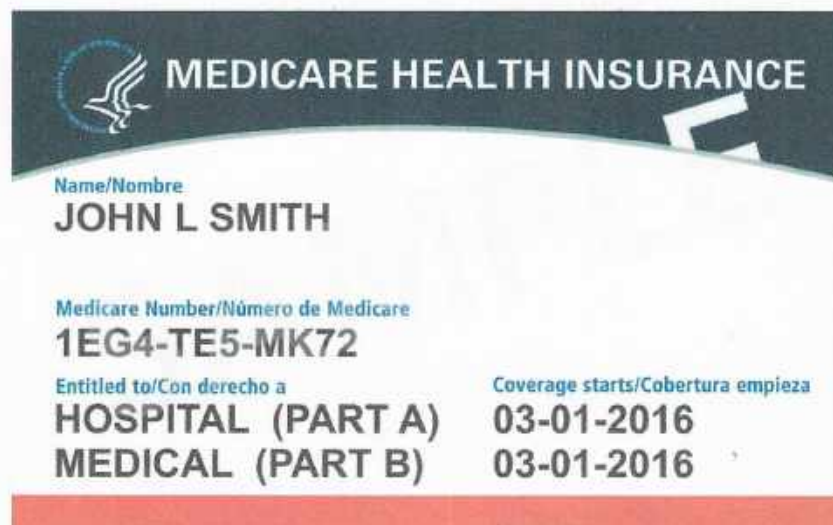


# Original Medicare Part A & Part B

## WHAT IS MEDICARE?

- Federal health insurance program for US citizens and permanent legal residents
- 65 years and older
- Under 65 with a qualifying disability
- Any age: end-stage renal disease (ESRD)
- Lou Gehrig's Disease (ALS)

**ANY HOSPITAL, DOCTOR, PROVIDER, OR FACILITY IN  
THE USA THAT ACCEPTS MEDICARE**



# What is Medicare Part A & Part B?

## Medicare Part A consist of:

- INPATIENT HOSPITAL CARE
- SKILLED NURSING CARE IN A SKILLED NURSING FACILITY
- HOME HEALTH CARE
- HOSPICE CARE SERVICES.

## Medicare Part B consist of:

- SERVICES FROM DOCTORS AND OTHER HEALTHCARE PROVIDERS
- MENTAL HEALTH CARE
- PREVENTIVE & SCREENING SERVICES
- DURABLE MEDICAL EQUIPMENT
- OUTPATIENT CARE
- AMBULANCE



# Medicare PART A

## Part A Premium 2022

- Part A is usually \$0 premium for most people because you (or your spouse) worked and paid Medicare taxes for 40 or more quarters
- If you only paid Medicare taxes for
  - 30-39 quarters \$274 a month
  - <30 quarters \$499 a month.

## Part A Hospital Deductible 2022

- \$1556 per benefit period
- This is the amount you must pay for hospital/inpatient services before Part A will begin to pay.
- A benefit period begins when you are admitted to the hospital as an inpatient and ends when you've received no hospital or skilled nursing care for a full 60 days in a row.
- Note: It is possible to have 6 benefits periods in one year.

## Part A Hospital Coinsurance 2022

- Days 1 - 60 \$0 /day PER BENEFIT PERIOD
- Days 61-90 \$389/ day per benefit period
- Medicare gives you (up to) 60 lifetime reserve days to use as needed following a 90-day hospital stay
- Lifetime Reserve days \$778/day
- After that, you pay 100%.

## Part A Skilled Nursing Coinsurance 2022

- Days 1 - 20 \$0 /day PER BENEFIT PERIOD
- Days 21-100 \$194.50/ day per benefit period
- After that, you pay 100%.
- Medicare covers skilled nursing care provided in a skilled nursing facility (IE. rehab center) for a limited time if all required conditions are met
- This is not to be considered Long Term Care (LTC)

# Medicare PART B

## Part B Premium 2022

- Part B is **\$170.10** a month.
- High income earners pay a higher monthly premium.

## Part B Hospital Deductible 2022

- **\$233** per year
- This is the amount you must pay for medical/outpatient services before Part B will begin to pay.
- The deductible does not apply to certain preventive services.

