Medicare, VA Health Benefits and TRICARE: What You Need to Know

MMW Coalition Webinar
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AGE OPTIONS

Connecting Older Adults with Community-based Resources and Options

The Area Agency on Aging of Suburban Cook County, since 1974
Who We Are: MMW Leadership

• AgeOptions
  – Area Agency on Aging (AAA) for suburban Cook County

• Health & Disability Advocates
  – Policy and advocacy group

• Progress Center for Independent Living
  – Cross-disability, non-residential. Serves suburban Cook County
MMW Coalition: What We Do

• Gather and create practical, accessible information and materials
• Educate Medicare consumers, service providers and policymakers
• Problem solving – individual and systemic
• Provide training and technical support for professionals and volunteers
• Advocate for consumer focused laws and policies
• Target underserved groups
MMW work is supported by grants from:

- The Chicago Community Trust
- Michael Reese Health Trust
- The Retirement Research Foundation
What We Will Cover Today

• Medicare overview
• Veterans (VA) health benefits and who is eligible
• Medicare and VA health and prescription drug benefits
• What is TRICARE
• Medicare and TRICARE health benefits
Medicare has 4 Parts – A, B, C, D

Original Medicare

- **Part A – Hospital Insurance**: hospital, skilled nursing facility, home health, hospice

- **Part B – Medical Insurance**: doctors, outpatient services, preventive services, lab tests, ambulance services, medical equipment and supplies

Provided through private companies that have contracts with Medicare

- **Part C – Medicare Advantage** (HMO, PPO, PFFS, and MSA)

- **Part D – Prescription Drug Plans**
Who is eligible for Medicare?

• Age and work history
  – Age 65+ and eligible for benefits under either Social Security, Railroad Retirement, federal, state or local employee
    • 40+ credits of Social Security covered employment = eligible for Social Security AND
      – Part A - (premium free)
      – Part B – pay a monthly premium

• Married couples may receive benefits under a spouse’s work record

• May also receive benefits under a former spouse if married at least 10 years
Others Eligible

• Persons with disabilities
  – Receiving disability benefits under Social Security (SSDI) or Railroad Retirement for 24 months or more

• Any age
  – End-Stage Renal Disease (ESRD)
  – Amyoptrophic Later Sclerosis (ALS) – Lou Gehrig’s disease
Medicare Part B Enrollment Periods

• **Initial Enrollment Period** - First time you are eligible for Medicare
  – 7 months (3-1-3 rule)
  – 3 months before, month of and up to 3 months after 65th birthday or 25th month of SSA disability

• **Special Enrollment Period (SEP)** - may delay enrollment in Part B if covered by a group health plan based on current employment that is primary
  – Receive an 8-month SEP to enroll in Part B once you stop working or your coverage ends

• **General Enrollment Period** – if you did not enroll in Part B when first eligible
  – January 1 – March 31 of each year
  – Part B coverage begins July 1st of the same year
  – Penalties apply (10% for each full 12-months you were eligible but did not enroll)
What are Veteran Affairs (VA) Health Benefits?

• Health care benefits for eligible U.S. veterans

• Administered by the U.S. Department of Veterans Affairs (VA)

• Veterans must apply to determine eligibility

• The number of veterans on VA health care depends on the amount of funding Congress gives to the VA each year

• Serves 8.7 million veterans each year
VA Eligibility

• Eligibility for VA health care is based on:
  • Active military service
  • Length of service
  • Veteran’s discharge status
  • Service connected disability
  • Income

• Eligible veterans are assigned a priority group (1-8)

• Priority level based on service related conditions and income

• No monthly premium but some priority groups may have a co-pay for non-service connected conditions. All groups pay $0 co-pay for service conditions.
VA Health Benefits

- Inpatient hospital services
- Outpatient primary care services
- Preventive care
- Mental health services
- Emergency care
- Prescription drugs
- Lab and diagnostic services
- Respite care
- Hospice care
- Substance abuse services
- Home health care
- Skilled nursing care
- Durable medical equipment
- Long term care services
- Dental, vision and hearing (based on class eligibility and service limitations)
How do VA benefits work?

• Eligible veterans receive a handbook with information about their VA health care benefits, priority group, and co-pay status

• The VA will only pay for services if you receive them at a VA facility
  – Special and limited circumstances may allow for the VA to pay for care outside of a VA facility if the service has prior authorization or for emergency care

• Veterans Choice Program is an exception that allows veterans enrolled in to the VA to receive care at non-VA facilities
  – Must enroll in program. Criteria for eligibility depend on waiting times and travel distances

• Medicare does not pay for services received at a VA facility

• The VA is required bill other private health insurance plans for non-service connected conditions and prescriptions
Can I have both Medicare and VA Health Benefits?

