

Medicare

What is Medicare?

Medicare is a *federal* health insurance program for which almost anyone age 65 and older qualifies, along with certain people on Social Security disability and some people with permanent kidney failure. *The state is not responsible for Medicare policy or funding.*

Medicare eligibility depends on age or disability only (*not* income or assets).

What is the difference between Medicare and Medicaid? Medicaid is a *joint federal/state program* of health coverage for certain people with low incomes or very high medical costs. Eligibility for Medicaid depends on age, disability or family status *and* on an individual's (or family's) income and assets. (*See Medicaid 101 for more information on Medicaid.*)

Some individuals qualify for both Medicaid and Medicare. They are referred to as dual-eligibles.

Medicare Benefits

Following are brief descriptions of the different “parts” or coverage options available to Medicare recipients:

- **Medicare Part A** – The part of Medicare that primarily covers much of the cost of hospital care, home health, or a skilled nursing facility.
- **Medicare Part B** – The part of Medicare that covers most of the cost of doctor visits, outpatient care, and other services.
- **Medicare Part C** – Also known as Medicare Health Plans (formally, “Medicare+Choice” and “Medicare Advantage”). These are Medicare-approved private insurance plans, including HMOs, PPOs, private fee-for-service plans, and medical saving accounts. These plans may or may not include prescription drug coverage.
- **Medicare Part D** – Also known as Medicare prescription drug coverage. (*See below for additional information.*)
- **Medigap** – Also known as Medicare supplemental insurance, it is a specific type of insurance policy that supplements the coverage you receive from Medicare. Individuals without retiree or union health benefits sometimes buy these plans to insure against costs not covered by Medicare.

Medicare Part D – Prescription Drug Coverage

In 2003, Congress passed the Medicare Modernization Act which included adding a prescription drug benefit for Medicare beneficiaries beginning in January 2006. Insurance companies and other private companies contract with the federal Centers for Medicare and Medicaid (CMS) to offer these drug plans. Like other insurance, these plans have a monthly premium and individuals are required to pay a share of the costs of their prescriptions. Costs will vary depending on the drug plan that is chosen. Individuals with limited savings and incomes below 150 percent of the federal poverty level may apply for the Low-

Income Subsidy, which is based on a sliding scale. The subsidy may pay for all participation costs, except for a small co-pay per prescription, or some of a recipient's premium, deductible or other required participation, based on income and assets.

Medicare recipients who also qualify for Medicaid (i.e., dual-eligibles) also receive their prescription medications through a Medicare Part D prescription drug plan. Medicare requires co-pays of \$1-\$5 for dual-eligibles; however, some states including Washington have chosen to pay these co-pays for the recipients. In 2007, HB 1095 was signed into law authorizing DSHS to pay these co-pays, subject to available funds.

Medicare Resources

- ◆ The Insurance Commissioner's Statewide Health Insurance Benefit Advisors (SHIBA) 24-hour referral hotline is available to assist consumers with Medicare questions - **1-800-562-6900**, or www.insurance.wa.gov/shiba .
- ◆ The Insurance Commissioner's website has several publications on Medicare at: www.insurance.wa.gov/consumers/insurance_types.shtml#medicare.
- ◆ The Federal Government Medicare web-site is: www.medicare.gov.