



## **EPISODE 56: DISABILITY AND AGING: MEDICARE, MEDICAID, AND BENEFITS ENROLLMENT ASSISTANCE**

**Event Date:** March 7, 2018

**Presenter:** Leslie Fried, Senior Director - Center for Benefits Access - National Council on Aging (NCOA):

**Host:** Pam Williamson – Assistant Project Director, Southeast ADA Center

**VOICE-OVER ANNOUNCER:** Blog Talk Radio. (Music) Welcome to WADA ADA Live! Talk radio. Brought to you by the Southeast ADA Center, your leader for information, training and guidance on the Americans with Disabilities Act, and here's your host.

**PAM WILLIAMSON:** Good afternoon, welcome to WADA ADA Live! On behalf of the Southeast ADA Center, the Burton Blatt Institute at Syracuse University, and the ADA National Network, welcome to episode 56 of ADA Live!

I'm Pam Williamson, Assistant Director of the Southeast ADA Center and your host. On today's episode of ADA Live, we will be discussing Medicare, Medicaid, and Benefits Enrollment Assistance. Each day over 10,000 individuals become eligible for Medicare due to age or disability. Learning about what Medicare covers and navigating the Medicare enrollment process can be challenging.

It is my pleasure, now, to introduce today's guest from the National Council on Aging (NCOA) Leslie Fried, Senior Leslie Fried, Senior Director of the Center for Benefits Access. The NCOA is a respected national leader and respected partner in helping people aged 60+ meet the challenges of aging. NCOA collaborates with nonprofit organizations, government, and business to provide innovative community programs and services, online help, and advocacy.

Leslie, welcome to our program.

**LESLIE FRIED:** It's a pleasure to be with you.

**PAM WILLIAMSON:** Before we begin, as a reminder, ADA Live! listening audience, you can submit your questions about Medicare, Medicaid, and Benefits Enrollment Assistance at any time at ADAlive.org. So Leslie, let's start our show today with an overview of the various pieces of Medicare. Can you tell us a little bit about that, please?

**LESLIE FRIED:** I sure can. When it was started in 1965, it was sort of set up after Blue Cross Blue Shield at the time. So Part A is the part of Medicare that covers hospices and very limited skilled nursing care, and some health. Part B, as in boy, covers doctor's visits, lab tests, outpatient rehabilitation services like physical therapy and occupational therapy, and a host of other outpatient type services. And that's the part of Medicare we call original Medicare or fee for service Medicare. Part D, as in dog or drugs is a separate part of Medicare that people purchase through private health insurance companies covering drug coverage only, like at the pharmacy.

There is another part, called Part C, which is a way of getting Medicare benefits through a managed care organization.

**PAM WILLIAMSON:** You know, I've heard all of those Part A, Part B before, and I think this is the first time I've understood what that means. I appreciate that overview. Now that you have given us an understanding of these various parts of Medicare, can you talk about the specific services that Medicare covers as well as what it does not cover?

**LESLIE FRIED:** Sure. As I mentioned, when somebody goes to the hospital they would be covered primarily under Part A, if they are admitted to the hospital. If someone falls and breaks a hip, they may be in the hospital for several days. That's generally going to be covered under Part A. If someone is in the hospital for a long period of time and then requires to go to the nursing home for the same reason that they are in the hospital and it's more than three days, then Medicare might cover a short period of time in a nursing home. But I do want to mention that Medicare generally does not cover nursing home care or long term care and supports except for a very limited circumstances for a very short period of time.

As I mentioned, Medicare Part B, as in boy, covers your day to day medical services. Let me mention something that you ask, which is what does Medicare not cover. And this is really important. Medicare generally doesn't cover things above the neck. It doesn't cover dental care. It doesn't cover hearing or hearing aids. It covers virtually no vision care with a few exceptions. It doesn't cover annual physicals. Like if anyone is used to going to the doctor's for an annual physical. Medicare does not cover that.

