

## Counseling Tips — January 2021 What’s New in 2021?

### 1. Have costs for Medicare Part A (hospital insurance) changed in 2021?

Yes, the costs associated with Part A are different this year. Remember, Medicare Part A covers inpatient hospital services, skilled nursing facility services, home health care, and hospice. Look through your 2021 *Medicare & You* handbook to understand Part A-covered services. The following chart shows costs last year compared to this year.

Original Medicare Part A Costs: 2020 vs. 2021		
	2020	2021
<b>Part A premium</b>	<b>\$0/month</b> if you’ve worked more than 10 years	<b>\$0/month</b> if you’ve worked more than 10 years
	<b>\$252/month</b> if you’ve worked between 7.5 and 10 years	<b>\$259/month</b> if you’ve worked between 7.5 and 10 years
	<b>\$458/month</b> if you’ve worked fewer than 30 quarters (7.5 years)	<b>\$471/month</b> if you’ve worked fewer than 30 quarters (7.5 years)
<b>Hospital deductible</b>	<b>\$1,408</b> each benefit period	<b>\$1,484</b> each benefit period
<b>Hospital coinsurance</b>	<b>\$0/day</b> for days 1 – 60 once you’ve met your deductible	<b>\$0/day</b> for days 1 – 60 once you’ve met your deductible
	<b>\$352/day</b> for days 61 -90 of each benefit period	<b>\$371/day</b> for days 61 -90 of each benefit period
	<b>\$704/day</b> for days 91- 150 (non-renewable lifetime reserve days)	<b>\$742/day</b> for days 91- 150 (non-renewable lifetime reserve days)
<b>Skilled nursing facility coinsurance</b>	<b>\$0/day</b> for days 1 – 20 each benefit period (after a minimum 3-day inpatient hospital stay)	<b>\$0/day</b> for days 1 – 20 each benefit period (after a minimum 3-day inpatient hospital stay)
	<b>\$176/day</b> for days 21 – 100 each benefit period	<b>\$185.50/day</b> for days 21 – 100 each benefit period

If you have a Medicare Advantage Plan, your plan provides your Part A coverage. If you have the same Medicare Advantage Plan in 2021 as you did in 2020, your plan should have sent you an Annual Notice of Change (ANOC) or Evidence of Coverage (EOC) notice explaining any changes for the coming year. Review this notice to understand your plan’s costs, covered services, and rules. Contact your plan if you did not receive these documents in the fall or if you want another copy. If you chose a new Medicare Advantage Plan, review the costs associated with the plan for 2021.

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**2. Have costs for Medicare Part B (medical insurance) changed in 2021?**

Yes, the costs associated with Part B are different this year. Remember that Medicare Part B covers outpatient medical services, such as services from a licensed health professional, preventive services, outpatient therapy, and home health services.

Part B premium: The Part B base premium in 2021 is \$148.50. Keep in mind, \$148.50 is the standard premium for people with a yearly income at or below \$88,000 for an individual (\$176,000 for a married couple). If your income is higher than that, you may have to pay an income-related monthly adjustment amount, also known as IRMAA. Most people with Medicare pay the standard premium. A small number of people may pay a premium that is lower than the standard premium because their Social Security benefits did not increase enough to cover the increase in their Part B premium from 2020 to 2021.

Part B deductible and coinsurance: If you have Original Medicare, you will owe Part B deductible of \$203 in 2021. You will continue to pay a 20% coinsurance for services covered by Part B. The amount you pay for Medicare Advantage Plan deductibles, copayments, and/or coinsurances varies by plan.

<b>Original Medicare Part B Costs: 2020 vs. 2021</b>		
	<b>2020</b>	<b>2021</b>
<b>Part B premium*</b>	<b>\$144.60/month</b>	<b>\$148.50/month</b>
<b>Part B deductible</b>	<b>\$198/year</b>	<b>\$203/year</b>
<b>Part B coinsurance</b>	20% for most services	20% for most services
* If your annual income is higher than \$88,000 for an individual (\$176,000 for a couple), you will pay a higher Part B premium. Visit <a href="http://www.medicare.gov">www.medicare.gov</a> for Part B costs by annual income.		

If you have a Medicare Advantage Plan, your plan administers your Part B coverage. Remember that most people with Medicare, whether they have Original Medicare or a Medicare Advantage Plan, pay the Part B monthly premium. Some people with a Medicare Advantage Plan may also pay an additional monthly premium for being enrolled in that plan.