## Part B Medical Copayment 2022

- After your deductible is met, you'll usually pay the hospital a fixed dollar amount for each services you receive in a hospital outpatient setting, except for certain preventive services.
- NOTE: doctors may charge more for outpatient services provided in a hospital if the SAME service can be provided in their office. Your cost for each service will generally be capped at the Part A hospital deductible **\$1556**.

## Part B Medical Coinsurance 2022

- After your deductible is met, you will typically pay 20% of the Medicare approved amount for most doctor services (including most services you get from a doctor while your in the hospital), durable medical equipment (DME), outpatient therapy, and Part B drugs such as Chemotherapy
- NOTE: In some states, doctors who don't accept Medicare assignment may charge an EXCESS CHARGE of up to 15% over and above the Medicare approved amount for covered medical services.

# Medicare Eligibility & Enrollment

## WHO IS ELIGIBLE?

- Medicare eligibility typically begins the first day of the month in which you turn 65 years old. One exception is if you were born on the first day of a month, you will actually become eligible for Medicare on the first day of the prior month.
- If you are under age 65, you can become eligible for Medicare if you have been on Social Security Disability Insurance for 24 months or if you have medical conditions such as End Stage Renal Disease or ALS.
- You must also be a U.S. citizen or permanent resident.

## DO I NEED TO SIGN UP FOR MEDICARE PARTS A & B?

**Covered by a Group Health Plan:** If you (or your spouse) are still working and covered by a group health plan, you have the right to delay your enrollment in Medicare until such time that you are ready to leave the group health plan. Note that there is no penalty for delaying your Medicare enrollment when covered by a group health plan. However, you will need to compare the cost and benefits of the group health plan to see if staying on the group health plan will be your best option - especially if you are covered as a dependent spouse.

Offered a Retiree Group Health plan: Retiree group health plans are typically offered to employees that are retired from a large employer. Typically, you will need to enroll in Medicare A & B when being offered a retiree group plan; however, you will need to compare the cost and benefits being offered to determine if the retiree plan options will be right for you as compared with buying private coverage.



MEDICARE HEALTH INSURANCE

Name/Nombre  
JOHN L. SMITH

Medicare Number/Número de Medicare  
1EG4-TE5-MK72

Covered by/Con derecho a HOSPITAL (PART A)	Coverage starts/Comienza vigencia 03-01-2016
MEDICAL (PART B)	03-01-2016

Typically, it is advantageous to sign up for Medicare Part A & B when you are first eligible; however, if you are working and currently covered by a group health plan, you may wish to delay enrollment in Medicare Part B until such time that you are ready to leave the group plan.

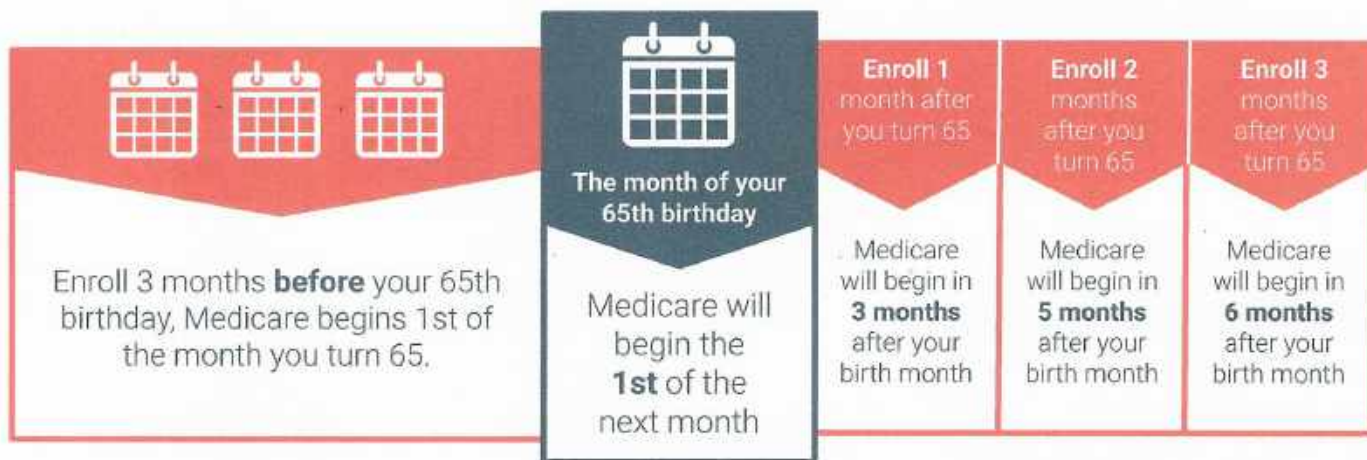
# WHEN DO I NEED TO ENROLL?

