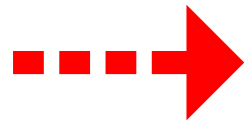


Medicare 101

Rimkus



Medicare—There's more to
coordinate than a birthday party!



150 pages!!!



Medicare & You

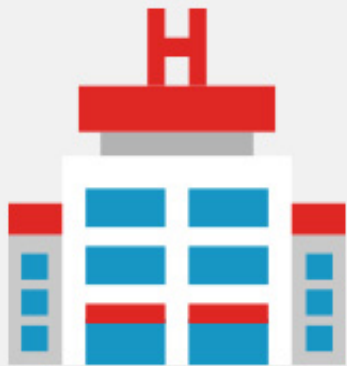
The official U.S. government
Medicare handbook

2024



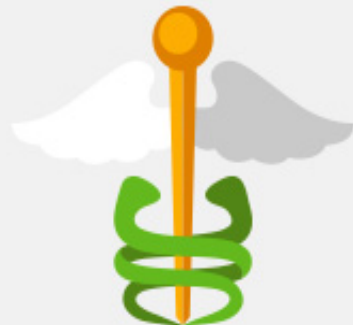
Four parts of Medicare

Part A Hospital stays



Helps pay for inpatient hospital care, skilled nursing facility care, home health care and hospice care

Part B Medical coverage



Helps pay for covered doctor's services and many other medical services and supplies

Part C Medicare advantage



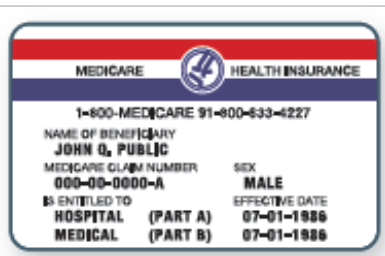
Offers medical coverage through a network of providers, such as an HMO or PPO, that is an alternative to original Medicare

Part D Prescription drugs

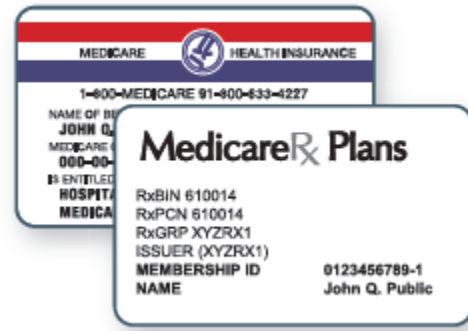


Helps pay for covered prescription medications.

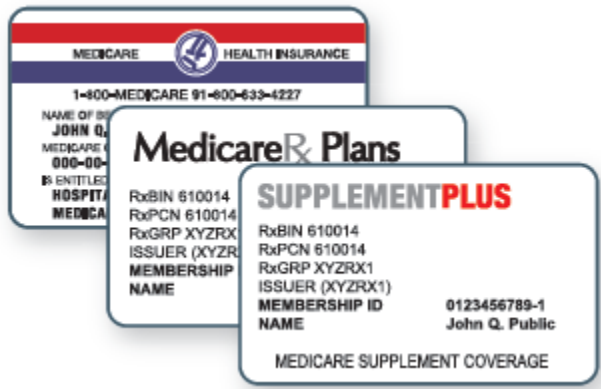
4 Medicare Coverage Options



Original Medicare (Part A & B)



Original Medicare + Part D Drug Plan



Original Medicare + Part D Drug Plan + Supplement

OR

Medicare Advantage (Part A & B & D)

Your Medicare is not used as your actual insurance
Some add Vision, Dental and Hearing Card



Part A

QUALIFY



65 years old



U.S. citizen or a legal resident for 5 continuous years

COST



You or your spouse have paid Medicare taxes for at least 10 years (40 quarters).



SPECIAL SITUATIONS

- You are under 65, disabled, and have been receiving disability benefits for at least 24 months.
- You get continuing dialysis treatment for ESRD or need a kidney transplant.
- You have Lou Gehrig's disease (ALS) and are eligible for Social Security disability insurance.

