



AGEWISELIVING | Eldercare Issues Resolved
By Choice, Not Crisis

**Barbara Friesner,
Generational Coach and Eldercare Expert**

www.AgeWiseLiving.com

Presents

Medicare Basics

With

Eric Hausman

August 2008

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Barbara: Welcome everyone to the August, 2008 [AgeWiseLiving](http://www.AgeWiseLiving.com) Teleseminar called **Medicare Basics**.

I'm Barbara Friesner, and I'm a Generational Coach. As a Generational Coach, I work with family members who are struggling to help their aging loved ones. I help them know "what" to do, but more importantly, I think anyway, I help them communicate effectively with their aging loved one so that their aging loved one will actually do what's in their best interest; which many of you know, is actually the hard part.

My tag line is "**Eldercare issues resolved by choice, not crisis,**" but if you are dealing with eldercare issues now, I want to tell you about my book, AgeWiseLiving workbook called, "**The Ultimate Caregiver's Survival Guide.**" It is a great book, and I encourage you to go to my Web page and take a look at it. It is over 150 pages of complete, step-by-step, do-it-yourself workbook that includes all the necessary elements. It's got worksheets, checklists, and examples, and instructions, and tips so you can address the whole spectrum of eldercare issues – including sibling issues – in a step-by-step process. So I really encourage you to take a look at it. Because if you are waiting for a better time, don't, because there really is not a better time than now.

For more information on that, and to purchase the workbook, you can go to my Website which is www.AgeWiseLiving.com, and then click on the "Shop" page, and then click on the workbook. So that's the "Shop" page of my Web site, www.AgeWiseLiving.com.

In addition to the workbook, to help families resolve problems before the crisis, I do live seminars and once a month I do free teleseminars.

Before we start this month's teleseminar, I want to let you know that next month's free AgeWiseLiving teleseminar will be on Wednesday, September 10th and the topic will be "**Paying for Long Term Care.**" Not long term care insurance, but paying for actual long term care and the different ways you can pay to make sure that you are able to pay for your aging loved one's care. It's a lot of really good information, so I hope you will join us, and I invite you to please invite all your friends to join us, as well. I'll be sending out call-in information, and the time, and all of the rest of it tomorrow, so you will also be able to get information about it on my website at www.AgeWiseLiving.com.

Again, the next AgeWiseLiving teleseminar will be Wednesday, September 10, so please mark your calendars!

So, with that, let's get started with the August 2008 AgeWiseLiving teleseminar called **Medicare Basics**. I am really pleased to be doing this teleseminar because it's such an important topic that so many people are struggling with. And it is for that reason that I'm so delighted to have with us tonight as our special guest, an expert on **Medicare Basics**, Eric Hausman.

I had the opportunity to hear Eric speak in person a few years ago, and was so impressed with him that I'm just so delighted to have him with us tonight as my guest, and to share this great information with all of you.

Eric Hausman is currently a consultant with the New York City Department for the Aging's *Health Insurance Information Counseling and Assistance Program* or, *HIICAP*, as it's called in New York State.

Prior to that, he worked for almost 10 years with *National Government Services* – formerly known as *Empire Medicare Services*. *Empire Medicare Services National Government Services* is a Medicare contractor in New York State.

He did – and still does – community outreach – and does presentations on Medicare-related topics, and training for *HIICAP* throughout New York State. He also worked for *Empire Blue Cross Blue Shield* with their *Medigap* insurance for about three years.

Eric has a BBA in Marketing and MBA from Baruch College, Manhattan, in New York City.

Eric – welcome! I am so delighted to have you with us here.

Eric: Thank you for having me.

Barbara: And since this program is called **Medicare Basics**, let's start with something that is really basic. What is Medicare?

Eric: Yes, well...let's start from the top. Well, Medicare is a Federal Health Insurance program. It's primarily for people who are age 65 and over, but it is also for certain disabled individuals, and individuals with "End Stage Renal Disease," ESRD, or permanent kidney failure.

Barbara: And why would they pick that out in particular. What is that something in particular?

Eric: Well, they wanted to provide health insurance coverage for those individuals so in need of that, and they had added them. Originally it was for

people only age 65 and over, but later they added to people with disabilities, and then people with End Stage Renal Disease.

Barbara: That's interesting. I did not realize that they added the End Stage Renal Disease to it as well. And who is eligible for Medicare?

Eric: Well again, mostly people age into the program when they get to be age 65, but for people who are disabled, that collect Social Security Disability Insurance for 24 months, at the end of that 24 months, they become eligible for the health insurance, and that's Medicare. There's one exception. For people with ALS, or Lou Gehrig's disease, because it's such a debilitating disease, they become Medicare eligible starting the first month they collect Social Security Disability income. For everyone else, it's 24 months of Social Security Disability, and then maybe they get to have coverage through Medicare.

Barbara: Okay and do you need to apply, or is it something that is automatic?

