



Medicare 101



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How Do We Work for YOU?

- We charge ***no fee*** to our clients to use our service. We are compensated by the insurance company you choose.
- You pay the same price whether you go directly to the company or use US. The difference being, WE provide you lifelong service, regardless of the company and plan you select.
- We represent the vast majority of the major carriers, to help create your plan. No Bias!
- Our goal is to customize a plan for *you and your budget*.
- We educate, advise and simplify the Medicare process for you now, as well as in the future.

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What Will We Talk About Today?

- Transitioning to Medicare
- Enrolling in Medicare
- What are the different parts of Medicare
- What coverage option is right for you and how much will it cost?



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Transitioning to Medicare



- Most of our clients find the transition to Medicare is easier to understand, when broken into three steps.
- **Step 1** – Today! Learning the difference between the two choices of how to acquire your Medicare. *Original Medicare OR Medicare Advantage*
- **Step 2** – Speak with an Advisor to GUIDE you through your timeline and choose the Insurance company who fits your needs.
- **Step 3** – Guide you through Enrollment process to help avoid penalties and or coverage gaps.



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Medicare Part A & B Enrollment...Now or Later?

Social Security handles the Medicare enrollment process

Do you or your spouse have employer sponsored health insurance today?

Have over 20 employees?



The group plan remains your Primary coverage. You have the option to stay with your current plan OR go to Medicare

Do you or your Employer contribute to a Health Savings Account (HSA)?

Yes



Cease contributions 6 months Prior to your Part A start date if you are beyond age 65.

If T65 and enrolling in Medicare, cease contributions before your 65th birthday month

2024 Center for Medicare & Medicaid Services:
Medicare & You Handbook page 20, 21.



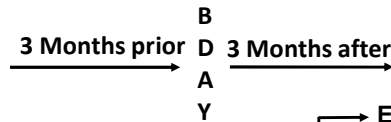
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Medicare Enrollment Periods

Social Security handles the Medicare enrollment process

IEP* – Initial Enrollment Period

Open for 7 Months when Turning 65



* IF collecting SS you will be automatically enrolled in **Part A and B** effective the 1st of your B-day Month.

OR

Enroll Online or
by
Phone 1-866-964-4852
or
In person at a local office
You will need to create a
"My Social Security" account at
www.ssa.gov FIRST
Then you can enroll online at
www.ssa.gov or Medicare.gov



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Medicare Enrollment Periods

Social Security handles the Medicare enrollment process

SEP – Special Enrollment Period

- Beyond IEP and anytime your still covered by your or spouse current employer group health plan
- During the 8-month period that begins the month after the employment ends or coverage ends, whichever happens first. Part D 63 days

Complete CMS enrollment forms:

(Note: SS prefers them turned in 30 days prior to start date)

Individual – CMS-40B - Notifies SS of when you want to start coverage
Employer – CMS-L564E - Validates prior group coverage (NO LEP)

Submit both forms to Social Security for processing – In person / Mail / Fax / Online
<https://secure.ssa.gov/mpboa/medicare-part-b-online-application/>



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Medicare Enrollment Periods

Social Security handles the Medicare enrollment process

General Enrollment Period

IF you MISS your IEP or SEP you can enroll during the "General Enrollment Period"

It opens each year from January 1 – March 31

Eligible for coverage the month following your enrollment.

Medicare Penalties

Medicare Part A – ONLY if you do not qualify for "Premium Free" Part A. (paid FICA tax less than 40 quarters over your lifetime)

Medicare Part B
10% for every year you went without Part B.

