

# Medicare Planning and Multiple Sclerosis

**Formulary** – A list of prescription medications your insurance provider will cover.

**Out-of-pocket limit (maximum)** – The total amount that needs to be paid by an individual before the health insurance plan provides 100 percent in coverage for medically necessary costs.

**Premium** – Amount of money charged by the insurance company for coverage. It may be paid in a lump sum or periodic monthly payments, dependent upon the insurance plan.

**Medicare** – Federal health insurance program providing insurance coverage to:

- People 65 and older
- Certain individuals with disabilities
- Individuals with end-stage renal disease (kidney failure)

**Step therapy** – When a prescription drug plan requires an individual to try one or more other, lower-cost medications before covering the prescribed drug.

## Resources for More Information

### Medicare

To learn more or to find a coverage plan:  
[www.Medicare.gov](http://www.Medicare.gov)

### Centers for Medicare and Medicaid Services:

[www.cms.gov](http://www.cms.gov)

### National Association of Insurance Commissioners

To locate your state department of insurance:  
[www.naic.org/state\\_web\\_map.htm](http://www.naic.org/state_web_map.htm)

### Medicare Rights Center:

[www.medicarerights.org](http://www.medicarerights.org)

### MSAA's information on Medicare:

[mysaa.org/healthinsurance](http://mysaa.org/healthinsurance)

### To consult an MSAA Helpline Specialist:

(800) 532-7667, ext. 154

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## Introduction

MSAA recognizes that the details of each of the Medicare programs can be both confusing and challenging. For this reason, we have created this brochure to serve as an overview of each of the parts of Medicare, with a particular focus on key questions that everyone should consider before selecting his or her plan.

Several insurance terms are included in this brochure. As a convenience for our readers, we have included the following glossary of important terms found throughout this brochure. We have also included a list of helpful resources for more information.

## Important Insurance Terms

**Affordable Care Act (ACA)** – Enacted in 2010, this law is aimed at providing Americans with improved healthcare, including expanded coverage, lower healthcare costs, and more insurance choices.

**Co-insurance** – Your share of the costs of a covered healthcare service, calculated as a percentage after you have met your deductible.

**Co-pay** – A pre-determined amount that you pay for a covered healthcare service, usually at the time of the service. The amount can vary by the type of covered healthcare service.

**Deductible** – Out-of-pocket healthcare costs for which individuals are responsible, before their health insurance plan will pay for health expenses.

**Durable Medical Equipment (DME)** – Equipment and supplies ordered by a healthcare provider for everyday or extended use. Equipment may include items such as:

- Wheelchairs
- Crutches
- Commode chairs



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## Know Your A, B, C, and D's of Medicare

Medicare is made up of four distinct sections: Parts A and B ("original Medicare"), as well as Part C and Part D. Each covers different services to meet your healthcare needs.

**Part A (Hospital Insurance)** covers services such as care while you are an inpatient in a hospital, skilled nursing facility, or nursing home. It may also include care received through hospice services and home-health services.

**Part B (Medical Insurance)** generally covers medical expenses, including doctor visits, durable medical equipment, lab services, and testing that is considered medically necessary for diagnosing and treating a health condition, and other services. Part B also covers several types of preventive health services.

**Part C (Medicare Advantage Plan)** is a type of insurance plan that is purchased from a contracted private provider to administer one's health insurance. The purchased plan changes how someone accesses healthcare, such as through an HMO, PPO, or fee-for-service plan. It replaces the original Medicare benefits plan, so individuals in Part C cannot participate in Parts A and B. Most Medicare Advantage Plans will also provide prescription drug coverage; only those without drug coverage may participate in Part D, noted below.

**Part D (Prescription Drug Coverage)** is an optional insurance plan offered through Medicare to help cover or lower the costs of prescription drugs. Individuals who participate in Medicare (Parts A and B), as well as individuals whose private insurance or Medicare Advantage Plan (Part C) does not include prescription drug coverage, may choose from among the Part D prescription plans. These plans are administered by private companies.

## Important Considerations when Choosing Part C

**With Part C (Medicare Advantage Plan), how do I choose providers?** Most plans will have a network of doctors, hospitals, and additional healthcare providers that are covered under their policy.