Eric: Well for most people, enrollment in the past in Medicare has always been automatic. If you're collecting Social Security prior to age 65, then enrollment in Medicare is automatic. Then about three months before you turn 65, you get the red, white, and blue Medicare card in the mail. But if you are not collecting Social Security prior to age 65, as more and more people are delaying enrollment in Medicare, as before retirement age, as you may be aware, it's going all the way up to age 67, more and more people are choosing to delay enrollment in Social Security. And if they are, enrollment for them in Medicare is not automatic, and they need to apply for Medicare in the seven months surrounding the month they turn 65. The three months before they turn 65, the month they turn 65, or three months after that. And if they enroll in Medicare, in any of the three months prior to the month they turn 65, their Medicare coverage begins the first of the month in which they turn age 65. And for most people with Medicare, they're coverage is effective the first of the month in which they turn 65.

Barbara: And so if they wait until age 67, would it be automatic?

Eric: No, what happens is it is only automatic if they were collecting social security before they turned 65; before they became Medicare eligible. If they're waiting after 65, as more and more people are doing, you know as the full retirement age goes up to 67, more and more people are waiting past age 65. In that case, they need to make the effort to enroll in Medicare. The way they would enroll in Medicare is through Social Security.

Barbara: Is taking Social Security, or starting to take Social Security, is that the trigger?

Eric: Right. Collecting Social Security prior to age 65 gets you on Medicare, gets you enrolled in Medicare without you having to do anything at 65. But waiting

until after 65 to collect Social Security, means that you need to make the effort to enroll in Medicare.

Barbara: Separately from collecting Social Security.

Eric: Right. You need to go to Social Security and enroll in Medicare. Now the only people that may want to delay in enrolling in Medicare are people that are still actively employed, or they're covered under a spouse who is actively employed. And if they are, many of these individuals elect to delay enrolling in Medicare. And then they decide to enroll in Medicare at the point they, or their spouse retires or loses that insurance. But if you and your spouse are retired, not working, not currently covered through your active employment, you probably want to take Medicare when you become eligible.

Barbara: Got it. Okay, this is the part that I think certainly has been confusing me because there are so many different parts to Medicare. So what are the different parts and what are they all for?

Eric: The first part of Medicare is Medicare Part A and that's the hospital insurance. That covers someone if they are admitted to a hospital or skilled nursing facility. Part A.

Part B is the medical insurance. That covers individuals for doctor's services primarily; or also out-patience services at a hospital. That's Medicare Part B.

And then in 2006, they added Medicare Part D. And Medicare Part D is the prescription drugs coverage which is available through private plans that are contracted with Medicare.

Barbara: And when you sign up for Medicare, you're signing up for all three of them?

Eric: Well, when you are signing up for Medicare, you're signing up for Medicare Part A and Medicare Part B when you sign up through Social Security. Medicare Part D, the drug coverage, is only available through private plans. So for that, you would have to contact a private plan to enroll to get prescription drug coverage through Medicare.

Barbara: Okay and how much does all of it cost?

Eric: Well, Medicare Part A hospital insurance, most everybody gets that for free, for no premium. As long as you've worked and paid into the Medicare program for forty quarters, or ten years, or you're covered under a spouse who's worked and paid into the Medicare for ten years, Medicare Part A hospital insurance is free. But Medicare Part B is the one you pay for. This year Medicare Part B premium is \$96.40 a month. For most people it is deducted directly from

their Social Security check. Also, last year for the first time, they actually started to charge a higher Part B premium for people with higher incomes. And these amounts change each year. But this year, we're talking about people's whose incomes are above eighty-two thousand dollars a year for an individual, or a hundred and sixty-four thousands dollars a year for a couple. And then they have different level above that. Those individuals actually pay a higher Medicare Part B premium, but for most people this year, it is \$96.40 a month.

Barbara: And when you say "their income," this is like income from pensions, and stocks and things like that.

Eric: What they do to determine if you're subject to that higher Part B premium, Social Security works with the IRS to get your last tax return, and then they look at your modified adjusted gross income. And if that amount is above those thresholds, you'll get a notice from Social Security before the end of the year letting you know that you'll have to pay a higher Part B premium for the following year.

Barbara: And so that can change every year?

Eric: Well, these threshold amounts—this first started in 2007, but these threshold amounts do change each year. So last year it was eighty thousand, and a hundred and sixty thousand; this year it is eighty-two thousand, and a hundred and sixty-four thousand.

Barbara: But if I have a good year in the stock market, and let's hope I do, <insert laughter>, but if someone does have a good year in the stock market, then they could pay a higher amount. But if they have a bad year, they could pay a lower amount?

Eric: Well they're looking at your most recent tax returns, but they're looking at it each year; they reevaluate it. So a lot of times people that were paying the higher Part B premium were not necessarily people that had your high incomes and retirement, but maybe they had something like they sold their home that year. They had a one time cash sale that pushed them into the higher Part B premium for the following year. But when the Social Security gets the next year's tax return, they'll work with that to see if the person should still be paying a higher Part B premium, or if not, they'll be back to paying what most everyone pays for Medicare Part B. So they reevaluate it each year.