**Automatic Enrollment:** If you are already receiving benefits from Social Security you will automatically be enrolled in Medicare Parts A & B (Original Medicare). Your Original Medicare card will be mailed to you a little more than 3 months ahead of the month in which you will be eligible.

**Non-Automatic Enrollment:** If you are not automatically enrolled, you will need to take steps to get properly enrolled in Original Medicare. This is typically done in the 3-month period immediately before the month you turn 65. By enrolling during this 3-month period you Medicare coverage will begin on time (the first of the month you turn 65). If not enrolling in Medicare during this 3-month period, you will have a delayed start date for Medicare.

If you wait to enroll in Part B because you or your spouse are working and have group health coverage through an employer, you are allowed to enroll during a Special Enrollment Period. You can sign up for Part B during the 8-month period that begins the month after the employer plan coverage ends, or when the employment ends (whichever is first).

# WHEN WILL MEDICARE BEGIN?



## How Do I Enroll In Medicare?

Medicare enrollment is handled by the Social Security Administration. There are two options to completing your initial enrollment in Medicare (online or visiting a Social Security office).

- **Online:** Go online to [ssa.gov/benefits/medicare](https://ssa.gov/benefits/medicare). Note that you will be prompted to register and create a secure online account if you do not already have one.
- **In Person:** Visit a local Social Security office to get help enrolling in Medicare.

Visit <https://secure.ssa.gov/ICON/main.jsp> to find your nearest office.

### Local Social Security Offices:

- City: \_\_\_\_\_  
Telephone # \_\_\_\_\_
- City: \_\_\_\_\_  
Telephone # \_\_\_\_\_
- City: \_\_\_\_\_  
Telephone # \_\_\_\_\_

**After signing up for Medicare, your Medicare card should arrive within 3 weeks.**

**\* Sign Up for Medicare - [www.SSA.gov](http://www.SSA.gov) or interview process with local SS office)**

Most people age 65 or older are eligible for free Medical hospital insurance (Part A) if they have worked and paid Medicare taxes long enough. You can enroll in Medicare medical insurance (Part B) by paying a monthly premium. Some beneficiaries with higher incomes will pay a higher monthly Part B premium.

If you are within three months of turning age 65 or older, you can use Social Security online retirement application to sign up for Medicare. It takes less than 10 minutes, and there are no forms to sign and usually no documentation is required. OR, call your local Social Security office to set up an appointment.

**\* Special Enrollment Period (SEP) – Forms: CMS 40B and CMS L564 fax/mail to local SS office**

If you are age 65 or older, you or your spouse are still working and you are covered under a [group health plan](#) based on that **current employment**, you may not need to apply for Medicare medical insurance (Part B) at age 65. You may qualify for a "Special Enrollment Period" (SEP) that will let you sign up for Part B:

- During any month you remain covered under the group health plan and your, or your spouse's, current employment continues; or
- In the eight-month period that begins with the month after your group health plan coverage or the current employment it is based on ends, whichever comes first.
- If your group health plan coverage is based on severance or retirement pay and the job your coverage is based on ended in the **last eight months**.
- **Exception:** If your group health plan coverage or the employment it is based on ends during your initial enrollment period for Medicare Part B, you do not qualify for a SEP.

**Note:** COBRA and retiree health plans aren't considered coverage based on current employment. If you have that type of coverage, you will not be eligible for a SEP when it ends. To avoid paying a higher premium, make sure you sign up for Medicare when you are first eligible.

