

Medicare Basics Overview

Today's Topics

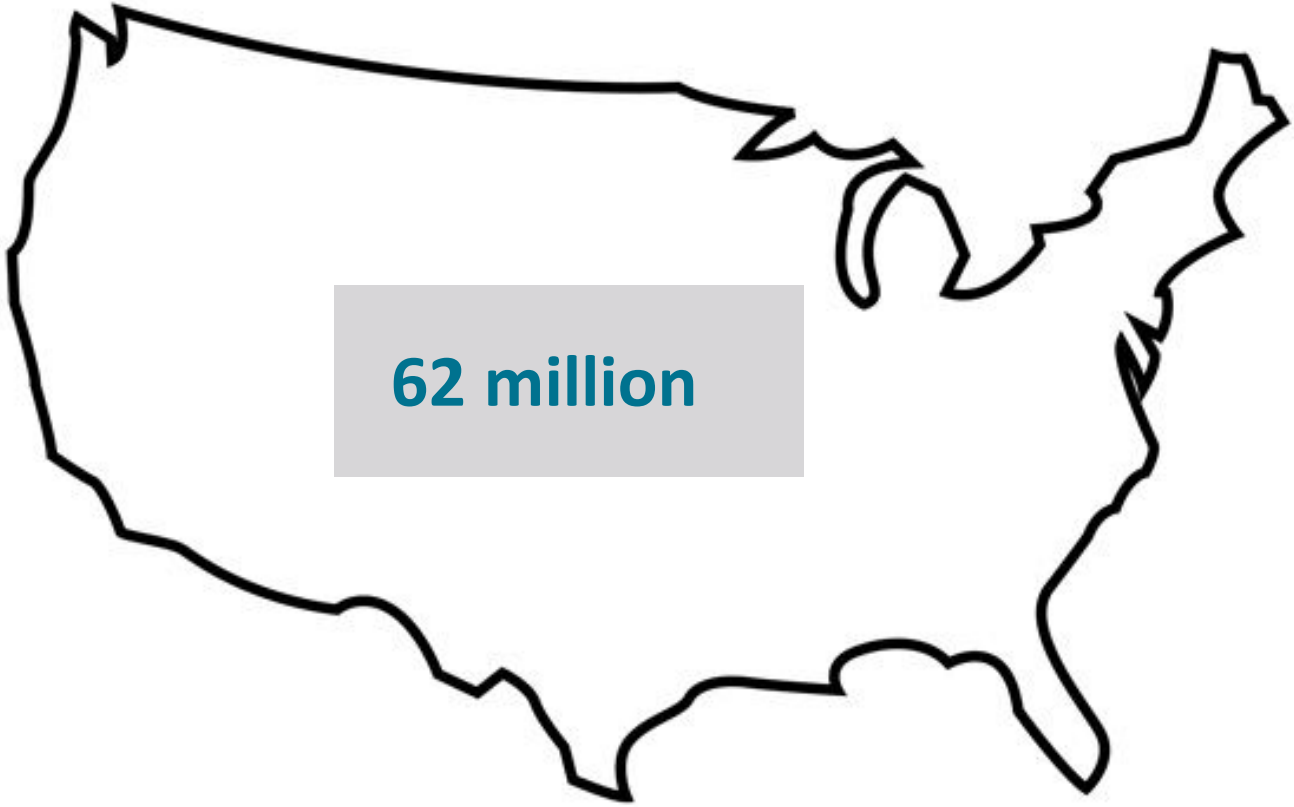
- Original Medicare
- Eligibility requirements
- The four parts of Medicare
- What Original Medicare doesn't cover
- Plan Comparisons
- Enrollment dates & facts





Boomers and Beyond:

About **62 million people** are covered by Original Medicare in the United States today - and baby boomers are turning 65 at the rate of 10,000 a day!