Medicare Part D
1% Per month for each month you went without Part D multiplied by the national Part D average monthly premium



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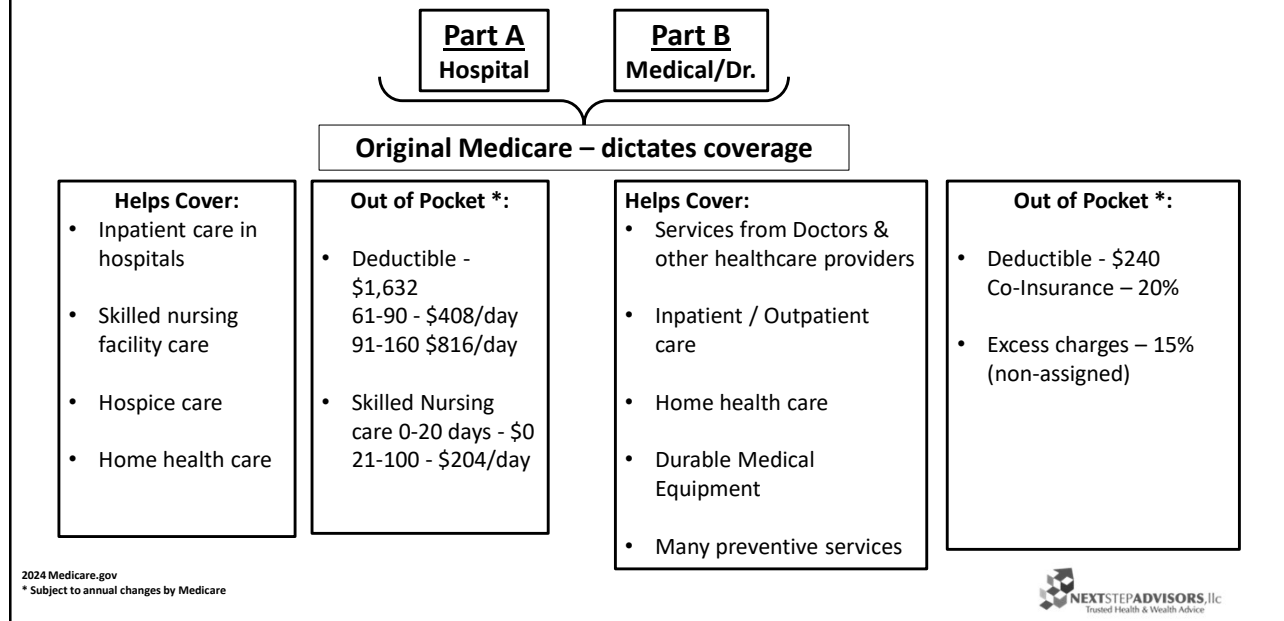
What Will We Talk About Today?

- Transitioning from employee to retiree
- Enrolling in Medicare
- **What are the different parts of Medicare?**
- How will I pay for health care when I'm retired?



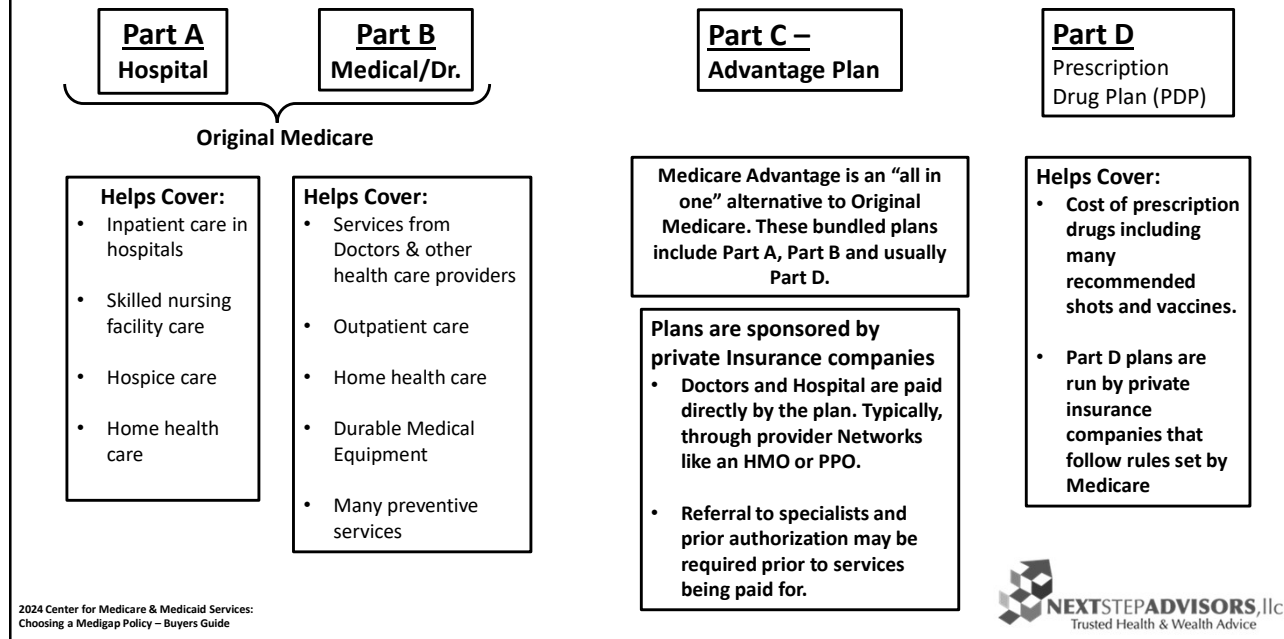
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Original Medicare – Est. 1965



