

MEDICARE OPEN ENROLLMENT: ARE YOU AWARE OF YOUR CHOICES?

By Charles Clarkson, Esq.
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Every year between October 15 and December 7, a period known as “Open Enrollment,” Medicare beneficiaries can make changes in their Medicare coverage. The Senior Medicare Patrol of New Jersey (SMP), a program funded by the U.S. Administration for Community Living, believes that if you know your options you can avoid being scammed and make the right choices, giving you the best coverage at the least cost.

Why make a change? Whether you have Original Medicare (Part A and/or B), Part D (prescription drug plan), or a Part C Medicare Advantage Plan, your plan can change. Premiums, deductibles and coverages can all change. Even if they remain the same, your health or finances may have changed. SMP encourages all beneficiaries to re-visit their coverage and decide whether or not to change during Open Enrollment.

Beneficiaries have these choices:

1. If you are enrolled in Original Medicare, you can change to a Medicare Advantage plan with or without drug coverage. These plans are from private companies approved by Medicare and give you the services of Original Medicare. If you join a Medicare Advantage plan, you do not need (and are not permitted) to have a Medicare supplement insurance plan (also known as a Medigap policy), and if your Medicare Advantage plan has drug coverage, you will not need a Part D plan.
2. If you are in a Medicare Advantage Plan, you can switch to another Medicare Advantage plan or drop your Medicare Advantage Plan. If you decide to drop a plan and not switch to another plan, you will be enrolled in Original Medicare. You should then consider enrolling in a Medicare supplement insurance plan to cover the costs that Original Medicare does not pay for and enroll in a Part D plan for drug coverage.

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3. If you are in Original Medicare with a Part D plan, you can stay in Original Medicare and switch your Part D plan.

4. If you are in Original Medicare and do not have a Part D plan, you can enroll in a Part D plan. If you join a Part D plan because you did not do so when you were first eligible for Part D and you did not have other coverage that was, on average, at least as good as standard Medicare drug coverage (known as creditable coverage), your premium cost will be penalized 1% for every month that you did not enroll in Part D. You will have to pay this penalty for as long as you have a drug plan. The penalty is based on the national average of monthly premiums multiplied by the number of months you are without coverage, and this amount can increase every year. If you qualify for extra help (low income subsidy), you won't be charged a penalty.

Why change Part D plans?

Beneficiaries may want to change Part D prescription drug plans (PDPs) for a number of reasons: (i) the PDP has notified the beneficiary that it plans to drop one or more of his or her drugs from its formulary (list of available medications); (ii) the beneficiary is reaching the coverage gap (donut hole) sooner than anticipated and may want to purchase a PDP with coverage through the coverage gap, if one is available; (iii) the PDP has notified the beneficiary that it will no longer participate in the Medicare Part D program; (iv) the PDP will increase its premium or co-pays higher than the beneficiary wants to pay and a less expensive plan may be available; and (v) a beneficiary is not happy with the PDP's quality of service or the plan has received low rankings for a number of years. For 2018 beneficiaries in New Jersey can expect to choose from a number of PDPs. The plans will be announced in late September or early October 2017.

Compare plans each year.

Beneficiaries should remember that PDPs change every year. It is recommended that beneficiaries compare plans to ensure that they are in the plan that best suits their needs. When comparing plans, keep in mind to look at the "estimated annual drug costs," i.e., what it will cost you out of pocket for the entire year, from January 1 through December 31 of each year. Plans can be compared at the Medicare web site: www.medicare.gov. If you do not have access to a computer, call Medicare at 1-800-Medicare to assist in researching and enrolling in a new plan. Medicare can enroll a beneficiary over the telephone. When you call, make

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sure you have a list of all your medications, including dosages. Another resource for Medicare beneficiaries is the State Health Insurance Assistance Program (known as SHIP), telephone 1-800-792-8820. SHIP is federally funded and can provide beneficiaries with unbiased advice. Call SHIP to make an appointment with a counselor. You do not need to use a broker or agent, who may not be looking out for your best interest. Brokers and agents are usually being paid to enroll you in certain plans. Beneficiaries can also call the Senior Medicare Patrol of New Jersey at 732-777-1940.

Medicare Open Enrollment can also be a time of fraudulent schemes that can cost you money. Be on the alert for calls claiming to be from Medicare. The SMP also wants you to be on the alert for scams involving the new Medicare cards. Back in the spring of 2015, Congress passed the “Doc Fix” bill, which mainly dealt with the longstanding problem of the Physician Fee Schedule. At the same time, Congress sought to remedy the problem caused by having Social Security numbers on Medicare ID cards.

New Medicare cards will be rolled out starting in April 2018, and will replace the social security number with randomly generated numbers. Since it will take time to mail new Medicare cards to all Medicare beneficiaries, there will be a transition period through December 31, 2019, when beneficiaries will be able to use either card. All cards should be issued by April 2019. You should start using the new Medicare card once you receive it. Make sure that the Social Security Administration and Medicare have your current address to ensure that you get your new card.

