

A photograph of five diverse adults (three women and two men) walking together in a park-like setting. They are all smiling and appear to be engaged in a group walk or exercise routine. The background shows green grass and trees. A blue bench is visible on the right side of the image.

# Welcome to Kaiser Permanente Presenting Medicare 101 and Kaiser Permanente Senior Advantage (HMO)

City of San Diego

# Basics of Medicare



# What Is Medicare?

- Medicare is a federally funded health insurance program. It includes Part A and Part B (known as Original Medicare).
- Medicare was established in 1965.
- Medicare is administered by the Centers for Medicare & Medicaid Services (CMS).

# Who Can Join Medicare?

Medicare beneficiaries include:

- People 65 or older if they or their spouses are eligible for Social Security
- People under 65 who are disabled
  - Must be eligible for Social Security disability
  - Requires a 2-year waiting period
- People of any age with end-stage renal (kidney) disease (ESRD)
  - Permanent kidney failure that requires dialysis
  - Needing a kidney transplant

# Medicare Part A

## Medicare Part A is hospital insurance that covers:

- Inpatient hospital care
- Skilled nursing facility care
- Hospice care
- Home health care

## What does it cost?

- No premium if you or your spouse has worked for at least 10 years and paid Medicare taxes.
- If you worked fewer than 10 years, there is a monthly premium up to \$411, which is set by a Medicare formula.

# Medicare Part B

Medicare Part B is medical insurance that covers:

- Doctor and other health care provider services
- Outpatient care
- Lab
- Radiology
- Durable medical equipment
- Dialysis
- Some preventive care services

# Medicare Part B

## What does it cost?

### 2017 Medicare Part B Monthly Premiums\*

YOUR YEARLY INCOME†		YOU PAY
Single-Standard‡	\$85,000 or less	\$134.00‡
Married couple-Standard‡	\$170,000 or less	
Single	\$85,001 – \$107,000	\$187.50
Married couple	\$170,001 – \$214,000	
Single	\$107,001 – \$160,000	\$267.90
Married couple	\$214,001 – \$320,000	
Single	\$160,001 – \$214,000	\$348.30
Married couple	\$320,001 – \$428,000	
Single	Above \$214,000	\$428.60
Married couple	Above \$428,000	

If you're married, but file a tax return separately from your spouse

YOUR YEARLY INCOME†		YOU PAY
\$85,000 or less-Standard‡		\$134.00‡
\$85,001 – \$129,000		\$348.30
Above \$129,000		\$428.60

\*You must continue to pay your Medicare Part B premium and any other applicable Medicare premium(s), if not otherwise paid by Medicaid or another third party.

†Modified adjusted gross income as reported on your 2015 IRS tax return.

‡You will pay this Standard amount if you 1) enroll in Part B for the first time in 2017, 2) do not get Social Security benefits, 3) are directly billed for your Part B premiums. See [medicare.gov](http://medicare.gov) for complete details. However, most people who get Social Security benefits will pay \$109.00 on average in 2017.

**Note:** The above dollar amounts are for 2017 and may change in 2018.

# Medicare Part B

## Additional payment and cost information

- Your monthly premium is usually deducted from your Social Security check.
- Late enrollment penalty:
  - Premium goes up 10 percent 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.)



# How to Enroll in Medicare Parts A and B

## Initial Enrollment Period

- For Medicare Part A
  - If you're already getting benefits from Social Security, you'll be automatically enrolled starting the first day of the month you turn 65.
- For Medicare Part B
  - 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**.

## General Enrollment Period

- If you don't 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.

**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.

# Medicare Coverage Options

Here are some ways you can get Medicare coverage:

- You get an Original Medicare Plan through the Centers for Medicare & Medicaid Services (CMS).
  - You can supplement Original Medicare by enrolling in a MediGap Plan. Premiums for these plans are not covered. (Note: Kaiser Permanente does not offer MediGap plans.)
- You can sign up for a Medicare Advantage Plan, known as Medicare Part C, through private insurance companies.
- In some parts of the country, you can sign up for Medicare Cost Plans, which are also offered through private insurance companies.

# Part C — Medicare Advantage Plans

- Medicare Part C, Medicare Advantage, covers:
  - All the services Original Medicare covers\*
  - With most plans, medical benefits and services in addition to Original Medicare
  - Services under a network of providers that you must use for care
  
- Different 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

\*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 Plans (continued)

- Payment and costs:
  - Medicare pays an amount for your coverage each month to these 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.

# Medicare Part D

**Part D covers outpatient prescription drugs.**

You have 3 options for enrolling in Part D:

- A Medicare Advantage plan that includes Part D prescription drug coverage
- A stand-alone Prescription Drug Plan that offers prescription drug coverage only
- 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.

# Medicare Part D

## What does it cost?

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.