Barbara: Oh, okay, interesting, great. Now do all providers need to accept Medicare?

Eric: Well for doctors, most doctors in the country, most doctors actually do participate in the Medicare program. More than 75% of doctors do; the majority do. When a doctor participates in Medicare that means they always agree to

accept whatever Medicare allows as their full payment. And when the doctor accepts what Medicare allows as their full payment, Medicare says that, the words that they use is that the doctor is accepting Medicare's assignment. So in that case, although the doctor is accepting Medicare's assignment, for most services, Medicare doesn't pay 100% of what they allow. The person with Medicare has to meet an annual deductible for Medicare Part B and this year, the Medicare Part B deductible is a hundred and thirty-five dollars, which is their responsibility at the beginning of the year; the person with Medicare.

Barbara: Of all doctors combined?

Eric: For all Part B services. Primarily, it is doctor services, but it could also be applied to services of the out-patient department of a hospital, where a person needed medical equipment or supplies. It all goes toward that annual Part B deductible.

Barbara: Oh, okay.

Eric: For years it was an even one hundred dollars, but now it goes up each year, as does the Part B premium, and this year it is a hundred and thirty-five dollars. And then once the person satisfies the deductible, Medicare generally pays 80% of what they allow, and the person with Medicare is responsible for the other 20%. That 20% is known as the Medicare co-insurance. That's the responsibility of the person with Medicare unless they have other insurance which would pay that for them.

Barbara: Okay, and what preventive services, if any, does Medicare cover?

Eric: Medicare covers a number of different preventive services. They cover, under Medicare Part B, flu vaccine every flu season, they cover pneumonia vaccination as often as every five years over age 65, they cover Hepatitis B vaccination, they cover services for colorectal cancer screening, prostate cancer screening, if you are at risk for glaucoma, they cover glaucoma screening, if you are at risk for diabetes, they cover diabetes screening, they cover bone mass or bone density test for people that are at risk, usually for osteoporosis, they cover an annual screening mammography, they cover a pap smear and pelvic exam routinely every 24-months. They also cover, some people are not aware, a one-time, initial preventive physical examination. And this is covered only one time, and only during the first six months of a person's Part B eligibility. So you would really want to encourage people that are new to Medicare that are just aging into the program, to talk to their doctor about getting that wellness exam during the first six months. That is the only time that it is covered.

Barbara: Really?

Eric: Yes, fortunately though, with the legislation that was just passed by Congress last month, they did extend that time starting in 2009. So in 2009, they will start to cover that one-time wellness exam during the first 12 months—one time during the first 12 months of a person's Part B eligibility.

Barbara: Oh that is good to know because that is a very small window of time.

Eric: Right. So it does give more people an opportunity to take advantage of that. Otherwise, Medicare from the time the program started in 1966, never paid, and still doesn't pay for people to go to the doctor for a routine, annual physical exam. They only pay for you to go to the doctor in the event of illness or injury. But in 2005, they added this one-time wellness exam. And again, now it's in the first six months of coverage, but starting in 2009, once during the first 12 months of a person's coverage.

Barbara: And you mentioned—each time you said it for somebody who is “at risk.” They'll cover this procedure if they are “at risk.” And is that by age so anybody who is in an age group might be at risk for whatever, or is that only someone who comes in with a previous history of it?

Eric: It's not age specific; generally it's for somebody with a history. Like for instance, the glaucoma screening is covered every 12 months for people that are at risk for glaucoma, and that includes people that have diabetes are a greater risk, or people that have a family history of glaucoma. The diabetes screening, for instance, is covered for people that are at risk for diabetes, including people who have hypertension, high blood pressure, or again, a family history, or they're obese and are at a greater risk for diabetes. The bone mass or bone density test we said before was for people that are at risk, usually for osteoporosis. Some of these are available. Some of these preventive screenings are available for anyone with Medicare. But others, you have to be in one of those risk categories. For instance, the mammography is available for all women with Medicare every 12 months. And the pap smear and the pelvic exam for all women with Medicare every 24 months, routinely.

Barbara: Now something else you mentioned too before you were talking about equipment. Does Medicare—what, if anything, does Medicare cover as far as equipment? Do they cover like those “HuvaRound” kinds of things, and bathroom handles or the bars in the shower, and that kind of thing?

Eric: Medicare generally doesn't cover any of that bathroom equipment, any of the handles, or bathtub guards, or anything like that. Not covered. Equipment and supplies with Medicare, that's a Medicare Part B service, but again, those shower guards and things like that, handles, are not covered by Medicare. Medicare will cover a power-operated vehicle, which I believe is what you are referring to, but only in limited situations where somebody was not able to use a manual wheelchair, and they needed this power-operated vehicle for use in the

home. So if they only needed it to get around outside, that's not something that Medicare would pay for.

Barbara: Really? Why not?

Eric: Medicare covers equipment and supplies that are used in the home; in the person's home. It is a limited benefit. There are situations where Medicare can pay for power-operated wheelchairs.