And Medicare does not cover care outside the United States. And many people are surprised that once they retire and they're on Medicare and they begin to travel outside the United States that they may not have healthcare insurance from Medicare.

**PAM WILLIAMSON:** Wow. This is very important information for us to know, especially as we qualify for Medicare or as those that we care for may be eligible for Medicare. So you've talked about some of the other pieces. But can you talk more about the specific circumstances under which a person would want to apply for Part D of Medicare?

**LESLIE FRIED:** Sure. Medicare Part D for drug coverage is actually fairly new to Medicare. It just started in 2006. So it's just 12 years old. And unlike the other parts of Medicare, it's an optional benefit that people actually need to enroll and purchase from a private insurance company. And so somebody will look at the drugs that they are currently taking and look at the plans available in their state and decide which plan they want to sign up for. And there are two types of Medicare drug coverage plans. One is called a prescription drug plan. It's a standalone plan. So someone pays the premiums and that's what they're getting is their drug plan.

Another type is through a Medicare advantage plan, which offers prescription drugs with it. And that is the Medicare Part C coverage that I mentioned earlier.

So there's two ways to get drug coverage: One is through a standalone plan, and one is through the Medicare advantage plan that also covers drug coverage.

**PAM WILLIAMSON:** And I've also heard of something called Medigap. Is there a connection between Medigap and Medicare Advantage? Are there differences? What are the pieces there?

**LESLIE FRIED:** So this is a really important question. And it's one of the first questions we get when people are becoming eligible for Medicare. Medicare has a lot of deductibles and co insurance payment requirements for anyone on Medicare. It does not cover 100%. And so Medigap, also called Medicare Supplemental Insurance are plans designed to pay the deductibles and to pay those co insurances so that people who go to the hospital and have a large deductible, over \$1,000 per admission to the hospital, if they have Medigap insurance, that Medigap policy may cover that deductible.

Similarly, if Medicare under Part B as in boy generally pays 80% of the physician fee. Well, a Medigap policy might pay that other 20%. There are a variety of medigap policies. There are actually 10 types. And they're all alphabetical: A, B, C, D. So

those policies are easy to actually compare because they're standardized. But every state may have different options within their state.

**PAM WILLIAMSON:** So could the Medigap be provided by the state or is it all private?

**LESLIE FRIED:** Medigap policies are all private. As I mentioned earlier the things to consider when someone is first enrolling in Medicare, the first choices they have to make are do I want to get standard fee for service Medicare, and a prescription drug plan, and buy a Medigap policy. That's one option for full coverage. And option two is to get a Medicare Advantage plan that has to cover all Medicare for service A and B, and prescription drugs. Those are the two options that people choose between when they first become eligible for Medicare.

**PAM WILLIAMSON:** Okay. Thank you for that great explanation because it can get very confusing at times. Another thing that can get confusing at least in my experience is there is some confusion between Medicare and Medicaid. Can you tell us the difference between those and how Medicare might coordinate with coverage like Medicaid?

**LESLIE FRIED:** Sure. And this is something that lots of people get confused about. And we get lots of questions, even from our policymakers on Capitol Hill. So Medicare is health insurance that people who have been working their whole lives have been paying into through their federal taxes. And when they become age 65 or older or have been on Social Security Disability for two years they automatically become eligible for.

Medicaid, or medical assistance, is a needs based program to help people pay their healthcare costs when they cannot afford them. Medicare is run through the federal government. And Medicaid or medical assistance is run through the state government. And for Medicaid, it really varies from state to state and can include waivers to serve specific groups of people. And in addition, since the Affordable Care Act, some states have expanded their Medicaid to a larger population. So the two programs are quite different. Medicare will generally be primary payer if someone is enrolled in Medicare. Medicaid is always the payer of last resort.

