

The ABC and D's of Medicare Insurance

Presented by <<agent name>>



Disclaimer:

This material is strictly for illustrative, educational, or informational purposes only. This information is not intended to be used as the sole basis for financial decisions, nor should it be constructed as advice designed to meet the particular needs of an individual's situation. None of the information contained herein shall constitute an offer to sell or solicit any insurance product. All information has been obtained from sources believed to be reliable, but its accuracy is not guaranteed.

Meet Your Guide – <<agent name>>

- <<insert headshot of agent>>
- Notes about presenter

About The Company

- Notes about company



Medicare 101

Making Medicare Easy

What we will cover:

- What Medicare **Covers** & What it **Costs**
- How & When to **enroll** in Medicare
- What the **“holes”** are in Medicare and how to fill them
- What are Medicare **Supplements** and how do they work?
- What are Medicare **Advantage Plans** and how do they work?
- How Medicare **Supplements** and **Advantage Plans** differ
- How Medicare **Drug Plans** work and why you must have one

Medicare 101

Medicare is a federal health insurance program for people 65 and older. It also provides coverage to people under 65 that have certain disabilities, and for people with End Stage Renal Disease (ESRD).

The foundation of your Medicare coverage is made up of two parts, known as Part A (hospital) and Part B (medical).

These two parts (A & B) combined are commonly called Original Medicare

What Is Covered

Medicare Part A	Medicare Part B
<ul style="list-style-type: none"><li data-bbox="198 554 784 606">■ Inpatient Hospital<li data-bbox="198 701 894 811">■ Skilled Nursing Facility Care<li data-bbox="198 911 529 963">■ Hospice<li data-bbox="198 1058 894 1110">■ Home Health Services	<ul style="list-style-type: none"><li data-bbox="1070 554 1498 592">■ Doctor Services<li data-bbox="1070 658 1510 711">■ Outpatient Care<li data-bbox="1070 772 1523 825">■ Lab Tests, X-Rays<li data-bbox="1070 882 1403 921">■ Ambulance<li data-bbox="1070 986 1798 1039">■ Durable Medicare Equipment<li data-bbox="1070 1100 1946 1153">■ Some Outpatient Prescription Drugs<li data-bbox="1070 1200 1880 1253">■ Preventative Services (and More)

Medicare Preventative Services

- Flu Shots
- Yearly Wellness Exams
- Mammogram
- Diabetes Screening
- Glaucoma Screening
- Prostate Screening
- Welcome to Medicare Exam
- And Many More

2022 Medicare Costs at a Glance

Part A Premium
(monthly)

Premium-free with qualifying work history; **\$499** each month without

Part A Deductible
& Coinsurance

You pay:

\$1,556 deductible for each benefit period **Days 1-60:**

\$0 coinsurance for each benefit period **Days 61-90:**

\$389 coinsurance per day of each benefit **period Days 91 and beyond:**

\$778 coinsurance per each "lifetime reserve day," after day 90 for each benefit period (up to 60 days over your lifetime)

Beyond lifetime reserve days: All costs

Part B Premium
(monthly)

The standard Part B premium amount is **\$170.10** (high earners pay more)

Part B Deductible
& Coinsurance

\$233 per year and then 20% of the Medicare-approved amount

Source: <https://boomerbenefits.com/new-to-medicare/medicare-cost/>



2022 Part A Premium

Your Monthly Part A Premium Costs*

TIME WORKED**	PREMIUM COST
For 10 or more years	\$0
Between 7.5 and 10 years	\$274 /month
For fewer than 7.5 years	\$499 /month

Medicare Part A is considered hospital insurance. It helps to cover some of your costs at various medical and healthcare facilities, when admitted as an inpatient.

