

Medicare 101: The Basics of Medicare

Presented by:

Medicare Basics

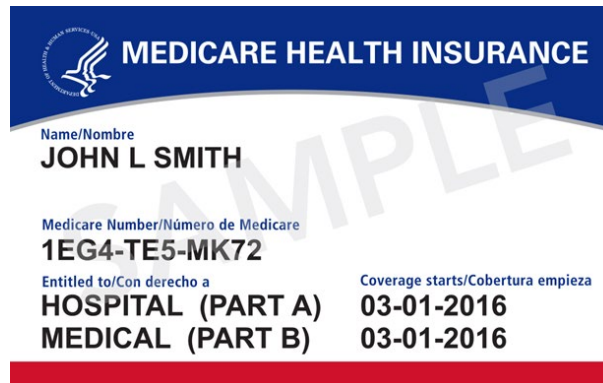
- **How to Qualify**

- People who are age 65 and over
- People under age 65 with certain disabilities
- People with End Stage Renal Disease (ESRD)

Medicare Basics

• How to Enroll

- Enrollment is automatic if receiving Social Security benefits at least 4 months prior to Medicare eligibility
- If not receiving SS benefits:
 - Apply Online Through Social Security Website
 - Visit Local Social Security office
 - Call Social Security



A sample Medicare Health Insurance card for John L. Smith. The card features the Medicare logo and the text "MEDICARE HEALTH INSURANCE". It lists the cardholder's name as JOHN L SMITH, the Medicare Number as 1EG4-TE5-MK72, and the coverage start date as 03-01-2016 for both Hospital (PART A) and Medical (PART B) benefits.

MEDICARE HEALTH INSURANCE	
Name/Nombre JOHN L SMITH	
Medicare Number/Número de Medicare 1EG4-TE5-MK72	
Entitled to/Con derecho a	Coverage starts/Cobertura empieza
HOSPITAL (PART A)	03-01-2016
MEDICAL (PART B)	03-01-2016

Medicare Basics

- **Delaying Enrollment Past Age 65**

- Most individuals enroll in Part A (no cost)
 - Enrollment into Medicare Part A makes you ineligible to contribute to an HSA
- Those with other coverage may delay Part B (coverage must be due to active employment through self or spouse)
 - Part B enrollment would be the 1st of the month following last day of employer coverage
 - No late enrollment penalty for Part B or Part D with creditable coverage
 - COBRA is not considered creditable coverage per Medicare guidelines for Part B

What Is Medicare

- **Part A – coverage**

- Inpatient care in a hospital
- Skilled nursing facility care
- Inpatient care in a skilled nursing facility (not custodial or long-term care)
- Hospice care
- Home health care

What Is Medicare

- **Part A – premium**

- Free if you and/or your spouse have a combined 40 or more working quarters where you have paid Medicare taxes – either through employer payroll deduction or paid in via taxes if self-employed
- Those without 40 working quarters can still get Part A, but they will pay a premium

What Is Medicare

- **Part B – coverage**
 - Outpatient care
 - Preventative services
 - Doctor's visits
 - Diagnostic tests
 - Therapies
 - Durable medical equipment
 - Ambulance services

What Is Medicare

- **Part B – premium**
 - Standard Monthly - \$164.90
 - May be more depending on income
 - IRMAA (Income Related Monthly Adjustment Amount)

Income Related Monthly Adjustment Amount

If your yearly income in 2021 (for what you pay in 2023) was			You pay each month (in 2023)
File individual tax return	File joint tax return	File married & separate tax return	
\$97,000 or less	\$194,000 or less	\$97,000 or less	\$164.90
above \$97,000 up to \$123,000	above \$194,000 up to \$246,000	Not applicable	\$230.80
above \$123,000 up to \$153,000	above \$246,000 up to \$306,000	Not applicable	\$329.70
above \$153,000 up to \$183,000	above \$306,000 up to \$366,000	Not applicable	\$428.60
above \$183,000 and less than \$500,000	above \$366,000 and less than \$750,000	above \$97,000 and less than \$403,000	\$527.50
\$500,000 or above	\$750,000 or above	\$403,000 or above	\$560.50

What Is Medicare

- **Part B – enrollment periods**

- Initial Enrollment Period (IEP)
 - 3 months before, the month of, and 3 months following 65th birthday
- Special Enrollment Period (SEP)
 - Loss of creditable coverage
- General Enrollment Period (GEP)
 - January 1 – March 31; effective first of the following month

What Is Medicare

- **Part B late enrollment penalty**

- 10% of the standard premium for each 12-month period you were eligible for Part B but did not sign up
 - Penalty is waived if covered through active employment with 20 or more employees
 - If you receive a late enrollment penalty, you will have to pay it as long as you have Part B