**\* General Enrollment Period (GEP) - Form CMS 40B fax/mail to local SS office**

If you don't enroll in Medicare Part B during your initial enrollment period, you have another chance each year to sign up during a "general enrollment period" from January 1 through March 31. Your coverage begins on July 1 of the year you enroll.

# Original Medicare Has Many Gaps In Coverage

## Medicare Part A & Part B DO NOT Cover:

- Outpatient prescription drugs
- Routine dental care and dentures
- Routine vision exams and eyeglasses
- Routine hearing exams and hearing aids
- Routine preventive physical exams
- Over the counter items
- Gym memberships
- Transportation

There is **NO** limit on Part A & Part B Out of Pocket Cost



**HOWEVER**, there are 2 ways to fill gaps and **limit your financial liability**. We will discuss those next.



# How Do You Want To Receive Your Medicare Coverage?

Regardless of what option you choose, you must continue to pay your Medicare Part B Premium of \$170.10 plus any applicable IRMAA-payments.

**MEDICARE HEALTH INSURANCE**

Name/Nombre  
**JOHN L SMITH**

Medicare Number/Número de Medicare  
**1EG4-TE5-MK72**

<small>Entitled to/Con derecho a</small>	<small>Coverage starts/Cobertura empieza</small>
<b>HOSPITAL (PART A)</b>	<b>03-01-2016</b>
<b>MEDICAL (PART B)</b>	<b>03-01-2016</b>

**OPTION 1**

**\$135 MONTHLY PREMIUM**

+

**Medicare Supplement Average**      **\$120**  
(Covers Part A&B Coinsurance)  
*\*Premium Depends on Age and Area*

**PDP Average**      **\$15**  
*\*Premium Depends on Age and Area*

**TOTAL Avg Mth Premium \$135**  
*\*Deductibles apply based on plan choice*

- 6 Months Guaranteed After Part B Effective Date
- Underwriting After 6 Months
- Medicare Network Nationwide

**OPTION 2**

**AS LOW AS \$0 MONTHLY PREMIUM**

**Combines Part A & B with or without Prescription Coverage (Part D)**

*\* Additional Benefits: Some Medicare Advantage Plans may also include coverage for other services, including fitness programs or hearing and vision care.*

**\$0 To Low Premium (Depends On Plan)**  
**\$0 PCP**  
**\$35 Specialist**  
**\$100 Hospital Each Day 1-7**

## REMINDER:

*Those enrolled in a Medicare Advantage plan (Option 2) must remain enrolled in Medicare A & B and continue to pay for Medicare Part B (and any applicable IRMAA)*

# Option 1: Medicare Supplements (Medigap) & Part D (RX Drug Plan PDP)

- Available from private insurers
- Helps pay for Part A & Part B out-of-pocket cost
- Year round enrollments; 6 month Medigap Open enrollment
- Can't have a Part C (Medicare Advantage Plan) at the same time

Medicare Supplement Benefits	A	B	C*	D	F <sup>1*</sup>	G <sup>1</sup>	K <sup>2</sup>	L <sup>3</sup>	M	N <sup>4</sup>
Part A coinsurance and hospital coverage	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Part B coinsurance or copayment	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Part A hospice care coinsurance or copayment	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
First 3 pints of blood	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Skilled nursing facility coinsurance			✓	✓	✓	✓	50%	75%	✓	✓
Part A deductible		✓	✓	✓	✓	✓	50%	75%	50%	✓
Part B deductible			✓		✓					
Part B excess charges					✓	✓				
Foreign travel emergency			80%	80%	80%	80%			80%	80%

# **Option 1: Medicare Supplements (Medigap) & Part D (Rx Drug Plan PDP)**

## **Medicare Supplements Insurance (Medigap)**

When someone goes down the Option 1 route and wants a Medicare Supplement with a PDP plan, they have 6 Months Guaranteed Insurability after their Part B Effective date.

