North Dakota
Insurance Department

Jon Godfread, Commissioner

Greetings,

As North Dakota Insurance Commissioner, it's my job to do everything possible to protect North Dakota insurance consumers. To do just that, I am sending you this packet to provide you with information about important, though sometimes confusing, health insurance issues.

This packet is designed to provide you with information about your health insurance needs as you approach Medicare eligibility. You will find helpful tips concerning Medicare, Medicare supplement insurance, Medicare Part D and long-term care insurance. I hope this information will be useful as you make decisions about these products.

I also want to make you aware of a valuable service the North Dakota Insurance Department provides to Medicare beneficiaries, the State Health Insurance Counseling (SHIC) program. SHIC staff and volunteers can answer any Medicare-related questions you may have and assist you with obtaining cost comparisons while purchasing Medicare supplement insurance plans – confidentially and free of charge.

If you have questions or need assistance on any of these topics, please contact SHIC at (888) 575-6611 or by emailing ndshic@nd.gov.

Sincerely,

Jon Godfread
Insurance Commissioner

Understanding Medicare

What is Medicare?
Medicare is a national, tax-supported health insurance program for people 65 and over, and for some persons with disabilities. If you or your spouse have worked full time for 10 or more years over a lifetime, you are likely eligible to receive Medicare Part A (hospital insurance) free of charge. Medicare Part B (medical insurance) is available at a monthly rate based on beneficiary income set annually by the U.S. Congress.

If you have a lower income and limited assets, you may qualify to receive Medicare Part B for free. To find out, call or visit your county's Social Services office and apply for the Medicare Savings Program (MSP).

How does Medicare work?
Medicare is two separate types of insurance – hospital and medical. It is not intended to cover all your medical expenses.

- Hospital insurance (Medicare Part A) covers inpatient medical treatment and surgical procedures performed in a hospital. It also helps cover hospice, home health and limited skilled nursing care.
- Medical insurance (Medicare Part B) covers part of the cost of doctor bills, outpatient care, medical equipment, lab and diagnostic tests.

How do I get Medicare?
Most individuals need to actively enroll in Medicare by either calling their local Social Security office or visiting **socialsecurity.gov**. This can be done up to three months in advance of the individual's 65th birthday month. Some are automatically enrolled, including early retirees receiving Social Security and those with Social Security disability or Railroad Retirement benefits. These people will receive their Medicare card in the mail about three months before turning 65. Those with disabilities will get their card about three months before receiving the 24th month of benefits.

Medicare coverage will begin on the first day of your birth month unless your birthday falls on the first day of the month, then Medicare coverage will start the first day of the month before your birth month.

If you miss the initial enrollment period prior to your 65th birthday month, there are opportunities to enroll each year between Jan. 1-March 31. Your coverage will then begin on July 1 and a 10% late enrollment penalty will likely apply. This penalty will be permanent.

What if I am still working?
If you are older than 65 and still working, or your spouse is working, and you are covered by an employer group health plan (EGHP) or a Health Savings Account (HSA), your decision as to when to apply for Medicare Part B may be dependent on the size of your company. Enrolling in Medicare Part B may trigger your open enrollment for Medicare supplement insurance at a time when you do not need supplemental coverage. The penalty for late enrollment in Medicare Part B does not apply if you are covered by an EGHP because of you or your spouse's current employment. You may want to ask your personnel office or insurance company how signing up for Medicare Part B will affect you.

If you do work after age 65, you may apply for Medicare Part B at any time prior to retirement but you must apply no later than eight months after your formal retirement in order to avoid paying a penalty. Even if your employer offers a retirement health plan, you will want to sign up for Medicare Part A and probably for Medicare Part B when you retire. Most retirement plans assume you are covered under Medicare and will not pay for services that Medicare would have covered.

Veterans may be eligible for special Medicare programs. However, eligibility and benefits are very restrictive and are subject to change. The Department of Veterans Affairs advises veterans to apply for both Medicare Parts A and B to ensure adequate medical coverage.

Initial Enrollment Period

3 months before	2 months before	1 month before	Month turn age 65	1 month after	2 months after	3 months after	4 months after	5 months after	6 months after
Enroll in any of these months →			Coverage starts						
			Enroll →	Coverage starts					
				Enroll →		Coverage starts			
					Enroll →			Coverage starts	
						Enroll →			Coverage starts
							Enroll (SEP) →	Coverage can start*	
								Enroll (SEP) →	Coverage can start*

SEP – Special Enrollment Period, may be subject to 10% late enrollment penalty.
*The SEP can only be used once the individual's initial enrollment period is over.

How do I pay for costs Medicare does not cover?
Medicare pays for only a portion of hospital and medical bills. Both Medicare Parts A and B have deductible and coinsurance requirements. Private insurance is available to cover all or some of these out-of-pocket costs. These insurance plans are called Medicare supplement insurance.