The Four Parts of Medicare Coverage



Note: Part C & D are offered through private insurance companies

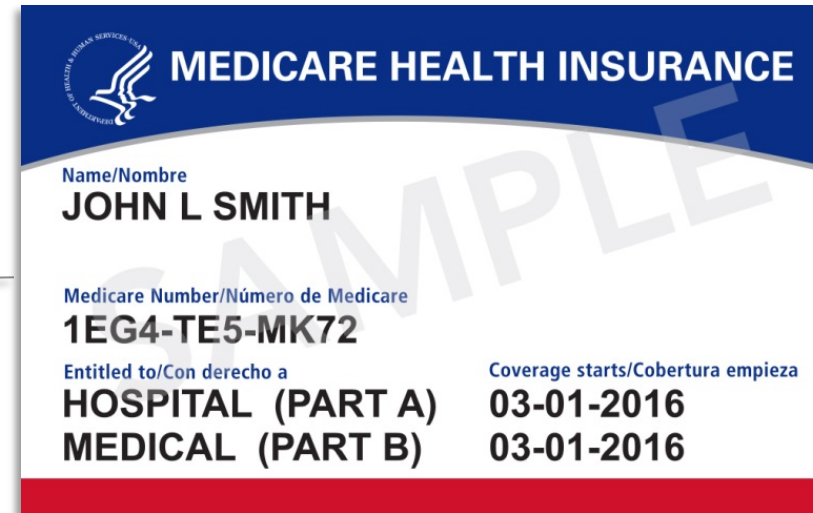


Part A



Part B

Original Medicare



- Medicare is the federal health insurance program for people age 65 and older, regardless of income or medical history, and now covers approximately 62 million Americans.
- Medicare was expanded in 1972 to include people under age 65 with permanent disabilities.



Part C



Part D

Part C: Medicare Advantage Plan

- Assigns Part A and Part B benefits to a private plan that administers benefits on behalf of Medicare
- May include Part D prescription drug coverage

Part D: Prescription Drug Coverage

- Optional plan, but penalties for late enrollment
- Not included in Original Medicare; additional monthly premium when purchased alone
- Each prescription drug plan is different; formularies identify which drugs are covered
- You could qualify for Extra Help with prescription costs
- Regulated by Medicare, but provided by private insurance companies

Original Medicare: what's covered/what's not

Original Medicare Facts:

- Original Medicare only covers about <80%> of all *Medicare approved services*
- Does not include coverage for dental care, contacts/eyeglasses, hearing aids, over-the-counter benefits
- Does not include prescription drug coverage
- Does not offer coverage for most healthcare received outside the U.S.
- Offers coverage for inpatient hospital and skilled nursing services but limits apply
- With Original Medicare, there is **no limit to how much you could pay out of your own pocket** for your healthcare in any given year

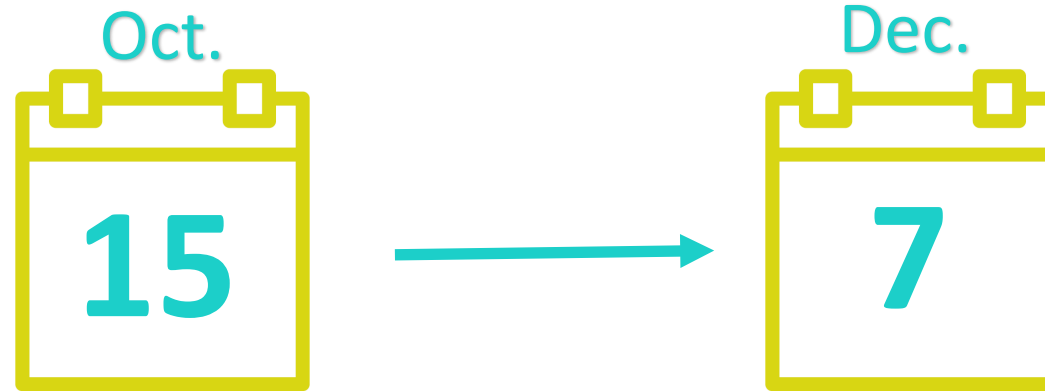


Original Medicare Initial Enrollment Period (IEP)



Annual Election Period (AEP)

This is the best time of year to make changes.