If they want to enroll in a Medicare Supplement after that initial time frame, then they will have to go through underwriting which is similar to underwriting on a Final Expense Life Insurance product. (Exceptions are the guaranteed issue states: CT, MA, ME, NY)

# Option 2: Medicare Part C with or without Rx coverage (MAPD/MA)

## Medicare Part C Medicare Advantage Plans (MAPDs)

- Available from private insurers. bundled "all on one" plans
- HMOs & PPOs
- Networks of providers, hospitals, and facilities
- Referrals may be needed
- Star rating
- Fixed copays or coinsurance for medical services
- Usually No premium
- Annual Enrollment Period (AEP) 10/15 - 12/7
  - Enroll
  - Switch
  - Drop MAPD (Add PDP)
- Starts effective 1/1
- Every fall, your plan will send your
  - Annual Notice of Changes (ANOC)
  - Evidence of Coverage (EOC)
  - Effective 1/1

# Understanding Medicare Part D (Drug Coverage)

## Initial Deductible

You pay 100% of Rx cost until you satisfy the annual Rx deductible for your plan (if applicable).

## Initial Coverage

You typically pay a copay or coinsurance amount until your total drug expenses reaches \$4,430 (YTD).

## Coverage Gap (Donut Hole)

You typically pay no more than 25% of brand name drugs and 25% of generic drugs until you reach \$7,050 (TROOP).

## Catastrophic Coverage

For the remainder of the year you will pay the greater amount of \$3.95 or 5% (for generic drugs) and \$9.85 or 5% (for brand name drugs).

**Note:** On January 1 of each year, the coverage cycle starts over and the dollar limits can change. The amounts above reflect the 2022 plan year.

## MEDICARE PART D FACTS:

- During the Initial Coverage Phase, the YTD total of \$4,430 includes what you pay towards the cost of your drugs as well as what insurance pays towards the cost of your drugs.
- The TROOP amount total of \$7050 includes any out of pocket expenses the member has paid during the initial Coverage Phase plus 95% of the total cost of drugs filled during the Coverage Gap Phase.
- Low income earners may qualify for reduced premiums and cost through the "Extra Help" program offered by Medicare.
- Medicare imposes a "Late Enrollment Penalty" on anyone that does not enroll in some type of creditable drug coverage once you are first eligible for Medicare.
- Within any Medicare plan offering Prescription Drug coverage, the list of covered prescription drugs is called a formulary. The formulary is usually divided into tiers or levels of coverage based on the type of usage of the medication. Each tier will have a defined out-of-pocket cost that you must pay before receiving the drug.
- You will pay different drug costs during the year. It is also important to know that under certain circumstances your plan can change the cost of your drug during the plan year. Your plan is required to alert you if such changes are made. Your plan cannot change your deductible or premium during the plan year.

# Buying Tips & Important Things To Know

## MEDIGAP (Medicare Supplement Coverage):

- Medigap premiums can vary based on your age, gender and tobacco usage and rates usually increase as you get older. Make sure to buy from a reputable carrier that has a good renewal rate history.
- Medigap Plan G is the most popular type of Medigap plan. Plan G pays 100% of out of pocket Medicare expenses after you pay the Medicare Part B annual deductible of \$198.
- Medigap plans are guaranteed-issue when you first enter Medicare; however, if you later wish to change plans or buy from another insurance carrier you could be subject to medical underwriting (unless you qualify for a guaranteed-issue qualifying event).

## PART D (Prescription Coverage):

- Purchased as a stand-alone drug plan (Option 1) or included with Medicare Advantage plans (Option 2).
- Those opting not to enroll in drug coverage may be subject to a late enrollment penalty.
- Low income earners may qualify for reduced drug plan premiums and cost through the "Extra Help" program offered by Medicare. Contact your Social Security office for more details.
- What drugs are covered and how they are covered can vary between plans. Always review how your drugs are covered prior to enrolling in any plan.
- Many drug plans offer savings by utilizing "preferred pharmacies". Preferred pharmacies can vary between plan options.
- You are allowed to change drug plan every year during the AEP.

## MEDICARE ADVANTAGE PLANS:

- MA Plan options vary by county throughout the country.
- Make sure you understand the provider network for the plan (HMO vs. PPO).
- Make sure you understand how your drugs will be covered by the plan.
- Many plans offer extra benefits such as gym memberships, dental coverage, etc.
- Rates are not based on your age, gender or tobacco usage.
- You are allowed to change plans every year during the AEP.