What Is Medicare

- **Part A – cost sharing**

- Hospitalization

- \$1,600 deductible for first 60 days of inpatient hospital stay; additional costs after 60 days

- Skilled Nursing Care

- First 20 days covered if Medicare requirements met
- Up to \$200.00 per day for days 21-100 in skilled nursing facility

What Is Medicare

- **Part B – cost sharing**
 - Annual Deductible - \$226
 - 20% coinsurance once annual deductible is met
 - No out-of-pocket maximum

Prescription Drug Plans

- **Part D - coverage**
 - Standard benefit design
 - Deductible
 - Initial coverage
 - Coverage gap
 - Catastrophic coverage

Income Related Monthly Adjustment Amount

If your filing status and yearly income in 2021 was

File individual tax return	File joint tax return	File married & separate tax return	You pay each month (in 2023)
\$97,000 or less	\$194,000 or less	\$97,000 or less	your plan premium
above \$97,000 up to \$123,000	above \$194,000 up to \$246,000	not applicable	\$12.20 + your plan premium
above \$123,000 up to \$153,000	above \$246,000 up to \$306,000	not applicable	\$31.50 + your plan premium
above \$153,000 up to \$183,000	above \$306,000 up to \$366,000	not applicable	\$50.70 + your plan premium
above \$183,000 and less than \$500,000	above \$366,000 and less than \$750,000	above \$97,000 and less than \$403,000	\$70.00 + your plan premium
\$500,000 or above	\$750,000 or above	\$403,000 or above	\$76.40 + your plan premium

Prescription Drug Plans

• Enrollment Periods

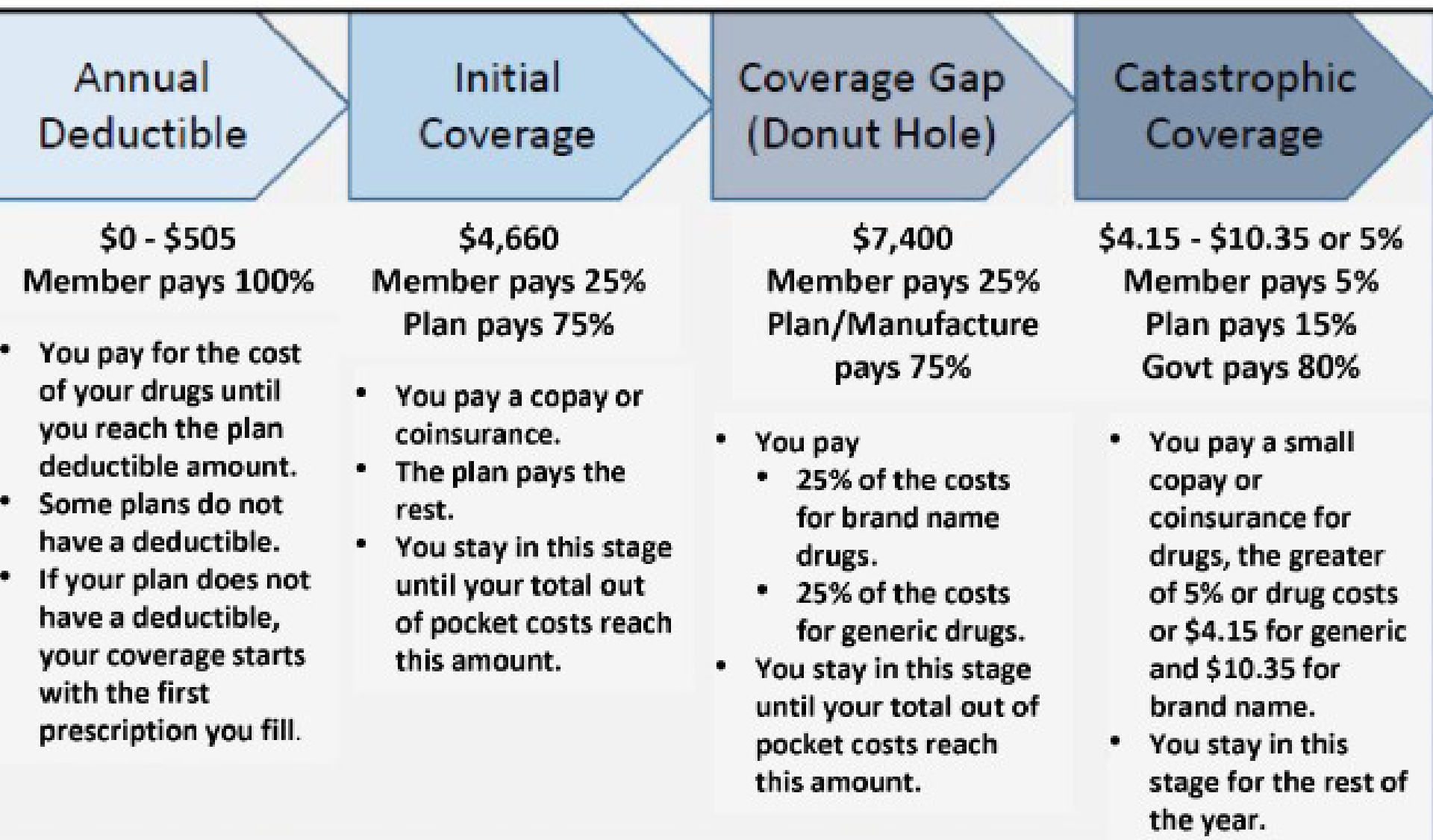
- Initial Enrollment Period (IEP)
 - 3 months before, the month of, and 3 months after your 65th birthday
- Special Enrollment Period (SEP)
 - Loss of creditable coverage
 - Permanent move
 - Many more
- Annual Enrollment Period (AEP)
 - October 15 – December 7, effective January 1