If you have the same Medicare Advantage Plan in 2021 as you did in 2020, your plan should have sent you an Annual Notice of Change (ANOC) or Evidence of Coverage (EOC) notice explaining any changes for the coming year. Review this notice to understand your plan’s costs, covered services, and rules. Contact your plan if you did not receive these documents in the fall or want another copy. If you chose a new Medicare Advantage Plan, you should get an EOC for the new plan. Review that document to understand the costs associated with the plan for 2021.

### 3. Have costs for Medicare Part D (prescription drug coverage) changed in 2021?

If you have Medicare prescription drug coverage, often referred to as Part D, your plan should have notified you about any changes in costs for 2021. Part D plans can change the drugs they cover, their pharmacy networks, and their costs (such as copayments, coinsurance charges, and deductibles) from year to year. Remember, there are two main ways that you can get your Medicare prescription drug coverage:

- A Medicare Advantage Plan that covers both health and drug coverage, or
- A stand-alone Part D plan that works with Original Medicare.

Your Part D plan should have sent you an ANOC or EOC notice informing you of your plan’s benefits, costs, and covered drugs for 2021. If you have a Medicare Advantage Plan with prescription drug coverage, you should have received one EOC that describes both your health and prescription drug coverage for 2021.

Part D plans must include the minimum coverage that is set by law, but each plan may offer varying types of coverage. For example, in 2021 Part D plans can set a maximum deductible (amount you pay out-of-pocket before your insurance begins to pay) of \$445. However, some plans may not require you to pay any deductible. The following chart shows costs last year compared to this year. Be sure to review your plan materials for specific cost changes.

Medicare Part D Costs: 2020 vs. 2021		
	2020	2021
<b>Part D maximum deductible</b>	Up to \$435/year	Up to \$445/year
<b>Part D coverage gap threshold</b> You reach the coverage gap, or donut hole, when you and your plan together have spent this much on covered drugs since the start of the year.	\$4,020	\$4,130
<b>Part D catastrophic coverage limit</b> You get out of the donut hole and reach catastrophic coverage when you have spent this much out of pocket* since the start of the year.	\$6,350	\$6,550

\*Note the out-of-pocket costs that help you get out of the donut hole include what you’ve spent on covered drugs since the start of the year (deductible, copays); most of the discount for brand-name drugs while you’re in the donut hole; and any drug costs paid by family members, most charities, State Pharmaceutical Assistance Programs (SPAPs), AIDS Drug Assistance Programs (ADAPs), and/or the Indian Health Service.

### 4. What is the Medicare & You handbook? How can I get one?

*Medicare & You* is a handbook published by Medicare each year. It explains Medicare-covered services and the costs associated with Original Medicare for the coming year. Each Medicare beneficiary is mailed a copy of *Medicare & You* in the early fall, regardless of whether they have Original Medicare or a Medicare Advantage Plan. If you did not receive one, you can download it at [www.medicare.gov](http://www.medicare.gov) or call 1-800-MEDICARE to request a copy.

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## 5. What is the Medicare Advantage Open Enrollment Period?

During the Medicare Advantage Open Enrollment Period (MA OEP), you can switch from your Medicare Advantage Plan (excluding Medical Savings Accounts, cost plans, and PACE) to another Medicare Advantage Plan or to Original Medicare with or without a stand-alone prescription drug plan. The MA OEP occurs each year from January 1 through March 31. Remember, you can only use this enrollment period if you have a Medicare Advantage Plan. Changes made during this period take effect the first of the month following the month you enroll. For example, if switch to a new Medicare Advantage Plan in February, your new coverage begins March 1. Unlike Medicare's Open Enrollment Period, you can only make a single change during the MA OEP.

## 6. Will I have other opportunities to change my coverage in 2021?

Depending on your circumstances, you may have opportunities to change your Medicare health and drug coverage in 2021.

**If you have Extra Help:** Extra Help is a federal program that helps pay for some to most of the out-of-pocket costs of Medicare prescription drug coverage. If you have Extra Help in 2021, you have a Special Enrollment Period (SEP) to enroll in a Part D plan or switch between plans. This SEP is available once per calendar quarter for the first three quarters of the year (January-March, April-June, and July-September). If you use the Extra Help SEP to change your coverage, the change will become effective the first of the month following the month that you make the change. For example, if you use the Extra Help SEP to choose a new Part D prescription drug plan in March, that plan will become effective April 1. If you use your Extra Help SEP in one quarter, you will have to wait until the next quarter to make another change, unless you have a different SEP.

