



# Medicare Basics

Seniors' Health Insurance Information Program

North Carolina Department of Insurance

**Mike Causey, Commissioner**

**855-408-1212 • [www.ncshiip.com](http://www.ncshiip.com)**

## What is SHIIP?

Seniors' Health Insurance Information Program (SHIIP) is a consumer information division of the North Carolina Department of Insurance that assists people with Medicare, Medicare Part D, Medicare supplements, Medicare Advantage, and long-term care insurance questions. We also help citizens recognize and prevent Medicare billing errors and possible fraud and abuse through our NC Senior Medicare Patrol (NCSMP) Program.

## How does SHIIP work?

SHIIP provides education and assistance to North Carolinians in three ways:

- by operating a nationwide toll-free consumer information phone line Monday through Friday from 8 a.m. until 5 p.m.
- by training volunteers to counsel Medicare beneficiaries within their community about Medicare, Medicare Part D, Medicare supplements, Medicare Advantage and long-term care insurance, and
- by creating educational materials for consumers' use including the Medicare Supplement Comparison Guide and featuring a Medicare Supplement Premium Comparison Database on our Web site ([www.ncshiip.com](http://www.ncshiip.com)).

## When was SHIIP established?

The program was founded in 1986 by the Department of Insurance in direct response to the growing concerns about health insurance for the more than one million Medicare beneficiaries in North Carolina. Numerous insurance companies sell Medicare supplements, Medicare Advantage, long-term care insurance and other medical insurance products to people in North Carolina. Because there are so many companies, and because the Medicare system is so complex, SHIIP was founded to provide people who are eligible for Medicare with an objective information service.

## How do North Carolinians contact SHIIP?

You can contact SHIIP by dialing the nationwide toll-free consumer number, **855-408-1212**, visiting the SHIIP Web site, **[www.ncshiip.com](http://www.ncshiip.com)**, or e-mailing **[ncshiip@ncdoi.gov](mailto:ncshiip@ncdoi.gov)**. Trained SHIIP Volunteer Counselors are available in all 100 counties of North Carolina and are coordinated through an existing human service agency such as the Council on Aging, senior centers or the Cooperative Extension offices. If your problem is too complex to handle over the phone, you will need to contact your local SHIIP Coordinator for a one-on-one appointment with a SHIIP Volunteer Counselor.

## Can I get more information about SHIIP?

Yes! Contact SHIIP nationwide at **855-408-1212** or **(919) 807-6900**, visit **[www.ncshiip.com](http://www.ncshiip.com)** or e-mail **[ncshiip@ncdoi.gov](mailto:ncshiip@ncdoi.gov)** for further information and ask for more details on the Seniors' Health Insurance Information Program and how it can help you.

In \_\_\_\_\_ County, contact \_\_\_\_\_ at \_\_\_\_\_, phone number: \_\_\_\_\_.

# Don't be a target of healthcare fraud.



## Protect. Detect. Report.

# NC Senior Medicare Patrol (NCSMP)

The NCSMP is housed within the SHIP Division at the North Carolina Department of Insurance. NCSMP is a preventive educational program whose goal is to reduce Medicare error, fraud and abuse through statewide coordinated educational efforts, partnerships and outreach activities.

NCSMP's purpose is to educate Medicare beneficiaries and caregivers about Medicare benefits in order to understand Medicare Statements such as Medicare Summary Notices (MSN), Medicare Part D Prescription Drug Plans (PDP) Explanation of Benefits (EOB) and other related health care statements. Through this knowledge, a person can identify, resolve and/or report possible billing errors, fraud, abuse and waste to NCSMP.

Did you know that:

- 68 billion dollars of taxpayers' money is lost annually to billing discrepancies, fraud, abuse and waste in the Medicare program?
- "fraud and abuse" in the Medicare program often times are actual billing errors or discrepancies?
- the process of reporting suspected fraud abuse and waste is to contact the provider to seek resolution; to contact their Medicare carriers and insurance companies and to file an appeal by following the appeal instructions found on the back of the Medicare Summary Notices? And if your situation is not resolved satisfactorily, you should contact the NCSMP Program at the nationwide toll-free number, 855-408-1212.

Remember:

- review your Medicare statements (MSN's, EOB's and/or PDP EOB's)
- protect your Medicare number
- do not be influenced by advertising for services, medications or products that sound "too good to be true"
- educate yourself about your Medicare benefits
- rarely are Medicare services "free"
- Medicare does not solicit door-to-door



**Protect. Detect. Report.**  
**You CAN make a difference.**

Protect yourself from Medicare errors, fraud and abuse.

Learn how to **detect** potential errors, fraud and abuse.

If you suspect you have been a target of errors, fraud or abuse, **report** it.