Barbara: And do they pay for things like diabetic testing supplies?

Eric: Yes, Medicare pays for a blood glucose monitor and they cover those test strips and lancets that go with the monitor; a hundred test stripes and lancets a month for those that use insulation, and a hundred every three months for non-insulin users. So people can monitor their own glucose levels. And that's all covered under Medicare Part B.

Barbara: And so those are all things to look at for your own unique situation, but it does cover some of them, so that's great. Now what is Medicare Advantage and how does this differ from original Medicare?

Eric: Well basically, for everybody with Medicare, there's two ways in which they can get their Medicare coverage. They can either be covered through original, traditional Medicare as most people with Medicare still are. And that's what we've been speaking about so far where you have Medicare Part A for your hospital coverage with a deductible and other co-sharing amounts; and Medicare Part B for your medical coverage, primarily doctor services. And then to fill in the gap in Medicare coverage, you may have a retiree policy through you or your spouse's former employer, or union plan, or you may purchase a private Medigap plan from AARP, or others that sell them, to fill in the gaps of Medicare coverage. That's one whole choice.

Barbara: And that's something that you would actually if you were looking for that information, you would Google "Medigap?"

Eric: Well to get Medigap insurance information, you could go and—also Medicare Advantage information—you could go to the Medicare Web site which is www.medicare.gov, or for those that don't use the Internet, they can get the information over the phone by calling 1-800-Medicare, which is open 24 hours a day, 7 days a week. Also, you might get rate information by going to your state insurance department which regulates the different insurers that sell Medigap insurance and they should be able to give you the latest rate information and tell you which companies sell which Medigap plans. Now that's one whole choice.

Your other whole choice is, join a Medicare Advantage plan. And these Medicare Advantage plans primarily manage care kind of plans, are usually Medicare

HMO, or PPO, Preferred Provider Organization plans; these plans, if you join one of these plans that are contracted with the federal government, they provide all of the health care services you may need through that private plan. So instead of getting your benefits through original Medicare, and either paying out of pocket for the difference or having some other insurance to supplement original Medicare, you join one of these Medicare Advantage plans. There may be an additional fee to do so, depending on where you are and which plan that you join. But generally, these plans are less costly than having original Medicare, plus purchasing a private Medigap plan for people that don't have retiree insurance. And then when you join one of these plans, generally they're managed care plans so they have a network of providers, and you may, depending on the type of plan, you may be limited to only seeing doctors using hospitals who participate in the plan. And also when you join one of these plans, it's important that with these Medicare Advantage plans to remember, you never give up any of your Medicare benefits.

So everything that is covered under the original Medicare, all of the preventive services that we were talking about before, all these Medicare Advantage plans, which ever one you join, they are all required to cover, to at least provide that level of service. Plus, as an incentive to join these plans, these plans may cover additional services not covered by original Medicare, such as...they may cover dental care to some extent, they may give you some coverage towards eye glasses, towards a hearing aid, they may cover that routine annual physical that Medicare doesn't pay for, all as an incentive for you to join one of these plans. And that's the choice that everybody has to make that's on Medicare. Either original Medicare or Medicare Advantage.

Barbara: And so the Medicare Advantage, the biggest reason to do it is if you don't have—like for example, my mother has a pension plan because she worked for county government, and so she has a great plan and they pay for what Medicare doesn't pay.

Eric: Okay so for someone in her situation, she would probably want to stay with the original Medicare, plus her retiree plan.

Barbara: But if somebody didn't have that, that's where the Medicare Advantage sounds great.

Eric: Yes for somebody that didn't have that though, for somebody that didn't have a retiree plan, they would be more likely to consider a Medicare Advantage plan; especially somebody that maybe is used to that kind of plan. Maybe they had that kind of insurance when they were actively employed.

Barbara: Where they had an HMO or something.

Eric: Right. And they're use to going through that network of providers, and sometimes they may need to get prior approval, or preauthorization before they can get a service covered under the plan. Also, when you consider a Medicare Advantage plan, although they have to cover the same services, at least the same services that Medicare does, they may have different co-sharing requirements. So for instance, you want to look at—a lot of times people join a Medicare Advantage plan and they know very well what it would cost them if they had to go to the doctor. It might be ten dollars or it might be twenty dollars, it probably even says that on their identification card. But they may not know what it's going to cost them if they have to go, for instance, into the hospital. And sometimes these plans may have a daily co-payment, up to a maximum amount out of pocket, or they may have a co-payment per admission, or it may work more like the Medicare Part A co-sharing requirement, so that's something to look at, that kind of detail, prior to joining a Medicare Advantage plan.

Barbara: One of the things that everybody has been talking about is the drug coverage. So how and when does someone get drug coverage through Medicare?

