

# Introduction to Medicare

Affordable Care Act Basics: Part 8 of 8



# Introduction

Medicare is a federal health coverage program for people 65 or older, people with End-Stage Renal Disease (ESRD), and some younger people with disabilities regardless of age. Assistors (agents, brokers, and enrollment counselors) should have a general idea of how both Medicare and Marketplace coverage work so they can provide consumers with fair, accurate, and impartial information about their health coverage options.

# Disclaimer

The information provided in this presentation is intended only as a general, informal summary of legal standards and processes. It is provided for informational purposes only and is not intended to take the place of the statutes, regulations, and formal policy guidance that it is based upon. We encourage you to refer to the [Medicare website](#) and the applicable statutes, regulations, and other interpretive materials for complete and current information about the content in this training.

# Main Topics

- Understanding Medicare
- Medicare benefits
- Eligibility and enrollment
- Medicare and BeWell
- Special considerations

# Medicare Enrollment



- Medicare has specific times that consumers can enroll or make changes:
  - Consumer's initial enrollment period starts three months before they turn 65, includes their birth month, and ends three months afterward. Consumers may have to pay higher Medicare premiums for the rest of their life if they do not sign up within this window.
  - If the consumer does not sign up during that window, they will have another chance to enroll during Medicare's Annual Enrollment Period (AEP), which runs from October 15–December 7 (AEP for Medicare Advantage is January 1 to March 31). Medicare members can also change their Medicare health plans and prescription drug coverage for the following year during OEP.
  - Coverage will begin the month after they sign up during the general enrollment period.
  - Medicare health and drug plans can make changes each year, including cost, coverage, and what providers and pharmacies are in their networks.

\* This slide was modified 9/23/24 for accuracy.

# Understanding Medicare

- Consumers who have Medicare Part A or Part C have qualifying health coverage (i.e., minimum essential coverage, or MEC) as defined by the Affordable Care Act (ACA).
- Assistors should tell consumers who have Medicare coverage that coverage through BeWell will not affect their Medicare choices or benefits. If consumers get original Medicare Part A (with or without Part B) or a Part C Medicare Advantage plan (e.g., an HMO or PPO), they will not have to make any changes.
- Assistors can refer consumers to the [Medicare website](#) for more information about Medicare benefits.

# Understanding Medicare (Continued)



- In certain situations, consumers may have Medicare and enroll in Marketplace coverage.
  - More information will be provided later in this lesson.
- Medicare is not part of marketplaces (including BeWell).



# Getting Help with Medicare



The eligibility requirements for Medicare are complex. Generally, consumers with specific questions about Medicare can be referred to their local State Health Insurance Assistance Program (SHIP). SHIP is a program that offers one-on-one Medicare counseling and assistance to consumers and their families. Consumers can reach SHIP at 1-800-432-2080 or by going to the [SHIP website](#).



# Medicare Benefits

- The different parts of Medicare help cover specific services. Assistors should be familiar with the coverage options available to consumers who are eligible for Medicare.
- Medicare Part A (Hospital Insurance)
  - Part A covers inpatient hospital stays, care in skilled nursing facilities, hospice care, and some home health care. Most Medicare beneficiaries have Medicare Part A without a premium, but others may have to pay a premium for Part A.
- Medicare Part B (Medical Insurance)
  - Part B covers certain doctors' services, outpatient care, home health care, durable medical equipment and supplies, preventive services, and other services.
  - There is generally a premium for Part B.

# Medicare Benefits (Continued)



- Medicare Part C (Medicare Advantage Plans)
  - Medicare Advantage Plans are a type of plan offered by private carriers that contract with Medicare to provide Part A and Part B benefits for their enrollees. Most Medicare Advantage Plans also offer prescription drug coverage (Part D), and some offer additional benefits that Parts A, B, and D do not cover.
  - Consumers with a Medicare Advantage Plan pay a Part B premium and usually pay an additional monthly premium amount for other benefits that the plan covers.
- Medicare Part D (Prescription Drug Coverage)
  - Part D covers prescription drugs. Carriers approved by Medicare offer Part D coverage.
  - Medicare Advantage Plans may also offer prescription drug coverage that follows the same rules as Medicare Prescription Drug Plans.
  - There is generally a premium for Part D.

# Eligibility and Enrollment

- In general, consumers who paid Social Security and Medicare taxes for at least 10 years are entitled to Premium-Free Part A Medicare.
- Usually, those already receiving Social Security benefits or Railroad Retirement Board benefits are automatically enrolled in Premium-Free Part A (when eligible), but others must apply for Premium-Free Part A.
- Coverage begins the first day of the month a consumer turns 65, but the coverage start date may vary if a consumer is enrolled in disability benefits.

