

MAKING SENSE OUT OF MEDICARE

Medicare is confusing and it is very difficult to make all of the pieces fit together
So we wrote this to help it makes more sense to you.

1) **WHAT IS MEDICARE**

Medicare is made up of 4 parts. Medicare **Part A**, **Part B**, **Part C** and **Part D**

MEDICARE PART A - Pays for In Patient Hospitalization, Hospice and Skilled Nursing Care

MEDICARE PART B - Pays for out patient Doctors Visits, Lab Tests, Flu Shots, Screenings
- Durable Medical Equipment, Mental Health Care, Chemotherapy

MEDICARE PART C - Is referred to as Medicare Advantage

MEDICARE PART D - Prescription Drug Coverage

2) **ORIGINAL MEDICARE** = Medicare **PART A** and **PART B**

ORIGINAL MEDICARE - Is basically an 80/20 Health Plan where the Government (Medicare) pays 80% of all of your covered Medical Expenses and you are responsible for the other 20%. With Original Medicare there are no Networks, so you can see any Doctor use any Hospital in the United States that accepts Medicare (About 94% of Doctors accept Medicare).

3) **MEDICARE PART C** - Is Original Medicare but instead of working with the Government, you

work with Private Insurance companies. Instead of it being an 80/20 Plan like Medicare you will have a lot of Co-Insurance and Co-Pays. There are Co-Pays for Hospitalizations, Physical Therapy, Doctor Visits, MRIs, Lab Work, Referrals, Prescriptions, etc.

of these private insurance companies will offer additional ancillary benefits as a way of enticing people to join their plan. They may say they offer free things like Dental, Vision, Hearing, Rides to your doctor appointments and even Free meals, but **PLEASE** read the fine print. Every Medicare Advantage plan is different. Some have stronger ancillary plans and others are stronger health related plans. Every Medicare Advantage Plan has a **MOOP** (Maximum Out Of Pocket) limit that ranges from \$4,700 - \$10,000 a year. This means that you can spend \$2,800 - \$11,700 every year out of your own pocket.

Often times they define Free Dental Coverage as an Annual Benefit Amount, then they divide that the Dollar amount by 4, and then you have a Quarterly benefit.

Free Vision may include and Eye Exam and a credit of \$100-\$250 towards glasses each year, but you usually need to see an Optometrist in their network.

4) **MEDICARE PART D** - Prescription Drug Coverage. These are plans offered by individual private insurance companies who provide various plans to Medicare beneficiaries. These plans require a monthly premium to be paid to the plan in exchange to having access to their pharmacy networks, their Formularies (Drug Lists) and their pricing structure. There are **NO PART D PLANS** that include the cost of your medications.

Some Medicare Advantage Plans offer Part D Plans included. But, here again there are **NO MEDICARE ADVANTAGE PART D PLANS** that include the price of your medications they only pay your premium for access to the plan. But, you must use the plans network, their pharmacy and their formulary.

STAND ALONE PART D - This refers to any Part D Drug Plan that is not included in a Medicare Advantage Plan. For example if you have Original Medicare or Original Medicare with a Medicare Supplement or a Medigap Plan.

PART D DRUG TIERS - Drugs are divided into 5 Tiers in each plan. And each individual company sets the price and structure of what is included in the each Tier based on their formulary.

PART D DRUG FORMULARY - Is a formal list of Drugs and Medications available on a particular Medicare Part D Drug Plan. Every plan sets their own formulary. Formularies are not the same. And even though Medicare states that at least two drugs must be available in each class of medications, a particular plan may not have your exact medication. So, finding the right plan is important.

PARD D LATE ENROLLMENT PENALTY - Every person who joins medicare should enroll in a Medicare Part D Prescription Drug Plan as soon as they sign up for Medicare Part B. If you do not sign up within the approved amount of time, you will incur a penalty that will be added on to your monthly Part D premium every month forever. The penalty is 1% of your Part D Premium.

PART D REMIUM COSTS - In Arizona, Part D Premiums can cost between \$0 -\$169.00 a month. And, just because a plan is more expensive, it does not mean it is the best one for you. Plans Average \$35-\$40 a month.

PART D PREFERRED PHARMACY - Every drug plan specifies a list of "Preferred " pharmacies in their network. This is very important. You only get the plans **LOWEST**

price on your prescriptions if you get your prescription filled at their "Preferred" pharmacy. Prices for medications can add up quick so don't be foolish.

5) MEDICARE SUPPLEMENT PLANS & MEDIGAP PLANS ARE THE SAME THING

MEDICARE SUPPLEMENTS - Are used in conjunction with Original Medicare. These Medicare Supplement or Medigap Plans are designed to fill in the gaps that are left behind by Original Medicare. So, depending on which plan you choose, you could have all of the 20% you are responsible for with Original Medicare paid for by your Medicare Supplement Plan and you will owe nothing. And, there are no networks with a Medicare Supplement Plan, you can see any Doctor in the US that accepts Medicare!

MOST POPULAR MEDICARE SUPPLEMENT PLANS - There are 11 Medicare Supplement plans. All of the plans are identified by a corresponding letter. And they are the same plans across the country. A Plan N in Iowa is a Plan N in Florida. The most popular Medicare Supplement plans in the US are Plan F, Plan G and Plan N.

