

Medicare 101: The Basics of Medicare

*Presented by:
Agent Name*

We do not offer every plan available in your area. Any information we provide is limited to those plans we do offer in your area. Please contact Medicare.gov, 1-800-MEDICARE, or your local State Health Insurance Program to get information on all of your options.

YOUR
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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

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 - \$174.70
 - May be more depending on income
 - IRMAA (Income Related Monthly Adjustment Amount)

Income Related Monthly Adjustment Amount

If your yearly income in 2022 was:			
File individual tax return	File joint tax return	File married & separate tax return	You pay (in 2024):
\$103,000 or less	\$206,000 or less	\$103,000 or less	\$174.70
above \$103,000 up to \$129,000	above \$206,000 up to \$258,000	not applicable	\$244.60
above \$129,000 up to \$161,000	above \$258,000 up to \$322,000	not applicable	\$349.40
above \$161,000 up to \$193,000	above \$322,000 up to \$386,000	not applicable	\$454.20
above \$193,000 and less than \$500,000	above \$386,000 and less than \$750,000	above \$103,000 and less than \$397,000	\$559.00
\$500,000 or above	\$750,000 or above	\$397,000 or above	\$594.00

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 next 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 employer group plan
 - 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

- \$1,632 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 \$204 per day for days 21-100 in skilled nursing facility

What Is Medicare

- **Part B – cost sharing**
 - Annual Deductible - \$240
 - 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 yearly income in 2022 was:

File individual tax return	File joint tax return	File married & separate tax return	You pay (in 2024):
\$103,000 or less	\$206,000 or less	\$103,000 or less	Your plan premium
above \$103,000 up to \$129,000	above \$206,000 up to \$258,000	not applicable	\$12.90 + your plan premium
above \$129,000 up to \$161,000	above \$258,000 up to \$322,000	not applicable	\$33.30 + your plan premium
above \$161,000 up to \$193,000	above \$322,000 up to \$386,000	not applicable	\$53.80 + your plan premium
above \$193,000 and less than \$500,000	above \$386,000 and less than \$750,000	above \$103,000 and less than \$397,000	\$74.20 + your plan premium
\$500,000 or above	\$750,000 or above	\$397,000 or above	\$81.00 + 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