# MEDICARE PART A (HOSPITAL INSURANCE) – COVERED SERVICES PER BENEFIT PERIOD 2019

\*A **benefit period** begins on the first day you receive services as an **inpatient** in a hospital and ends after you have been out of the hospital or skilled nursing facility for 60 consecutive days.

| Services   | Benefit   | Medicare Pays <sup>(1)</sup>  | You Pay <sup>(1)</sup>   |
|--|---|---|--|
| <b>INPATIENT HOSPITALIZATION (admitted)</b><br>Semi-private room and board, general nursing and miscellaneous hospital services and supplies.  | First 60 days   | All but <b>\$1,364</b> deductible   | <b>\$1,364</b> deductible  |
|  | 61st to 90th day  | All but <b>\$341</b> per day  | <b>\$341</b> per day   |
|  | 91st to 150th day <sup>(2)</sup>  | All but <b>\$682</b> per day  | <b>\$682</b> per day   |
|  | Beyond 150 days   | Nothing   | All costs  |
| <b>POST-HOSPITAL SKILLED NURSING FACILITY CARE</b><br>You must have been an inpatient in a hospital for at least 3 days, enter a Medicare-approved facility generally within 30 days after hospital discharge, and meet other program requirements. <sup>(3)</sup> | First 20 days   | 100% of approved amount   | Nothing  |
|  | 21st to 100th day   | All but <b>\$170.50</b> per day   | Up to <b>\$170.50</b> per day  |
|  | Beyond 100 days   | Nothing   | All costs  |
| <b>HOME HEALTH CARE</b> (also see Part B)<br>Medically necessary skilled care, home health aide services, medical supplies, etc. after a 3-day inpatient hospital stay for visits 1-100.   | 100% part-time or intermittent nursing care and other services for as long as you meet criteria for benefits. | 100% of approved amount;<br>80% of approved amount for Durable Medical Equipment.         | Nothing for services;<br>20% of approved amount for Durable Medical Equipment.           |
|  | As long as doctor certifies need.   | All but limited costs for outpatient prescription medications and inpatient respite care. | Limited cost sharing for outpatient prescription medications and inpatient respite care. |
| <b>HOSPICE CARE</b><br>Full scope of pain relief and support services available to the terminally ill.   | Blood   | All but first three pints per calendar year   | For first three pints <sup>(4)</sup>   |

<sup>1</sup> These figures are for 2019 and are subject to change each year.

<sup>2</sup> Lifetime reserve days may be used only once.

<sup>3</sup> Neither Medicare nor Medicare Supplement (Medigap) insurance will pay for most nursing home care.

<sup>4</sup> To the extent the blood deductible is met under one part of Medicare during the calendar year it does not have to be met under the other part.

NOTE: The Medicare Part A premium is **\$0** for eligible beneficiaries. For those who are ineligible, the Medicare Part A premium is **\$437** per month for those who worked fewer than 30 quarters, or **\$240** per month for those who worked between 30 and 40 quarters.

# MEDICARE PART B (MEDICAL INSURANCE) – COVERED SERVICES PER CALENDAR YEAR 2019

| Services  | Benefit   | Medicare Pays  | You Pay <sup>(5)</sup>   |
|---|---|--|--|
| <b>MEDICAL EXPENSE</b><br>Physicians' services, outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment, ambulance services, outpatient mental health services, etc.                | Medicare pays for medical services in or out of the hospital.   | 80% of approved amount (after \$185 deductible)                                      | <b>\$185 deductible<sup>(6)</sup></b><br>20% of approved amount and charges above approved amount <sup>(7)</sup>       |
| <b>CLINICAL LABORATORY SERVICES</b>   | Blood tests, biopsies, urinalysis, etc.   | Generally 100% of approved amount.   | Nothing  |
| <b>PREVENTIVE BENEFITS</b>  | Preventive services & screenings  | 100% for most; or 80% of approved amount (after \$185 deductible), depending on test | Nothing for most; or \$185 deductible 20% of approved amount, depending on test  |
| <b>HOME HEALTH CARE</b> (also see Part A)<br>Medically necessary skilled care, home health aide services, medical supplies, etc. after a 3-day inpatient hospital stay beginning with visit 101 or beginning day one if there is no previous hospital stay. | 100% part-time or intermittent nursing care and other services for as long as you meet criteria for benefits. | 100% of approved amount  | Nothing  |
| <b>OUTPATIENT HOSPITAL TREATMENT</b><br>Reasonable and necessary services for the diagnosis or treatment of an illness or injury. (for inpatient see Part A)  | Unlimited if medically necessary  | 80% of approved amount for Durable Medical Equipment                                 | <b>\$185 deductible<sup>(6)</sup></b><br>20% of approved amount for Durable Medical Equipment                          |
| <b>BLOOD</b>  | Blood   | 80% of approved amount (after \$185 deductible)                                      | <b>\$185 deductible<sup>(6)</sup></b><br>20% of approved amount  |
|   |   | 80% of approved amount (after \$185 deductible and starting with the 4th pint)       | <b>\$185 deductible<sup>(6)</sup></b><br>First 3 pints plus 20% of approved amount for additional pints <sup>(8)</sup> |

**The monthly Part B premium for 2019 is \$135.50** (Premiums will be higher for individuals with annual incomes of **\$85,000** or more and married couples with annual incomes of **\$170,000** or more.)