Source: <https://www.medicarefaq.com/original-medicare/medicare-parts/medicare-part-a/>



2022 Part B Premium

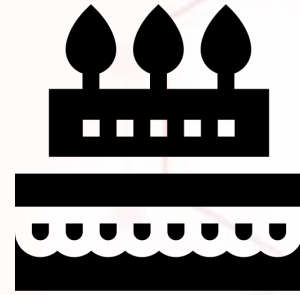
MEDICARE 2022 PART B PREMIUMS BY INCOME			
If your filing status and yearly income in 2020 was:			
File Individual Tax Return	File Joint Tax Return	File Married & Separate Tax Return	Each Month You Pay
\$91,000 or less	\$182,000 or less	\$91,000 or less	\$170.10
Above \$91,000 Up to \$114,000	Above \$182,000 Up to \$228,000	N/A	\$238.10
Above \$114,000 Up to \$142,000	Above \$228,000 Up to \$284,000	N/A	\$340.20
Above \$142,000 Up to \$170,000	Above \$284,000 Up to \$340,000	N/A	\$442.30
Above \$170,000 and less than \$500,000	Above \$340,000 and less than \$750,000	Above \$91,000 and less than \$409,000	\$544.30
\$500,000 or above	\$750,000 and above	\$409,000 and above	\$578.30

Source: <https://boomerbenefits.com/new-to-medicare/medicare-cost/>



When To Apply For Medicare

Your Initial Enrollment Period



3 Months Prior

65

3 Months After

**7 Month Window to Enroll in
Medicare Without Penalty**

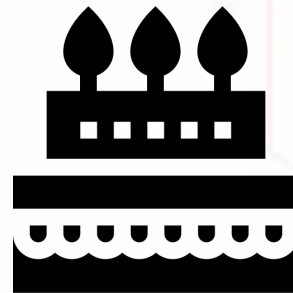
When To Apply For Medicare

Will you be automatically enrolled?

If you are receiving your Social Security Benefits prior to age 65 you will be automatically enrolled in Medicare!

YES:

Look for your Medicare card in the mail approximately 3 months prior to your birthday!



65



3 Months After

Enrolling Yourself in Medicare



- If you are not receiving Social Security Income prior to age 65 you will need to actively enroll in Medicare.
- Enrolling in Medicare is done through the Social Security Administration (Four Ways).
- If you will not have group coverage when you are 65, you will need to enroll in Medicare during the 7-month window we discussed earlier.

Start your enrollment process as early as possible so you have time to fix any issues that come up.

Need Assistance Enrolling? We can help!

1. Online: [SSA.GOV](https://www.ssa.gov)
2. By Phone: 800-772-1213
3. In Person: Local SSA Office
4. By Mail: Mail to SSA



Medicare Group and Coverage

- If you are turning 65 soon, or if you are already 65 and have group coverage (you or spouse) through an employer, you have the option of either joining Medicare or keeping your current plan. Depending on cost and coverage, you will want to compare both options.
- If your employer has 1-19 employees, Medicare is the primary. You will need to discuss with your benefits coordinator (HR) if they require you to join Medicare. If you are not required to enroll in Part B you can delay without penalty as long as your coverage is creditable.

Medicare Group and Coverage

- If your employer has 20+ employees, Your group coverage is primary and they are required to treat age 65+ employees the same as their under 65 employees. You can delay Medicare Part B without penalty as long as this coverage is creditable.
- **COBRA**: This is non-creditable coverage by Medicare Standards. Enroll in Medicare when you are eligible. It may be creditable Part D coverage, so you possibly do not need to enroll in Medicare Part D until you lose COBRA RX coverage.