Medicare Supplement (Medigap) Insurance

Only One Medicare Supplement (Medigap) Plan is Necessary
Individuals should only buy one Medicare supplement (Medigap) plan. No one should try to sell you an additional Medigap plan unless you decide you need to switch policies.

A table on page 5 illustrates the benefits included in the standardized plans. Comparisons for plans are available by contacting the Insurance Department.

Open Enrollment for Medigap Insurance
At age 65, all consumers – including those already receiving Medicare due to disability – have a six-month open enrollment period. For six months beginning when you are both age 65 or older and enrolled in Medicare Part B, companies must sell you any Medigap plan they offer. After this limited open enrollment period, companies can pick and choose whom they will cover.

Other Options
If you are eligible for employer retirement insurance, review the plan carefully to understand what benefits are available and how it works with Medicare. Be aware that employer plans are not standardized and are not subject to the requirements governing standardized Medigap policies.

North Dakota residents are eligible to enroll in approved Medicare Advantage plans. These plans are offered by private insurance companies.

Medigap Protections
Some situations involving health coverage changes may give you a guaranteed issue right to buy a Medigap policy even when you are not in your Medigap open enrollment period.

These are the most likely situations to occur in North Dakota:

- You have employer group health plan coverage, which supplements or is primary to Medicare and the employer group health plan ends.
- You are covered by a Medigap plan in another state and move to North Dakota, which is out of the plan's service area.

There may be other circumstances that give you a guaranteed issue right to buy a Medigap plan. Contact the Insurance Department if you have questions or would like to request a current Medicare "Choosing a Medigap Policy" book.

Benefits	Plans Available to All Applicants								Medicare First Eligible Before 2020 Only	
	A	B	D	G*	K	L	M	N	C	F*
Medicare Part A coinsurance and hospital coverage (up to an additional 365 days after Medicare benefits are used up)	X	X	X	X	X	X	X	X	X	X
Medicare Part B coinsurance or copayment	X	X	X	X	50%	75%	X	X Copays apply ***	X	X
Blood (first three pints)	X	X	X	X	50%	75%	X	X	X	X
Part A hospice care coinsurance or copayment	X	X	X	X	50%	75%	X	X	X	X
Skilled nursing facility coinsurance			X	X	50%	75%	X	X	X	X
Medicare Part A deductible		X	X	X	50%	75%	50%	X	X	X
Medicare Part B deductible									X	X
Medicare Part B excess charges				X						X
Foreign travel emergency (up to plan limits)			80%	80%			80%	80%	80%	80%
Out-of-pocket limit in [2021]**					[$6,220]**	[$3,110]**				

*Plans F and G also have a high deductible option which requires first paying a plan deductible of [$2,370] before the plan begins to pay. Once the plan deductible is met, the plan pays 100% of covered services for the rest of the calendar year. High deductible Plan G does not cover the Medicare Part B deductible. However, high deductible Plans F and G count your payment of the Medicare Part B deductible toward meeting the plan deductible.

**Plans K and L pay 100% of covered services for the rest of the calendar year once you meet the out-of-pocket yearly limit.

***Plan N pays 100% of the Part B coinsurance, except for a copayment of up to $20 for some office visits and up to a $50 copayment for emergency room visits that do not result in an inpatient admission.

Medicare Advantage (Medicare Part C)

Enrolling in a Medicare Advantage (Medicare Part C) plan is an alternative way to get your Medicare coverage through private insurance companies that are approved by Medicare. Choosing this option still means you have Medicare and all the rights that go along with it, but with these plans any medical bill goes to the insurance company rather than to the federal government.

Joining a Medicare Part C plan requires careful thought. Medicare is working with private insurance companies to offer you ways to meet your personal health care needs through a variety of products, including Private Fee-For-Service (PFFS), Health Maintenance Organizations (HMOs) or Preferred Provider Organizations (PPOs). The plans must provide all benefits also provided by Medicare. Members may pay a premium and plans may charge co-payments or coinsurances.

Study your choices and sales materials carefully before you apply. Ensure that your physicians and hospital accept these plans. With most plans, enrollees may be limited in the providers they can receive services from without paying extra. Typically, the plans have a "network" of providers that patients can use. Going outside the network may require permission or result in extra fees. These plans are not a supplement.

Most include Medicare prescription drug coverage (Medicare Part D). In addition to your Medicare Part B premium, you usually pay one monthly premium for the services included.

Each Medicare Part C plan can charge different out-of-pocket costs and have different rules for how you acquire services (like whether you need a referral to see a specialist or if you have limited choices for what doctors you can see). These rules can change each year.

Medicare Cost Plans

Medicare Cost Plans are another type of Medicare Part C plan available in certain areas of the country. Here's what you should know about Medicare Cost Plans:

- Medicare Cost Plans are not Advantage plans and are not a supplement.
- You can join a Medicare Cost Plan even if you only have Medicare Part B.
- If you have Medicare Parts A and B and go to a non-network provider, the services are covered under Original Medicare. You would pay the Medicare Parts A and B coinsurance and deductibles.
- You can join anytime the plan is accepting new members.
- You can leave anytime and return to Original Medicare.
- You can either get your Medicare prescription drug coverage from the plan (if offered), or you can join a Medicare Part D plan.