Part B premium

- Based on your modified adjusted gross income as reported on your IRS tax return
- You pay the STANDARD amount + an Income Related Monthly Adjustment amount (IRMAA)
- If you are in a higher income level you will ALSO



Parts B and Part D surcharge

2023

Part B monthly premium

| You Pay | If your yearly income is | |
|--|---|---|
| | Single | Married |
|  \$164.90 |  \$97,000 or less |  \$194,000 or less |
| \$230.80 | \$97,001 - \$123,000 | \$194,001 - \$246,000 |
|  \$329.70 |  \$123,001 - \$153,000 |  \$246,001 - \$306,000 |
| \$428.60 | \$153,001 - \$183,000 | \$306,001 - \$366,000 |
| \$527.50 | \$183,001 - \$500,000 | \$366,001 - \$750,000 |
| \$560.50 | Above \$500,000 | Above \$750,000 |

Part D monthly surcharge

| Surcharge | If your yearly income is | |
|---|---|---|
| | Single | Married |
|  \$0 |  \$97,000 or less |  \$194,000 or less |
| \$12.20 | \$97,001 - \$123,000 | \$194,001 - \$246,000 |
|  \$31.50 |  \$123,001 - \$153,000 |  \$246,001 - \$306,000 |
| \$50.70 | \$153,001 - \$183,000 | \$306,001 - \$366,000 |
| \$70.00 | \$183,001 - \$500,000 | \$366,001 - \$750,000 |
| \$76.40 | Above \$500,000 | Above \$750,000 |

PART

A

Medicare Part A:



Part A Covers:

- Inpatient Hospital
- Skilled Nursing
- Home Health
- Blood
- Hospice Care

PART

B

Medicare Part B:

Includes:

- Outpatient
- Dr. Visits
- Lab-work
- Preventive
- Chemo/Radiation
- Dialysis
- Durable Medical Equipment



What Do YOU pay?? – Your cost share!

Part A: Hospital Insurance

(\$0- 40+ quarters of Medicare-covered employment.
Up to \$471 if you have less than 30 quarters)

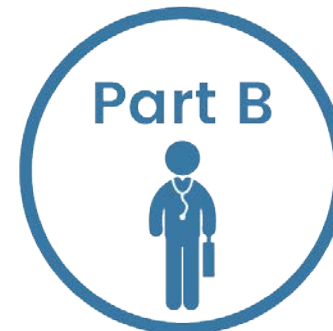
| | | |
|--|--------------------------------|---------------------------------|
| \$1,600 Per Admission Deductible | \$400/day Days 61-90 | \$800/day Days 91-150 |
| Skilled Nursing Facility (SNF) \$200/day Days 21-100 | | |



Part B: Medical Insurance

Starting at \$164.90+ per month, based on your
income (see premium chart from Medicare)

| | |
|-----------------------------------|----------------------------|
| \$226 Annual deductible | 20% co-insurance |
|-----------------------------------|----------------------------|



Medicare DOES NOT cover.....

Cosmetic
Surgery



**HEARING
AID**

Wearable gadget



Routine eye exams
Glasses or contacts



Dental



LONG - TERM
CARE



**Concierge
Medicine**



Medicare Supplements to the Rescue

Supplements were created to help fill in the coverage gaps of Medicare Parts A and B.

- Sold by private insurance companies
- Fills in the GAPS of Medicare (Deductible, coinsurance etc)
- Plans are standardized. (Plans A – N plus HD Plan G & F)



Medicare Supplements to the Rescue

Plans Available to all Applicants

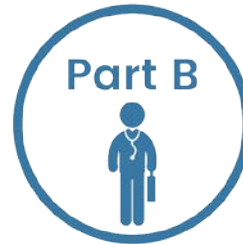
Medicare first eligible before 2020 only

| Benefits | 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) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Medicare Part B coinsurance or copayment | ✓ | ✓ | ✓ | ✓ | 50% | 75% | ✓ | copays up to \$20 for some office visits and up to \$50 copay for ER | ✓ | ✓ |
| Blood (first 3 pints) | ✓ | ✓ | ✓ | ✓ | 50% | 75% | ✓ | ✓ | ✓ | ✓ |
| Part A hospice care coinsurance or copayment | ✓ | ✓ | ✓ | ✓ | 50% | 75% | ✓ | ✓ | ✓ | ✓ |
| Skilled nursing facility coinsurance | | | ✓ | ✓ | 50% | 75% | ✓ | ✓ | ✓ | ✓ |
| Medicare Part A deductible | | ✓ | ✓ | ✓ | 50% | 75% | 50% | ✓ | ✓ | ✓ |
| Medicare Part B deductible | | | | | | | | | ✓ | ✓ |
| Medicare Part B excess charges | | | | ✓ | | | | | | ✓ |
| Foreign Travel emergency (up to plan limits) | | | ✓ | ✓ | | | ✓ | ✓ | ✓ | ✓ |
| Out of pocket limit (2020) | | | | \$4,960 | \$2,480 | | | | | |

Medicare Supplemental **Plan G**



Hospital



Medical

~~\$1,600~~

~~Per Session
Deductible~~

~~\$400/day~~

~~Days 1-90~~

~~\$800/day~~

~~Days 91-150~~

\$226

Annual deductible

~~20%~~

~~Co-insurance~~

Skilled Nursing Facility (SNF)

