

An Introduction to Medicare

Dr. Rosita Leong Mini-Medical School on Healthy Aging
John A. Burns School of Medicine
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HMSA



An Independent Licensee of the Blue Cross and Blue Shield Association



Aloha

My Journey to HMSA

Medicare Basics

Parts of Medicare

Medicare Premiums and Enrollment

Q&A



My Journey to HMSA

Medical Education:

Attended JABSOM (Class of 1985)

Surgery Career:

Surgery training at Northwestern (completed in 1992)

Worked as a surgeon until the end of 2023

Academic surgeon (1992-2023)

Chair, JABSOM Department of Surgery (2015-2023)

HMSA:

Joined HMSA Board of Directors (2016)

Joined HMSA as SVP, Health Management Operations (2024)

Promoted to EVP, Chief Health Officer (2024)





HMSA was established in 1938 by social workers to make health care more accessible to people in Hawaii.

For over 85 years, HMSA's mission has been to ensure our members have access to quality, affordable care.

HMSA's North Star: A Healthier Hawaii

VISION: A Hawaii where families and communities live ever-healthier lives.

PURPOSE: Together, we improve the lives of our members and the health of Hawaii.

Caring for our families, friends, and neighbors is our privilege.

Medicare and Me...

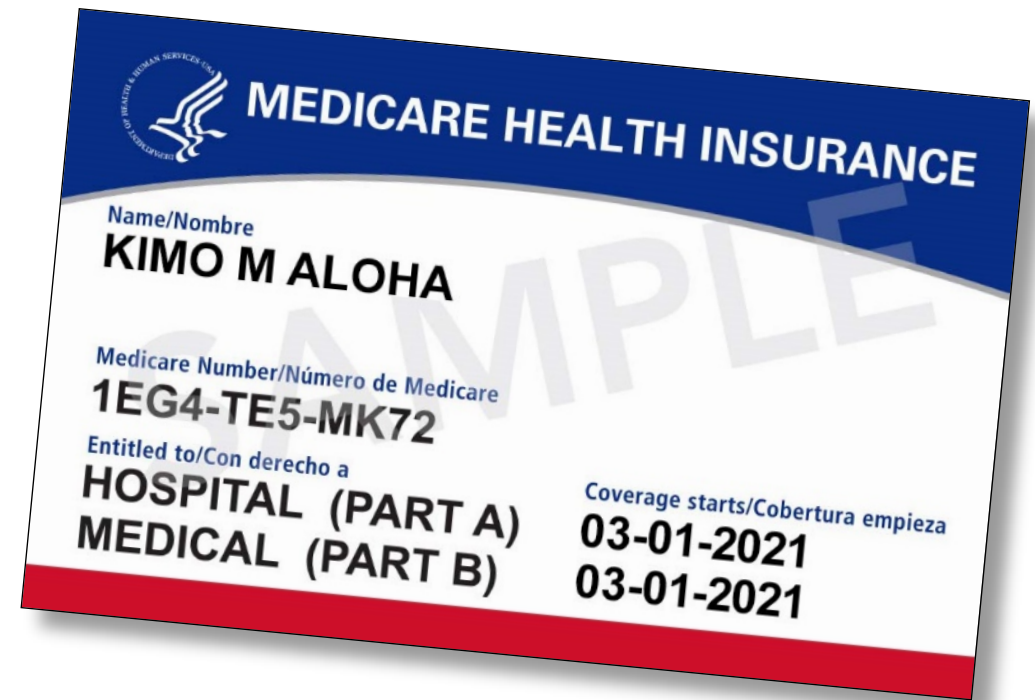
Signing up for Medicare can be complicated and confusing!
Here are my examples:

- Turned 65 at the end of December 2024
 - Worked for State of Hawaii for 13 years
 - Qualified for EUTF retirement health benefits
 - Requires enrolling in Medicare A and B
- Decided to work at HMSA - commercial insurance
 - Thought I had to cancel Medicare enrollment
 - Found out that I still needed to have Medicare part B to qualify for EUTF health benefits
 - Read online, asked a lot of retirees; EUTF support finally provided clarity

What's Medicare?