Eric: Well people can get a Medicare drug plan, it's that Medicare Part D Prescription Drug Coverage, when they are first eligible for Medicare during that seven month initial enrollment period that we spoke about before. But if they are not new to Medicare, and they don't have Medicare Part D plan now, or they are in a Part D plan, and they would like to switch to different plan, for most people with Medicare, there are exceptions, but for most people with Medicare, they need to wait until the next annual election period which is every year from November 15 to December 31. And if you sign up for a Part D Drug plan between November 15 to December 31, your plan coverage will start the following January 1. And for most people with Medicare, that's their opportunity to switch their Medicare Part D Drug Coverage during the year.

And we said before that this Medicare Part D Drug Coverage—since there is no government, there is no federal, unlike Medicare Part A and Part B, which you can have the original, traditional Medicare program for, and most people do, this Medicare Part D is only available through private plans. So there are basically two ways to get your Medicare Part D Drug Coverage. For people that are on original, traditional Medicare, they can purchase a Medicare separate, what is called a Stand Alone Part D plan that will work with original, traditional Medicare, and in most areas, there are many plans to choose from.

But for people on a Medicare Advantage plan, a Medicare HMO, or PPO plan, their choice is a lot easier because if they want to get their Medicare Part D Drug Coverage, they need to get that through that particular HMO or PPO plan.

Barbara: That's something to really think about as they're picking the Medicare Advantage then.

Eric: Right. And when they pick their Medicare Advantage plan, Medicare Advantage plan has to provide all the health care coverage that they may need through that one plan. So if they join a Medicare HMO, they'll get their hospital coverage, they'll get their doctor coverage, and if they want Part D Drug Coverage, they'll get that too, all through one plan. So it makes the decision process easier in that case, as far as their Part D Drug Coverage.

Barbara: But it has to be all of the drugs they're going to take or think they might have to take.

Eric: Be sure. When you are considering a Medicare Part D drug plan, I would remember that these plans have, they each have their own formulary; their own list of covered drugs. So all of the drugs that an individual may be taking are not necessarily covered under every Medicare Part D plan. That's one thing to check for. Plus, each of these plans has their own network of participating pharmacies. So the pharmacy that a person likes to go to, is not necessarily participating with every Medicare Part D drug plan. So if somebody wants to compare drug plans, the only good way to make a good comparison is by going again, to the Medicare Web site, www.medicare.gov. They have this great search tool there where if you enter the names of the drugs that you're taking, and not just the names, but the dosage, the strength, the quantity, and you enter the pharmacy that you prefer to go to, it will rank the available plans in your area based on your individual needs, from least expensive to most expensive. And then realistically, you'll probably only consider the first three or the first six plans that are the least costly unless you had strong feelings about a particular company. That's the only way to make a really good, informed decision about which Medicare Part D drug plan may be the most appropriate for you.

Barbara: And again you said that was www.medicare.gov?

Eric: Yes, and for those that don't use the Internet, they can get someone at 1-800-Medicare to help them with that decision over the phone. Also, I should mention that in each of the states they have a state SHIP program, State Health Insurance Assistance Program, and you could find that number on the back of the "**Medicare and You**," handbook, that each person with Medicare would receive in the fall each year. If not, you can get that on the www.medicare.gov Web site or by calling 1-800-Medicare. And that State Health Insurance Assistance Program is great because they work with counselors that they train in each of the states to provide in-person assistance, and also assistance over the phone; especially assistance in helping people to choose between the many choices they have with that Medigap Insurance, Medicare Advantage plans, and especially Medicare Part D. So if somebody is looking for in-person assistance, I would recommend the State Health Insurance Assistance Program. In New York State, that is called HIICAP, that you were referring to at the beginning of the call. A lot of information.

Barbara: A lot of information; a lot of things to sort through. Let me ask you a question, are there programs that will help pay the Part B premiums and if there are, who is eligible, how do you apply?

Eric: Yes, fortunately for people with very limited income and resources, they can qualify for what they call the Medicare Savings Programs. To give you an idea, for people with incomes that go up to 135% of the Federal Poverty Level. These amounts go up each year but this year we're talking about people whose incomes goes up to about maybe \$1200 dollars a month for an individual, about \$1600 dollars a month for a couple. And in most states, they have a limit on resources; \$4000 for an individual, \$6000 for a couple. Fortunately in New York State, for New York State residents, they no longer have the resource test and they just look at your income. But people that qualify for one of these programs, these programs pay the monthly Medicare Part B premium, that \$96.40 a month that we were talking about before, and people that may be eligible, can apply through their local Department of Social Services. And usually the State Health Insurance, the SHIP program, the local SHIP program, is also a great resource to help them to apply for the Medicare Savings Programs.

Barbara: And I would imagine that is the place to start when you are applying, just start there and kind of get a feel for what's going on, for what you need to do?

