidney damage. It is administered by the Centers for Medicare and Medicaid Services (CMS) and enrollment is handled by the federal Social Security Administration. Medicare is available regardless of income or the asset levels of the individual or family.

Anyone who is a U.S. citizen or legal resident and is turning 65 is entitled to an initial enrollment period that lasts seven months. The initial enrollment period is from three (3) months before the month of their 65th birthday to three (3) months after that month. For example, if you turn 65 in June, your enrollment period is March 1 to September 30.

The different parts of Medicare:

Medicare A (Hospital Insurance) You usually do not pay a premium for Medicare Part A coverage if you or your spouse paid Medicare taxes while working.

Helps cover inpatient care in hospitals.

Helps cover skilled nursing facility, hospice, and home health care.

Medicare B (Medical Insurance) Part B Medicare is voluntary and covers the service of doctors, out-patient care, durable medical equipment, routine mammograms for the elderly, and some other services. You are automatically enrolled in Part B when you become entitled to premium Part A benefits, unless you specify that you do not want this component. Contact the SHINE office closest to you for more information about appeals and Medicare coverage.

What's not covered by Part A & Part B?

Medicare does not cover everything. Even if Medicare covers a service or item, you will generally have to pay your deductible, coinsurance, and/or copayments.

Some of the items and services not covered by Medicare include:

Long-term care (also called custodial care)

Routine dental or eye care

- Dentures
- Cosmetic surgery
- Acupuncture

SOUTH DAKOTA OFFICE OF ATTORNEY GENERAL

**CONSUMER
PROTECTION**

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1-800-300-1986

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- Hearing aids and exams for fitting them
- Routine foot care

Medicare C (Medicare Health Plans) Medicare Advantage Plans, sometimes called "Part C" or "MA Plans," are offered by private companies approved by Medicare. If you join a Medicare Advantage Plan, you still have Medicare. You'll get your Medicare Part A (Hospital Insurance) and Medicare Part B (Medical Insurance) coverage from the Medicare Advantage Plan and not Original Medicare.

Covered services in Medicare Advantage Plans:

- Includes all benefits and services covered under Part A and Part B
- Run by Medicare-approved private insurance companies
- Usually includes Medicare prescription drug coverage (Part D) as part of the plan – DOUBLE CHECK to make sure you have this coverage through the plan
- May include extra benefits and services for an extra cost

The plan may choose not to cover the costs of services that aren't medically necessary under Medicare. If you're not sure whether a service is covered, check with your provider before you get the service. You can also ask the plan for a written advance coverage decision to make sure a service is medically necessary and will be covered. If the plan won't pay for a service you are contemplating you will be responsible for paying all of the costs if you do not receive an advance coverage approval.

Medicare Part D (Prescription Drug Coverage) Medicare Part D plans are prescription drug plans that work like insurance, and they're open to anyone with Medicare. Each Part D plan is different — each can cover different drugs known as formularies or be available only in a certain area. Medicare doesn't operate the plans; they are run by Medicare-approved private insurance companies.

Donut Hole - Most Medicare Prescription Drug Plans have a coverage gap (also called the "donut hole"). This means there's a temporary limit on what the drug plan will cover for drugs. Not everyone will enter the coverage gap. The coverage gap begins after you and your drug plan have spent a certain amount for covered drugs, this amount may change each year. People with Medicare who receive Extra Help paying Part D costs won't enter the coverage gap.

What Providers May & May Not Do. Unfortunately, not everyone who contacts you about Medicare coverage has the best intentions. Scam artists also follow the headlines, and they are reportedly contacting eligible people claiming to represent a Medicare Part C or D provider. In most instances what they really want is your personal information, such as your Social Security Number or your checking or credit card account numbers, which they use to try to commit financial fraud.

To protect consumers, the law is very specific about what people representing Medicare plans are NOT allowed to:

- Ask for your personal information (like your Social Security, bank account, or credit card numbers) over the phone.
- Come to your home uninvited to sell or endorse any Medicare-related product.
- Call you unless you're already a member of the plan. If you're a member, the agent who helped you join can call you.