**PAM WILLIAMSON:** So to make sure I understand, Medicare is federally operated and is the system that we all pay into via our paychecks and that we qualify for after we start our social security. Medicaid is run by the state. And it can vary from state to state. And it's going to also, and it could be, it's also going to be the path of last resort. Medicare is going to be the first payee in this situation. Is that right?

**LESLIE FRIED:** That is correct. And there are over 10 million people who are eligible for Medicare and Medicaid. And so Medicare will pay first and Medicaid will pay second. And again, it's a needs based program, so people generally are of lower income and limited assets.

**PAM WILLIAMSON:** So people can have both Medicare and Medicaid if the person is eligible on the needs based reasons to get Medicaid. Is that right?

**LESLIE FRIED:** Correct.

**PAM WILLIAMSON:** Excellent, excellent. Well that's good to know. Because it can, as we said earlier, it can get a little bit confusing. So let's talk a little bit more about Medicare eligibility and how someone actually enrolls for it. So is enrollment automatic?

**LESLIE FRIED:** Well, it depends. As you mentioned, anyone who is on Social Security, receiving Social Security benefits will be automatically enrolled. Now, someone who is under 65 and on Social Security Disability will be automatically enrolled after 24 months of receiving Social Security Disability benefits. Someone who is receiving Social Security early retirement, when they turn 65 they will be automatically enrolled.

However, for those people not receiving Social Security or actually railroad retirement benefits also, those people who are not automatically enrolled, they actually have to affirmatively enroll in Medicare. And they have what's called an initial enrollment period. It's a 7 month period surrounding someone's 65th birthday. So three months before someone turns 65, the month that they turn 65, and three months after they turn 65, that is their initial enrollment period. That is the time when they should be enrolling in Medicare Part A and Part B, and possibly Part C and D. It's during that 7 months.

**PAM WILLIAMSON:** So if a person is not eligible for automatic enrollment, 65 is a magic number. And that 7 month period is something folks need to be very aware of. Is that what I'm understanding?

**LESLIE FRIED:** That is absolutely correct. And if someone signs up during the three months before their 65th birthday, then the Medicare coverage begins the first day of their birthday month. If they sign up a bit later, then their Medicare coverage may still be a bit delayed.

**PAM WILLIAMSON:** What about the folks who are still working at 65 and later and they've got health insurance through their employer. What happens then?

**LESLIE FRIED:** Well, so again, it depends on how large their employer is. People can delay signing up in Medicare without incurring a penalty for late enrollment if their employer has more than 20 employees if they're 65 or older, the enrollee, or if the employer has more than 100 employees, if the individual is under 64.

So for someone with disability, who may be covered by their own employer coverage or they have a spouse through which they're covered for active employment, and that employer has more than 100 employees, they certainly can delay their Medicare enrollment. However, if somebody is under 100 employees and the individual is 64 or younger, then they will really need to talk to the employer who is providing coverage, because the assumption is that Medicare would be their primary if somebody is in that age group. And let me explain why that's important. There are two reasons. One is that some employer insurance policies say that if someone is eligible for Medicare, we expect them to sign up for Medicare and we will only pay secondary to that. So that's really important for Medicare coverage.

In addition, if somebody does not sign up for Medicare when they're first eligible because they have employer group health insurance, then they have what's called a special enrollment period later and they can sign up later. So that's really important. If somebody missing their initial enrollment period and doesn't sign up when they should have, they could be charged a penalty. And it's a 10% increase of the Part B or D insurance for every 12 months they're late. And that's forever. So it's really important that people make informed decisions about when to sign up for Medicare because they can get hit with a penalty. And I can tell you that the calls that most community based organizations receive are when people are enrolling in Medicare and they're very confused or they miss their Medicare enrollment period and then when they do sign up, they get hit with a late enrollment penalty.

**PAM WILLIAMSON:** I'm beginning to realize that there are a lot of factors that need to be considered. And so I'm very grateful that we're chatting today because it's a lot of stuff for people to take in. What if a person actually has to pay for Medicare costs themselves? Is the process of enrollment different? Or are there things that they need to be aware of? What do we need to share with folks about this?