Cost Plan

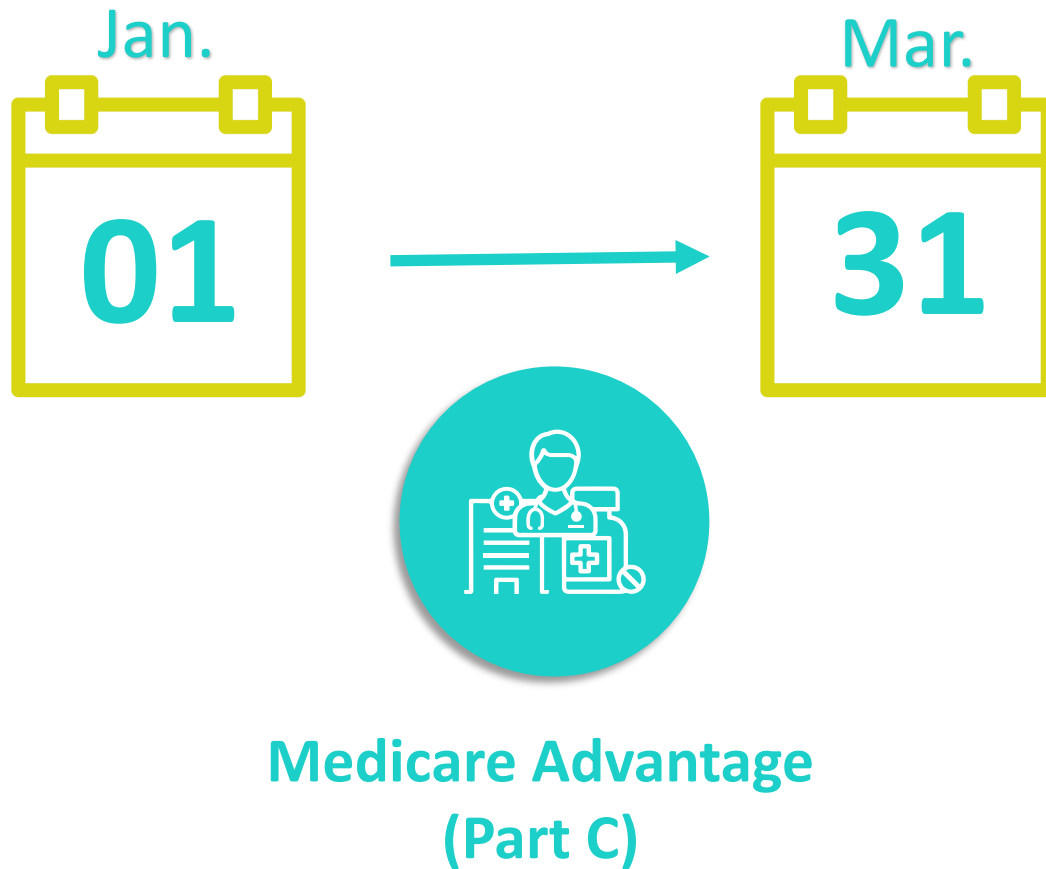


**Medicare Advantage
(Part C)**



Part D

Medicare Advantage Open Enrollment Period (OEP)