- Offer you cash (or gifts worth more than \$15) to join their plan or give you free meals during a sales pitch for a Medicare health or drug plan.
- Enroll you into a plan, in general, over the phone unless you call them and ask to enroll.
- Ask you for payment over the phone or web. The plan must send you a bill.
- Sell you a non-health related product, like an annuity or life insurance policy, during a sales pitch for a Medicare health or drug plan.
- Make an appointment to tell you about their plan unless you agree in writing or through a recorded phone discussion to the products being discussed. During the appointment, they can only try to sell you the products you agreed to hear about.

PLEASE NOTE:

Independent agents and brokers selling plans must be licensed by the South Dakota Division of Insurance, and the plan must tell the state which agents are selling their plans. If you suspect the person you are dealing with is not a licensed agent contact the Division of Insurance at 605-773-3563.

Protecting Your Personal Information. It's important to protect your personal information, even when you are shopping for Medicare plans. If your personal information (your Social Security, Medicare ID, credit card or bank account numbers) gets into the wrong hands, it can be misused.

- Keep all your personal information close. Don't give it out until you are sure that a company is working with Medicare and their product is approved by Medicare.
- Don't sign up for a plan on the phone unless YOU make the call.
- Take a friend or family member with you if you decide to attend a sales pitch.
- Report scams and suspicious activity to Medicare. If you think someone is misusing your personal information, call Medicare at 1-800-633-4227, the U.S. Department of Health and Human Services Fraud Hotline at 1-800-447-847.

MEDICARE SUPPLEMENT (MEDIGAP) INSURANCE

Medicare supplement (Medigap) Insurance is sold by private companies that can help pay some of the health care costs that Original Medicare doesn't cover, like copayments, coinsurance, and deductibles.

Some Medigap policies also offer coverage for services that Original Medicare doesn't cover, like medical care when you travel outside the U.S. If you have Original Medicare and you buy a Medigap policy, Medicare will pay its share of the Medicare-approved amount for covered health care costs. Then your Medigap policy pays its share.

PLEASE NOTE: *A Medigap policy is different from a Medicare Advantage Plan. Advantage plans are ways to get Medicare benefits, while a Medigap policy only supplements your Original Medicare benefits.*

Things to know about Medigap policies:

- You must have Medicare Part A and Part B.
- If you have a Medicare Advantage Plan, you can apply for a Medigap policy, but make sure you can leave the Medicare Advantage Plan before your Medigap policy begins.
- You pay the private insurance company a monthly premium for your Medigap policy in addition to the monthly Part B premium that you pay to Medicare.

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- A Medigap policy only covers one person. If you and your spouse both want Medigap coverage, you'll each have to buy separate policies.
- You can buy a Medigap policy from any insurance company that's licensed in South Dakota to sell one.
- Any standardized Medigap policy is guaranteed renewable even if you have health problems. This means the insurance company can't cancel your Medigap policy as long as you pay the premium.
- Some Medigap policies sold in the past cover prescription drugs, but Medigap policies sold after January 1, 2006 aren't allowed to include prescription drug coverage. If you want prescription drug coverage, you can join a Medicare Prescription Drug Plan (Part D).
- It's illegal for anyone to sell you a Medigap policy if you have a Medicare Medical Savings Account (MSA) Plan.

Insurance plans that aren't Medigap:

- Medicare Advantage Plans (like an HMO, PPO, or Private Fee-for-Service Plan)
- Medicare Prescription Drug Plans
- Medicaid
- Employer or union plans, including the Federal Employees Health Benefits Program (FEHBP)
- TRICARE
- Veterans' benefits
- Long-term care insurance policies
- Indian Health Service, Tribal, and Urban Indian Health plans

PRIVATE FEE-FOR-SERVICE (PFFS) PLANS

A Medicare Private Fee-For-Service Plan (PFFS) is a type of Medicare Advantage Plan (Part C) offered by a private insurance company. PFFS plans aren't the same as Original Medicare or Medigap. The plan determines how much it will pay doctors, other health care providers, and hospitals, and how much you must pay when you get care.

