

MEDICARE

Cost-Sharing



Ready-Agent[™]
A PROGRAM BY NEISHLOSS AND FLEMING

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Shared Costs - What Does That Mean?

- Medicare-eligible recipients will incur costs over and above what Original Medicare will cover
 - Unless they have other insurance or a Medicare option that covers these services
- A consumer may have to pay a deductible, coinsurance, and/or copayment – even if the service or item is covered by Medicare
- The following slides provide an overview of costs related to Parts A and B of Original Medicare

Part A Shared Costs

Hospital Stay

What recipient pays:

- \$1,408 deductible for days 1-60, for each benefit period.
- \$352 per day coinsurance for days 61-90, each benefit period.
- \$704 per day coinsurance for days 91-150, each benefit period.
 - Includes Lifetime Reserve Days
 - 60 extra days of coverage you can use in your lifetime
- All costs for each day over 150 days

**ALL costs reflect 2020 cost-sharing figures.*

Part A Shared Costs

Hospice Care

What recipient pays:

- \$0 for hospice care and there is no deductible.
- Copayment, of up to \$5 per prescription, for outpatient prescription drugs for pain and symptom management.
- 5% of the Medicare-approved amount for inpatient respite care (short-term care given by another caregiver, so the usual caregiver can rest).
- Your usual Part B deductible and coinsurance for your doctor's services (if your attending doctor isn't employed by the hospice).

Part A Shared Costs

Hospice Care

What recipient pays:

- Medicare doesn't cover room and board in a recipient's home, a nursing home, or a hospice inpatient facility
 - If the hospice team determines that you need short-term inpatient or respite care services that they arrange, Medicare will cover your stay in the facility
 - You may have to pay a small copayment for the respite stay
- If hospice will NOT give you an item or service your doctor has ordered and you must pay out-of-pocket for it, you can file a claim with Medicare for reimbursement
 - If your claim is denied, you may file an appeal

Part A Shared Costs

Skilled Nursing Facility Stay

What recipient pays:

- \$0 for the first 20 days, each benefit period.
- \$176 per day for days 21-100, each benefit period.
- All costs for each day 101 and beyond

Blood

What recipient pays:

- In most cases, the hospital gets blood from a blood bank at no charge, and you won't have to pay for it or replace it
- If the hospital must purchase blood for you, you must either pay the hospital costs for the first 3 units of blood in a calendar year or have the blood donated

Part A Shared Costs

Home Health Care

What recipient pays:

- \$0 for home health care services.
- 20% of the Medicare-approved amount for durable medical equipment.

Clinical Laboratory Service

What recipient pays:

- You pay \$0 for Medicare-approved services.

Part B Shared Costs

Part B Premium

- \$144.60 – Most common amount
- Increases with higher incomes

Part B Deductible

- The recipient pays the first \$198 for Part B-covered services or items per year.

Coinsurance

- Starts once the Part B deductible has been satisfied
- 20% of Medicare approved amount for most outpatient services
 - Doctor services (including most doctor services while you're a hospital inpatient), outpatient therapy, and durable medical equipment

Part B Shared Costs

Coinsurance

Partial hospitalization mental health services you pay:

20% of the Medicare-approved amount, for each day of service you get in a hospital outpatient department, or a community mental health center.

Example: If Medicare approves a doctor visit at \$100.00, the recipient will pay the co-insurance amount of \$20.00, provided the deductible has been met.

*Dollar amounts are for ease of example purposes only.

Services Excluded from Medicare Coverage

Some of the items and services that Medicare doesn't cover include:

- Prescription Drugs
- Routine dental or eye care
- Dentures
- Hearing aids and fitting exams
- Routine Chiropractic Care
- Routine Foot Care
- Long-term care (also called custodial care)
- Cosmetic surgery
- Acupuncture

Concerns

Client concerns about cost-sharing:

- Your potential clients may have many concerns about out-of-pocket costs
- The information provided will help you educate them on what projectable costs may arise
- Always complete a full Needs-Analysis with your potential client, to determine how these Cost-Sharing pieces of Original Medicare will affect them
 - This will also allow you to better advise which plans to consider adding to their Original Medicare