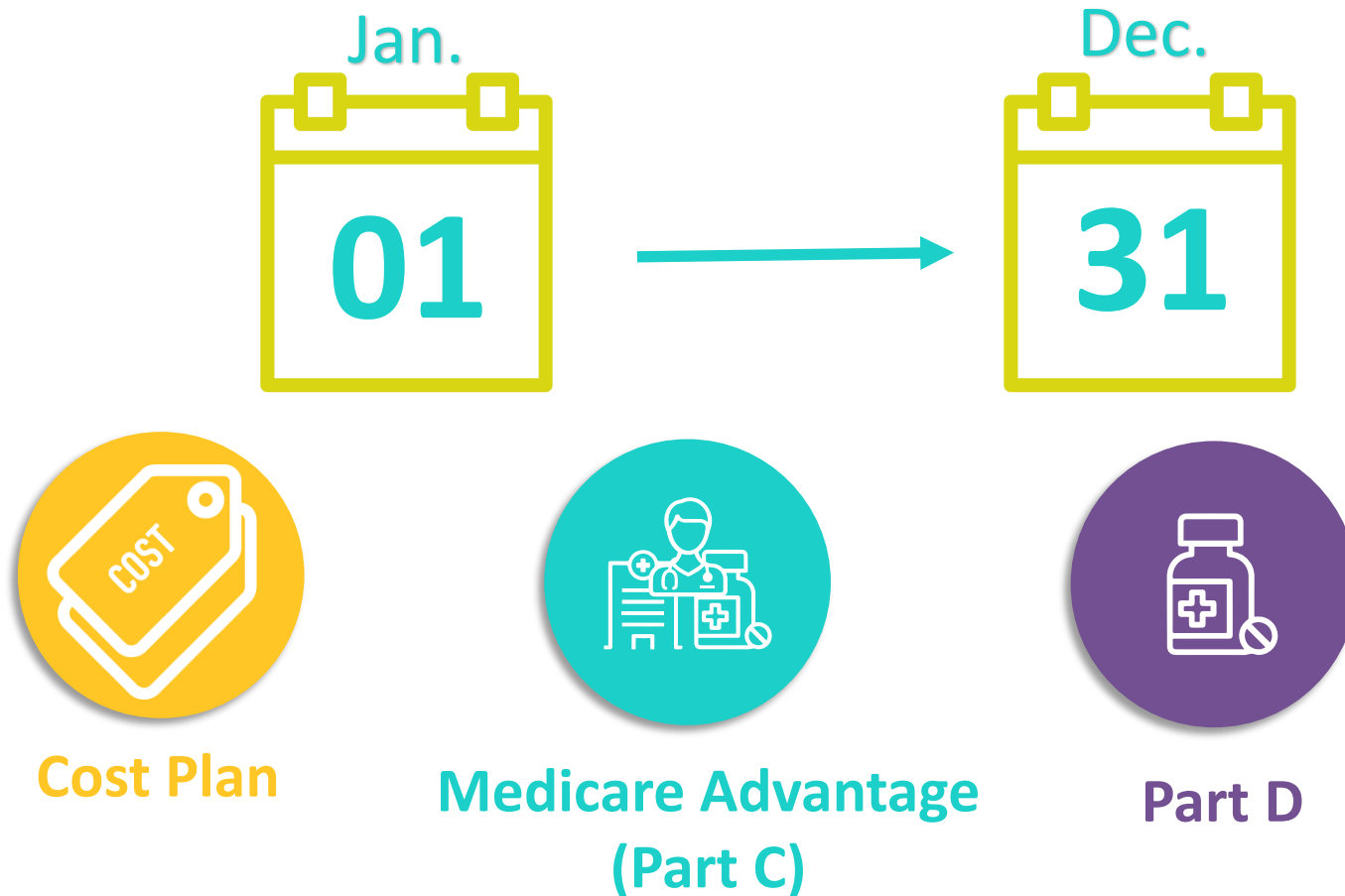


Allows those enrolled in a Medicare Advantage plan to make a one-time election to change to:

- A MA-PD or MA-only plan
- Original Medicare with or without a stand-alone Medicare Part D plan
- Add or drop Medicare Part D coverage
- Enroll in Medicare Cost-only
- Enroll in Medicare Cost with Medicare Part D
- Enroll in Medicare Cost with stand-alone Medicare Part D

Special Election Period

There are many reasons you may qualify for a Special Election Period (SEP). These life events can happen throughout the entire year.



SEP EVENTS*:

- Moving out of service area
- Losing employer coverage
- Working past age 65
- Qualifying for Extra Help with Part D coverage

Part B Late Enrollment Penalty

Late enrollment in Part B coverage may mean penalties down the road.

You'll pay the penalty for as long as you have coverage

- <10%> for each year you were eligible and did not enroll
- Based on that year's Part B Premium
- Amount can change every year

You may have to pay more if you wait to enroll

- Exceptions include:
 - you are actively working with health insurance coverage
 - you have health insurance coverage through your spouse's employer



Part B

Part D Late Enrollment Penalty

Waiting to enroll in Part D coverage may mean penalties down the road.

You'll pay the penalty for as long as you have coverage

- Multiply 1% of the base beneficiary premium times the number of full, uncovered months without Part D or creditable prescription drug coverage
- Base beneficiary premium may change each year, so penalty amount may also change each year













Exceptions include:

- you have creditable drug coverage from another source, such as an employer
- you qualify for the Extra Help program



Part D

Medicare Private Insurance Plan Comparisons

ORIGINAL MEDICARE	MEDICARE SUPPLEMENT (MEDIGAP)	MEDICARE ADVANTAGE (Part C) WITH PART D*	MEDICARE COST PLAN WITH PART D*	STAND-ALONE MEDICARE PART D
 <p>Part A</p> <p>+</p>  <p>Part B</p>	 <p>Part A</p> <p>+</p>  <p>Part B</p> <p>+</p>  <p>Med Supp</p>	 <p>Part A</p> <p>+</p>  <p>Part B</p> <p>+</p>  <p>Part D</p>	 <p>Part A</p> <p>+</p>  <p>COST</p> <p>+</p>  <p>Part D</p>	 <p>Part D</p>

What to know about Medicare Advantage plans:

- Offered by private insurance companies
- Many offer \$0 monthly premium plans, but you pay any deductibles, copayments or coinsurance for services used
- You must reside in the plans county service area to be eligible
- If you join an MA-PD Plan, your Medicare Part A (Hospital Insurance) and Medicare Part B (Medical Insurance) coverage is bundled all-in-one with your MA-PD
- MA-PD plan benefits and pricing varies, but *all offer limits* on how much you could spend on your healthcare.
- Most MA-PD plans offer savings if you use in-network doctors for your care



Medicare Advantage Plans

In a Medicare Advantage plan you:

- Are still in Medicare with all rights and protections
- Still get those services covered by Part A and Part B, but the MA Plan covers those services
- May choose a plan that includes prescription drug coverage
- Can be charged different out-of-pocket costs
- Can't be charged more than Original Medicare for certain services, like chemotherapy, dialysis, and skilled nursing facility (SNF) care
- May choose a plan with extra benefits like vision, dental or fitness and wellness benefits
- Have a yearly limit on your out-of-pocket costs



Part C

What you need to know about Medicare Cost plans:

- Offered by private insurance companies
- Premiums vary by plan and are not age or gender-based
- Works with Medicare Part A & Part B
- There is no medical underwriting
 - Eligibility includes not having End Stage Renal Disease (ESRD)
- Extra benefits may include eye exams, hearing exams and fitness club memberships
- Only available in certain counties
- Lots of choices for care: you can use any Medicare covered doctor or healthcare professional
- Nationwide coverage (if provider is Medicare approved)



Medicare Supplement (Medigap)

What you need to know about Medicare Supplement plans:

- Offered by private insurance companies
- You pay a monthly premium plus any deductible, coinsurance or copayments for services used
- Pays the 20% not covered by Original Medicare for Medicare approved services
- Plans vary by state
- They do not include Part D prescription drug coverage
- Acceptance requires underwriting if you enroll after your Initial Enrollment Period (IEP) should you decide to switch health plan companies or go from a Medicare Advantage plan or Medicare Cost plan to a Medicare Supplement plan.



Part D Prescription Drug Plan (PDP)

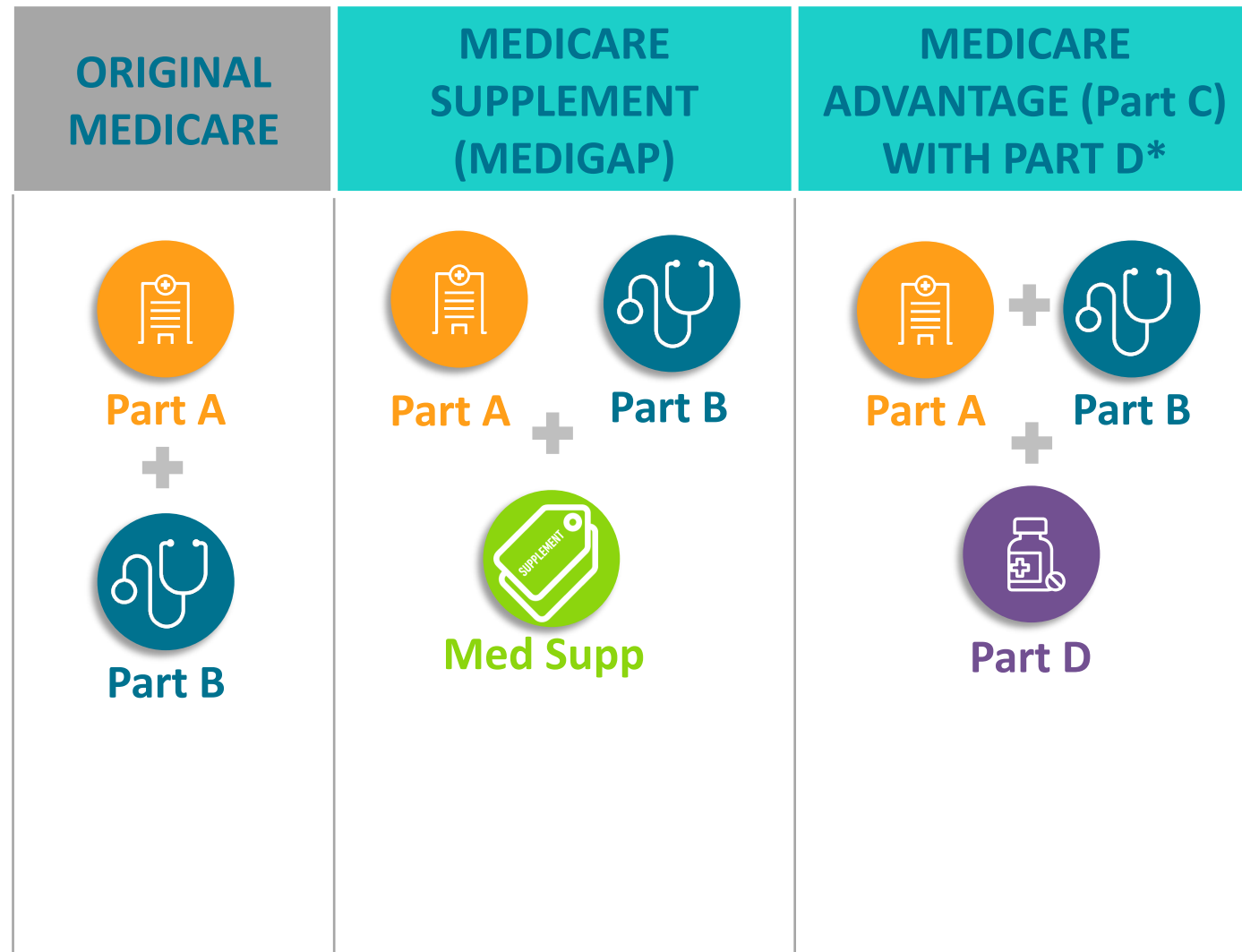
What you need to know about Part D prescription drug plans:

- Offered by private insurance companies
- Monthly premiums vary by plan but you pay any deductibles, copays or coinsurance for your prescriptions
- Drugs included on the plan's drug list (formulary) varies by plan
- Large nationwide pharmacy network, including major chains and independent pharmacies

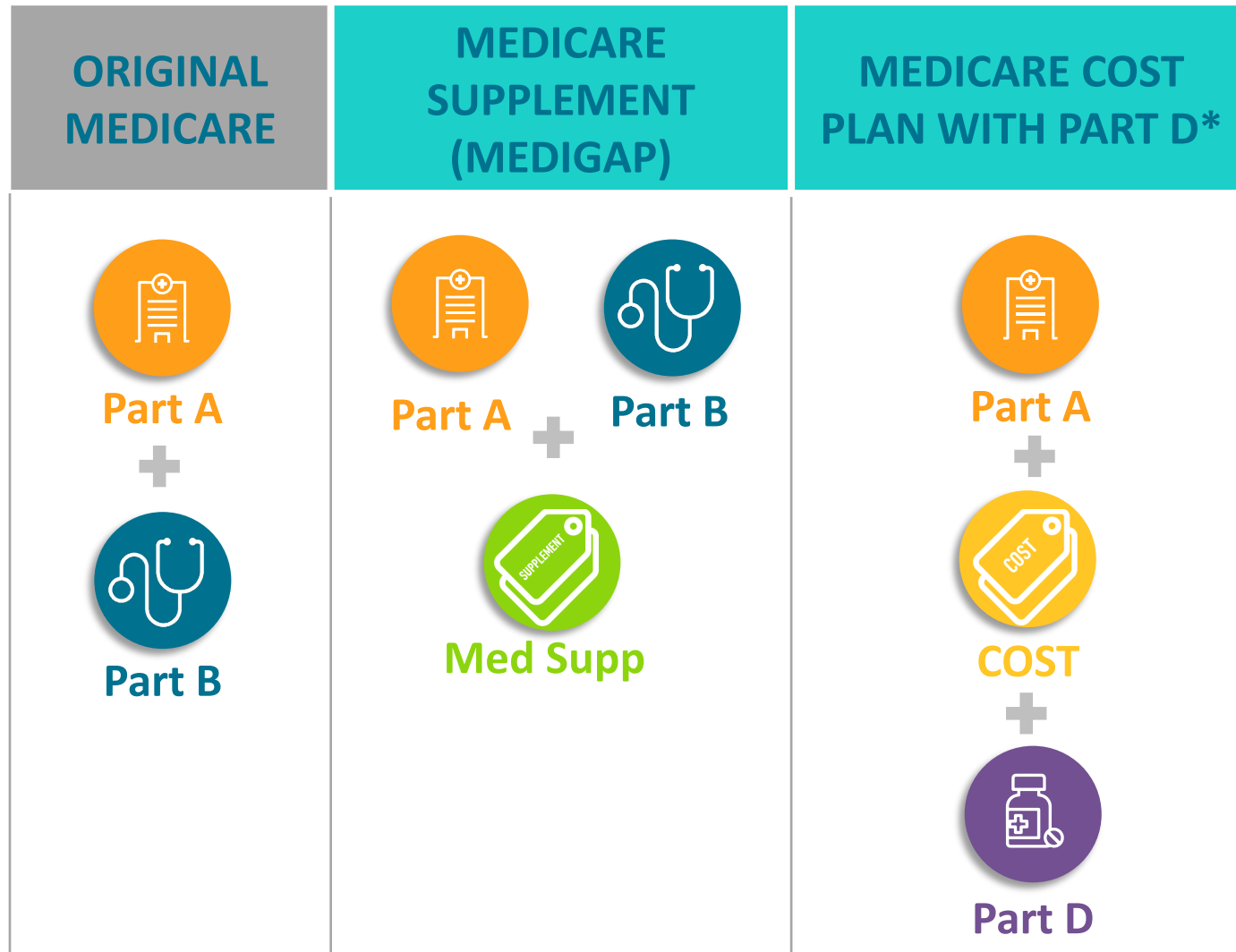


Part D

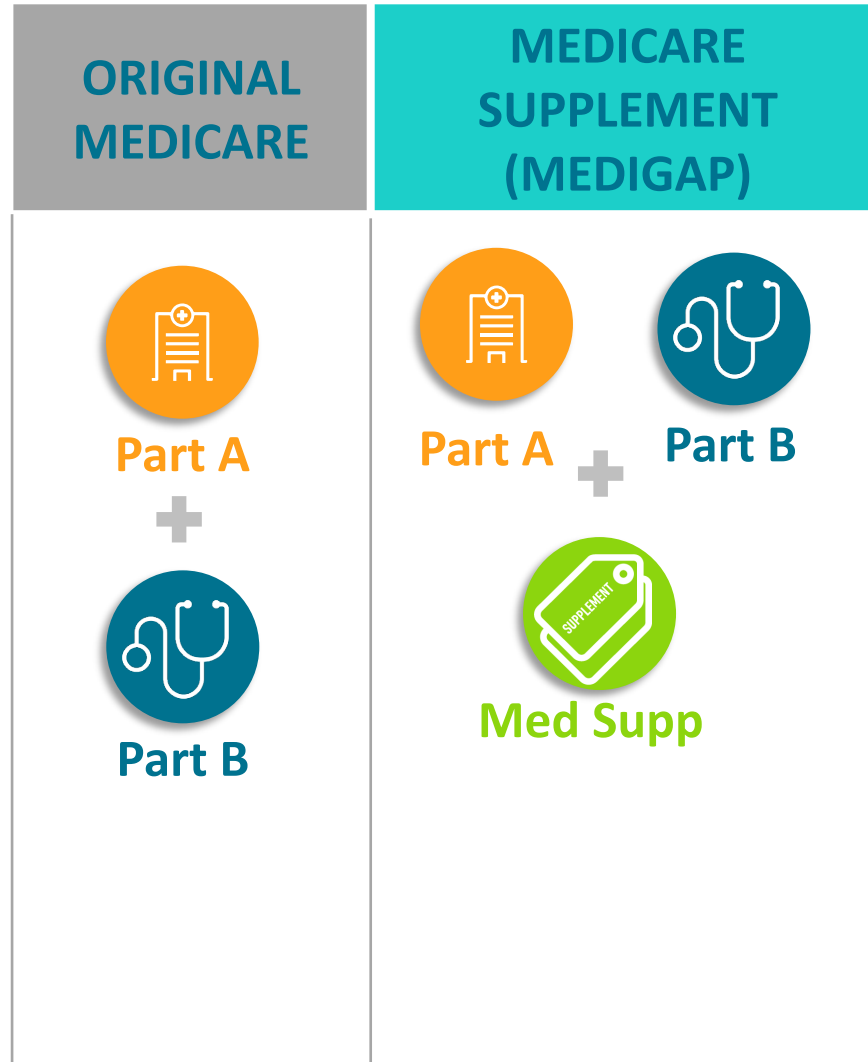
Medicare Plan Options in <State>



Medicare Plan Options in <State>

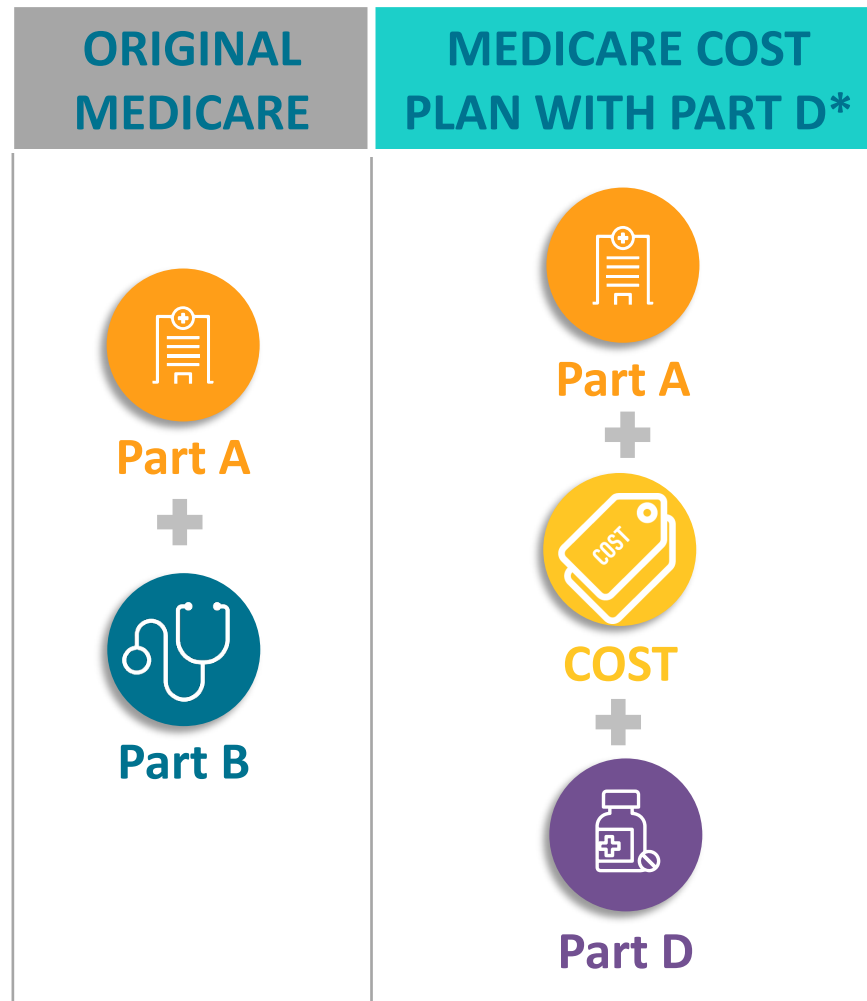


Medicare Plan Options in <State>





Medicare Plan Options in <State>



Side-by-Side Comparison of Various Medicare Plan Types*

	Original Medicare (Part A + B)	Medicare Advantage Plans	Medicare Cost Plans	Medicare Supplement Plans (Medigap)
\$0 Monthly Premium Plans		✓	✓	
\$0 Medical Deductible		✓	✓	✓***
Includes Part D Coverage		✓	Optional	
\$0 Part D Deductible		✓		
Meal Delivery Program**		✓		
Over-the-Counter Benefit Allowance		✓		
Dental Services Reimbursement		✓	✓	
Transportation to Medical Appointments**		✓		
Fitness Club Membership		✓	✓	✓
Eyewear Reimbursement		✓	✓	
Hearing Benefits		✓	✓	
Worldwide Emergency Care		✓	✓	✓

*Not all benefits apply to all members within these plan types.