• Medicare and VA coverage do not work together
• You can have Medicare and VA benefits but cannot use both to receive care for the same service
• Services received outside of the VA at Medicare approved providers will only be covered by Medicare
  – The VA will not pay for care outside of the VA
• You must choose which type of coverage to use before you receive a health service
Do you need to enroll in Medicare Part B?

If possible, the VA recommends enrolling in Medicare Part B.

Some general considerations:

• Do you have extensive health care needs?
• Would you like a wide choice of providers?
• Are there waiting lists to see specialists?
• How close or far away do you live from a VA health facility?
• Do you pay co-pays for care of non-service connected disabilities?
• Are you on a low priority group?
• Can you afford the Medicare premiums?
• Remember the Part B late enrollment penalty if you enroll after your Medicare eligibility date
  – Having VA coverage does NOT give you a SEP to enroll in Part B at a later time
Late Part B Enrollment

• You may have to pay a Part B late enrollment penalty if you did not enroll in Part B when you are first eligible

• You are first eligible during your initial enrollment period
  – 3 months before, month of, and 3 months after your Medicare eligibility date

• Penalty is 10% for every full 12 months you were eligible but did not enroll

• Can only enroll January 1 – March 31 each year but coverage begins July 1st

• Penalty is not capped
Medicare’s Out-of-Pocket Costs

• Remember Medicare has out-of-pocket costs
  – Deductibles and co-insurance amounts you are responsible for paying when you use Medicare Part A and/or Part B

• Consider options to supplement your Medicare coverage
  – Medicare Supplement Insurance (Medigap)
  – Medicare Advantage plans
  – Medicaid (if eligible)
Consider a Medicare Advantage (MA) Plan

• May limit your out-of-pocket costs if you ever need health care at a non-VA facility

• MA plans have annual maximum out of pocket limits for Part A and Part B services

• Many MA-PD plans also offer a $0 monthly premium (still have to pay Part B premium)

• Many MA plans also include Part D drug coverage (called MA-PD) so you don’t have to pay an additional Part D premium

• You generally have to work with a network to see the best savings and have a co-pay/co-insurance every time you use a service
VA Drug Coverage

• VA benefits include drug coverage
  – Must use VA pharmacy and formulary
  – $0 co-pay for service connected medication
  – $8 - $9 co-pay for each one-month supply for non-service related medication (depends on your priority group)
  – VA mail order pharmacy option is available

• Priority group 1 veterans do not pay co-pays for medications

• VA drug coverage can only be used at the VA

• Part D does not work at the VA
If You Have VA Drug Coverage and Part D

• You cannot use both VA and Part D coverage for the same prescription

• VA drug coverage is creditable for Medicare Part D
  – Can delay enrolling in Part D
  – No late enrollment penalty if you decide to enroll in a Part D plan at a later time
  – Use the Annual enrollment period to enroll in a Part D plan (October 15 - December 7)

• Compare the costs of your drugs at the VA and with Part D to decide if there are costs savings to enrolling in Part D
Screen for benefits!

– Medicare Savings Programs (QMB, SLMB, QI)
  • Can help pay for Medicare premiums

– Extra Help/Low-Income Subsidy
  • If eligible, prescriptions may be less expensive than drugs filled at a VA pharmacy

– Medicaid
  • Can help pay for out-of-pocket costs not covered by Medicare if you decide to receive care at a non-VA facility

– The programs do not work at the VA, but it can help a veteran pay for Medicare costs if they choose to enroll
How to Apply for VA Benefits

• In person at a local VA Facility

• Complete and submit online

• By phone: 1-877-222-8387
  – Application completed over the phone and mailed to the veteran to review, sign and return

• By mail
  – Download online or pick one up at a VA facility

Visit http://www.va.gov/healthbenefits/apply/ for more information
Medicare and VA Health Care: Resources

- VA website:  
  http://www.va.gov/healthbenefits/cost/insurance.asp

- Medicare Guide on Who Pays First:  
  http://www.medicare.gov/Pubs/pdf/02179.pdf

- Medicare Rights Center: Medicare an VA Health Benefits  
TRICARE and Medicare
What is TRICARE?

• Health insurance program for the U.S. military
• Operated by the Defense of Defense
• Health services are provided by civilian physicians and providers
• Provides health benefits to active and retired military members (including National Guard and Reserve members), their spouses and dependents
• Covers about 9.5 million individuals
Tricare and Medicare: Enrollment

• If you are eligible for TRICARE and premium-free Medicare Part A, you must enroll in Part B during your initial enrollment period (IEP) to remain eligible for TRICARE

  – Sign up no less than 2 months before your Medicare eligibility date to avoid a gap in coverage
  – If you miss your Medicare IEP, the next time to enroll will be the Medicare general enrollment period (penalties and coverage gap apply) and your Medicare coverage will not begin until July 1st.