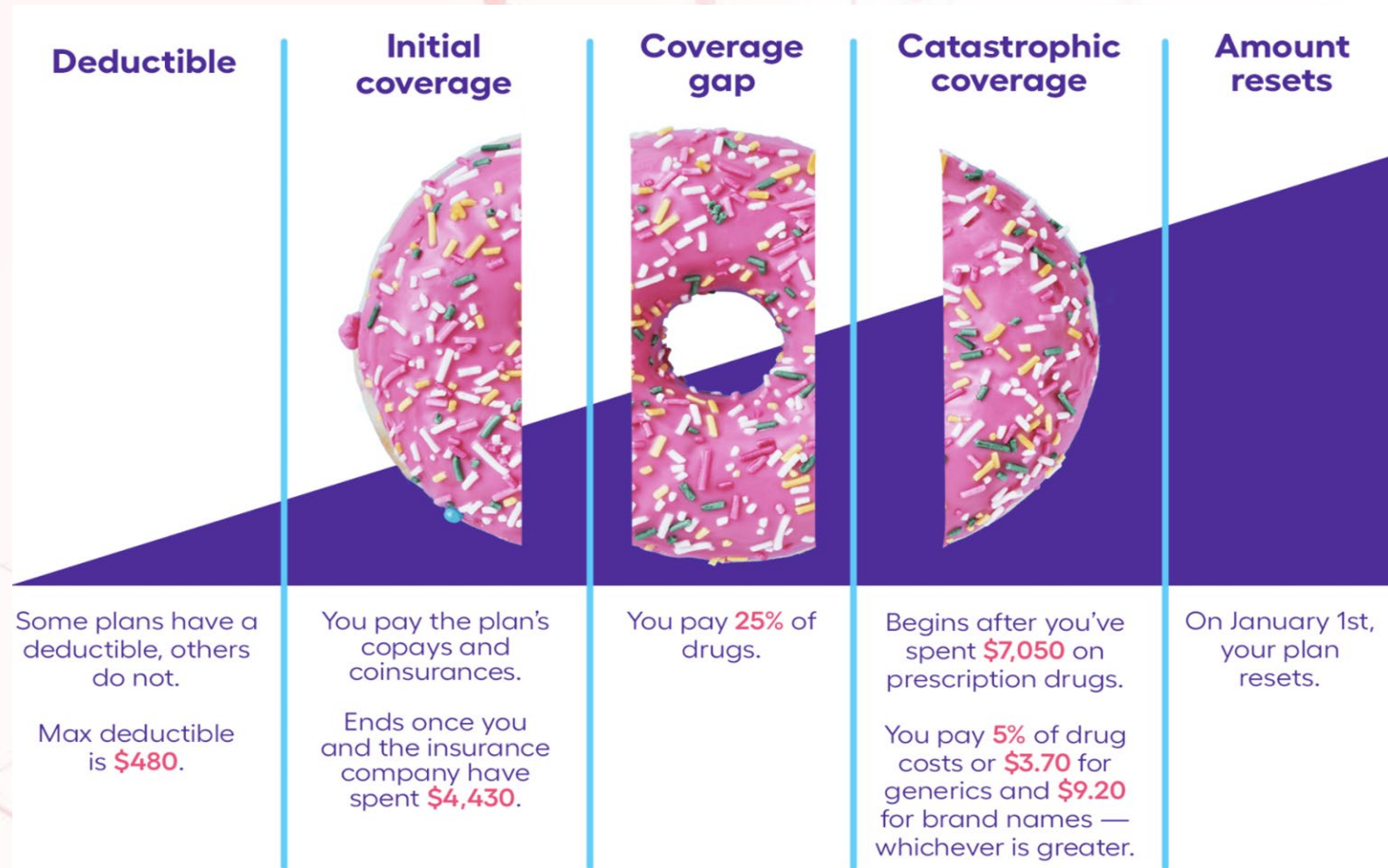
The Holes in Original Medicare

	Part A Hospital		Part B Doctors		Excess Charges
Days 1-60 Inpatient Hospital stay	\$1,364	+	20%	+	15%
Days 61-90 Inpatient Hospital Stay (\$341/day)	\$11,594	+	20%	+	15%
Days 91-150 Inpatient Hospital Stay (\$682/day) 60 Lifetime Reserve Days	\$52,514	+	20%	+	15%
Medicare Coverage Ends until your are out of the hospital for 60 consecutive days	All Costs	+	All Costs	+	All Costs

Source: <https://eligibility.com/medicare/part-d/part-d-donut-hole>



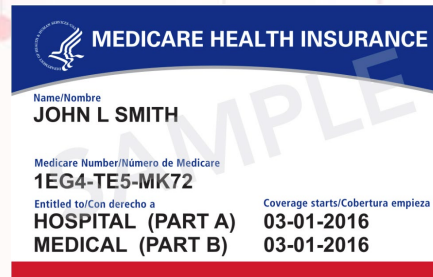
The Holes in Original Medicare



Source: <https://www.singlecare.com/blog/medicare-donut-hole/>

How Do You **Fill** These Holes?