**LESLIE FRIED:** So when someone signs up for Medicare, Part A is usually free. Because as I mentioned earlier, that's the part that people have been paying for their entire working life. So Part A is generally free assuming they or their spouse has been working and contributing to their FICA withholdings. Part B, as in boy, is not free, and there is a monthly premium. So when someone signs up for Medicare the Part A is free, Part B, the premium will be generally deducted from someone's Social Security or railroad retirement benefits if they are collecting on Social Security or railroad

retirement. If they are not collecting yet, then they can get a Medicare bill and pay either online, through electronic bank transfer. They can pay by check or money order or even by credit or debit card.

**PAM WILLIAMSON:** What if someone can't afford to pay for that? Is there assistance available for people?

**LESLIE FRIED:** Yes, there is. There are programs called Medicare savings programs, which are financed by Medicaid. They help pay with Medicare premiums and the cost sharing. The deductibles and co insurance payments that I mentioned earlier. There are four different programs that cover more for the lowest of income and cover less for people who are a little bit higher income.

These are for very low income people, 100% of poverty or less for the most expansive program, and then up to 135% of poverty for people who have a little bit more. And those programs will cover the Medicare Part B premiums as well as some of the deductibles and co insurances. What's really important about Medicare savings programs also is that for those people who are eligible, they get what's called deemed eligibility or automatic eligibility for the subsidy for the prescription drug or Part D program. And this is called Extra Help or Low income subsidy LIS. This program helps Medicare cover Part D costs. People who are eligible will have no Part D premium or very low premium. They will have no or very low deductible for a prescription drug coverage. And they will have limited cost sharing. Like up to \$8 a prescription for brand drugs. So it's a really important program.

That program, again, the extra help program, people are eligible up to 150% of poverty. So even if someone is not eligible for a Medicare savings program for which they apply through Medicaid, they can apply separately online through Social Security Administration. They can apply for that separately, the Extra Help program, and just become eligible for Extra Help. And that's just a really important program. Underenrolled because a lot of people don't know about it, but it really does help pay for the Medicare drug costs.

**PAM WILLIAMSON:** Leslie, I appreciate the information you've shared with our audience so far.

ADA Live! Listening audience, if you have questions about Medicare Enrollment and the ADA or any of our other ADA Live topics, you can submit your questions at any time at our online forum at [ADALive.org](http://ADALive.org). I want to pause for a minute now for a word from our sponsor, the National Council On Aging.

**VOICE OVER ANNOUNCER:** The National Council on Aging works to improve the health and economic security of older adults. NCOA is the respected national leader and trusted partner to help people aged 60 and over to meet the challenges of aging. National Council on Aging partners with non profit organizations, government, and business to provide innovative community programs and services, online help, and advocacy. The goal of NCOA is to improve the health and economic security of 10 million older adults by the year 2020. The vision of NCOA is to build a just and caring society in which each of us, as we age, live with dignity, purpose, and security. To learn more, visit their website at [www.NCOA.org](http://www.NCOA.org)

**PAM WILLIAMSON:** Hi, folks, welcome back to our show. We're talking with Leslie Fried of the National Council of Aging (NCOA) about Medicare, Medicaid, and Benefits Enrollment Assistance.

Leslie, you shared a lot of information today. And as I said earlier, we've got a lot of moving parts and different things going on when it comes to Medicare, Medicaid, benefits enrollment. Let's talk about some of the resources available. Where can people go for assistance and more information?

