

Medicare and Health Insurance Terminology

Balance Bill – Private medical providers can charge and bill you more than the plan's payment amount for services.

Benefit Period for Medicare - Medicare measures your use of hospital and skilled nursing facility (SNF) services. A benefit period begins the day you go to a hospital or SNF. This period ends when you haven't received any hospital care for 60 days in a row.

Coinsurance - percentage of the cost of care received after insurance pays (e.g.: 20% coinsurance).

Copayment - set amount patient pays for each service or item (e.g.: \$25/physician visit).

Creditable Coverage – If you reach age 65 and are still covered by an employer group plan, you usually do not have to sign up for Medicare. Harvard's active health plans (medical and prescription drug) are creditable coverage for Medicare.

Deductible - out-of-pocket amount paid before health insurance begins to cover the cost of health care services.

Drug Formulary – The list of drugs covered by a Part D prescription drug plan.

IRMAA – Income Related Monthly Adjustment Amounts – Individuals with higher incomes must pay higher premiums for Part B and part D. These amounts change annually based on a 2 year look back at your Modified Adjusted Gross Income (MAGI) from your Federal tax returns.

Medicaid – a joint Federal and State insurance program that provides free or low-cost health coverage to some low-income people, families and children, pregnant women, the elderly, and people with disabilities.

Medicare - is a Federal health insurance for people age 65 & older and certain people under age 65 with disabilities. 4 parts to Medicare: Part A, B, C and D. You must enroll in Medicare. It is not automatic.

- Original Medicare – is Medicare Part A and Part B. Dental, vision and hearing are not covered by original Medicare.

Medicare General Enrollment Period (GEP) – January 1 through March 31 each year with coverage effective 7/1.

Medicare Initial Enrollment Period (IEP)* – This IEP is the 7 months around your 65th birthday; the three months before your birthday month, your birthday month, and the three months after your birthday month.

Medicare Special Enrollment Period (SEP) – A time outside the yearly Open Enrollment Period when you can sign up for Medicare. You qualify for a Special Enrollment Period if you've had certain life events, including losing active group health coverage. The period is up to 8 months from the date of your loss of coverage

Medicare Part A (hospital insurance) - helps cover inpatient care, skilled nursing facility care, hospice care, home health care.

Medicare Part B (medical insurance) - helps cover doctor and other health care providers services, outpatient care, home health care, durable medical equipment (wheelchairs, walkers, hospital beds, other equipment & supplies) and many preventative services.

Medicare Part C also known as Medicare Advantage - plans bundle Parts A, B and generally D and a supplement. There is a network to achieve the greatest advantage in the plan.

Medicare Part D (prescription drug coverage) – Centers for Medicare & Medicaid Services (CMS) formulary

Medicare Supplement (Medigap) – helps pay some of the health care costs that Original Medicare does not cover (copayments, coinsurance, deductibles)

Network - The facilities, providers and suppliers your health insurer or plan has contracted with to provide health care services.

Open Enrollment Period (OEP) – 10/15-12/7 with coverage effective 1/1

Out-of-pocket maximum – annual amount an individual pays for covered services including deductible, copayments & coinsurance

Participating Medicare Provider – a medical provider that accepts Medicare assignment as payment in full.

Premiums - amount paid monthly for insurance.

SHINE – Serving the Health Needs of Everyone – this is a MA sponsored program offering health insurance counseling and assistance to residents. www.shinema.org, 800-243-4636

State Health Insurance Program (SHIP) - is a free health benefits counseling service for Medicare beneficiaries and their families or caregivers. SHIPs mission is to educate, advocate, counsel and empower people to make informed healthcare benefit decisions. SHIP is an independent program funded by Federal agencies and is not affiliated with the insurance industry.

Massachusetts SHIP Website:

www.massoptions.org

Phone: 1-800-243-4636 (option #3)

Program Name: Serving the Health Insurance Needs of Everyone (SHINE)

About: *The SHINE Program (Serving Health Information Needs of Elders) is a state health insurance assistance program that provides free health insurance information, counseling and assistance to Massachusetts residents with Medicare and their caregivers. The SHINE Program is administered by the Massachusetts Executive Office of Elder Affairs in partnership with elder service agencies, social service and community-based agencies and Councils on Aging. The program is partially funded by the federal agency Centers for Medicare & Medicaid Services.*

Frequently Asked Questions

Q – I am over age 65 and thinking about taking COBRA between when my active group coverage ends and when I enroll in Medicare Parts A, B, & D; can I do this?

A – You do not want to do this as you will be outside of any enrollment periods including the Special Enrollment Period and may be subject to late enrollment penalties.

Q – Do all medical providers accept Medicare?

A - No. Medical providers do not have to accept Medicare.

Opt-out providers do not accept Medicare at all and have signed an agreement to be excluded from the Medicare program. This means the provider is not required to follow the fee-for-service charges defined by Medicare. The provider will not bill Medicare for you and Medicare will not pay for the care provided from an opt-out provider. If you have a Medicare supplement that pays secondary to Medicare, this supplement will not pay as Medicare will not pay.

Non-Participating providers on a claim by claim basis can elect to accept assignment or not. They must submit claims to Medicare.

Participating providers cannot bill the patient for any sum in excess of the Medicare allowable amounts. They agree to accept Medicare amount as payment in full and must submit claims to Medicare.

Q – Where can I go to learn more about Medicare?

A – www.medicare.gov

***Q-** What happens when I enroll during the Initial Enrollment Period (IEP)?

If you enroll in this month of your initial	If you enroll in this month of your initial
One to three months before you reach age 65	The month you reach age 65
The month you reach age 65	One month after the month you reach age 65
One month after the month you reach age	Two months after the month of enrollment
Two or three months after you reach age 65	Three months after the month of enrollment