<sup>5</sup> These figures are for 2019 and are subject to change each year.

<sup>6</sup> Once you have paid **\$185** for covered services, the Part B deductible does not apply to any other covered service(s) you receive for the rest of the calendar year.

<sup>7</sup> The amount by which a physician's charge can exceed the Medicare approved amount is limited by law.

<sup>8</sup> To the extent the blood deductible is met under one part of Medicare during the calendar year, it does not have to be met under the other part.

# Standardized Medicare Supplement Plan Comparison Chart

| BENEFITS                                     | SUPPLEMENT PLANS |     |     |     |     |     |         |         |     |                |
|--|------------------|-----|-----|-----|-----|-----|---------|---------|-----|----------------|
|  | A                | B   | C   | D   | F*  | G   | K       | L       | M   | N              |
| Part A Coinsurance and Hospital Costs        | ✓                | ✓   | ✓   | ✓   | ✓   | ✓   | ✓       | ✓       | ✓   | ✓              |
| Part B Coinsurance or Copayment              | ✓                | ✓   | ✓   | ✓   | ✓   | ✓   | 50%     | 75%     | ✓   | ✓ <sup>1</sup> |
| Parts A/B Blood Deductibles (first 3 pints)  | ✓                | ✓   | ✓   | ✓   | ✓   | ✓   | 50%     | 75%     | ✓   | ✓              |
| Part A Hospice Care Coinsurance or Copayment | ✓                | ✓   | ✓   | ✓   | ✓   | ✓   | 50%     | 75%     | ✓   | ✓              |
| Skilled Nursing Facility Coinsurance         |                  |     | ✓   | ✓   | ✓   | ✓   | 50%     | 75%     | ✓   | ✓              |
| Part A Deductible                            |                  | ✓   | ✓   | ✓   | ✓   | ✓   | 50%     | 75%     | 50% | ✓              |
| Part B Deductible                            |                  |     | ✓   |     | ✓   |     |         |         |     |                |
| Part B Excess <sup>2</sup>                   |                  |     |     |     | ✓   | ✓   |         |         |     |                |
| Foreign Travel Emergency                     |                  |     | 80% | 80% | 80% | 80% |         |         | 80% | 80%            |
| Out-of-Pocket Limit**                        | N/A              | N/A | N/A | N/A | N/A | N/A | \$5,560 | \$2,780 | N/A | N/A            |

\* Plan F also offers a high-deductible plan (F Prime) with the same benefits, but it does not pay until you have met the annual deductible of **\$2,300**.

\*\* After you meet your out-of-pocket yearly limit and your yearly Part B deductible, the plan pays 100% of covered services for the rest of the calendar year.

<sup>1</sup> Plan N pays 100% of the Part B coinsurance except for a copayment of up to \$20 for some office visits and a copayment of up to \$50 for emergency room visits that don't result in inpatient admission.

<sup>2</sup> If you have Original Medicare and the amount a provider is legally permitted to charge is higher than the Medicare approved amount, the difference is called Excess Charge.

Each insurance company decides how it will set the price for its Medicare supplement policies. The way they set the price affects how much you pay now and in the future. Medicare supplement plans can be priced in three ways:

- Attained-age-rated: Premium is based on your current age.
- Issue-age-rated: Premium is based on the age when you purchase the policy.
- No-age-rated: Premium is generally the same for everyone regardless of age or gender.

Other factors like where you live, your gender, medical underwriting, inflation and discounts can also affect the amount of your premium.

## Online Medicare Supplement Premium Comparison Database

SHIIP's interactive Web site tool allows individuals to compare Medicare supplement plans at the touch of their fingers. To the right you will see a snapshot of how the page appears. By simply entering your age, gender, the Medicare supplement plan you want to compare and whether or not you use tobacco products, the computer will generate a list of the companies offering that plan along with their estimated premiums. By clicking on the company name, you will be directed to other important aspects of the product. This site has the most up to date information of plans available in North Carolina. It is located at [www.ncdoi.com/medisupp/search\\_new.asp](http://www.ncdoi.com/medisupp/search_new.asp).