Step One: Enroll in Original Medicare



Step Two: Purchase a Medicare Supplement or a Medicare Advantage Plan

Medicare Supplement (Medigap)



Medicare Drug Plan Part D



Medicare Advantage
(Part C)

Combines your Part
A/Part B and most plans
include Part D
(Medigap)

When to Apply for Medicare

**Medicare
Supplement
(Medigap)**

OR

**Medicare
Advantage
(Part C)**

Let us look at it one at a time!

Medicare Supplement Plans (Medigap)

Medicare Supplement Plans, known as Medigap Plans, are designed to cover the “holes,” or “gaps,” in Original Medicare; they are sold by private insurance companies. Depending on what plan you buy, you can cover some or all of the “holes,” in Original Medicare.

- Medicare Supplements pay after Original Medicare. You must have Parts A & B to purchase a Medicare Supplement Plan.
- Medicare Supplements only cover the individual on Medicare. There are no family plans with Medicare.

Which Medicare Supplement Should You Buy?

- The different standardized Medicare Supplement Plans cover some or all of the “Holes” in Original Medicare.
- Each plan is designated by a plan letter, A-N
- These plans are meant to fit like puzzle pieces to cover the deductibles, coinsurance and excess charges Medicare leaves you to pay

Think of it like this: The more “holes,” you cover, the higher monthly premium you pay. The F Plan, you will notice, covers all 9 Original Medicare “Gaps.” Meaning, if you buy this plan, you will have no out of pocket when you need medically necessary care. BUT, this plan obviously costs the most... Right?

Which Medicare Supplement Should You Buy?

Plan	A	B	C	D	F	G	K	L	M	N
Medicare Part A Coinsurance & Hospital Costs (covered for an additional 365 days after Medicare benefits are depleted.)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Medicare Part B Coinsurance & Copayment	100%	100%	100%	100%	100%	100%	50%	75%	100%	* 100%
First 3 Pints of Blood	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
Part A Hospice Care Coinsurance or Copayment	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
Skilled Nursing Facility Coinsurance	✗	✗	100%	100%	100%	100%	50%	75%	100%	100%
Medicare Part A Deductible	✗	100%	100%	100%	100%	100%	50%	75%	50%	100%
Medicare Part B Deductible	✗	✗	100%	✗	100%	✗	✗	✗	✗	✗
Medicare Part B Express Charges	✗	✗	✗	✗	100%	100%	✗	✗	✗	✗
Foreign Travel Emergency (up to plan limits)	✗	✗	80%	80%	80%	80%	✗	✗	80%	80%
** Out-of-Pocket Limit	None	None	None	None	None	None	\$5,560	\$2,780	None	None

Source: <https://seniorhelpseniors.com/medicare-supplements/>



Medicare Supplement Plans

- No Referrals Needed
 - Medicare supplement plans do not require a referral to see a specialist. You can simply go directly to any specialist in the country who accepts Medicare.
- Simple Claims Process
 - Medicare and your Supplement company work together to pay your healthcare bills, so you don't have to.
- Guaranteed Renewable
 - Medicare Supplements are guaranteed renewable, which means an insurance company can never cancel your plan due to health conditions, as long as you pay your plan premiums.

Medicare Supplement Open Enrollment Period

- When you turn 65, you have a 6-month window to enroll in a Medicare Supplement Plan, with no health questions. Insurance companies cannot deny or rate you based upon pre-existing health conditions during this time. After this Open Enrollment period has passed, if you want to enroll in a Medicare Supplement Plan, you will be subject to health underwriting.
- This Open Enrollment period occurs when you turn 65 **or** enroll in Part B.

Medicare Supplement Plan (Medigap)

• Pros

- No networks: you can use any doctor or hospital in the country that accepts Medicare.
- Comprehensive Coverage: buy a plan that covers most or all of the “Gaps,” in Original Medicare... Little to no out of pocket for you.
- No referrals needed - You are in control.
- Simple Claims Process: Medicare pays first, then electronically bills your supplement company to pay after.
- Guaranteed renewable: As long as you pay your plan premium, the insurance company cannot cancel or increase your premium because of your health.
- Change plans or companies all year long: If you want to shop around for a different plan or company you can any time of the year.