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Four Parts of Medicare



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What Will We Talk About Today?

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Part A – Hospital – Premium Costs

Premium-free Part A

You usually don't pay a monthly premium for Medicare Part A (Hospital Insurance) coverage if you or your spouse paid Medicare taxes for a certain amount of time while working. This is sometimes called "premium-free Part A."

Most people get premium-free Part A.

You can get premium-free Part A at 65 if:

- You already get retirement benefits from Social Security or the Railroad Retirement Board.
- You're eligible to get Social Security or Railroad benefits but haven't filed for them yet.
- You or your spouse had Medicare-covered government employment.



Source: Medicare.gov

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Part B & D – Premium Costs

The standard Part B premium amount in 2024 is \$174.70. Most people pay the standard Part B premium amount. If your modified adjusted gross income as reported on your IRS tax return from 2 years ago is above a certain amount, you'll pay the standard premium amount and an Income Related Monthly Adjustment Amount (IRMAA). IRMAA is an extra charge added to your premium.

If your yearly income in 2022 (for what you pay in 2024) was			Part B You pay each month (in 2024)	Part D You pay each month (in 2024)
File individual tax return	File joint tax return	File married & separate tax return		
\$103,000 or less	\$206,000 or less	\$103,000 or less	\$174.70	Your plan premium
above \$103,000 up to \$129,000	above \$206,000 up to \$258,000	Not applicable	\$244.60	\$12.90 + your plan premium
above \$129,000 up to \$161,000	above \$258,000 up to \$322,000	Not applicable	\$349.40	\$33.30 + your plan premium
above \$161,000 up to \$193,000	above \$322,000 up to \$386,000	Not applicable	\$454.20	\$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	\$559.00	\$74.20 + your plan premium
\$500,000 or above	\$750,000 and above	\$397,000 and above	\$594.00	\$81.00 + your plan premium

Source: Medicare.gov



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Original Medicare OR Medicare Advantage?

Part A
Hospital
40 Qtrs. = \$0
\$505 value

Part B
Medical/Dr's
\$174.70 mo.*

OR

Part C Advantage Plan
Combines Parts A, B and usually D:
STILL PAY "B" \$174.70*

[Medicare.gov](https://www.Medicare.gov)

This is ORIGINAL MEDICARE 80%/20% No Cap

+

Supplement (Medigap)
Avg. \$145 mo.
Varying Plan Options

&

Part D
Prescription Drug Plan (PDP)
Avg. \$0-\$32 mo.
Depends on YOUR Prescriptions

Private Insurance Co.

HMO or PPO Network
\$0 to Low Premium

Pay as you go program
Co pay and or Co Ins %

Annual Max out of Pocket:
In Network up to \$8,850
Out of Network up to \$13,300

Medicare.gov provides all-things Medicare PLUS a plan finding tool to help determine which Part D or Part C plans are available each year.

