



MAKING MEDICARE MAKE SENSE

Answers To Some of The Most Commonly Asked Medicare Questions

Q: Will there be changes in what I have to pay for my Medicare premiums and deductibles in 2011?

A: The Medicare program is the largest health insurance program in the nation, and with all health insurance, members have various out of pocket costs, for which they are responsible. This column will discuss the changes to those out of pocket costs under the Original Medicare program for 2011.

First, let's talk about the Part B premium. Is the Part B premium going to increase in 2011? Well the answer to that question is: Maybe. It depends on if you will be new to Medicare in 2011 and how you will pay your Part B premium. For anyone new to Medicare in 2011 and for individuals already on Medicare who are directly billed the premium on a quarterly basis, the Part B premium will be \$115.40 per month. If you are not new to Medicare and you have had your Part B premium deducted from your Social Security benefits, you will continue to pay the same Part B premium as you did in 2010. This is because you did not receive a Social Security cost of living allowance (COLA) for next year. If Medicare raised the Part B premium, it would negatively impact your Social Security check.

Now, the annual Part B deductible, which is the amount Medicare beneficiaries owe each year out of pocket before Medicare will begin paying for most services has increased from \$155 in 2010 to \$162 in 2011.

The Part A, or the Hospital Insurance side of Medicare has some out-of-pocket increases for 2011 as well. If you are admitted to the hospital as an inpatient and you start a new benefit period you are responsible for an inpatient hospital deductible. In 2011, the inpatient deductible is going up from \$1,100 to \$1,132. Once the deductible is met, Medicare pays for all other covered charges for the first 60 days of an inpatient hospital stay during a benefit period. If you are discharged from the hospital and readmitted before 60 days has passed, then you will not have broken your benefit period and will therefore not owe a new inpatient deductible.

If you have a lengthy inpatient hospital stay that is more than 60 days, for days 61 – 90 of the benefit period you will be responsible for \$283 per day, which increased from \$275 in 2010. For days 91 – 150 you will be responsible for \$566 per day in 2011, up from \$550 per day in 2010. These are considered your lifetime reserve days and once they are used, these days do not renew when you start a new benefit period.

Many times you will not need to stay in the hospital as an inpatient for a long period of time but you may not be well enough to go home and may need to receive full time skilled nursing services or full time therapy services in a skilled nursing facility. If that is the case, then Medicare will cover the first 20 days at 100%, if you qualify. Then if

you still require this level of care, beyond 20 days, for days 21 – 100 there is a daily coinsurance of \$141.50 that you will have to pay in 2011, which increased slightly from \$137.50 in 2010.

These are the major changes to the cost sharing amounts under Original Medicare Part A and B. If you have questions about these changes you can call the Medicare Helpline 1-800-MEDICARE 24 hours a day, 7 days a week that is 1-800-633-4227. TTY users should call 1-877-486-2048. More information about Medicare can also be found on the internet at www.medicare.gov.



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Q: What is the Medicare Advantage Disenrollment Period that was created by the Affordable Care Act or what is known as Health Care Reform?

A: Since 2006 Medicare beneficiaries have always had the *Medicare Advantage* Open Enrollment Period from January 1 to March 31 of every year to make changes to their Medicare Advantage enrollment. Beneficiaries had the ability to enroll into a Medicare Advantage plan from Original Medicare, change from one plan to another, or disenroll from a Medicare Advantage Plan and return to Original Medicare and a stand-alone prescription drug plan. However the Affordable Care Act eliminated the Medicare Advantage Open Enrollment Period that usually takes place beginning in January, and created the Medicare Advantage *Disenrollment* Period.

The new Medicare Advantage Disenrollment Period begins on January 1, 2011 and ends on February 14, 2011. During this 45-day timeframe, individuals who are already enrolled in a Medicare Advantage plan have the ability to disenroll from the plan and return to Original Medicare and choose a stand-alone prescription drug plan, even if their Medicare Advantage Plan didn't include drug coverage. The effective date of their coverage will be the first day of the month following the date the disenrollment/enrollment request is received. That means a disenrollment request received in January would be effective February 1st. If the beneficiary chooses to enroll in a stand-alone prescription drug plan they can simply enroll in the drug plan of their choice and that will disenroll them from their Medicare Advantage plan the first day of the next month.

This period *does not* allow beneficiaries to move from one Medicare Advantage plan to another or from one Prescription Drug Plan to another -- it is now strictly, a disenrollment period.

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