**If you enrolled in a plan by mistake or because of misleading information:** If you enrolled in a Medicare Advantage Plan or Part D plan by mistake or after receiving misleading information, you may be able to disenroll and change plans. Typically, you have the right to change plans if you:

- Joined unintentionally: You may have enrolled believing you were joining a Medigap plan to supplement Original Medicare, or you meant to sign up for a stand-alone Part D plan and accidentally joined a Medicare Advantage Plan.
- Joined based on incorrect or misleading information: You may have been misled, for example, if a plan representative told you that your doctors are in the plan's network, but they are not, or you were promised benefits that the plan does not really cover.
- Through no fault of your own, ended up or were kept in a plan you do not want: You tried to switch plans during an enrollment period but were kept in your old plan. You can also make a change if you were enrolled in a plan because of an administrative or computer error.

The steps you should take to disenroll depend on whether you have used services and whether the plan paid for those services.

- If you used any service since joining the plan (for example, saw a doctor or filled a prescription) and received a denial of coverage, you should request retroactive disenrollment, meaning disenrollment back to the date you enrolled in the plan. Depending on your situation, you may then wish to select Original Medicare (with or without a Part D plan) or a different Medicare Advantage Plan. If you are granted retroactive disenrollment, be sure to ask your providers to re-file claims with your new plan.

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- If you have not used any services since joining the plan, you may want to request a Special Enrollment Period (SEP) to disenroll from your plan. This option may be processed faster than retroactive disenrollment. If your request is granted, you will be disenrolled from your plan at the end of the month in which you made the request. To prevent gaps in coverage, sign up for new coverage immediately after you are disenrolled from the plan you did not want.

To request retroactive disenrollment or an SEP, call 1-800-MEDICARE and explain to the customer service representative exactly how you joined the plan by mistake.

**If you qualify for another Special Enrollment Period (SEP):** There are several circumstances in which you may be able to make changes to your Medicare health/drug coverage. For example, you have a SEP if you move outside of your plan's service area, if your Medicare Advantage Plan terminated a significant amount of its network providers, or if you enroll in certain State Pharmaceutical Assistance Programs (SPAPs).

If you need to make changes to your coverage but you are not sure whether you qualify for an SEP, call your State Health Insurance Assistance Program (SHIP) to learn more. Contact information for your SHIP is on the last page of this document.

## **7. Will there be changes to Medicare Advantage Plans in 2021?**

Beginning in 2021, people with End-Stage Renal Disease (ESRD) can enroll in Medicare Advantage Plans. Medicare Advantage Plans must cover the same services as Original Medicare but may have different costs and restrictions. However, Medicare Advantage Plans cannot set cost-sharing for either outpatient dialysis or immunosuppressant drugs higher than would be the beneficiary responsibility under Original Medicare. If you have ESRD and are interested in enrolling in a Medicare Advantage Plan, it is important to consider provider networks and costs as you evaluate plans. If you need help understanding your Medicare coverage options, call your SHIP to learn more. Contact information for your SHIP is on the last page of this document.

## **8. What is a transition fill?**

A transition refill, also known as a transition fill, is typically a one-time, 30-day supply of a drug that you were taking before switching to a different Part D plan (either stand-alone or through a Medicare Advantage Plan), or before your current plan changed its coverage at the start of a new calendar year. Transition refills let you get temporary coverage for drugs that are not on your plan's formulary or that have certain coverage restrictions (such as prior authorization or step therapy). **Transition refills are not for new prescriptions.** You can only get transition fills for drugs you were already taking before switching plans or before your existing plan changed its coverage.

The following situations describe when you can get a transition refill if you do not live in a nursing home (there are different rules for transition refills for those living in nursing homes):

- 1. Your current plan is changing how it covers a Medicare-covered drug you have been taking.**
  - If your plan is taking your drug off its formulary or adding a coverage restriction for the next calendar year for reasons other than safety, the plan must do one of the following (next page):

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- Help you switch to a similar drug that is on your plan's formulary before January 1
- Help you file an exception request before January 1
- Give you a 30-day transition fill within the first 90 days of the new calendar year along with a notice about the new coverage policy

## 2. Your new plan does not cover a Medicare-covered drug you have been taking.

- If a drug you have been taking is not on your new plan's formulary, this plan must give you a 30-day transition refill within the first 90 days of your enrollment. It must also give you a notice explaining that your transition refill is temporary and informing you of your appeal rights.
- If a drug you have been taking is on your new plan's formulary but with a coverage restriction, this plan must give you a 30-day transition refill free from any restriction within the first 90 days of your enrollment. It must also give you a notice explaining that your transition refill is temporary and informing you of your appeal rights.
- In both of the above cases, if a drug you have been taking is not on your new plan's formulary, be sure to see whether there is a similar drug that is covered by your plan (check with your doctor about possible alternatives) and, if not, to file an exception request. (If your request is denied, you have the right to appeal.)

If you file an exception request and your plan does not process it by the end of your 90-day transition refill period, your plan must provide additional temporary refills until the exception is completed.