This card change is both a blessing and a curse for Medicare beneficiaries. Removing Social Security numbers greatly decreases the financial havoc that a stolen Medicare card can cause, but it opens the door to scammers to take advantage of Medicare beneficiaries. Remember, there is **never** a charge for the new Medicare card. Scammers already are calling and scaring seniors into paying \$300 or more for the new Medicare card and asking for their checking account information to pay the new card’s fee.

What do you do when you realize that a scammer is calling? **Just hang up.** Do not be polite, and **just hang up.** Also, do not open any emails about the new Medicare cards that appear to be coming from a legitimate source, such as Medicare. They are most likely scams. For any questions about the new Medicare cards, call the Senior Medicare Patrol of New Jersey at 732-777-1940.

BALANCE BILLING AND MEDICARE

By Charles Clarkson, VP/Project Director, Senior Medicare Patrol of New Jersey

Many people on Medicare may also be on Medicaid. They are known as Dual Eligibles. They are enrolled in Medicare Part A and/or Part B and receive full Medicaid benefits. Medicaid enrollment varies by state and usually requires meeting certain income and resource levels.

Many of these individuals can receive assistance from certain programs known as Medicare Savings Programs. The Medicare Savings Programs (MSPs) provide help from Medicaid to pay Medicare costs, including Medicare premiums, deductibles, coinsurance and copays. There are a number of MSPs, including Qualified Medicare Beneficiary (QMB), Specified Low-Income Medicare Beneficiary (SLMB) and Qualifying Individual (QI). These different MSPs assist individuals with paying some of the cost of Medicare. For instance, QMB benefits include paying for the Medicare Part A premium, the Part B premium and Medicare deductibles, coinsurance and copays. The SLMB and QI programs will pay only for the Part B premiums.

Dual Eligibles who have QMB are protected from what is known as “balance billing.” Medicare physicians, providers and suppliers who offer services and supplies to QMBs may not bill QMBs for Medicare cost sharing. QMBs have no legal obligation to make further payment to a provider or a Medicare managed care plan for Part A or Part B cost sharing. Any providers who violate the balance billing prohibition can be subject to sanctions. Also, QMB recipients cannot waive this protection.

At the Senior Medicare Patrol of New Jersey, we see many QMB individuals improperly being billed for costs that they are not required to pay. If you are a Dual Eligible with QMB benefits and you believe that your provider is

improperly billing, please give us a call at 732-777-1940 or our hot line at 877-767-4359 and let us help. The SMP of New Jersey is a federally funded program of the Administration for Community Living.

ASK CHARLES



What are the Part B and Part D penalties, and how are they calculated?

Under Medicare rules, Part B (medical insurance) and Part D (prescription drug coverage) impose penalties if you enroll late for these parts and you did not have other coverage that would exempt you from the penalties (usually coverage from a job while you are still working). For Part B, your monthly premium will increase 10% for each full 12-month period that you could have had Part B but did not sign up. As an example, if your Initial Enrollment Period (when you first could have signed up for Medicare Part B) ended September 30, 2013, and you waited until March 2016, when you signed up using the General Enrollment Period (January to March 31 of each year), the penalty would be 20%, as only two full 12-month periods have elapsed even though it actually is 30 months in total.

For Part D, the late enrollment penalty is 1% a month for every full month you did not have Part D and did not have other coverage that is considered “creditable” (i.e., drug coverage that is at least as good as Part D coverage — again, usually from your job). The number of months you did not have coverage are then multiplied by the applicable national base beneficiary premium. As an example, you did not join Medicare Part D during your Initial Enrollment Period, which ended in June 2013, because you did not take any drugs and you thought it was a waste of money to purchase a Part D plan, and you did not have other creditable coverage. You decide later in 2015, during the Open Enrollment Period (October 15 through December 31 of each year), that you now need drug coverage because you are suffering from a chronic condition. Your Part D plan begins January 1, 2016. Here is how the penalty is calculated:

30 months without coverage (July 1, 2013, through December 31, 2015), so a 30% penalty, multiplied by \$34.10 (the base premium for 2016), which equals \$10.23. Under the rules the penalty is rounded to the nearest 10¢ which is \$10.20. The \$10.20 would be added to your Part D monthly premium. Since the national average base beneficiary premium can go up every year, your monthly premium penalty can increase every year for as long as you have Part D coverage.

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Senior Medicare Patrol of New Jersey is seeking volunteer liaisons

Serve your community; learn about Medicare by volunteering for the New Jersey Senior Medicare Patrol

New Jersey SMP is currently recruiting Community Liaisons to speak to small groups of their peers and help provide Medicare education at community events.

The role of the Community Liaison is to share information that can help others PREVENT, DETECT, and REPORT Medicare fraud, errors, and abuse.

FREE TRAINING AVAILABLE

For more information, please contact

Michelle Beley-Bianco, SMP Volunteer Coordinator, 732-777-1940 or michelleb@jfsmiddlesex.org

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