### 2017 Medicare Monthly Premium Adjustment

YOUR YEARLY INCOME*		YOU PAY (MONTHLY)
Single	\$85,000 or less	No premium adjustment
Married couple	\$170,000 or less	
Single	\$85,001 – \$107,000	\$13.30
Married couple	\$170,001 – \$214,000	
Single	\$107,001 – \$160,000	\$34.20
Married couple	\$214,001 – \$320,000	
Single	\$160,001 – \$214,000	\$55.20
Married couple	\$320,001 – \$428,000	
Single	Above \$214,000	\$76.20
Married couple	Above \$428,000	

\*Modified adjusted gross income as reported on your 2015 IRS tax return.

**Note:** The above dollar amounts are for 2017 and may change in 2018.

# Enrolling in Medicare Parts C and D

- Initial Enrollment Period: The 7-month period that starts 3 months before your 65th birthday
- Annual Open Enrollment Period: Period held by employers when you can disenroll from your current plan and switch to a Medicare Advantage plan
- Special Enrollment Period: Triggered by certain events, such as loss of employment or retirement, that allow you to change plans
- Late enrollment penalty
  - As with Part B, you must sign up for Part D coverage as soon as you're eligible or you'll be charged a penalty.
  - The penalty is **1 percent of that year's Part D base premium per month** that you do not maintain creditable coverage.






# 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.



# 2017 Medicare Ratings

Our Medicare health plans for 2017 received Medicare's highest possible rating, 5 out of 5 Stars, in California, Colorado, Maryland, Oregon, Virginia, Washington, and Washington, D.C., and 4.5 out of 5 Stars in Georgia and Hawaii.\*

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

\*Medicare evaluates plans based on a 5-star rating system. Star Ratings are calculated each year and may change from one year to the next. Centers for Medicare & Medicaid Services Health Plan Management System, Plan Ratings 2017. Kaiser Permanente contract #s H0524, H0630, H1170, H1230, H2150, and H9003.

# Kaiser Permanente Senior Advantage

- The Kaiser Permanente Senior Advantage (HMO) plan is a Medicare Advantage plan for people with Medicare.
- Senior Advantage provides services covered by Medicare (including Medicare Part D prescription drug coverage).
- As a Senior Advantage member, you get your Medicare benefits through Kaiser Permanente.
- The Medicare program pays Kaiser Permanente to manage health care for people with Medicare (our Senior Advantage members).



<Employer Group Name>  
 Senior Advantage  
 Summary of Benefits (10/1/16 – 9/30/17)

Services	<Employer group>
Annual Out-of-Pocket Maximum	\$1,500 per calendar year \$3,000 per calendar year
Lifetime Maximum	None
Office Visits	\$10 per visit
Lab/X-rays	No charge
Outpatient Surgery	\$10 per procedure
Hospitalization Services	No charge
Emergency Services	\$50 per visit
Ambulance Services	\$0 per trip
Prescription Drugs • Generic and Brand	\$10 for up to a 100-day supply
Durable Medical Equipment	No charge
Eyewear	\$150 allowance

This is a benefit summary of <employer group name>'s Kaiser Permanente Senior Advantage group plan. All benefits are subject to the definitions, limitations, and exclusions set forth in the Kaiser Permanente Senior Advantage **Evidence of Coverage**.

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# High marks from J.D. Power

## Added confidence for you



**“Highest in Member Satisfaction with Medicare Advantage Plans,”**  
2 years in a row — 2015–2016.\*\*

\*\*Kaiser Permanente received the highest numerical score among 10 national Medicare Advantage health plans in the J.D. Power 2015–2016 Medicare Advantage Member Satisfaction Studies. 2016 study based on 3,422 responses, measuring experiences and perceptions of members surveyed April–June 2016. Your experiences may vary. Visit [jdpower.com](http://jdpower.com). This award was not given or endorsed by Medicare. Official CMS Star Ratings can be found at [Medicare.gov](http://Medicare.gov).

# Contact Information

- If you have questions about the <Employer Group Name> Senior Advantage Group Plan, contact your HR Benefits Department.
- Kaiser Permanente Member Services: **1-800-443-0815** (TTY **711**), 7 days a week, 8 a.m. to 8 p.m.
- Social Security: **1-800-772-1213** (TTY **1-800-325-0778**), Monday through Friday, 7 a.m. to 7 p.m.
- Medicare: **1-800-MEDICARE** (**1-800-633-4227**) TTY **1-877-486-2048**, 24 hours a day, 7 days a week.

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In California, Kaiser Permanente is an HMO plan and a Cost plan with a Medicare contract. In Hawaii, Oregon, Washington, Colorado, and Georgia, Kaiser Permanente is an HMO plan with a Medicare contract. In Virginia, Maryland, and the District of Columbia, Kaiser Permanente is a Cost plan with a Medicare contract. Enrollment in Kaiser Permanente depends on contract renewal.

Benefits, premiums and/or copayments/coinsurance may change on January 1 of each year and at other times in accord with your group's contract with us. This information is not a complete description of benefits. Contact the plan for more information. Limitations, copayments, and restrictions may apply.

You must reside in the Kaiser Permanente Medicare health plan service area in which you enroll.

The pharmacy network, and/or provider network may change at any time. You will receive notice when necessary.

60552016\_vKPSA December 2016

## Notes

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