**Medical criteria/conditions may be required for this benefit.

***Available to non-newly eligible individuals.

Side-by-Side Comparison of Various Medicare Plan Types*

	Original Medicare (Part A + B)	Medicare Advantage Plans	Medicare Supplement Plans (Medigap)
\$0 Monthly Premium Plans		✓	
\$0 Medical Deductible		✓	✓***
Includes Part D Coverage		✓	
\$0 Part D Deductible		✓	
Meal Delivery Program**		✓	
Over-the-Counter Benefit Allowance		✓	
Dental Services Reimbursement		✓	
Transportation to Medical Appointments**		✓	
Fitness Club Membership		✓	✓
Eyewear Reimbursement		✓	
Hearing Benefits		✓	
Worldwide Emergency Care		✓	✓

*Not all benefits apply to all members within these plan types.

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Side-by-Side Comparison of Various Medicare Plan Types*

	Original Medicare (Part A + B)	Medicare Cost Plans	Medicare Supplement Plans (Medigap)
\$0 Monthly Premium Plans		✓	
\$0 Medical Deductible		✓	✓**
Includes Part D Coverage		optional	
\$0 Part D Deductible			
Dental Services Reimbursement		✓	
Fitness Club Membership		✓	✓
Eyewear Reimbursement		✓	
Hearing Benefits		✓	
Worldwide Emergency Care		✓	✓

*Not all benefits apply to all members within these plan types.

**Available to non-newly eligible individuals.

Medicare Cost Plans* Compared to Original Medicare

	Original Medicare (Part A + B)	Medicare Cost Plans