**What costs are associated with a Medicare Advantage Plan?** With a Medicare Advantage Plan, you will typically be charged a monthly premium. You will also be responsible for co-payments, co-insurances, and deductibles. Out-of-pocket costs and policy coverage will vary.

**What are the other important items to consider before selecting a Medicare Advantage Plan?**

- **Medicare Advantage Plans** will have lists of "in-network" and "out-of-network" physicians, whereas original Medicare (Parts A and B) generally covers any physician who accepts Medicare. If maintaining open access to all physicians is important to you, then you may want to be cautious about selecting a Part C plan.
- **Medicare Advantage Plans**, similar to original Medicare (Parts A and B), will also have a drug formulary (a list of covered medications) and some policies may be more restrictive than others. Be sure to call the insurance provider and obtain a list of covered medications before choosing a policy.

**If you purchase a Medicare Advantage Plan:**

1. You lose coverage under original Medicare, which includes **Part A** (Hospital Insurance) and **Part B** (Medical Insurance).
2. You are only allowed to purchase a **Part D** prescription drug plan if your Medicare Advantage Plan does not include prescription drug coverage.
3. You cannot purchase a **Medigap policy**.

## Important Considerations when Choosing Part D

If you have Medicare (Parts A and B), unless administered in an inpatient setting, any prescription medications would **not** be covered. Individuals must purchase a Part D plan for outpatient prescription drug coverage. Part D supplemental insurance plans vary in terms of the monthly premium costs, as well as the drugs covered, so comparing plans is vitally important.

**Questions to ask when selecting a Part D plan:**

1. Can I afford the monthly premium for this plan?
2. Which MS medications are on this plan's drug formulary?
3. If my current medication is covered, what other options are available if I need to switch?
4. What will the co-pay be for my MS and symptom-management medications, and can I afford this in addition to the premium?

Please note that if the cost of your Part D plan is too high, you may be eligible for **Extra Help**. This is a **Low Income Subsidy (LIS)** to help cover the cost of your monthly premiums and reduce your medication co-pays. To see if you qualify, please contact Medicare at **(800) 633-4227** or go to **www.medicare.gov** and search for "Extra Help."

## Medigap Policies

Medigap policies are offered as supplemental coverage for original Medicare (Parts A & B) and must meet federal and state guidelines. Most states (excluding Massachusetts, Minnesota, and Wisconsin) sell 10 categories of alphabetized policies. After paying your deductible (unless Medigap covers your deductible), each lettered policy will cover some or all of the medical insurance expenses.

## The ACA's Impact on Medicare

Among other benefits, the **Affordable Care Act (ACA)** helps individuals on Medicare to save money with preventive care and brand-name drugs. Starting in January 2014, Medicare began covering many **preventive services** with no out-of-pocket expense. This coverage includes an annual wellness visit and screening tests as recommended, such as those for diabetes, breast cancer, osteoporosis, and heart disease. For more information, please visit **www.medicare.gov**.

Another major area of change to Medicare is in relation to closing the Part D **"donut hole."** Each year when you spend a certain amount on covered drugs, you will reach the Part D donut hole. Before the ACA was enacted, when in the donut hole, you would pay 100 percent of the cost of your medications until you met the catastrophic coverage level. Under the ACA, each year until 2020, the percentage of costs paid during the donut hole will be incrementally reduced. In 2020, an individual will be expected to pay 25 percent of the cost of brand-name drugs during the coverage gap, and the donut hole will be considered closed.

### Additional Notes

- *Individuals who participate in any Medicare plan are NOT eligible to purchase insurance through the Health Insurance Marketplace.*
- *Some individuals are eligible for both Medicare and Medicaid services. Please contact your local Department of Human Resources to determine if you qualify as "Dual Eligible."*
- *If you have trouble paying your Medicare premiums, deductibles, or co-insurances, please check with your local county Department of Social Services/Department of Human Resources to see if you qualify for any assistance.*

**Original Medicare consists of:**  
Parts A & B  
(Part D and Medigap are optional)

**The Medicare Advantage Plan consists of:**  
Part C  
(Plan D is optional, if Plan C has no drug coverage)