### Medicare Supplement Premium Comparison Database

This is a free tool provided by the NC Department of Insurance. It is used to find the estimated premium rates for your Medicare supplement plans.

Rates shown on the web site are based on the initial purchase of a policy from a specific company. There are many factors that go in to determining rates for a policy, including where you live and how you answer the underwriting questions (if you are outside open enrollment). Rates shown on the web site are for the majority of the state when zip code rating is a factor. You can click on a specific company once you have entered your search criteria to see all the factors used in determining a company's specific rates and also see the effective date.

**NOTE: RATES REFLECTED MAY NOT INCLUDE DISCOUNTS. PLEASE CALL COMPANY FOR ACTUAL RATES.**

**Instructions:** Complete the following information and click "Search". You will then receive a list of estimated yearly premiums customized to your demographic information. Please note that you may click on the company name to receive other important aspects of the policy.

Age:  Gender:  Plan:   Use Tobacco

## Medicare Part D: Prescription Drug Plans Benefit

The Medicare Prescription Drug Plans, also called PDPs, are provided by private companies that sell plans approved by Medicare. You can identify an approved plan by the MedicareRx logo. All people who are new to Medicare have a seven month window to enroll in a Medicare Part D drug plan – three months before, the month of, and three months after their Medicare becomes effective. Remember, the month you enroll will affect the month your PDP is effective.

All people with Medicare are eligible to enroll in a PDP, regardless of income or assets; however, unless they are new to Medicare or are entitled to a Special Enrollment Period, they must enroll during the Open Enrollment Period (OEP) which is October 15 through December 7 each year. For assistance in understanding and enrolling in a Medicare PDP, you may visit the Medicare Web site at [www.medicare.gov](http://www.medicare.gov) or contact SHIP at **855-408-1212**.



**NOTE: If you do not enroll in a Medicare PDP when you first become eligible, and you do not have creditable drug coverage in place, in most cases you will pay a penalty for life when you do enroll in a PDP during the OEP.**

**The Extra Help Program is available for people with Medicare who have limited incomes and resources.** If you qualify, you can receive assistance with **premiums, deductibles and co-payments** for your prescriptions. You can visit your local Social Security office, call Social Security toll free at **1-800-772-1213**, visit [www.socialsecurity.gov](http://www.socialsecurity.gov), or request an Extra Help application by contacting SHIP. People who qualify for any level of Medicaid automatically qualify for Low Income Subsidy (LIS) and do not need to apply.

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## Medicare Part C: Medicare Advantage Plans

Medicare Advantage Plans are health care options provided under Medicare Part C of the Medicare program. These plans are approved by Medicare but sold and serviced by private companies. There are several plan options available under Medicare Advantage such as managed care plans that involve a provider network (HMOs and PPOs) to those that are specially designed for people with certain chronic diseases and other specialized health needs (SNPs) and some that may or may not have a provider network (PFFS) requirement. Most Medicare Advantage plans include Medicare prescription drug coverage.

To enroll in any Medicare Advantage plan option you must have both Medicare Part A and Medicare Part B. Once you enroll into a Medicare Advantage plan, you will not use your Original Medicare (red, white and blue) card as your Medicare Advantage plan will replace Original Medicare. Instead the Medicare Advantage plan will provide you with a member ID card to use when visiting your medical provider. Please note, you will continue to pay the Medicare Part B premium, and you might also have to pay an additional monthly premium charged by the Medicare Advantage plan.

**It is important to remember to check with your healthcare providers before making any change to your Medicare coverage to make sure they will accept the Medicare Advantage plan you are considering.**

# Did you know that Medicare now covers more preventive services to help you stay healthy?

## These Medicare-covered preventive services are:

- Abdominal aortic aneurysm screening
- Alcohol misuse screening and counseling
- Bone mass measurement
- Breast cancer screening (mammogram)
- Cardiovascular disease (behavioral therapy)
- Cardiovascular disease screening
- Cervical and vaginal cancer screening
- Colorectal cancer screening
- Fecal occult blood test
- Flexible sigmoidoscopy
- Colonoscopy
- Barium enema
- Multi-target stool DNA test
- Depression screening
- Diabetes screening
- Diabetes self-management training
- Flu shots
- Glaucoma tests
- Hepatitis B shots
- Hepatitis C screening test
- HIV screening
- Lung cancer screening
- Medical nutrition therapy services
- Obesity screening and counseling
- Pneumococcal shots
- Prostate cancer screening
- Sexually transmitted infections screening and counseling
- Tobacco use cessation counseling
- “Welcome to Medicare” one-time preventive visit
- Yearly “Wellness” visit

**All Medicare beneficiaries with Part B are entitled to these preventive services. Contact SHIIP, the Seniors' Health Insurance Information Program, to learn more.**



NC DEPARTMENT OF  
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