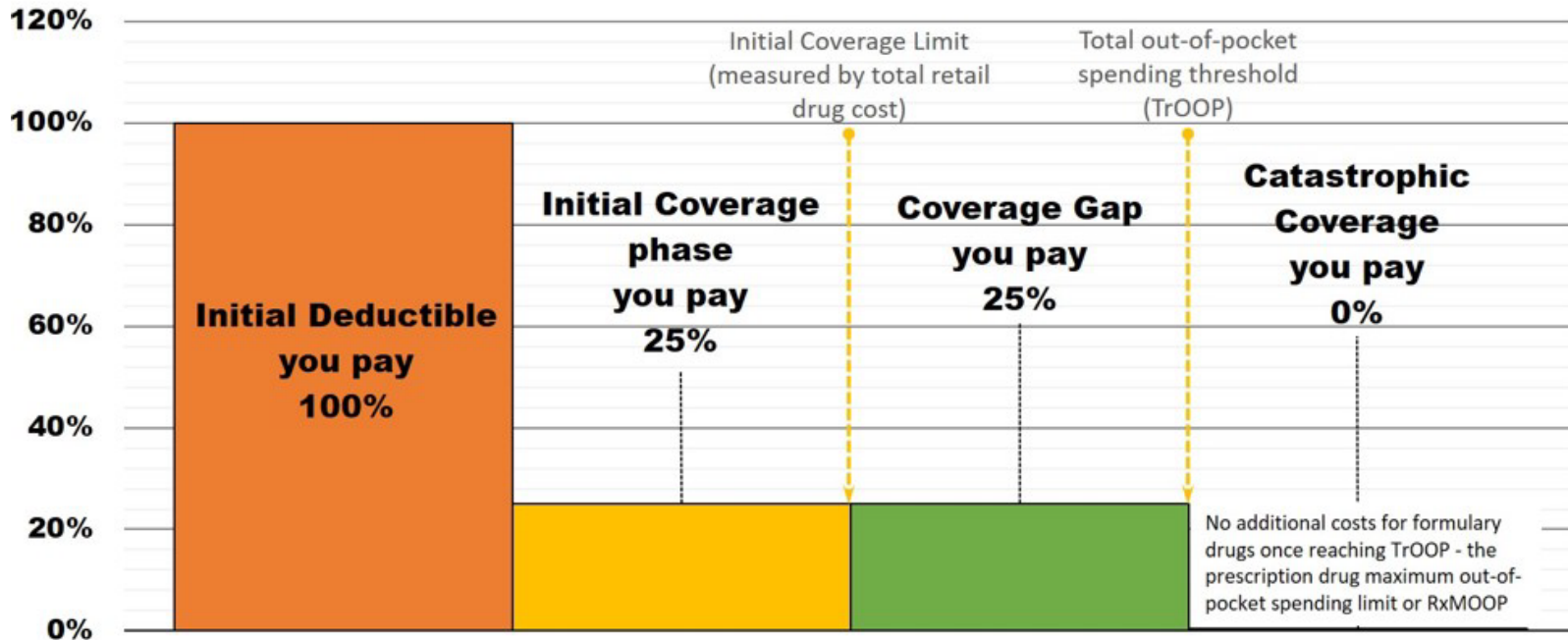
Prescription Drug Plans

• 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” (\$34.70 in 2024) multiplied by number of months eligible and without creditable coverage
- Example: A client without creditable coverage for 10 months would have a penalty of $(\$34.70 \times 10)$ \$3.47/mo for as long as enrolled in prescription drug plan

Prescription Drug Plans

CMS Standard Defined 2024 Medicare Part D coverage when Catastrophic Coverage cost-sharing is “eliminated” for plan members



Standard Medicare Part D coverage with Donut Hole Discount

- Initial Deductible
- Initial Coverage Phase
- Coverage Gap (Donut Hole)
- Catastrophic Coverage