Federal health insurance for people:

- Age 65 or older
- Under 65 with certain disabilities
- Any age with end-stage renal disease or Lou Gehrig's disease



Centers for Medicare & Medicaid Services

- CMS is the federal agency that runs the Medicare Program.
- CMS is a branch of the U.S. Department of Health and Human Services.
- New administration: We are monitoring for any changes.



National Medicare Statistics

By the numbers

68.0M

89.4%

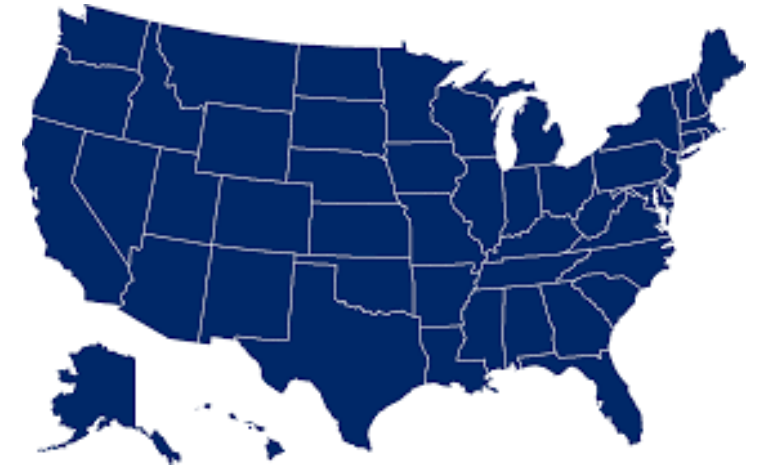
Age 65 and over

50.5%

Enrolled in Medicare Advantage
and other health plans

80.4%

With Medicare Part D Coverage



Source: data.cms.gov Sept. 2024

Hawaii Medicare Statistics

By the numbers

306.5k

53.8%

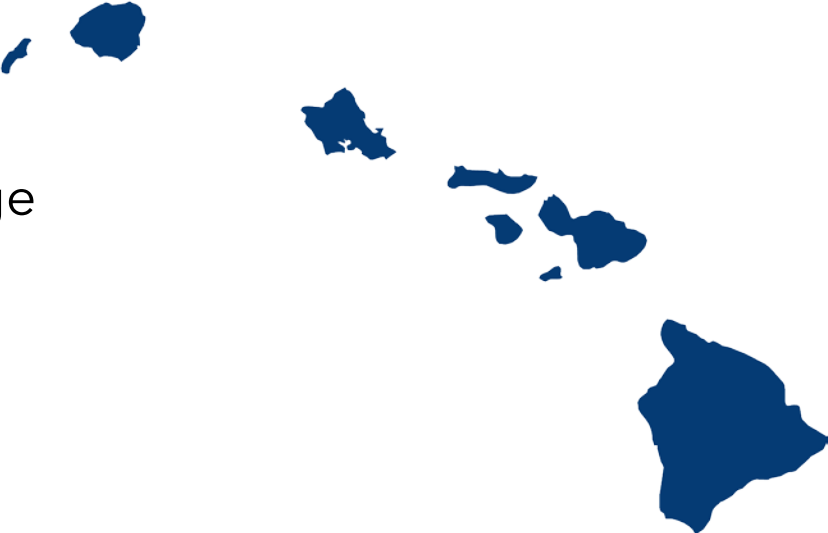
Enrolled in Medicare Advantage and other health plans

94.0%

Age 65 and over

75.3%

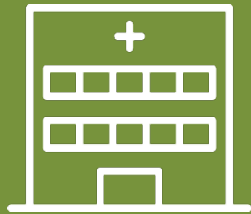
With Medicare Part D Coverage



Source: data.cms.gov Sept. 2024

What are the Parts of Medicare?