~~\$200/day~~

~~Days 21-100~~

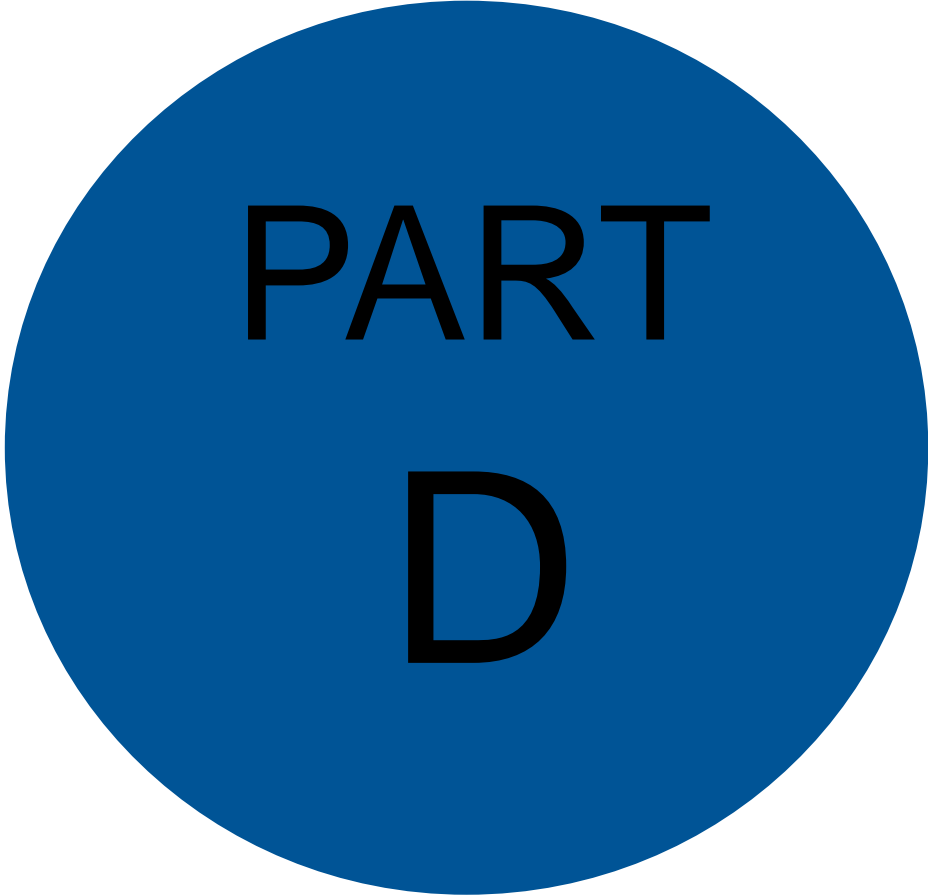
Medicare Supplements

It is important to compare Supplement policies

Cost can vary between insurance companies for the EXACT same coverage

Must offer the same basic benefits no matter who sells it





PART
D

What is Medicare Part D?