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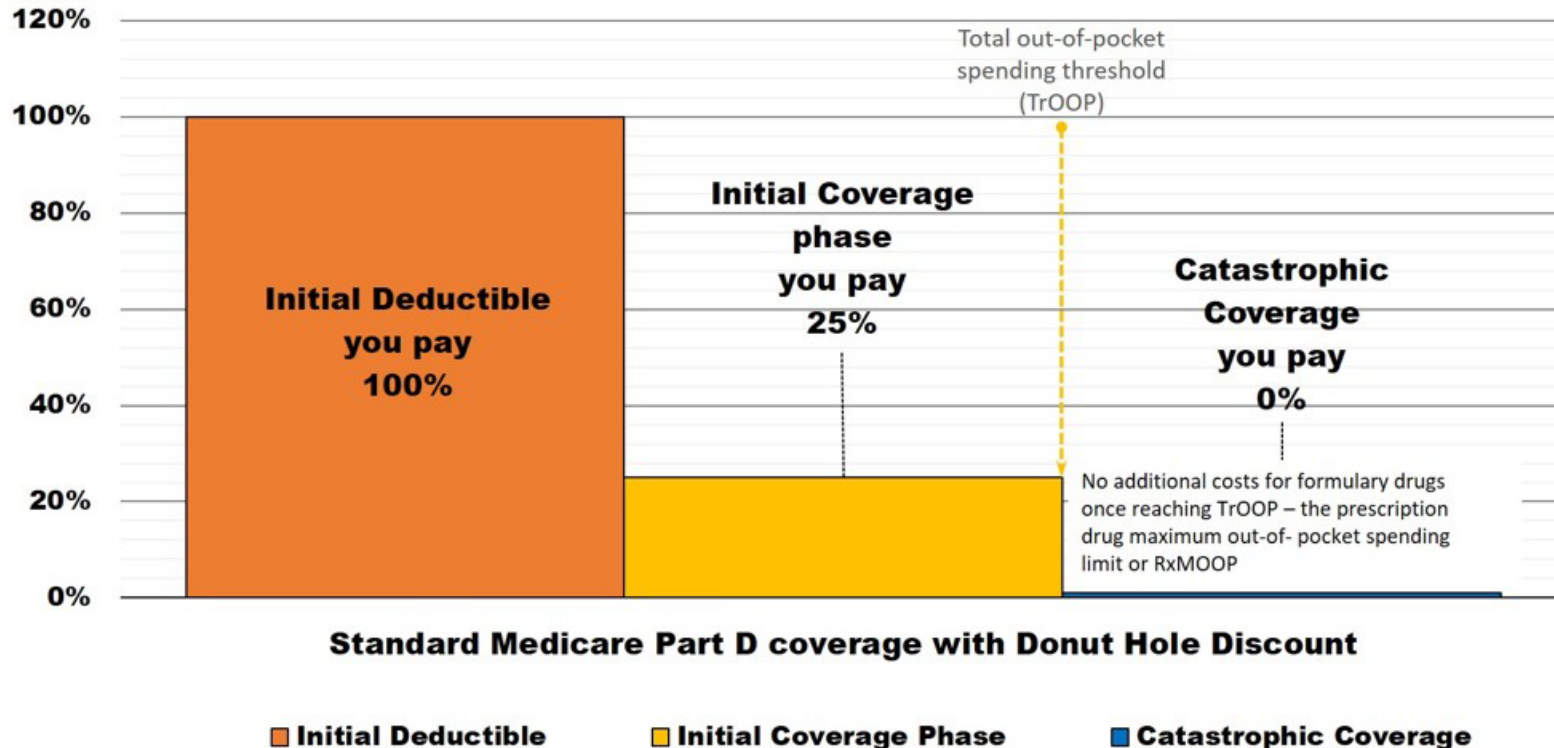
Prescription Drug Plan Changes In 2025

• Part D Changes

- Deductible will increase from \$545 in 2024 to \$590 in 2025
- Coverage Gap (*Donut Hole*) eliminated
- Annual out-of-pocket spending limit of \$2,000
 - *Possible \$8,000 annual out-of-pocket limit in 2024*
- Prescription Payment Plan
 - Option to pay out-of-pocket drug costs in monthly installments

Prescription Drug Plan Changes In 2025

CMS Standard Defined Medicare Part D coverage 2025 and beyond when the Coverage Gap or Donut Hole is eliminated from Part D plans



Standard Medicare Part D coverage with Donut Hole Discount

Initial Deductible

Initial Coverage Phase

Catastrophic Coverage

Prescription Drug Plan Changes In 2025

• Prescription Payment Plan Example

Month	Out-Of-Pocket Costs Incurred	Maximum Monthly Cap	Monthly Enrollee Payment
January	\$4.00	\$166.67	\$4.00
February	\$1,996.00	\$181.45	\$181.45
March	\$0	\$181.46	\$181.46
April	\$0	\$181.45	\$181.45
May	\$0	\$181.46	\$181.46
June	\$0	\$181.45	\$181.45
July	\$0	\$181.46	\$181.46
August	\$0	\$181.45	\$181.45
September	\$0	\$181.46	\$181.46
October	\$0	\$181.45	\$181.45
November	\$0	\$181.46	\$181.46
December	\$0	\$181.45	\$181.45
TOTAL	\$2,000.00		\$2,000.00

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 type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Part A Deductible		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	50%	75%	<input type="radio"/>	<input type="radio"/>
Skilled Nursing Coinsurance			<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	50%	75%	<input type="radio"/>	<input type="radio"/>
Part B Deductible			<input type="radio"/>		<input type="radio"/>					
Part B Excess					<input type="radio"/>	<input type="radio"/>				
Foreign Travel Emergency			<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>			<input type="radio"/>	<input 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

Questions? Contact *Agent Name*

605-321-1234

agentemailaddress.com

www.agencywebsite.com