You're responsible for paying premiums, deductibles, coinsurance, and copayments.



Part A
Hospital



Part B
Medical



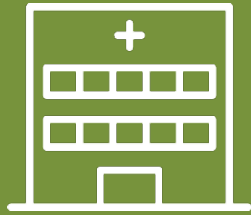
Part C
Medicare
Advantage
Plans



Part D
Prescription
Drugs

Original Medicare

Part A: Hospital Insurance



Part A
Hospital
Insurance

Helps cover:

- Inpatient care in hospitals
- Skilled nursing facility care
- Hospice care
- Home health care

Original Medicare

Part B: Medical Insurance



Part B
Medical
Insurance

Original Medicare

Helps cover:

- Services from doctors and health care providers
- Outpatient care
- Home health care
- Durable medical equipment
- Many preventive services

Part C: Medicare Advantage Plans



Part C Medicare Advantage Plans

Medicare Advantage is a Medicare approved plan from a private company that offers an alternative to Original Medicare for your health and drug coverage.

These “bundled” plans include Part A, Part B, and usually Part D.

Part D: Prescription Drugs



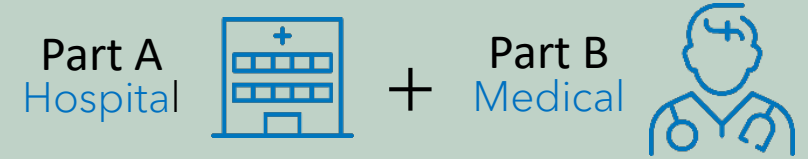
Part D
Prescription
Drugs

Helps cover the cost of prescription drugs including many recommended shots and vaccines.

Plans that offer Medicare drug coverage (Part D) are run by private insurance companies that follow rules set by Medicare.

Your Medicare Options

Enroll in Original Medicare when you're eligible.



For more benefits, you can choose:

Option 1:

Medicare Prescription Drug Plan



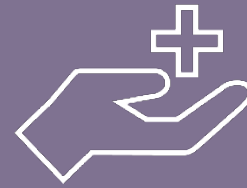
and/or

Medicare Supplement Plan (Medigap)



Option 2:

Part C



HMSA Medicare Advantage Plan

Part A



Part B



Part D



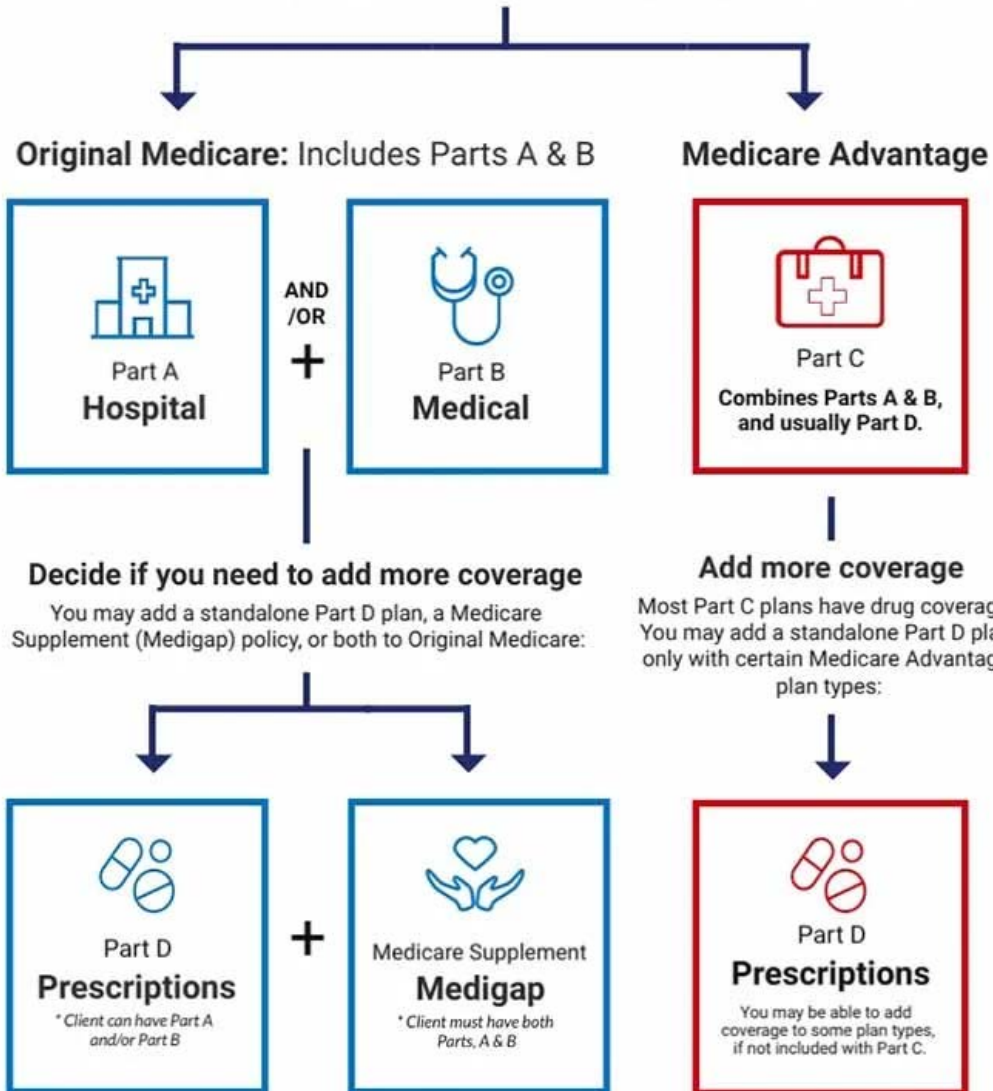
Extra Benefits



Medicare Coverage Options

Decide how you want to get coverage

CHOOSE ONE: Original Medicare or Medicare Advantage



Medicare Enrollment



When you enroll determines your Medicare plan's start date.

How is Medicare funded?

Funded by two Medicare Trust Funds

1. Hospital Insurance (HI) Trust Fund

How is it funded?

- Payroll taxes paid by most employees, employers, and people who are self-employed
- Other sources, including:
 - Income taxes paid on Social Security benefits
 - Interest earned on the trust fund investments
 - Medicare Part A premiums from people who aren't eligible for premium-free Part A

What does it pay for?

- Medicare Part A (Hospital Insurance)
- Medicare Program administration, like costs for paying benefits, collecting Medicare taxes, and fighting [fraud and abuse](#)

How is Medicare funded?

Funded by two Medicare Trust Funds

2. Supplementary Medical Insurance (SMI) Trust Fund

How is it funded?

- Funds authorized by Congress
- Premiums from people enrolled in Medicare Part B (Medical Insurance) and Medicare drug coverage (Part D)
- Other sources, like interest earned on the trust fund investments

What does it pay for?

- Medicare Part B benefits
- Medicare Part D
- Medicare Program administration, like costs for paying benefits, collecting Medicare taxes, and fighting [fraud and abuse](#)

What's Medicare Advantage?