• Cons

- Higher premiums: You are essentially paying “up front” for your health care
- Plan Premiums increase with age: As you get older your rates will go up
- Drug coverage not included: You will need to purchase a stand-alone drug to cover your medications

A NOTE TO REMEMBER

Medicare Supplement (Medigap) Plans are Standardized!

The benefits under each plan letter are identical no matter what company you purchase your Medicare Supplement through. This means that Plan F from Humana has exactly the same coverages as Plan F from Blue Cross Blue Shield, Aetna, United Healthcare or any other company that offers Plan F in your state. Same goes with Plan G or any other plan letter. Medicare standardizes these plans so you can easily shop around for the best price!

This means... If you want to go with Plan G, you can look at every Plan G offered in your state, knowing the coverage you get is identical. The only thing that can be different, is the premium you pay from each insurance company.

Why use an insurance agent?

- This is why you should use an independent insurance agency that is capable of showing you all of the top companies available to you.
- Knowing the coverages are standardized you will want to look at price along with other factors when choosing your supplement. Things like the insurance company's financial strength, and their rate increase history.

Medicare Advantage Plans **Part C**

Medicare Part C is commonly known as Medicare Advantage. Medicare Advantage Plans are offered by private insurance companies contracted by Medicare to provide you with your Part A/Part B, and usually include Part D all in one plan. These plans work a lot like the insurance you had while working, meaning they have networks, deductibles and copays. Medicare Advantage Plans are required to provide you all the same rights you have under Medicare. Some also include extra benefits like dental, vision, and gym memberships.

Medicare Advantage Plans **Part C**

While enrolled in a Medicare Advantage Plan you still have Medicare and you are required to pay your Part B premium. Instead of Medicare administering your health plan and paying your claims, Medicare is paying the insurance company to do this.

How do Medicare Advantage Plans Work?

- Medicare Advantage Plans are usually HMOs or PPOs. This means you have to use doctors and facilities contracted by the plan.
- These plans usually include a Part D plan to help cover your drug costs.
- Plan premiums are lower than Medicare Supplement plans, but you may be required to pay copays and coinsurance for covered services.
- Plans are required to include a maximum out of pocket for your yearly health care costs. This provides a “cap,” or safety net for what you can spend in a given year.
- You must follow plan rules, such as seeing doctors that are in-network or getting referrals to see specialists.
- There is only one health question to be approved to enroll in a Medicare Advantage Plan. That question is: Do you have ESRD? People with End Stage Renal Disease are not able to enroll.
- Plans can include “extra benefits,” not covered under Original Medicare. Dental and vision are examples.

Explaining Medicare Advantage

- With a Medicare Advantage Plan, you might have a monthly premium as low as \$0; this does not mean your plan is FREE. You still have to pay co-payments for things like doctor visits, outpatient procedures, hospital stays and more. Each Plan sets its own cost-sharing (the amount you pay) for each covered service. You need to compare each plan's Summary of Benefits to determine which one works best for you. Remember, you still have Medicare, and need to continue to pay your Part B premium while enrolled in a Medicare Advantage Plan.

Explaining Medicare Advantage

- Insurance companies that offer Medicare Advantage have the right to change the plan benefits and premium every year. Fortunately they have to send you notice of these changes by October 1st, annually. Then you have an Open Enrollment Period (Oct 15th - Dec 7th) every year to make plan changes, if you choose. If you make a Plan change during Open Enrollment it will take effect January 1st of the upcoming year.



REMINDER!

It is important to pay attention to the plan material you receive in the mail. This way, you will be aware of what is changing with your current plan, and if you need to shop around for a new plan you can. Even better, make sure you are a client of an independent agency that reviews your coverage annually, during Open Enrollment.

Things to Consider When Shopping for Medicare Advantage

KEY THINGS TO LOOK FOR WHEN COMPARING PLANS

- Are your doctors in the plan's network?
- Are your medications covered on the plan's formulary (list of covered drugs)?
- What is the plan's maximum out of pocket? The most any plan's out of pocket max can be is \$6700 but it can be less in some plans (the lower the better).
- What is your monthly plan premium? (what you pay for the plan in addition to your part B premium).
- What type of network does the plan use? HMO or PPO?
- Do you need referrals for specialist visits and other services?
- What are your copays and coinsurance amounts for things like doctor visits, hospital stays, outpatient surgery, etc.?
- Are there extra benefits offered inside the plan? Things like dental/vision and gym memberships.