Eric: The SHIP program, the local SHIP program is a good place to start because they can tell you about many programs that you may be eligible for. That Medicare Savings Program helps with the Medicare Part B premium. There is also a program to help with the Medicare Part D drug cost. That's something they referred to as *Low Income Subsidy*, or "Extra Help." And this again is for people with very limited income and resources, a little higher than the numbers I gave you before. We're talking about people whose incomes go up to maybe about \$15,500 for an individual, about \$21,000 for a couple. Anyway, they have limited resources too, maybe about \$12,000 individual and \$24,000 for a couple. They can apply through Social Security to get extra help with their Medicare Part D drug cost. Where at the lowest income levels, they can qualify for what they call the "Full Extra Help," where they can get a Medicare Part D drug plan with no premium at all, and only small co-payments. This year \$2.25 for generic drugs and \$5.60 for brand name medications.

Now, the Medicare Savings Programs that I mentioned before, if somebody gets on one of the Medicare Savings Programs, not only will that pay their monthly Medicare Part B premium, but that will make them automatically eligible for the "Full Extra Help" with the Medicare Part D drug cost. So these are people that really do well under the Medicare program. People that qualify for the Medicare Savings Programs, they can get their Medicare Part B medical coverage at no premium, and their Medicare Part D drug coverage at no premium, and only

these small co-payment to pay. And furthermore, people that may be eligible for the Medicare Savings Program, or “Extra Help,” can apply any time of the year that they may be eligible.

Barbara: Oh that’s good because this can be expensive.

Eric: Absolutely. And that is why these programs are great to help people with very limited income and resources.

Barbara: That’s terrific. Now how can someone get help in choosing a Medicare plan? Where can they call for questions? You mentioned the Web site and the 800-number.

Eric: Well all customer service through Medicare is, today, nationally, is through that Web site, www.medicare.gov, and through the 1-800-Medicare, which is open again, 24-hours a day, 7 days a week. But fortunately, the government does also fund the local SHIP programs in each state where you can get local counseling and assistance. They can help you with all of the same things. Especially again, with these choices that we are talking about today; Medicare Advantage, Medigap, and especially Medicare Part D. I’ll also say that everybody with Medicare; they’ll be getting in September/October, they’ll be getting the new, “**Medicare and You**” 2009 in the mail, and this handbook will list all of their new Medicare Advantage and Medicare Part D drug plan choices for the following year. So they’ll have that information in time where they can then decide if they want to sign up, or change plans during the November 15 to December 31 enrollment period.

Barbara: A lot of information.

Eric: It certainly is. I know it is a lot to cover in the time we have, and that’s why I wanted to give you those resources where people can deal with questions they might have.

Barbara: Absolutely, and I think everybody that’s listening can see why I am so excited about having you on as our guest tonight, because you are just such a wealth of information and so clear in how you explain all of this. I think I actually understand it now. So I cannot thank you enough. You’ve been absolutely terrific. But I want to remind the callers that we are going to take some questions. I specifically asked Eric if we could stop a little bit early so that we could take some questions from all of you. Before we do, I want to remind everybody again that the contact information that you can call—the Web site is www.medicare.gov, and the 800 number is 1-800-Medicare and for that information, you can get it there. I also want to remind everybody that this teleseminar that we’re doing tonight, because there is so much information, will be on my Web site; probably tomorrow, by tomorrow afternoon, so at that point, tomorrow afternoon, if you’ll go to www.AgeWiseLiving.com and then click on

Teleseminar/Podcast, then you will be able to listen to this teleseminar on my Web site. In about two weeks, I will actually have the transcript of this on my Web site because it is such important information and so well presented.

And I want to remind everyone that there is a lot of other information, a lot of other teleseminars on my Web site, so I encourage you to go there, and again, that's www.AgeWiseLiving.com. And I also want to remind you that next month's teleseminar is called "***Paying for Long Term Care***," and that's on Wednesday, September 10. I hope all of you will join us and please invite your friends to join us, as well. Information about that will also be on my Web site and I also encourage you to check out while you are at my Web site—check out the "***The Ultimate Caregiver's Survival Guide***."

So with that, does anyone have any questions?

Caller No. 1: This is Susan. Can you hear me?

Barbara: Yes

Caller No. 1: Okay, I have a couple of questions. One is does Medicare have to take you? Because I am in a position right now where I am no longer working and I'm trying to find health insurance to pay until I turn 65. But because I take cholesterol medicine, some plans don't cover that. Does Medicare have to take you no matter what, and do they cover everything?

Eric: Well, Medicare—once you become Medicare eligible, so for most people, their Medicare eligibility starts the first of the month that they turn age 65. Only people with disabilities or kidney failure would get Medicare before age 65. But once you qualify, it's not a matter of what condition you have; Medicare doesn't have any waiting periods or preexisting conditions. Medicare covers you from day one.

Caller No. 1: No matter what...okay. And then the other thing is you were talking about the original, traditional Medicare plans, and then using a Medigap, and or the other option is the Medicare Advantage plans. Can you start with one and then change your mind and go to the other one? Or once you start with one plan, that's what you're stuck with?

