

# MEDICARE<sup>IN</sup> 2016

## WHAT TO KNOW IF YOU HAVE DIABETES

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**Y**ou probably won't notice much change in coverage this year if you're enrolled in Medicare. However, some costs are going up. Understanding your Medicare plan can help you maximize the benefits you're entitled to—and manage your diabetes effectively.

### WHAT IS MEDICARE? A BASIC PRIMER

When you pay taxes, you contribute to Medicare, the federal health insurance program for people age 65 and older (and those with end stage renal disease, and some people with disabilities). Medicare is different than Medicaid, a government-funded health insurance program for people in need.

There are two main choices for how to get Medicare coverage:

#### ORIGINAL MEDICARE (PARTS A + B):

When you first enroll, you will have basic Original Medicare, which covers hospital stays (known as Part A) and medical costs (known as Part B). You'll pay monthly premiums and copays. It doesn't cover prescriptions.

Many people purchase supplemental insurance, known as a Medigap policy, for coverage gaps in Original Medicare. This can be especially helpful if you're on a fixed income and your deductible increases, which it did this year by about \$20.

Supplemental insurance is a good idea if you have diabetes, since you will have many out-of-pocket expenses.

#### MEDICARE ADVANTAGE (PART C):

Medicare Advantage plans (known as Part C) are offered by private insurance companies and combine Medicare Parts A and B and generally add more benefits. These plans are typically more expensive than Original Medicare, but they offer a few different types of coverage, including health maintenance organization (HMO), preferred provider organization (PPO), private fee-for-service (PFFS), and special needs plans (SNPs). SNPs are available for people with diabetes, but availability varies from area to area. You can find what's being offered in your region at [medicare.gov/find-a-plan](http://medicare.gov/find-a-plan).

#### PRESCRIPTION DRUG BENEFIT (PART D):

Whether you go with Original Medicare or Medicare Advantage, you have access to a Medicare prescription drug benefit (known as Part D). It's an additional cost for Original Medicare but generally included in Medicare Advantage plans.



# OVERALL CHANGES IN 2016

While 2016 didn't bring much change in coverage for Medicare beneficiaries, it did see increases in Medicare costs for some of the program's users.

Still, it could have been much worse. The reason: no cost-of-living adjustment to Social Security benefits this year. Because Medicare is tied to Social Security benefits, Medicare Part B premiums stayed the same for about 70 percent of the people enrolled in the program.

Usually, the additional costs would be passed along to the remaining 30 percent

of Medicare users, which includes new enrollees, people with higher incomes, and people with both Medicare and Medicaid coverage. But a late 2015 federal budget compromise offset that big premium cost increase. Instead, that group's monthly premiums will only increase by about 15 percent—to \$121.80. (They're also paying an extra \$3 monthly to repay a loan from the federal treasury to offset the additional costs.)

There are a few more changes this year within Parts B and D. Read on to see how these changes might affect you.

## ABC'S (& D) OF MEDICARE

**MEDICARE PART A:**  
Hospital coverage

**MEDICARE PART B:**  
Medical coverage (including supplies and services)

**MEDICARE PART C:**  
Medicare Advantage (combines Medicare A+B, plus additional benefits)

**MEDICARE PART D:**  
Medicare prescription drug coverage

## PART B

### WHAT'S NEW NOW

You won't encounter any big changes this year in your Medicare Part B coverage.

Medicare Part B fully covers some medical supplies and services, but you may have to pay a percentage after you hit your deductible for the supplies and services that are not covered. Some people have a copay for diabetes self-management training, too. Part B covers certain durable medical equipment (DME), including blood glucose monitors and self-testing supplies like test strips, lancets, and control solution to check glucose meter accuracy. However, you'll have to get a prescription from your doctor every 12 months for lancets and test strips. And you have to first meet your deductible before paying 20 percent.



### WHAT'S COVERED

- Blood glucose monitors and their supplies
- A one-time "welcome to Medicare" visit
- Annual wellness visit
- Influenza vaccination (flu shot)
- Pneumococcal vaccination
- Outpatient self-management training and medical nutrition therapy with written doctor order\*
- Foot exam every six months\*
- Annual glaucoma exam\*
- Some insulin pumps and insulin if you qualify\*
- Therapeutic shoes or inserts if you have a prescription\*

\*You will usually pay 20 percent of the Medicare-approved amount after you hit your deductible.