Insurance for Prescription Drugs

You pick your plan through a private insurance carrier in your state



Pick your plan based on your specific prescriptions and pharmacy preference



Each year during open enrollment you can make a change to your plan



Medicare Part D

PART D PLAN VARIABLES



Part D Tier Level – Example



Tier 1

Lowest copayment: most generic prescription drugs

Tier 2

Medium copayment: preferred, brand-name prescription drugs

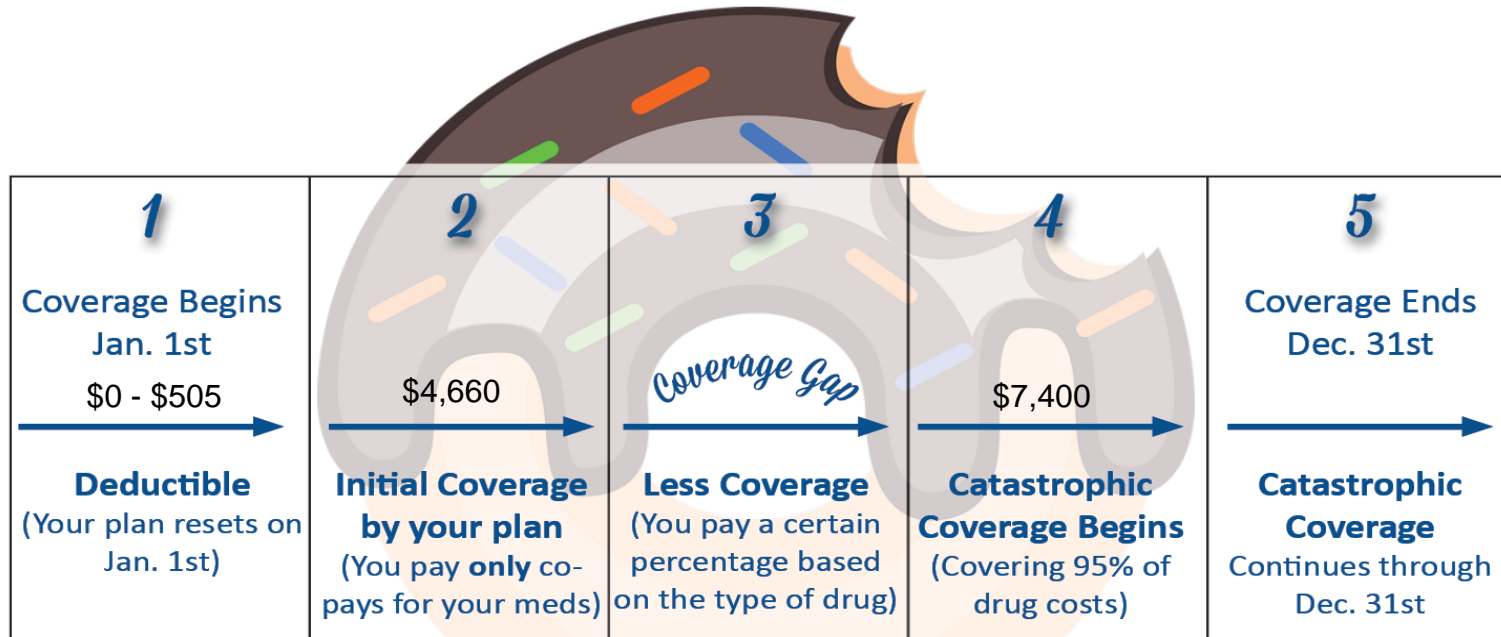
Tier 3

Higher copayment: nonpreferred, brand-name prescription drugs

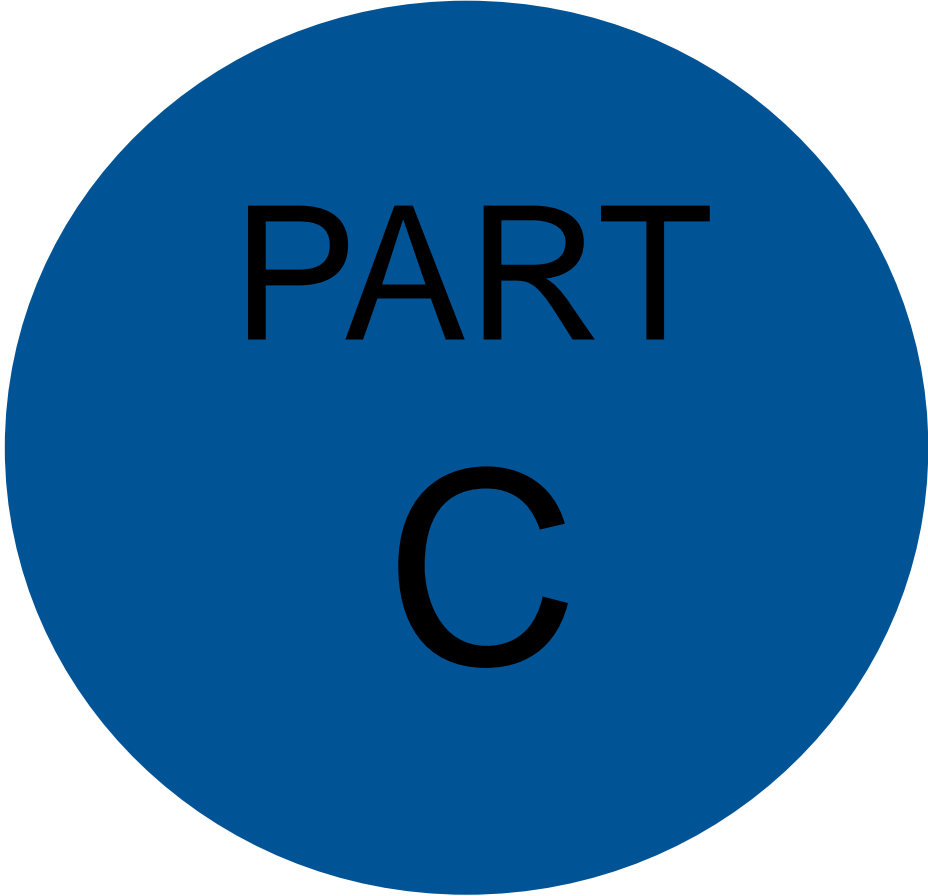
Tier 4

Highest copayment: very high cost prescription drugs

The Medicare Donut Hole



HIGGINBOTHAM®



PART
C

Part C - Medicare Advantage

What's the Advantage??



