

## Medicare Advantage and Other Health Plans (Part C)

Medicare contracts with private insurance companies that offer Medicare Advantage (MA) and other health plans. If you join a MA Health Plan, the company offering the plan receives a fixed monthly amount from CMS. In return, your plan is responsible for providing your Medicare benefits including: hospital, medical and sometimes prescription drugs. You must be enrolled in both Medicare Part A and B to join a MA or other Medicare Health Plan.

- Plan must provide your Part A (hospital) and Part B (medical) Medicare benefits.
- Many MA and other Medicare Health Plans offer prescription drug coverage. If the plan you choose does not, you can choose a stand alone (PDP) prescription drug plan to receive your prescription drugs. Plans cover different drugs in their formulary.
- Co-pays, deductibles and maximum out of pocket costs vary from plan to plan.
- You must continue to pay your Medicare Part B premium.
- You don't need to buy (and can't be sold) a Medigap policy. It won't cover your MA or other Medicare Health Plan deductibles, copays, or co-insurance.
- If you dropped a Medigap policy when you joined a MA for the first time and you want to return to Original Medicare, you may qualify for special Medigap protections that will guarantee your right to purchase certain Medigap policies within the first year of joining.
- MA Health Plans may offer benefits original Medicare does not, such as limited dental, vision, and fitness benefits.
- Original Medicare covers care everywhere Medicare is accepted.
- MA and other Health Plans may have limitations on the providers that you can see and hospitals you can use. This is often referred to as a network provider list.

- MA/other Medicare health plans include:
  - HMO** (Health Maintenance Organization): You must use doctors and hospitals in the network. If you receive care out of the network, you may pay more or the plan MAY NOT pay at all.
  - Medicare Cost Plan:** Similar to an HMO, but services received outside the plan are covered under Original Medicare.
  - PPO** (Preferred Provider Organization): You must use preferred doctors and hospitals, or pay more.
  - PFFS:** (Private Fee-for-Service): You may use any doctor or facility that accepts the plans terms. If they don't you will need to choose another doctor or hospital, or pay more.
  - MSA** (Medical Savings Account): MSAs have two parts; first is a MA plan with high deductible, second part is a MSA in which Medicare deposits money you can use to pay health care costs.



## Contact Us

**Phone:** 1-800-536-8197

**Web:** [www.shiine.net](http://www.shiine.net)

### SHIINE Regional Coordinators:

#### Eastern South Dakota:

Tom Hoy

Phone: 605-333-3314

E-mail: [shiine@cfag.org](mailto:shiine@cfag.org)

#### Central South Dakota:

Kathleen Nagle

Phone: 605-224-3212

E-mail: [shiine@centralsd.org](mailto:shiine@centralsd.org)

#### Western South Dakota:

Debbie Stangle

Phone: 605-342-8635

E-mail: [shiine@westriversd.org](mailto:shiine@westriversd.org)

### Other Resources:

Medicare (Open 7 days per week):  
1-800-MEDICARE (1-800-633-4227)  
TTY/TDD 1-877-486-2048  
[www.medicare.gov](http://www.medicare.gov)

Social Security Administration:  
1-800-772-1213  
TTY/TDD 1-877-486-2048  
[www.ssa.gov](http://www.ssa.gov)

SD Department of Social Services  
Division of Adult Services and Aging  
1-866-854-5465  
[www.dss.sd.gov](http://www.dss.sd.gov)

SD Division of Insurance:  
605-773-3563  
[www.state.sd.us/drr2/reg/insurance](http://www.state.sd.us/drr2/reg/insurance)



LOCAL HELP FOR PEOPLE WITH MEDICARE

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Helping you  
understand  
Medicare and  
your benefits



# About SHIINE

Senior Health Information and Insurance Education (SHIINE) is a federally funded program through the Centers for Medicare and Medicaid Services (CMS) and is administered by the South Dakota Department of Social Services Division of Adult Services and Aging.

The mission of SHIINE is to advocate for, inform, educate and assist consumers on Medicare and related health information and insurance issues so consumers can make timely, informed decisions and access resources to meet their needs.

SHIINE has staff and trained volunteer counselors available statewide to assist people, free of charge, who have problems or questions regarding Medicare benefits.

SHIINE is not affiliated with any company that sells or distributes a product or service. SHIINE is committed to providing free, confidential and unbiased information to Medicare beneficiaries.

