

Presentation #2

Medicare Supplements and Part D Plans

Presented by SourcePoint

*Resources: Ohio Senior Health Insurance Information Program (OSHIIP)
from the Ohio Department of Insurance.*



Secondary Insurance

Group Health Insurance

- Insurance from a former employer or union that supplements Medicare

Medicaid

- State assistance for those with limited income and resources
- Medicare Savings Program

Medicare Supplemental Insurance

- Private insurance designed to coordinate with Original Medicare

Original Medicare
Part A and Part B



Secondary Insurance
GHI, Medicaid, or MedSup

Medicare Supplemental Insurance

- Plans are standardized
 - All companies sell the same plans
 - Premiums will vary from company to company
 - Plans A, B, D, G, K, L, M, N
- No network
- Pay only after Original Medicare (Parts A and B)
- Guaranteed issue
 - Open enrollment – six months beginning with Part B effective date at age 65 or older
 - Special circumstances – typically 63 days after loss of coverage

Check out the Ohio Shopper's Guide to Medicare Supplement Insurance at insurance.ohio.gov

Medigap Plans

Benefits	A	B	D	G	K**	L**	M	N***
Medicare Part A coinsurance and hospital costs (up to 365 days after Medicare benefits are used)	100%	100%	100%	100%	100%	100%	100%	100%
Medicare Part B coinsurance or copayment	100%	100%	100%	100%	50%	75%	100%	100%
Blood (first 3 pints)	100%	100%	100%	100%	50%	75%	100%	100%
Part A hospice care coinsurance or copayment	100%	100%	100%	100%	50%	75%	100%	100%
Skilled nursing facility care coinsurance			100%	100%	50%	75%	100%	100%
Medicare Part A deductible		100%	100%	100%	50%	75%	50%	100%
Medicare Part B deductible								
Medicare Part B excess charges				100%				
Foreign travel emergency (up to plan limits)			80%	80%			80%	80%

*Out-of-pocket
limit in 2025*

\$7,220

\$3,610



Medigap Plans

** For Plans K and L, after you meet your out-of-pocket yearly limit and your yearly Part B deductible, the Medigap plan pays 100 percent of covered services for the rest of the calendar year.

*** Plan N pays 100 percent of the Part B coinsurance, except for a copayment of up to \$20 for some office visits and up to \$50 copayment for emergency room visits that don't result in an inpatient admission.

Medicare Part D

- Everyone with Medicare can get Part D
 - May not need Part D if you have credible coverage
 - Example: Employer, VA, etc.
- Medicare's Prescription Drug Coverage
 - Offered by private companies that contract with Medicare
 - Available two ways
 - Stand-alone prescription drug plans (PDPs)
 - Through Medicare Advantage Plans (MAPDs)
 - Initial enrollment is the same as Part B
- Open enrollment **Oct. 15 through Dec. 7**
 - Coverage begins Jan. 1
 - Other enrollment times based on circumstance

All Medicare patients should review plan options each year at [medicare.gov](https://www.medicare.gov)

The Three C's of PDPs

- **Convenience**

- Network pharmacies (preferred vs. standard)
- Mail order options

- **Coverage**

- Choose a plan that includes your meds on the formulary
- Brand vs. generic, tiers 1-7
- Take the formulary with you when seeing your physicians

- **Cost**

- Know all possible costs!

Compare plans each year at [medicare.gov](https://www.medicare.gov)



Part D Costs

- Average monthly premiums: \$46.50(National Average)
- Annual deductible: \$0-590
- Coinsurance/copays: 25-50% or flat copay amounts based on formulary
- Maximum out of pocket of \$2,000, payments made towards the plan deductible also counts as part of the out-of-pocket amount.
- The \$2,000 cap only applies to covered prescription medications.
- The out-of-pocket max will kick in automatically, you do not have to sign up, enroll or do anything at all to have it apply to you.
- Smoothing program for drug costs allows enrollees to divide out their prescription costs over the full year making it more budget friendly.
- This program is set up through the enrollee and the insurance carrier. A monthly payment will be made to the carrier for their prescriptions and not the actual pharmacy when the medications are picked up at the pharmacy like before.
- This program can be set up at anytime during the year however the sooner it is set up the better it can help to equal out the monthly costs.

Things to Consider

- All plans have a different cost structure.
- Late enrollees may incur a 1% penalty for each month of delay.
- Those with limited income/resources may qualify for extra help (Limited Income Subsidy or LIS) through the Social Security Administration.

Mid-Year Formulary Notification

- Plans will be able to immediately substitute a newly available generic for brand name drugs on the same or lower cost-sharing tier without prior beneficiary notice.
- Plans may provide beneficiaries with general notice that mid-year generic substitution may occur and affected enrollees and providers can be notified after the fact.
- The Part D plan that utilizes the general notice will be required to provide a 30-day supply of the brand name drug upon beneficiary request.
- Beneficiaries can continue to seek formulary exceptions.

Questions?

SourcePoint provides a variety of free insurance education classes and workshops. Learn more at [MySourcePoint.org/insurance](https://www.mysourcepoint.org/insurance) or call 740-363-6677.

Other Resources

- **OSHIIP** | 1-800-686-1578 | [insurance.ohio.gov](https://www.insurance.ohio.gov)
- **Medicare** | 1-800-MEDICARE | [medicare.gov](https://www.medicare.gov)
- **Social Security Administration** | 1-800-772-1213 | [ssa.gov](https://www.ssa.gov)