**More Affordable...
Some have \$0 Premium!**

Medicare Advantage Plans are a convenient way to **package Medicare covered services** into one insurance program which delivers the benefits of the original Medicare A and B and often D.

Part C - Medicare Advantage



Private Insurance
**REPLACES
MEDICARE**

**PPO
HMO**

Network Based
Plans

**Part
A & B**

Must be enrolled
in Part A & B of
Medicare

**Live in
Area**

Must live within
the Advantage
service area

**Added
Extras**

Some include
Vision
Dental
Hearing
Gym Memberships

Medicare Advantage – Key Points

Key Points

- You may need a prior authorization for some services
- Different Regions offer different plans – even down to the county you live in
- Extra benefits offered by some plans
- Most plans require a referral
- If you go with a Medicare Advantage plan, you have 12 months to switch back to Medicare and a supplemental plan on a guaranteed issue basis.



Medicare Coordination with Group Plans

IF you want to KEEP your group plan when you turn 65 you may do so

- Group **OVER 20** employees
Group is Primary



Groups over 20 employees

- If you are on an H S A plan you might consider DELAYING enrolling in Part A and B of Medicare so you can continue the H S A contributions.

(IRS does not allow someone enrolled in Medicare to make or receive contributions into an H S A account)



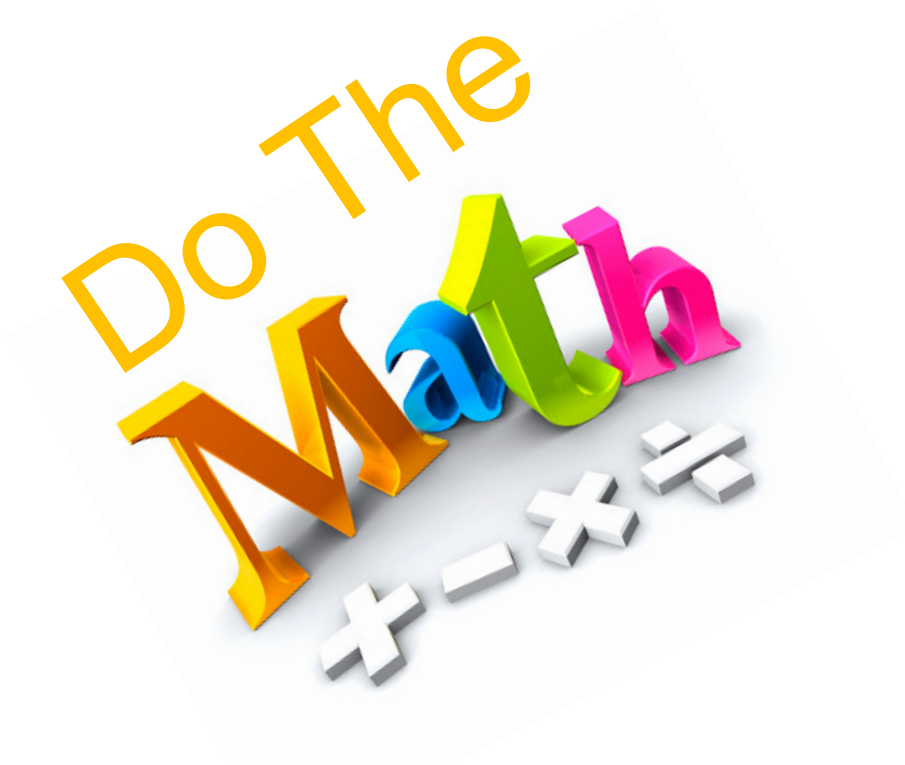
PROS AND CONS OF

**GROUP HEALTH
INSURANCE**

VS.

MEDICARE

Group Cost vs Medicare



What does the group cost and
What does Medicare cost?