Medicare Part C



HMSA Medicare Advantage Plans



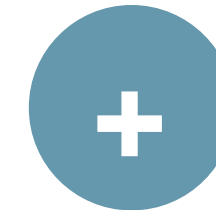
Part A
Hospital



Part B
Medical



Part D
Prescription Drugs





**Extra
Benefits**

ORIGINAL MEDICARE VS. MEDICARE ADVANTAGE

	Original Medicare	Medicare Advantage
Cost	Premiums, copays, deductible, and coinsurance.	Premiums, copays, deductible, and coinsurance.
Coinsurance	Members usually pay 20% of the total cost of services, which means the amount they pay will fluctuate based on the cost of the service.	Members usually have a set dollar copayment amount, so they can expect what to pay.
What members pay out-of-pocket	No limit to how much members may have to spend.	A set maximum out-of-pocket limit per calendar year.
Prescription drugs	Must buy Part D for prescription coverage.	Most plans include prescription drug coverage.
Supplemental benefits	None.	Some plans include: dental, vision, hearing aids, and an allowance for over-the-counter items.
Network of doctors	Any provider who accepts Medicare.	Doctors must be in the plan's network.

Original Medicare & Medicare Advantage Plans At-a-Glance

	 Original Medicare (Parts A+B)	 Original Medicare plus Medigap	 HMO (Part C/Medicare Advantage)	 PPO (Part C/Medicare Advantage)
What do I pay?	Part B premiums, deductibles and coinsurances	Medigap premiums, Part B premiums, generally no copayment	Medicare premiums and plan premium; your plan sets its own deductibles and copays	Medicare premiums and plan premium; your plan sets its own deductibles and copays
Can I go to any doctor?	Yes, if they accept Medicare	Yes, if they accept Medicare	No, you must go to in-network providers	Yes, though PPOs have provider networks, you may go out of network for a higher copay
Where can I get routine, non-emergency care?	Anywhere in the country	Anywhere in the country	For most plans, in your local geographic area	For most plans, in your local geographic area
Where can I get emergency care?	Anywhere in the country	Anywhere in the country	Anywhere in the country	Anywhere in the country
How do I get prescription drug coverage?	Part D	Part D	You must join a plan that includes drug coverage, also called MA-PD	You must join a plan that includes drug coverage, also called MA-PD
Will I need a referral to see a specialist?	No	No, unless you have a Medicare SELECT plan	Usually	No, but you may pay more out of pocket if you go to a provider who is out of network
Is there a limit to my out-of-pocket spending?	No	No	Yes, all Medicare Advantage plans must have limits on out-of-pocket spending	Yes, all Medicare Advantage plans must have limits on out-of-pocket spending
Will it pay for extras, like vision and hearing aids?	No, Medicare does not cover dental, hearing or vision	No	Maybe; some plans offer these additional benefits	Maybe; some plans offer these additional benefits

Medigap

Original Medicare + Medigap Supplement

- ✓ Higher premiums but no co-pays
- ✓ Freedom to choose doctors
- ✓ No referrals necessary
- ✗ Some routine services not covered (vision, hearing)
- ✗ Does not include prescription drug plan
- ✓ Covered anywhere in U.S.

Medicare Advantage

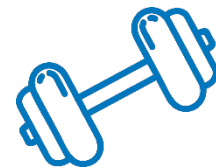
Medicare Advantage Plan

- ✓ Generally lower premiums but has co-pays
- ✗ May be restricted to network
- ✗ May need referrals for specialists
- ✓ May include extra benefits (vision, hearing, fitness)
- ✓ Plans may include prescription drug coverage

HMSA Medicare Advantage

- Premiums start at \$0 statewide
 - \$0 for primary care provider visits and lab services
 - \$0 dental cleanings, exams, X-rays, fillings, and more
 - \$200 every quarter for over-the-counter health products
 - \$300 annually for eyeglasses and contact lenses
 - \$0 hearing exam and hearing aids starting at \$195 per aid
- Choice of doctors, local customer service, convenience of telehealth, including HMSA's Online Care[®], at no cost
- Benefits for travel, fitness, and more that go beyond Original Medicare

Amwell is an independent company providing hosting and software services for HMSA's Online Care platform on behalf of HMSA.



When You're Ready to Retire

- Start planning
- Set a retirement date
- Enroll in Part B if you deferred
- Review your health plan options
- Enroll in time for your retirement date for a smooth transition



Mahalo!

Questions?