Remember, all stand-alone Part D plans and Medicare Advantage Plans that offer drug coverage must provide transition fills in the above cases. When you use your transition fill, your plan must send you a written notice within three business days. The notice will tell you that the supply was temporary and that you should either change to a covered drug or file an exception request with the plan.

## 9. Who should I contact if I have Medicare-related questions?

**State Health Insurance Assistance Program (SHIP):** Contact your SHIP if you have questions about changes in costs and coverage of your Medicare in 2021. SHIP counselors provide unbiased Medicare counseling and assistance. Contact information for your SHIP is on the last page of this document.

**Senior Medicare Patrol (SMP):** Contact your SMP if you believe you have enrolled in a plan for 2021 based on misleading information or marketing violations or were enrolled in a plan without your consent. SMPs empower and assist Medicare beneficiaries, their families, and caregivers to prevent, detect, and report health care fraud, errors, and abuse. SMP contact information is on the last page of this document.

**1-800-MEDICARE (800-633-4227):** Call 1-800-MEDICARE to use an SEP, to request another copy of your *Medicare & You* handbook, or to find more information about your 2021 coverage.

**Medicare Advantage Plan or Part D plan:** If you have a Medicare Advantage Plan or Part D plan, contact your plan to ask about changes in your costs or coverage for 2021. You may also contact your Medicare Advantage Plan if you are using the MA OEP to switch plans.

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### SHIP Case Study

Darius has Original Medicare and a stand-alone Part D plan. In March 2021 he is diagnosed with a condition that requires he take a new prescription drug. He calls his Part D plan and learns this drug is not on the plan's formulary.

### What should Darius do?

- Darius can call his State Health Insurance Assistance Program (SHIP) for help.
  - If he doesn't know how to reach his SHIP, he can call 877-839-2675 or visit [www.shiptacenter.org](http://www.shiptacenter.org).
- The SHIP counselor can tell Darius about formulary exceptions.
  - The SHIP counselor can help Darius request a formulary exception and can instruct him on how to ask his doctor to write a letter that supports his medical need for the drug.
- The SHIP counselor can also let Darius know about his opportunities to change coverage in the coming year.
  - If Darius has Extra Help, he may be eligible for a special enrollment period to change drug plans once per calendar quarter in the first three quarters of the year.
  - He might also qualify for a Special Enrollment Period if, for example, if he enrolls in a State Pharmaceutical Assistance Program (SPAP) or moves outside of his current plan's service area. The SHIP counselor can talk to Darius about all possible special enrollment periods to check if he qualifies.

### SMP Case Study

Ellen enrolled in a Medicare Advantage Plan during Medicare's Open Enrollment Period because a plan representative told her that the plan covered all her prescriptions. When she went to an in-network pharmacy the next month to pick up her medications, though, she learned that not all her prescriptions were on the plan's formulary. Ellen would not have enrolled in this plan if the representative had given her accurate information about the plan's formulary.

### What should Ellen do?

- Ellen should call the Senior Medicare Patrol (SMP) for assistance.
  - If Ellen does not know how to contact her SMP, she can call 877-808-2468 or visit [www.smpresource.org](http://www.smpresource.org).
- The SMP can let Ellen know that Medicare Advantage Plans should not be providing misleading marketing.
  - The SMP can encourage Ellen to collect any evidence of the misinformation that she may have received and, if Ellen wants, can help her report the problem.
- The SMP can let Ellen know that she has options for changing her coverage if she no longer wants to be enrolled in this Medicare Advantage Plan. The SMP can direct Ellen to contact her SHIP to learn more about these options.
  - Ellen may be able to pursue a Special Enrollment Period (SEP) because of the misleading marketing from her plan.
  - Ellen can also use the Medicare Advantage Open Enrollment Period (MA OEP) between January 1 and March 31 to switch to a different Medicare Advantage Plan or to Original Medicare with

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or without a Part D prescription drug plan. Any changes she makes during this time will be effective the following month.

Local SHIP Contact Information	Local SMP Contact Information
<p><b>SHIP toll-free:</b></p> <p><b>SHIP email:</b></p> <p><b>SHIP website:</b></p> <p><b>To find a SHIP in another state:</b></p> <p>Call 877-839-2675 or visit <a href="http://www.shiptacenter.org">www.shiptacenter.org</a>.</p>	<p><b>SMP toll-free:</b></p> <p><b>SMP email:</b></p> <p><b>SMP website:</b></p> <p><b>To find an SMP in another state:</b></p> <p>Call 877-808-2468 or visit <a href="http://www.smpresource.org">www.smpresource.org</a>.</p>
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