Group Cost vs. Medicare

Medicare

| | |
|------------------------------|-------------------|
| Part A | \$0 |
| Part B | \$164.90 |
| Part D surcharge | \$0 |
| Medicare Supplemental Plan G | \$150 |
| Medicare Part D RX Card | \$30 |
| TOTAL | \$345 |
| ANNUAL TOTAL | \$4,138.80 |

GROUP PLANS

| Base Plan | | |
|-----------------------|------------|---------------------|
| Group | Premium | |
| Out-of-Pocket Maximum | \$4,500.00 | |
| Copay | Varies | |
| Premium | Employee | \$70 x 12 = \$840 |
| TOTAL | | \$5,340.00 |
| SPOUSE | | |
| Out-of-Pocket Maximum | \$4,500.00 | |
| Copay | Varies | |
| Premium | Spouse | \$330 x 12 = \$3960 |
| TOTAL | | \$8,460.00 |

| Premium Plan | | |
|-----------------------|------------|---------------------|
| Group | Premium | |
| Out-of-Pocket Maximum | \$3,000.00 | |
| Copay | Varies | |
| Premium | Employee | \$175 x 12 = \$2100 |
| TOTAL | | \$5,100.00 |
| SPOUSE | | |
| Out-of-Pocket Maximum | \$3,000.00 | |
| Copay | Varies | |
| Premium | Spouse | \$540 x 12 = \$6480 |
| TOTAL | | \$9,480.00 |

| HSA Plan | | |
|-----------------------|----------|-------------------|
| Group | Premium | |
| Out-of-Pocket Maximum | | \$3,450.00 |
| Premium | Employee | \$55 x 12 = \$660 |
| TOTAL | | \$4,110.00 |

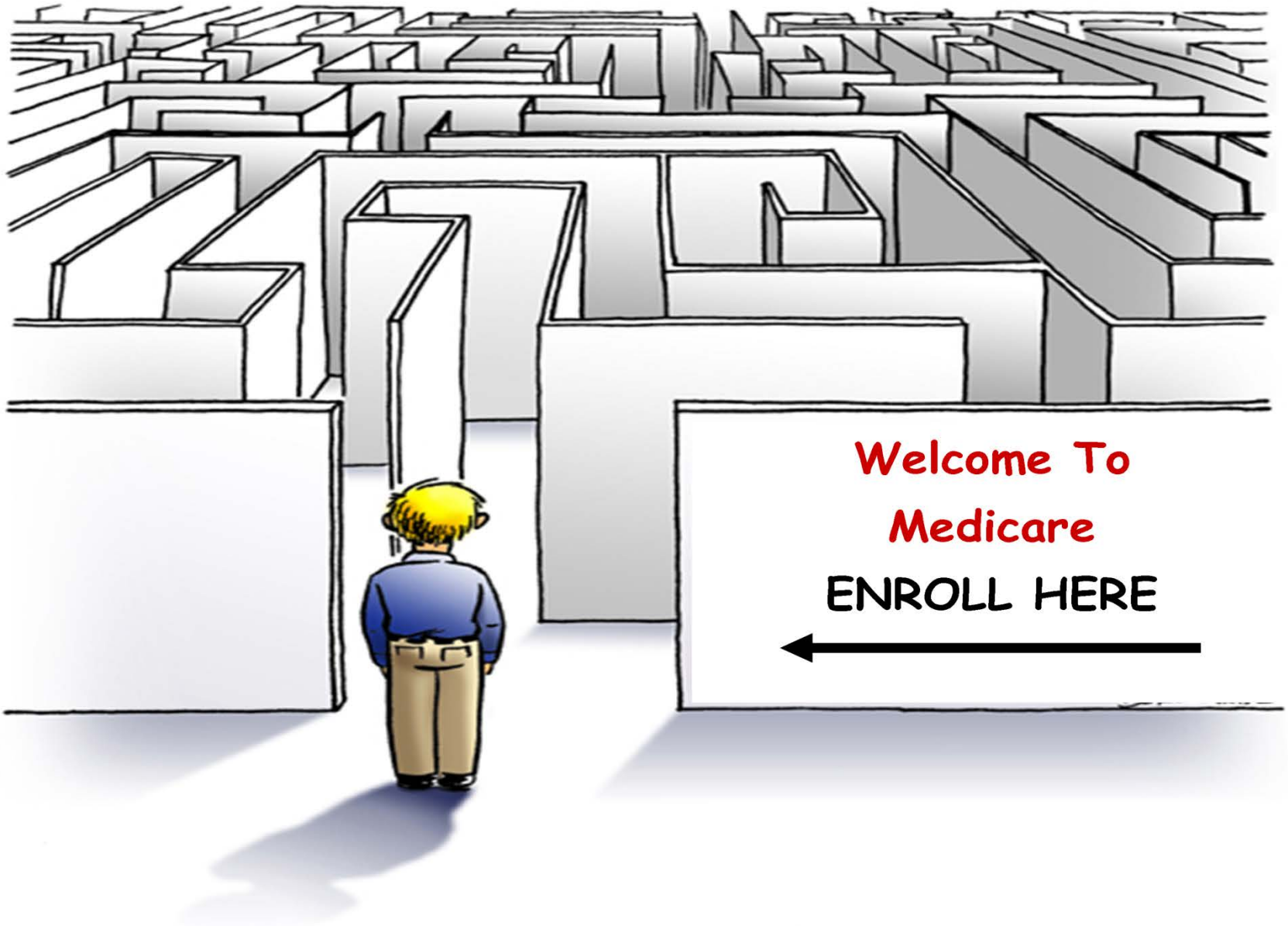
| SPOUSE | | |
|-----------------------|------------|---------------------|
| Out-of-Pocket Maximum | \$3,450.00 | |
| Premium | Spouse | \$295 x 12 = \$3540 |
| TOTAL | | \$6,990.00 |

When I leave employment do I have options for coverage?