Eric: Well, for most people—there's a lot to that question. For most people, their opportunity to switch plans—let's say they started with the original Medicare and the Medigap, and now they want Medicare Advantage. They're going to have to wait, for most people, until the next enrollment period which is November 15 to December 31. Medigap insurance, in most areas in the country, you're limited as to when you can enroll in a Medigap plan. But in New York State, where we are here, it's much easier because it's open; it's continuous open enrollment for

Medigap insurance. But for most people in most areas of the country, they're limited as to when they can enroll or switch Medigap plans.

Barbara: And for even Medigap plans does that mean that's when they would have to wait until November 15 to December 31?

Eric: Well, not that enrollment period. That enrollment period is for Medicare Advantage, or Medicare Part D. For Medigap insurance in some areas of the country may be limited to when you're first eligible for Medicare, or at certain points or for certain reasons. If you are interested in this topic, I would recommend a publication which you can download or order from the www.medicare.gov Web site. It's called "**Choosing a Medigap Policy**," and that has all the details. We're spoiled in New York State because in New York State, the Medigap insurance, it's open or continuous enrollment, and we're not limited to the federal rules for Medigap insurance which are much more involved, and more limiting that you do have in most areas of the country.

Barbara: I have a few more caller questions to ask. And the first one is: *My mother has Oxford AARP Medicare coverage. What is it? Doctors don't seem to like it or accept it. It denies a lot of payments. We have been told to go with straight Medicare coverage during open enrollment. Is that the same as traditional Medicare coverage?*

Eric: Okay, well the Oxford AARP Medicare, that's a Medicare Advantage program, probably a Medicare HMO where you would need, if you joined this plan, you would need to use their network of doctors and hospitals that participate with this plan. So it's possible that her doctor maybe doesn't participate with the plan, or it's possible that they needed prior authorization for services under the plan. You'd only be able to know for sure by contacting Oxford AARP directly. But as far as switching coverage, if she wants to go straight Medicare—that's the way some people refer to original, traditional Medicare—and she would be able to switch during the next annual election period which runs from November 15 to December 31. She can enroll and go back to original Medicare during that time and her coverage would start the following January 1.

Barbara: Great, that does explain it. Now the second question is: *How do you enroll or dis-enroll when you are changing coverage? How does my 87 year old mother who does not have computer access enroll in a different Medicare or Medigap policy? Does she write a letter? How do we ensure that the change goes through? Can the daughter enroll on her behalf?*

Eric: Well the daughter can help her to enroll on her behalf either online by enrolling through the Medicare Web site which is www.medicare.gov. Or she can, with her mother, she can call the plan that she wants to enroll in, or call 1-800-medicare which is open 24 hours a day, 7 days a week, to do the enrollment over the phone.

Barbara: Let me just ask you, can she have her mother there, and the daughter can dial the number then say to the person, I'm going to put my mother on the phone, she's going to say that it is okay for me to do the enrollment and then?

Eric: Absolutely, and she should because they are going to want to speak to the mother to confirm that its okay.

Barbara: Okay, and then the mother can just give the phone back to the daughter and she can do the rest of the work.

Eric: Right, that's a good idea whether she's calling the plan that she wants to enroll in, or whether she's doing that through 1-800-Medicare. As far as Medigap insurance, with the Medigap insurance, she can contact the Medigap insurer and get an application in the mail that they can complete and mail back. Or sometimes they're able to do that over the phone, even.

Barbara: Okay. And how do we ensure that the change goes through?

Eric: Well, you'll get a confirmation if you enroll online, you'll receive a confirmation. If you enroll by contacting the plan at 1-800-Medicare, you'll also receive a confirmation in the mail.

Barbara: The other question was can the daughter enroll on the parent's behalf and if the parent is not online, the daughter can just do it, right, as if they are the parent?

Eric: Well, they can enroll...anyone can enroll online for someone as long as they have all of their personal information that they would need in order to complete the online enrollment.

Barbara: Okay, so the daughter can do it so long as she has, and I would imagine its things like social security number, and that kind of stuff.

Eric: And date of birth, and that information.

Barbara: Right. Okay and then the next question is:
Can I receive a brochure at my address rather than at my mother's address? I am not Medicare eligible, but the person I spoke to on the phone at 1-800-medicare would only send the brochure to my mother's address. I didn't have the capability to print out large volumes of information by downloading it so she wanted it mailed to her.

Eric: It would only be a problem if it's her mother's personal information. Any sort of personal claim information or maybe they did a search with her medications that she uses; something like that, then they are only going to send

that information to the beneficiary, to the person with Medicare. If it's just a brochure though, just a general brochure for information on Medicare coverage, she would be able to order that online or if it's not available to order online, just to download a publication.

Barbara: But is it to any address that's so long as it's not the personal information, so long as it's a brochure?

Eric: Right it shouldn't be any problem with a brochure because anybody has access to brochures online, or by calling. What else I want to mention too, and this pertains to the last question as well, for somebody, a child that is going to be calling 1-800-Medicare on behalf of their parent, they may want to complete the—there's a form which the 1-800-Medicare uses. It's the *Medicare Authorization to Disclose Personal Health Information*. I'll give you the form number. It's *CMS Form 10106* and you can download that from the www.medicare.gov site and fill it out and return it to them. And this lets the person at 1-800-Medicare know that it's okay to release personal health information to an individual or an organization that's assisting the beneficiary.