Medicare Prescription Drug (Medicare Part D) Coverage

Everyone enrolled in Medicare is eligible to join a Medicare Prescription Drug (Medicare Part D) plan, which provides insurance coverage for prescription drugs. Some Medicare beneficiaries will be required to pay a monthly premium for the benefit as well as deductibles and co-payments. The premium for the prescription drug coverage is in addition to the premium paid for Medicare Part B. Those with limited income and resources may receive help to reduce premiums, deductibles and co-payments. In any case, most individuals can expect to save money on their medicine if they take time to compare plans each year during Open Enrollment.

Basic facts about Medicare Part D:

- Medicare Part D is voluntary.
- The Medicare Part D annual Open Enrollment period is Oct. 15–Dec. 7.
- You may owe a late enrollment penalty if you go without a Medicare Part D plan.
- Medicare Part D coverage helps pay for brand name prescriptions and generic drugs.
- You have three months following your 65th birthday to enroll in a plan.
- A beneficiary will pay a share of the cost of a prescription in addition to the monthly premium of their plan. The actual amount will vary depending on the plan.
- Individuals with limited income may be eligible for extra help that may reduce their premium, deductible and co-payments. Contact the Social Security Administration by calling (800) 772-1213 or visiting **socialsecurity.gov** to request an application for assistance.
- Individuals wishing to continue using their local pharmacy must choose a plan it will accept.
- People with prescription drug coverage from an employer or union plan will receive notice from the plan indicating if that coverage is at least as good as a Medicare plan. Those with current coverage at least as good as a Medicare plan may want to continue their current coverage.
- Individuals who do not take many prescription drugs should consider enrolling in a Medicare Part D plan anyway as prescriptions may be needed later. A later enrollment may mean a higher premium if the person does not enroll at the first opportunity.

Individuals can learn more about Medicare Part D, comparing plans and how to enroll by visiting the Medicare Part D page on the Insurance Department website at **insurance.nd.gov/medicare-part-d**. More information about Medicare Part D is available through Medicare, the Social Security Administration, and other resources as well.

Long-term Care Insurance

In the past, families often stepped in to help when older family members were no longer able to care for themselves. Today, however, fewer families can provide this kind of care. A wide range of long-term care services are now available to assist older individuals – day care, respite care, home care and nursing care. These services are expensive and often exceed a person's ability to pay. In North Dakota, for example, the median cost for nursing home care is more than $100,000 annually.

People often mistakenly assume that Medicare will cover their long-term care costs. However, Medicare only covers long-term care in very limited circumstances. Less than 5% of all nursing home residents in North Dakota qualify for Medicare payment of their bills.

Many North Dakota residents are eligible for Medicaid payment of their long-term care bills. Medicaid is a medical assistance program for people with limited income and assets. Eligibility is determined by the local Social Services office.

Private long-term care insurance is an option for people to consider, particularly if they have assets they wish to protect. You should not buy this type of insurance unless you can afford to pay the premiums every year. Long-term care plans are not standardized like Medicare Supplement (Medigap) plans. Therefore, it is very important to shop around and compare benefit options and cost.

Long-Term Care Partnership Program
The Long-Term Care Partnership Program is a collaboration between state government and insurance companies. Under this partnership, applicants who purchase qualifying long-term care insurance policies can access Medicaid coverage while retaining assets they would normally be required to spend on their long-term care. Individuals must still meet Medicaid eligibility requirements.

State Health Insurance Counseling (SHIC) Program

The Insurance Department's State Health Insurance Counseling (SHIC) program provides counselors who are trained to address many issues beneficiaries may be facing with Medicare. The primary mission of the program is to provide free and unbiased assistance to beneficiaries of all ages.

SHIC counselors help beneficiaries, their families or other representatives by providing information and answers to questions related to Medicare, Medicare processes and products. SHIC counselors receive extensive initial and ongoing training in Medicare. Counselors receive updated information regularly and have access to the resources of the Insurance Department. They also have information on other local resources if clients have additional needs.

The Insurance Department team can assist you directly or connect you with a SHIC counselor in your area. The Insurance Department is also available for public presentations about SHIC. Contact the Insurance Department for more information.

Are you interested in learning how to help others with their Medicare choices? The Insurance Department would like to invite you to consider becoming a SHIC Counselor. Volunteers can assist others in North Dakota with simple or complex questions on Medicare. SHIC staff provides first-time and annual training to all volunteers to make sure they are kept updated on any changes to Medicare or Medicare Supplement policies. Opportunities to help include working in your hometown, helping the SHIC team with in-person or virtual enrollment events across the state and presenting basic information to groups. Contact the Insurance Department for more information.