# Eligibility and Enrollment (Continued)

- In general, consumers ages 65 and older who are not entitled to Premium-Free Part A Medicare (because they do not have enough work quarters) may choose to purchase Medicare Part A coverage by filing an application at a Social Security office.
- Since these consumers will need to pay monthly premiums, this type of Medicare coverage is called Medicare Premium Part A.
- Older consumers who want to get Medicare Premium Part A:
  - Can apply for coverage only during a prescribed enrollment period;
  - Must enroll in (or already be enrolled in) Medicare Part B; and
  - Must live in the U.S. and be U.S. citizens or lawful permanent resident of the U.S. for at least five consecutive years.

# Medicare and BeWell (1 of 4)



- Consumers who are (or will be) automatically enrolled in Medicare and have Marketplace coverage must terminate their Marketplace coverage.
  - Marketplace coverage does not automatically end when a consumer is enrolled in Medicare. If consumers are automatically enrolled in Medicare (or will be), assisters should talk with them about how to terminate their Marketplace coverage in a way that avoids both gaps in coverage and dual coverage.

# Medicare and BeWell (2 of 4)



- If consumers are not automatically enrolled in Medicare, they might come to an assister for help when deciding between Marketplace coverage and Medicare.
  - Both Medicare Part A and Medicare Advantage count as MEC just like Marketplace plans do.
    - Assisters should talk to these consumers about the consequences of delaying Medicare enrollment; they may have to pay higher premiums if they do not sign up during their initial enrollment period.
  - It is also important for these consumers to know that they are not eligible to receive financial assistance through BeWell to help lower the costs of coverage [i.e., the advance payments of the premium tax credit (APTC) and cost-sharing reductions (CSR)] if they are also eligible for Medicare that counts as MEC.
- **Note:** Some of the Medicare eligibility scenarios encountered by assisters may be complex. It is a best practice to refer these consumers to [Aging and Long-Term Services \(ALTSD\) website](#) for more detailed information about Medicare.

# Medicare and BeWell (3 of 4)



- Eligibility for Medicare Part A
  - Consumers who have Medicare coverage generally cannot enroll in qualified health plans (QHP) through BeWell. Carriers are **prohibited** from selling a Marketplace plan to consumers when the carrier knows the consumer has Medicare coverage. This is generally true even if a consumer has only Part A or only Part B coverage. However, BeWell will permit consumers to buy Marketplace coverage, but the carrier may choose to reject that coverage.
    - An example of when a consumer may still choose to enroll in full price Marketplace coverage when they have Part A is when they have chosen not to enroll in Part B when they were eligible because they had coverage through a job. That coverage may have ended outside of the enrollment period for Medicare Part B.
  - Consumers who do not have Medicare coverage may choose to enroll in Marketplace coverage through BeWell rather than purchase Medicare Part A and/or Part B coverage, if they are eligible.
  - **Note:** If a consumer has been determined eligible for or is enrolled in Medicare that counts as MEC (i.e., Part A or Part C), the consumer is not eligible to receive financial assistance (i.e., APTC or CSR) through BeWell.

# Medicare and BeWell (4 of 4)



- Consumers who have Premium-Free Part A Medicare may be eligible for the following benefits through the state:
  - Extra help with Medicare Prescription Drug costs
  - Medicare Savings Programs (MSPs) for help with Medicare Part A and Part B costs, administered by the Health Care Authority (HCA), which include:
    - Qualified Medicare Beneficiary (QMB) program
    - Specified Low-income Medicare Beneficiary (SLMB) program
    - Qualifying Individual (QI) program
    - Dual eligibility for Medicare and Medicaid coverage

# Special Considerations

- APTC and Eligibility for Premium Payment Part A Medicare
  - BeWell will apply APTC to the consumer's account if the consumer is only eligible for Premium Payment Part A Medicare **and** they are not enrolled in Premium Payment Part A.
- Medicare and Dental Coverage
  - Consumers enrolled in Medicare are allowed to enroll in dental coverage through BeWell.
- **Note:** If you are not able to access any of this functionality in the BeWell system by the OEP, you should contact the Customer Engagement Center (CEC) for support in requesting this benefit for your consumer.

# Key Points

- Medicare is a federal health coverage program for people 65 or older, people with End-Stage Renal Disease (ESRD), and some younger people with disabilities regardless of age.
- The different parts of Medicare help cover specific services. There are four key parts to Medicare:
  - Part A: Hospital insurance
  - Part B: Medical insurance
  - Part C: Medicare Advantage Plans
  - Part D: Prescription Drug Coverage
- Medicare scenarios are complex. SHIP and ALTSD offer one-on-one Medicare counseling and assistance to consumers and their families.



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