• Once enrolled in Part A and Part B, you receive TRICARE benefits under Tricare for Life (TFL)

• If Medicare eligible, may be able to delay enrollment in Part B if you are on active duty
TRICARE for Life (TFL)

• This is TRICARE’s coverage for people with Medicare Part A and Part B.

• Medicare pays primary and TFL pays secondary. TFL “wraps around” Medicare coverage.
  – TFL covers the Medicare deductibles and co-insurance

• TFL never pays first (except in overseas areas) for Medicare covered services

• If you are not eligible for premium free Part A, you may still qualify for benefits under TRICARE Standard, Prime or Extra (which type of TRICARE depends on your circumstance)
TRICARE: Exceptions to Delaying Enrollment in Medicare Part B

• Active duty service members and their family members who become eligible for premium free Part A can delay enrolling in Part B without a lapse in TRICARE coverage

• Once the sponsor’s active duty status ends (becomes a military retiree), the sponsor or family member who is Medicare-eligible must enroll in Part B to maintain TRICARE eligibility
  – Upon retirement, they receive a SEP to enroll in Medicare Part B (last 8 months from when the sponsor retires)
  – Better to enroll in Part B before sponsor’s active duty status ends to avoid a gap in TRICARE coverage

• Rules are different for individuals with ESRD and on active duty. They should enroll in Part B when first eligible
Other Exceptions for Delaying Enrollment in Part B

• Other exceptions of when you may remain eligible for TRICARE without enrolling in Part B include if you have:
  – A US Family Health plan
  – TRICARE Reserve Select
  – TRICARE Retired Reserve
TFL and Medicare: Costs

• TFL wraps around Medicare Part A and Part B coverage to cover most of your Medicare out-of-pocket costs (deductibles and co-insurance amounts)
  – TFL will only “wrap around” TRICARE covered services that are also covered by Medicare
  – You may receive care from Medicare participating and non-participating providers (TFL will pay the extra 15% for non-participating providers who don’t accept Medicare assignment)
  – You are still responsible for the monthly Medicare Part B premium

• If you see a provider who opts-out of Medicare, TFL will only pay as a secondary payer (usually 20% of the allowable TRICARE rate). Your cost sharing will be higher since Medicare does not pay.

• You can also receive care at military treatment facilities (based on space availability)
TFL and Medicare: Covered Services

• Services covered by TFL but not by Medicare
  – TFL is the primary payer (unless you have health insurance besides Medicare)
  – You pay applicable TFL cost sharing (deductible and co-pays)
  – When the Medicare benefit has been exhausted (e.g., skilled nursing facility days)

• Services covered by Medicare but not TFL
  – Medicare is the primary payer and you pay the applicable cost sharing amount
  – TFL does not pay
TFL Drug Coverage

• TFL drug coverage is considered creditable coverage under Medicare Part D

• You can delay enrolling in Part D without a late enrollment penalty

• TFL drug co-pays range from $0 - $20 (30-day supply) for formulary drugs and if you use a network pharmacy or TFL mail delivery program
  – Higher co-pays if you fill a non-formulary drug

• TFL also provides drug coverage if you use a non-network pharmacy including pharmacies overseas

• Visit http://www.tricare.mil/pharmacycosts for more information
TFL and Medicare Part D

• If you lose TFL eligibility, you will have 63 days to enroll in a Part D plan and not have a penalty

• You can also have TFL and Part D
  – If you enroll in a Part D plan, Part D pays first and TFL will pay second for TFL covered drugs
  – Enroll during your initial enrollment period or during the Part D open enrollment period if you already have TRICARE and would like both

• Compare Part D and TFL out-of-pocket costs and coverage to determine if you need a Part D plan
Resources

• TRICARE and Medicare:
  http://www.tricare.mil/medicare/

• Wisconsin Physician Services (processes TFL claims and TFL customer Service)
  – www.tricare4u.com
  – 866-773-0405, 866-773-0404 (TTY)

• TRICARE Overseas Program Contractor (claims outside of the U.S. and U.S. territories)
  – www.Tricare-overseas.com
For more information and resources, visit our MMW webpage at:
Since 1974, AgeOptions has established a national reputation for meeting the needs, wants and expectations of older adults in suburban Cook County. We are recognized as a leader in developing and helping to deliver innovative community-based resources and options to the evolving, diverse communities we serve.

Thank You!

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