Medicare Prescription Drug Plans

PART D

- Original Medicare does not cover prescription medication. Part D Plans are offered by private insurance companies approved by Medicare.
- Part D Plans can be purchased as stand-alone plans or come included in a Medicare Advantage Plan. Original Medicare does not cover prescription medication.
- Part D Plans are offered by private insurance companies approved by Medicare.
- Part D Plans can be purchased as stand-alone plans or come included in a Medicare Advantage Plan.



Prescription Drug Plans

WHAT MAKES PART D PLANS DIFFERENT FROM ONE ANOTHER?

- **Deductibles**

- Plans can have no deductible or they can have any size deductible, up to a max of \$415 in 2019. Deductibles can also just be on certain tiers of medication.

- **Premium**

- The amount you pay monthly for the Part D plans differ between companies.

- **Formulary**

- The formulary is the list of drugs that are covered. Medicare sets forth rules that a certain number of drugs from each category have to be covered but other than that each plan can have a different list of drugs they cover.

Prescription Drug Plans

WHAT MAKES PART D PLANS DIFFERENT FROM ONE ANOTHER?

- Drug Tiers
 - Plans use a tier system to group drugs by cost. Typically, plans use a 4 or 5 tier system. Medications are put in these tiers and each tier will have a different cost-sharing amount (what you and the insurance company pay to cover the price of the drug - Your co-pay).
- Network Pharmacies
 - Medicare supplement plans do not require a referral to see a specialist. You can simply go directly to any specialist in the country who accepts Medicare.

How do you move through the Part D Stages?

You Move Through the Part D Plan Stages Based On The Retail Cost of Your Medication

Deductible: This is the amount you pay before insurance pays anything. \$0-\$415 depending on chosen plan.

Initial Coverage: You and the insurance company share in the cost of your medication until you reach \$3,820 in retail drug cost for the year. Your portion is a copay or coinsurance amount.

Coverage Gap: You pay a percentage of the retail drug cost

Catastrophic Coverage: Insurance company now pays 95% of drug cost.

REMINDER!

To find out what Part D Plan is best for you, we recommend using medicare.gov – It is what we use to help all of our clients choose a Drug Plan. You can enter all of your current medications and the rater will show you all the drug plans available and which one covers your meds at the lowest out of pocket.

This needs to be done annually... **POLICY REVIEW!**

One Final Note About Medicare Part D

- If you are Medicare-eligible, and do not enroll in a Medicare Part D Plan you will be penalized.
- The penalty is increased every month you do not have creditable drug coverage.
- The penalty is added to your Part D premium when you enroll in one. This penalty follows you for the remainder of the time you are on any Medicare Part D Plan.
- The penalty is 1% of the average Part D premium.
- If you have drug coverage from a group plan, VA, or any other creditable coverage, the penalty does not apply.

Medicare Supplement or Medicare Advantage

	Medicare Supplement Plan F	Medicare Advantage
Monthly Premium	\$100-\$150	\$0-\$80
Network	No network - go to any doctor or hospital that accepts Medicare	Usually a local HMO or PPO Network
Out Of Pocket Expenses	None, for medicare approved services	Deductibles, Copays and Coinsurance
Best Option If You Value	Your choice of doctors, no out of pocket after premium, and predictable healthcare budgets	Low monthly premiums Pay as you go Do not mind using a network

Source: <https://medicareguide.com/medicare-supplement-plan-f-151280>



What's Next?

1. Fill out the Evaluation Form and list your own concerns
2. Hand it in with your calendar ready
3. Meet with me to start your process to peace of mind and a well prepared retirement

Here's the deal:
**Does it make sense for you to get a
2nd opinion?**

**DON'T WORRY, GET A PROFESSIONAL
PROVEN EDUCATIONAL APPOINTMENT**



Thank you!