MEDICARE SUPPLEMENT PLAN COSTS - with 11 different choices, Medicare Supplement plan premiums can vary from \$50 - \$500 a month, depending on your age, location, and your health. Plan G is the most comprehensive available and the average cost for a new Medicare beneficiary is \$120 - \$140 per month. And, with this plan, you will most likely never receive a bill for any services, because Medicare pays 80% And Your Medicare Supplement Plan Supplement will pay the other 20%, Plus your Part A Deductible of \$1,632.

LOOK AT YOUR MEDICARE SUPPLEMENT PREMIUM AS YOUR MOOP COST - If you choose a Medicare Plan G, you will never receive a bill so your maximum out of pocket costs (your **MOOP**) is your premium. If your premium is \$130 per month, that is \$1,560 per year. You should have peace of mind knowing you will not have any out-of-pocket costs over that amount, except for the Annual \$240 Part B Deductible.

6) WHAT MEDICARE COVERS - Anything that is deemed to be a Medically Necessary Procedure by your Doctor is what Medicare will pay for.

7) WHAT MEDICARE DOES NOT PAY FOR - Medicare will pay for Cataract Surgery and injections for certain other eye diseases and conditions like Macular Degeneration and Glaucoma. Medicare will pay for certain ear surgeries if they are deemed Medically necessary, Medicare does not cover Plastic Surgery, Botox injections, regular eye exams, glasses or contacts. There are a limited number of Chiropractic and Accupuncture treatments allowed each year. And Dental Care is not provided by Medicare.

8) **WHAT IS THE GUARANTEED ISSUE PERIOD FOR MEDICARE?** - The 3 months before your birth month, your birth month and the 3 months after your birth month is the Medicare Guarantee Issue Period. During this time, you are guaranteed issue to any Medicare Supplement Plan regardless of Medical History, as long as you do not have end Stage Renal Disease or ALS (Lou Gherig's Disease). Anyone 65 and older who's enrolled in both Medicare Part A and Part B be accepted into Original Medicare or into any Medicare Advantage Plan at anytime, as long as they do not have Lou Gherig's Disease (ALS) or End Stage Renal Disease.

AFTER THE GUARANTEE ISSUE PERIOD - Anyone can apply for a Medicare Supplement Plan, however, they will be subject to Underwriting approval and they will have to answer a few Medical Questions.

Many people think they can start off with a Medicare Advantage Plan and switch to a Medicare Supplement Plan later, that may be true, however, it is not guaranteed past the Guaranteed Issue Period.

9) **BREAKING DOWN THE COSTS OF MEDICARE**

PART A - Most people qualify through their work experience or their spouse. All of the taxes taken out for Medicare pays for your Medicare Part A premiums.

TOTAL PART A PREMIUM COST IS \$0

* There is a Part A Deductible of \$1,632 if you are admitted to a Hospital, and this charge reoccurs anytime you are admitted. Most of these Part A Deductibles are paid for if you have a Medicare Supplement Plan.

PART B - There are two Medicare Part B Deductibles that every person on Medicare must pay. First, there is a monthly Part B Deductible of **\$174.70**. This charge is deducted from your Social Security Check each month. Other arrangements can be arranged with the SSA if you choose to delay your benefits. The second Part B Deductible is the annual Part B deductible that everyone must pay for at the beginning of a new Calendar Year. You pay the first **\$240** worth of Medical Treatment first, and your Medicare Insurance kicks in after that.

TOTAL PART B PREMIUM COSTS IS \$174.70 Per Month for 2024 plus the ANNUAL PART B Deductible of \$240 at the beginning of each year (\$190.90 Per Month Avg)

PART C - This Depends on if there is a monthly premium cost associated with a particular Part C. Most particular Medicare Advantage Plan or not.

MEDICARE SUPPLEMENT COSTS - Again, the cost depends on the plan but using an average of **\$120.00** A month is a good ballpark number to use. Paid for either by being billed, by a Credit Card or Checking Account. You can pay for a Medicare Supplement Monthly, Quarterly or Semi-Annually or Annually.

PART D - Using an average Part D Premium of **\$28.00** is a good ball park estimate.

10) **FINAL COST FOR YOUR MEDICARE**

PART A - \$0

PART B - \$174.70 Per Month

PART C - \$0

MEDICARE SUPPLEMENT COSTS - \$130.00

PART D - \$28.00

\$332.70 Per Month.

This could easily be much lower and for the purposes of this illustration it includes the Monthly cost of a Medicare Supplement Plan G. If using a Medicare Supplement using a Plan N the cost should drop \$25 - \$30 per month and if there is no Medicare Supplement purchased and the beneficiary is going with a \$0 Medicare Advantage Plan that includes Part D the cost would be \$174.70 Per Month.

If you have any Questions or Comments please feel free to contact us at:

Braden Medicare Insurance

3412 W. Monterey Street

Chandler, AZ 85226

Phone (480) 771-8181

Cell (480) 418-7968

email: mike@bradenmedicare.com

Website: www.bradenmedicare.com