Some wonder if they can get health care from any doctor, other health care provider, or hospital? In some cases, you get your health care from any doctor, other health care provider, or hospital in PFFS Plans. If you join a PFFS Plan that has a network, you can also see any of the network providers who have agreed to always treat plan members. You can also choose an out-of-network doctor, hospital, or other provider, who accepts the plan's terms, but you may pay more.

General Information about PFFS Plans:

- **Are prescription drugs covered?** Prescription drugs may be covered in PFFS Plans. If your PFFS Plan doesn't offer drug coverage, you can join a Medicare Prescription Drug Plan to get coverage.
- **Do I need to choose a primary care doctor?** You don't need to choose a primary care doctor in PFFS Plans.
- **Do I have to get a referral to see a specialist?** You don't have to get a referral to see a specialist in PFFS Plans.

Other facts you should know about this type of plan:

- Some PFFS Plans contract with a network of providers who agree to always treat you even if

you've never seen them before.

- Out-of-network doctors, hospitals, and other providers may decide not to treat you even if you've seen them before.
- For each service you get, make sure your doctors, hospitals, and other providers agree to treat you under the plan, and accept the plan's payment terms.
- In an emergency, doctors, hospitals, and other providers must treat you.
- Show your plan membership ID card each time you visit a health care provider. Your provider can choose at every visit whether to accept your plan's terms and conditions of payment. You can't use your red, white, and blue Medicare card to get health care because Original Medicare won't pay for your health care while you're in the Medicare PFFS Plan. Keep your Medicare card in a safe place in case you return to Original Medicare in the future.
- You only need to pay the copayment or coinsurance amount allowed by the plan for the type(s) of service you get at the time of the service.

For more information, contact Medicare at 1-800-633-4227 or SHINE at 1-800-536-8197.

LONG-TERM CARE INSURANCE

There are many different types of long-term care insurance policies on the market. Long-term care includes non-medical care for people who have a chronic illness or disability. This includes non-skilled personal care assistance with everyday activities, such as dressing, bathing, and using the bathroom. At least 70% of people over 65 will need long-term care services and support at some point. These policies cover a wide range of services including nursing home care, home health care, respite care, and adult day care. Long-term care costs can be very expensive. **Medicare and most health insurance plans, including Medicare Supplement Policies (Medigap) policies don't usually pay for long-term care costs.** This is why many people depend on the state Medicaid program, a long-term care policy, or their own assets to pay for long-term care.

Things to consider when purchasing a long-term care policy:

- Financial stability of the company.
- History of premium increases.
- Which product best suits your needs. Review the level of protection a policy provides.
- Maximum benefit of the policy (two years, five years, lifetime).
- How many days you have to be in a nursing home before the policy starts to pay.
- If benefits are available for home health care or adult day care.

The sale of long-term care insurance is regulated by the South Dakota Division of Insurance. The Division has established some rules that carriers must meet when selling long-term care policies. These rules are designed to protect consumers and to ensure seniors are getting a quality product.

Some of these include:

- Your agent must provide you with an outline of your coverage.
- You have a 30-day period in which the policy may be returned for a full refund.
- The insurance company may deny coverage for a pre-existing condition for no longer than six months.
- A long-term care insurance policy may not exclude benefits on the basis of organic brain disease, including Alzheimer's or senile dementia.

Once issued, the policy may not be canceled, non-renewed or otherwise terminated. Other laws and protections do exist. For more information, to file an insurance complaint, or to obtain a shopper's guide, contact the South Dakota Division of Insurance at 605-773-3563.

South Dakota's Long-Term Care Partnership Program. The South Dakota Long-Term Care Partnership Program, administered by the Department of Social Services (605-773-3165) and Division of Insurance (605-773-3563), provides an alternative to spending down or transferring assets by forming a partnership between Medicaid and private long-term care insurers.

What is long-term care & where is it provided? Long-term care includes a wide range of services provided to people who need continued help with Activities of Daily Living, such as: bathing, dressing, eating, using the toilet, continence, transferring from a bed to a chair.

Long-term care can be provided in a variety of places, including a person's home, an assisted living facility or a nursing home. For more information please contact SD Department of Social Services at 605-773-3165.