NOTE

These are NOT considered creditable coverage so if you DO NOT sign up for Medicare within 8 months when you lose your group coverage you will incur a penalty when you sign up later.





WARNING: The ONLY people that are AUTO enrolled are those that receive their social security benefits PRIOR to age 65.

How do I Enroll?

Initial Enrollment Period

Age 65

- Online at either the Social Security or Medicare website
- Call Social Security
- Go by the Social Security Office



| | | | | | | |
|---------------------------------|-----|------|------------------------|------------------------------|------|-----|
| April | May | June | July | August | Sept | Oct |
| 3 months PRIOR to your birthday | | | MONTH OF YOUR BIRTHDAY | 3 months AFTER your birthday | | |

How do I Enroll?

Special Enrollment Period

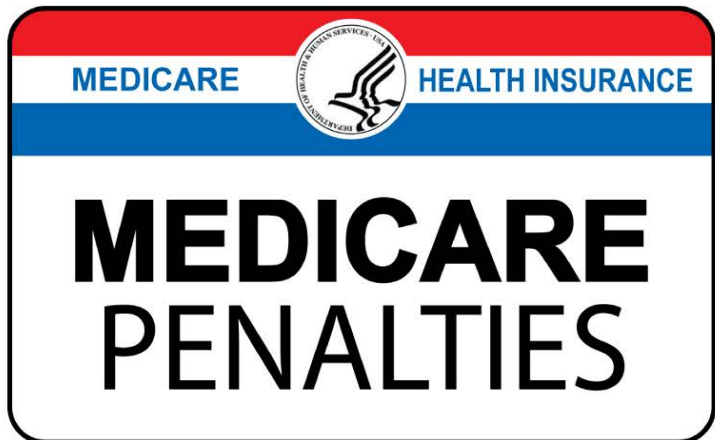
AFTER Age 65

- Social Security Paperwork
 - * Your form
 - * Employer form
- Once you have completed the forms they need to be returned to Social Security
- Will take about 6-8 weeks for processing
- You have 8 months after the coverage ends on the group to sign up for Part A&B



WARNING – you only have 2 months to sign up for Part D

****Group Coverage is considered Special Enrollment Period****



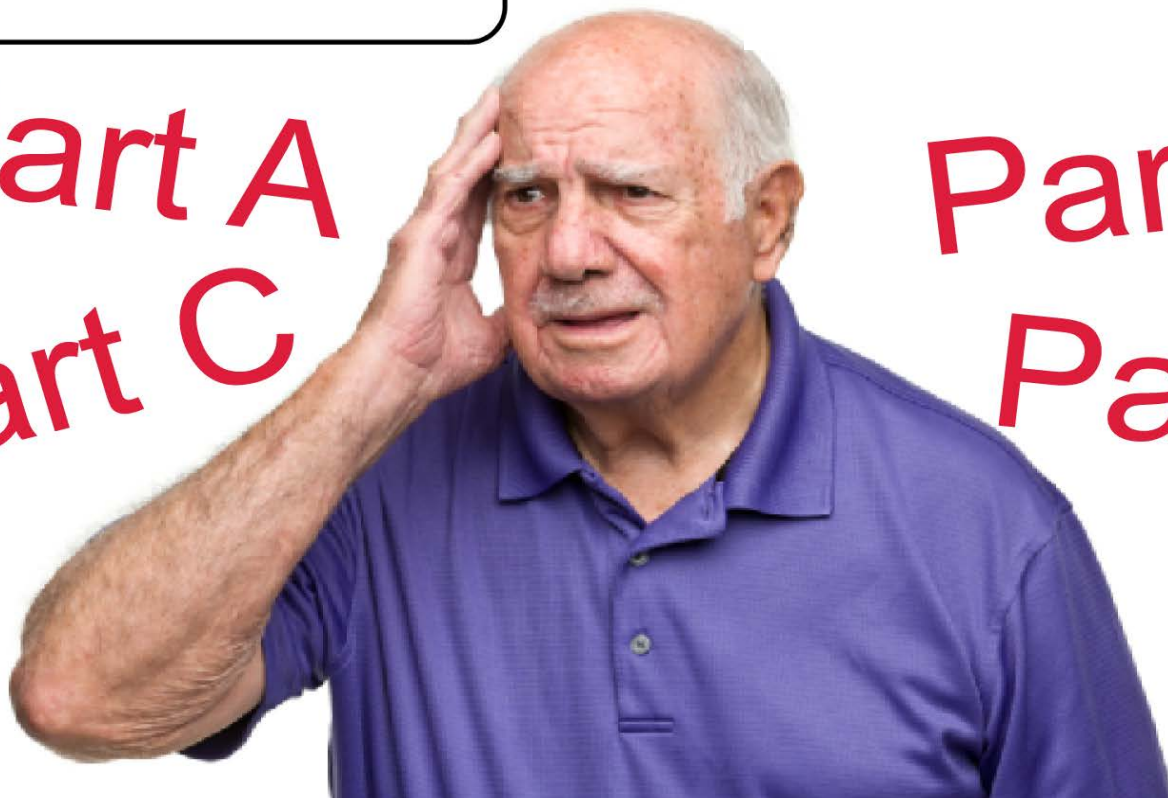
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Part A
Part C