\$0 Monthly Premium Plans		✓
\$0 Medical Deductible		✓
Includes Part D Coverage		optional
\$0 Part D Deductible		
Dental Services Reimbursement		✓
Fitness Club Membership		✓
Eyewear Reimbursement		✓
Hearing Benefits Included		✓
Worldwide Emergency Care		✓

Medicare Supplement Plans Compared to Original Medicare*

	Original Medicare (Part A + B)	Medicare Supplement Plans (Medigap)
No Provider Network	✓	✓
Guaranteed Issue	✓	✓
Guaranteed Renewal	✓	✓
Comprehensive Benefits	✓	✓
Accepted Nationwide	✓	✓
Fitness Club Membership		✓
Worldwide Emergency Care		✓



Avoid Paying a Penalty

- Talk with your benefits administrator at work to see if your health plan's drug benefits are considered "creditable" drug coverage.
 - If so, you can postpone your Medicare Part B enrollment until you lose that coverage
- **Note:** You have up to 8 months after retiring or losing your employer coverage to sign up for Part B, without paying a late enrollment penalty.



65TH
BIRTHDAY



MONTHS
AFTER

Helpful Resources



Centers for Medicare & Medicaid Services

1-800-MEDICARE (TTY: 711)

(1-800-633-4227)

24 hours a day, 7 days a week

medicare.gov



Social Security Administration

1-800-772-1213 (TTY: 1-800-325-0778)

8 am to 7 pm, Monday - Friday

socialsecurity.gov



Questions?