Barbara: That's great. That will make it a lot easier that going to mom's house 3,000 miles away to get her to say into the phone that you can talk to them.

Eric: Right; absolutely and you may not want to wait to do that if you know, or if there's the potential that you're going to be helping a parent and needing access Medicare information. Fill it out and send it in now.

Barbara: Ah, so that you're ready whenever the time comes. Oh that's great. Excellent. Okay and then the next question is:
Is Medigap the same as Medicare Advantage? If not, what is the difference?

Eric: Well it is different. It's really two different ways of getting your Medicare benefits. Either you can be on traditional, original Medicare, straight Medicare as someone was referring to before, in which case, it may have a retiree policy through a former employer or union that supplements Medicare; that helps fill in the gaps in Medicare coverage. Or if not, you may purchase a private Medigap plan to do so. So for instance, Medicare will pay under Medicare Part B, 80% of what they allow for doctor services and if you had a Medigap plan; it would pick up the other 20%. That's one way of getting your Medicare coverage. The other way of getting your Medicare coverage is through a private Medicare Advantage plan like the Oxford AARP that was mentioned before. In which case, for most of those plans, you would need to go through their network of doctors and hospitals that participate in the plan. And then you would get all of your Medicare benefits, your hospital coverage, your doctor's coverage, and if you have drug coverage, all through that one private plan. And they would provide all of the coverage that the original, traditional Medicare does, and they may also give some additional benefits for services that Medicare does not cover. But there's different co-

sharing involved, different amount that the person with Medicare is responsible to pay out of pocket, and these Medicare Advantage plans vary from plan to plan. So you really have to look at those details to see which is the best choice for you. So it's just two different ways of getting you Medicare health care coverage.

Barbara: So the Medigap is like when you want to be able to go outside of your, outside of the doctors that you normally, in the plan. And the Medicare Advantage is more like being in a PPO.

Eric: Well the Medicare Advantage includes the Medicare HMO and Medicare PPO, (Preferred Provider Organization) plans. The Medigap insurance, with original Medicare and Medigap insurance, it gives you the greatest flexibility where you can go to most doctors, most any doctor in the country, and Medicare will pay, and then the Medigap will supplement that payment. But with the Medicare Advantage, you may be limited to their network of doctors and hospitals. With PPO plans, you can go outside of their network. But with the HMO's you're limited to their network of providers. So it depends on the individual situation.

Barbara: Okay great. Alright and the last question is, and there seems to be some confusion about signing up, and when you can sign up, and so the question is:

I know you said you were automatically signed up for Medicare if you are already receiving Social Security before age 65. Now my confusion is if that's not the case, and I think you mentioned there is a 3-month period before, and a 3-month period after the date you turn 65 where you can enroll. First of all, is that correct?

Eric: Right. What happens is, again, if you are not collecting Social Security prior to age 65, then enrollment is not automatic. And you can enroll in Medicare in the seven months surrounding the month you turn 65. So the three months before, the month you turn 65, and the three months after that. That's correct.

Barbara: Good. Okay and then, *what happens if you miss that seven month time period? Do you have to wait until the end of the year; you do have to wait another full year?*

Eric: Sure. Well, if you are still working, or you're covered under a spouse who's still actively employed and you have insurance through that coverage, what you can do is you can delay enrolling in Medicare Part B, the medical coverage, and then if you want, you can pick it up at any time that you or your spouse are still working, or within eight months of you or your spouse no longer being actively employed. But if you are retired, and you are not covered under a spouse who's actively employed, if you don't take Medicare Part B during that first seven month initial enrollment period that we were talking about before, you'll have to wait until

the general enrollment period for Part B; which is every year from January to March, and then your Part B coverage would start effective that July 1. And then there is a penalty for late enrollment.

Barbara: Wow...okay. Again, this has been absolutely wonderful and fascinating, and I really want to thank our terrific guest, Eric Hausman– such an incredible wealth of information. So thank you so much Eric.

Eric: Sure!

Barbara: And I want to thank all of our listeners for being with us tonight. And remember, the next free AgeWiseLiving teleseminar, which is “**Paying for Long Term Care**,” will be on Wednesday, September 10th.

Remember also that if you are struggling with eldercare issues and want to resolve them by choice, not crisis, please go to my website which is www.AgeWiseLiving.com for lots and lots of free information including an archive of over five years worth of the free monthly AgeWiseLiving newsletters and almost two years worth of free AgeWiseLiving teleseminars like the one you've heard tonight.

While you're there I also encourage you to check out a really good book if I do say so myself, which is my book, “**The Ultimate Caregiver's Survival Guide**,” which is a step-by-step blueprint for resolving your eldercare issues by choice, not crisis. So remember, that's at www.AgeWiseLiving.com

So, until next time, thank you all, and have a great night!