**LESLIE FRIED:** So there are an abundance of places to go. I would recommend our own website, [nationalcouncilonaging.org](http://nationalcouncilonaging.org). We have some significant materials on Medicare enrollment and Medicare coverage because this is a complicated program. Also, [Mymedicarematters.org](http://Mymedicarematters.org), which is our system site. It really focuses on information for the consumer. [Medicare.gov](http://Medicare.gov). It is the federal website for people who are on Medicare or enrolling on Medicare. And that has some really good information. They also have what's called a plan finder tool. So as I spoke throughout this pod cast, people can choose plans, private plans that are available in their state. And in order to figure out well, how do I do that? I don't know what plans are available in my state. You can get information on the Medicare.gov Plan Finder tool. Someone puts in their zip code. They might list the drugs they're on. And they can find out what plans are available in their state and how much it might cost for them out of pocket.

I would also recommend folks looking at the [socialsecurity.gov](http://socialsecurity.gov) for enrollment information. Because even though Medicare coverage comes through the Centers for Medicare and Medicaid Services, all enrollment is done through the Social Security Administration.

**PAM WILLIAMSON:** Leslie, these are great resources. And one other one that I personally have found helpful on the NCOA provides is the [benefitscheckup.org](http://benefitscheckup.org). So I just wanted to put a plug in for that one personally because I've used it with my parents and their friends.

**LESLIE FRIED:** If I may interrupt, I was going to mention [Benefitscheckup.org](https://www.benefitscheckup.org). It slipped my mind. People can put in their zip code and answer a handful of questions about estimated income and then find out what benefits someone might be eligible for in their state, in their community, how to apply for the benefits, and it's really a wealth of information. It has over 2,000 benefits for which someone might be eligible for. But it really streamlines to the local community. So if someone is concerned about resources for a parent or a loved one or even for themselves, they can use the Benefits Checkup tool to really hone in on the benefits for which they may be eligible. And it's focused on older adults. Other benefits tools might be much broader from birth to death. But the Benefits Checkup is focused on benefits for older adults.

**PAM WILLIAMSON:** Leslie, thank you so much for expanding on Benefits Check Up. And we will have all of these resources on our website at [adalive.org](https://adalive.org). I can't believe it, but we're about out of time. As we close today, what do you see as one to two critical takeaways from our listeners for today's discussion?

**LESLIE FRIED:** I think people have to plan early. In order to make an informed choice about Medicare and how they want to receive their healthcare, they should be planning maybe six months before they become eligible for Medicare. Number two, they need to re-evaluate their choices every year. Just like with open enrollment during employment open enrollment, it's really important for folks to re-evaluate their choices every year because the plan they're enrolled in this year may not be covering their providers or their drugs that they covered in the past year. And number three, get assistance. There are state health insurance assistance programs called SHIPs that can provide one on one objectives, choosing, learning about Medicare, navigating Medicare, and helping make choices in every state, in every community. You can find out where the SHIP is in your state by going on [SHIPTA.org](https://SHIPTA.org) or calling 1 877 839 2675. Because they can provide some assistance in navigating Medicare.

**PAM WILLIAMSON:** Well, Leslie, thank you again for all of the great information you've shared with us today. I appreciate you and the National Council on Aging for all of the work that you do. Want to remind our listeners that today's episode and all previous episodes are on our website at [adalive.org](https://adalive.org). There are accessible transcripts of the audio and also available to download as pod casts to listen to at your convenience.

I want to thank you, our ADA Live! listening audience, for tuning in today. We are thankful for your support and listening in the series for this ADA Live! broadcasts.

Reminder: You can submit any questions on any of these topics by going to [ADALive.org](https://ADALive.org). Join us June 6th for our next episode of ADA Live! We will be talking with representatives from the Accessible Recreational Facilities (Parks). If you have

questions about the Americans with Disabilities Act, contact your center at 1 800 949 4232. And remember, all calls are free and they're confidential.

**VOICE-OVER ANNOUNCER:** (Music) Thank you for listening to ADA Live! Talk radio. Brought to you by the Southeast ADA Center. Remember to join us the first Wednesday of each month for another ADA topic, and you can call 1-800-949-4232 for answers to your ADA questions.

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