Prescription Drug Plans

• Late Enrollment Penalty

- Added to monthly premium if beneficiary is without creditable coverage
 - Creditable coverage – coverage is expected to pay on average as much as the standard Medicare prescription drug coverage.
- 1% of “national base beneficiary premium” (\$32.74 in 2023) multiplied by number of months eligible and without creditable coverage
- Example: A client without creditable coverage for 10 months would have a penalty of $(\$32.74 \times 10) = \327.40 or \$32.74/mo for as long as enrolled in prescription drug plan

The 4 Payment Stages for Medicare Prescription Drugs Plans for 2023



Filling In The Gaps



Medicare Supplement



Cost Plan



Medicare Advantage



Filling In The Gaps

Medicare Supplement

A



B



Medicare
Supplement



D

- **Eligibility**

- Must have Part A & B
- Must reside in state/county plan is offered
- Purchase drug coverage separately

- **Underwriting**

- No health questions during IEP or SEP
- Must answer health questions outside of these enrollment periods
- Carriers can offer an Open Enrollment Period (OEP)

Filling In The Gaps

Medicare Supplement

A



B



Medicare
Supplement



D

- **Premiums can be determined by:**

- Age
- Gender
- Tobacco use
- Health
- Household discount

Filling In The Gaps

Medicare Supplement

A



B



Medicare Supplement



D

- **Plan benefits/types**

- Standardized Plans A-N
- Plan F no longer available to newly eligible Medicare beneficiaries beginning 1/1/2020

Comparison of Medicare Supplement Plans

PLAN LETTER	A	B	C	D	F	G	K	L	M	N
Basic Benefits	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
Part A Deductible	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	50%	75%	<input checked="" type="radio"/>	<input checked="" type="radio"/>
Skilled Nursing Coinsurance	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	50%	75%	<input checked="" type="radio"/>	<input checked="" type="radio"/>
Part B Deductible	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Part B Excess	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Foreign Travel Emergency	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>

Filling In The Gaps

Medicare Advantage

C



D

- **Eligibility**
 - Must have Part A & B
 - Must reside in service area
- **Underwriting**
 - No health questions
- **Premiums**
 - One premium for everyone, regardless of age, gender, or tobacco status
 - Continue paying Medicare premiums

Filling In The Gaps

Medicare Advantage

C



D

- **Plan benefits/types**

- Networks
- Copays
- Coinsurance
- Out-of-pocket maximum
- Additional Benefits

- Do not retain original Medicare
- Enrollment and disenrollment periods

Filling In The Gaps

Cost Plan

A



Cost
Plan



D

- **Eligibility**
 - Must have Part A & B
 - Must reside in service area
- **Underwriting**
 - One health question: Do you have End Stage Renal Disease (ESRD)?
- **Premiums**
 - One premium for everyone, regardless of age, gender, or tobacco status

Filling In The Gaps

Cost Plan

A



Cost
Plan



D

• Plan benefits/types

- Networks
- Copays
- Coinsurance
- Out-of-pocket maximum
- Travel
- Additional Benefits

- Retain original Medicare
- No enrollment/disenrollment period
- Can switch between plan options

Covid-19 information

- **Medicare & COVID-19 coverage**
 - COVID-19 lab tests and vaccines covered at 100%
 - Original Medicare, Medicare Advantage, and Medicare Cost plans
 - Other COVID-19 related benefits are available if Medicare guidelines are met
 - Those who are in a Medicare Advantage Plan should check with their plan to see if their plan offers coverage and payment for at-home tests

Questions?

<Agency Phone>/ <Agency Contact>

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