### WHAT'S NOT COVERED

In 2016, continuous blood glucose monitors (CGMs) and their supplies still are not covered by Medicare. If you use a CGM, be prepared to pay out-of-pocket.

This may change if Congress passes legislation like the Medicare CGM Access Act of 2015, which would require Medicare to cover CGM for people with type 1 diabetes.



### WHAT'S CHANGING

Part B costs are the same this year for most people, although they grew slightly for others.

Most people are paying a monthly premium of \$104.90 for Part B coverage—same as last year. But if you're new to Medicare, your Part B premium is higher this year—\$121.80. Higher-income folks (with joint income from \$170,000 to over \$428,000) will be paying an additional monthly income-related premium ranging from \$170.50 to \$389.80.

The annual deductible, which was \$147 in 2015, increased to about \$166 this year for everyone.

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13%

2016



## PART

# D

## WHAT'S NEW NOW

Medicare Part D is the prescription drug benefit. The headline here: Costs are nudging up, but the notorious "doughnut hole" is slowly closing. Over time, that will mean less out-of-pocket spending for you.



### WHAT'S COVERED

- Prescription drugs. Each plan has its own formulary, or list of drugs covered. (Most plans are divided into tiers, each with varying costs.)
- Insulin that isn't injected with a pump. (For people who use a pump, insulin is covered under Part B.)
- Supplies for injecting insulin, including alcohol swabs, pen needles, and most syringes. (This can vary by plan, so check your formulary to be sure.)
- Vaccines that aren't already covered under Part B, including shingles and tetanus.



### WHAT'S CHANGING

You're paying a little more this year for Part D coverage. The average monthly premium for this optional prescription drug coverage was about \$32 in 2015, and that has increased. So you may have to pay a higher annual deductible for your drug coverage (although about one-third of plans don't have one at all). The maximum yearly deductible in 2016 is \$360, up from \$320 in 2015. After you reach your deductible, you will be responsible for paying a set amount, a copayment for your medications, or coinsurance, which is a percentage of the cost of a medication.

The coverage gap, or "doughnut hole," that affects drug costs is closing, which may save money for Medicare beneficiaries. (Buyer beware: Some drug companies raise prices to offset savings. Always ask your provider about your least expensive option.)

## HOW TO MAKE CHANGES TO YOUR PLAN

Whether the 2016 changes have affected you or not, reevaluate your coverage and plan each year. Your coverage might have changed slightly, or you might find a plan that suits you better.

**Put October 15 on your calendar.** That's the day every year that open enrollment for Medicare begins. You'll have until December 7 to carefully examine your coverage and make changes. You can use the Medicare website's online plan finder to compare plans, or you can consult a counselor with the State Health Insurance Assistance Program (SHIP) in your area ([shiptacenter.org](http://shiptacenter.org)).

"It's a good idea to shop around each year," says Claire Borelli, associate director for public policy for

the American Diabetes Association (ADA).

For example, the prescription drugs covered by Part D plans can change from year to year, and new medications are approved and added. Check your plan's formulary carefully to make sure it covers your meds. If not, you can switch to another plan. Sometimes you can save money on your premiums if you switch plans.

If you have Medicare Advantage, examine the list of in-network providers. The private insurance companies that administer Medicare Advantage may change the list of approved health care providers, and you don't want to get stuck with a plan that doesn't include your physician in the approved network.

## ASK AT THE DOC'S OFFICE

Diabetes costs add up fast. Do your research to keep them in check.

### How do I get affordable meds?

Talk to your provider and pharmacist about the best meds that your particular Plan D covers so you can maximize your benefits and minimize your costs. Be your own advocate—your provider likely doesn't remember the details of your plan's coverage, so you must.

### How do I get enough test strips?

You need specific strips for your blood glucose meter—and you should test often enough to effectively manage your diabetes. If you don't use insulin, you get about 100 test strips and 100 lancets every three months (and up to 300 strips every three months if you take insulin). Ask your doctor for a prescription if you need more strips or a certain type. You may be able to get them if you can prove they're medically necessary.

### What screenings do I need?

Take advantage of free wellness visits and preventive-care screenings. See what's covered at [medicare.gov/coverage/preventive-and-screening-services.html](http://medicare.gov/coverage/preventive-and-screening-services.html).