Part B
Part D

?

?



Late Enrollment Penalty

- **Part A:** There is no penalty for delaying to enroll in Part A if you qualify for it automatically on the basis of you or your spouse's work record.
- **Part B:** If you delay signing up for Part B beyond the time when you're first eligible for it, you could incur a late penalty.
 - ✓ The exception is if you're still working and have "primary" health insurance from your employer.

You can sign up without a penalty within eight months of retiring.
 - ✓ If you choose not to sign up for Part B within eight months of retiring then you will pay a late penalty on all future Part B premiums. (OE Jan-March-effective July)
 - ✓ The penalty amount is an additional 10 % of the cost of the premium for each year that you are not enrolled.



Late Enrollment Penalty Part D



- Penalty of 1% of the national average premium for each month you delay enrollment. (avg is about \$30 premium)
- The penalty is avoided if you have Creditable drug coverage from another source

Employer as an example

Enrollment Tips

- Compare what your group coverage is offering vs. Medicare – DO THE MATH!
- Decide if you want to enroll in Part A, B and/or D and let Social Security (Medicare/CMS) and **your employer know**. You can start this 3 months prior to age 65.
- If you are enrolled in Social Security benefits, you will be AUTOMATICALLY enrolled in Medicare Parts A&B. You have the option of opting out of Part B.
- **Social Security will REQUIRE you to enroll in Medicare Part A if you are receiving social security benefits**

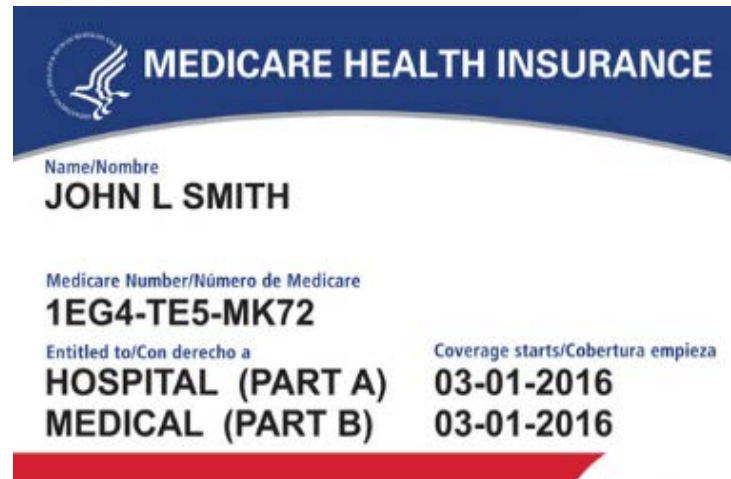
Enrollment Tips

- Social Security and Medicare are SEPARATE! You do not have to enroll in Social Security to get Medicare
- Is the employee/employer contributing to the H S A and do they want to continue these contributions
- What affect would it have on dependents that are covered if you enroll in Medicare
- **CHOOSE WISELY!!!**

Medicare Card

You cannot enroll in supplement or drug coverage without your ID card!

Apply early!



In Texas you CANNOT have supplemental coverage WITHOUT Part A and Part B!

Medicare

More Information

For more information regarding Medicare, visit

www.socialsecurity.gov

www.medicare.gov

www.cms.gov

www.healthcare.gov

800-Medicare – Medicare Hotline

800-772-1213 – Social Security

Q & A

Thank you for your time and attention today



Lots of choices, but you are not alone.



Lead with values and
value leads.

Luann Yarberry, CIC, LUTCF
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Benefits/Medicare Advisor

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