If you are interested in becoming a SHIINE volunteer, please call 1-800-536-8197 or visit [www.shiine.net](http://www.shiine.net).



## Understanding Original Medicare: The Building Blocks

### Part A: Hospital Insurance

- Cost: Most people do not pay a premium; however, you are responsible for deductibles and co-insurance.
- Covers: In-patient hospital care, post-hospital skilled nursing facility care and home health care. Part A also covers hospice care.
- Recommendation: Enroll 3 months before date of eligibility.

### Part B: Doctor/Medical Insurance

- Cost: Monthly premium, annual deductible and, for most services, 20 percent co-insurance.
- Covers: Medically necessary physician's services, outpatient hospital care and other medical services. Part B also covers some preventative services.
- You pay the premium out of your Social Security check.
- If you do not enroll when first eligible, you may have to pay a penalty. Medicare enrolls you in Part B automatically unless you actively decline this coverage. You may delay enrollment if you or your spouse is employed and have group health coverage.

### Medigap/Medicare Supplement

- Requires enrollment in both A and B.
- Sold by private companies.
- Costs vary by plan.
- Up to 12 standardized plans to choose from (designated by letters A-L).
- Covers gaps in Original Medicare only, such as deductibles, co-insurance and

co-pays. Does not work with MA or other Medicare health plans.

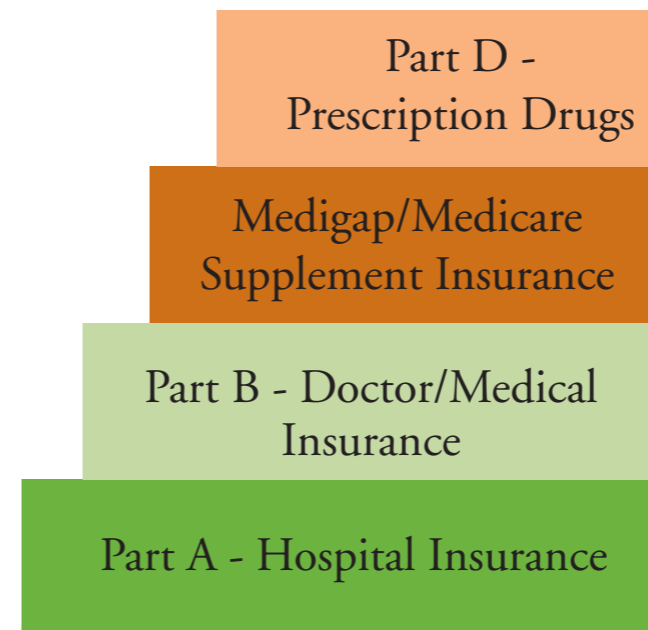
- Everyone can join within 6 months of initial eligibility. After that, companies decide whether to accept you.

### Part D: Prescription Drugs

- Sold by private companies.
- Premiums, deductibles and copays vary.
- Drugs covered and coverage span varies.
- You choose the policy that best suits your individual needs.
- If you do not enroll at first opportunity, and do not have VA or creditable coverage, a penalty of 1 percent per month accrues.
- All Part D policies have catastrophic coverage, minimum of 2 drug options, an appeals process and a coverage gap on name-brand drugs.

#### Important Note:

- You only need a Medigap policy with Original Medicare coverage.



## Medicare Savings Programs

If you need help paying Medicare costs, there are programs that can help you save money.

Four Medicare Savings Programs are available that could save you money on Medicare expenses (like premiums, deductibles and coinsurance):

- Qualified Medicare Beneficiary (QMB)
- Specified Low-Income Medicare Beneficiary (SLMB)
- Qualifying Individual (QI)
- Qualified Disabled and Working Individuals (QDWI)

If you qualify for QMB, SLMB or QI, you automatically qualify for extra help paying the costs of Medicare Prescription Drug (Part D) coverage. It is important to call or fill out an application if you think you could qualify for savings. The only way to know if you qualify for sure is to apply. Call the South Dakota Department of Social Services Medicaid office at 1-800-597-1603 or contact SHIINE at 1-800-536-8197 to be prescreened for the Medicare Savings Program.

If you don't qualify for the Medicare Savings Programs, you may still qualify for "Extra Help" paying your Part D premium. The income and resource guidelines change each year. Call SHIINE at 1-800-536-8197 for more information on programs to help with Medicare costs.