*Part B subject to IRMAA rules **Max Out of Pocket subject to service area and plan



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Medicare Supplement (Medigap) Overview

	Medicare Supplement Insurance (Medigap) Plans									
Benefits	A	B	C	D	F*	G*	K	L	M	N
Part A coinsurance and hospital costs up to an additional 365 days after Medicare benefits are used	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Part B coinsurance or copayment	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓***
Blood benefit (first 3 pints)	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Part A hospice care coinsurance or copayment	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Skilled nursing facility care coinsurance	X	X	✓	✓	✓	✓	50%	75%	✓	✓
Part A deductible	X	✓	✓	✓	✓	✓	50%	75%	50%	✓
Part B deductible	X	X	✓	X	✓		X	X	X	X
Part B excess charge	X	X	X	X	✓	✓	X	X	X	X
Foreign travel emergency (up to plan limits)	X	X	80%	80%	80%	80%	X	X	80%	80%

✓ = The plan covers 100% of this benefit
 X = The plan doesn't cover this benefit
 % = The plan covers that percentage of this benefit, and you're responsible for the rest.

Out-of-pocket limit in 2024**
 \$7,060 \$3,530



Medicare & You
 2024
 The official U.S. government Medicare handbook.



2024 Medicare & You Handbook



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This is just an example and is not the same for every company

Medicare Advantage (PPO)

Plan Costs

Monthly plan premium	\$0
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Medical Benefits

	In-Network	Out-of-Network
Annual out-of-pocket maximum (The most you may pay in a year for medical care covered by the plan)	\$5,000 In-Network	\$10,000 combined In and Out-of-Network
Doctor's office visit	Primary Care Provider: \$0 copay Specialist: \$40 copay (no referral needed)	Primary Care Provider: \$35 copay Specialist: \$70 copay (no referral needed)
Preventive services	\$0 copay	\$0 copay - 40% coinsurance (depending on the service)
Inpatient hospital care	\$300 copay per day: for days 1-6 \$0 copay per day for unlimited days after that	40% coinsurance per stay for unlimited days
Skilled nursing facility (SNF)	\$0 copay per day: days 1-20 \$160 copay per day: days 21-52 \$0 copay per day: days 53-100	\$195 copay per day: days 1-52 \$0 copay per day: days 53-100
Outpatient hospital, including surgery	\$0 - \$275 copay Cost sharing for additional plan covered services will apply.	40% coinsurance Cost sharing for additional plan covered services will apply.
Diabetes monitoring supplies	\$0 copay for covered brands	40% coinsurance
Home health care	\$0 copay	50% coinsurance



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**Part D
Prescription
Drug
Coverage**

Prescription drug payment stages

Annual Prescription Deductible \$545 for Part D prescription drugs

Initial Coverage In this stage, the plan pays its share of the cost and you pay your copay or coinsurance. You generally stay in this stage until your year-to-date total drug cost reaches \$5,030. Then you move to the Coverage Gap stage.

Tier Drug Coverage	Retail				Mail Order	
	Preferred		Standard		Preferred	Standard
	30-day supply ¹	90-day supply	30-day supply ¹	90-day supply	90-day supply	90-day supply
Tier 1: Preferred Generic	\$2 copay	\$6 copay	\$8 copay	\$24 copay	\$6 copay	\$24 copay
Tier 2: Generic	\$8 copay	\$24 copay	\$10 copay	\$30 copay	\$24 copay	\$30 copay
Tier 3: Preferred Brand	17% coinsurance	17% coinsurance	17% coinsurance	17% coinsurance	17% coinsurance	17% coinsurance
Tier 3: Covered Insulin Drugs	\$35 copay	\$105 copay	\$35 copay	\$105 copay	\$105 copay	\$105 copay
Tier 4: Non-Preferred Drug	42% coinsurance	42% coinsurance	45% coinsurance	45% coinsurance	42% coinsurance	45% coinsurance
Tier 5: Specialty Tier	25% coinsurance	N/A ²	25% coinsurance	N/A ²	N/A ²	N/A ²

Coverage Gap (Donut hole) In this stage, you pay 25% of the negotiated price for covered drugs. You may pay less if your plan has additional coverage in the gap. You pay this amount until your total out-of-pocket cost reaches \$8,000.

Catastrophic Coverage After your total out-of-pocket drug cost reaches \$8,000, you won't pay anything for Medicare Part D covered drugs for the rest of the plan year.



**Part D
Prescription
Drug
Coverage**

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Q & A

**Next Step Advisors
1-520-999-3633**



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