



De-Mazifying Medicare

Medicare Educational Event



Presentation **Agenda**



- Medicare Overview – A B D & C
- The 3 Medicare paths
- Case Study
- AEP/ MA-OEP
- Next Steps

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Medicare **Overview**

A B D & C

- When to Enroll
 - How to Enroll
 - How much will it cost

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Why out of order?? A, B, D & C

We'll explain our funny alphabet shortly



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When to enroll in Medicare Parts A&B?



3 months before the month you turn 65	2 months before the month you turn 65	1 month before the month you turn 65	The month you turn 65	1 month after you turn 65	2 months after you turn 65	3 months after you turn 65
Sign up early to avoid a delay in coverage. To get Part A and/or Part B the month you turn 65, you must sign up during the first 3 months before the month you turn 65.				If you wait until the last 4 months of your Initial Enrollment Period to sign up for Part A and/or Part B, your coverage will be delayed.		

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When to enroll in Medicare Parts A&B?

What if I'm still working?

As long as you have credible Current Group **EMPLOYMENT** insurance coverage, you will have an 8 month SEP (Special Enrollment Period) to sign up for Medicare Part B with no penalty.

→8 month SEP does not apply to Part D

COBRA and RETIREE coverage do NOT qualify for the Part B SEP but in most cases still count as creditable coverage for Part D. You may pay a late enrollment penalty for Part B if you do not enroll when first eligible. This includes a LEP for VA and retiree coverage if you enroll at a later date.



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How to Sign Up?

You can enroll in Medicare Part A and/or Medicare Part B in the following ways:

- Online at www.SocialSecurity.gov.
- Create your account online NOW
- By calling Social Security at 1-800-772-1213 Monday through Friday, from 7AM to 7PM.
- In-person at your local Social Security office.



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How much is the late enrollment **Penalty**

- **Part B** late **penalties** are calculated as an extra 10 percent for each full 12-month period when you should have had **Part B** but didn't. If you should have signed up at age **65**, the **penalty** calculation is made on the time that elapsed between the end of your IEP and the end of the GEP in which you finally sign up.
- This is a **lifetime penalty!**
- Usually, you don't pay a late enrollment penalty if you meet certain conditions such as credible group **EMPLOYMENT** Insurance.



What About Paying for Medicare Part B?

Currently Drawing Social Security Income?

- Payment comes out of your check automatically

NOT Drawing Social Security Income?

- Quarterly Bill $\$174.70 \times 3 = \524.10
- Direct Debit Monthly out of Checking for $\$174.70$



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Medicare Parts A & B



A



Inpatient
Hospital Care



Skilled Nursing
Facility Care



Home Healthcare



Hospice

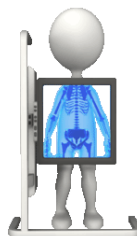
B



Doctor Visits &
Preventative Care



Ambulance



Medical Testing
& Lab Services



Outpatient
Services



Durable Medical
Equipment

Medicare Part D

(Yes we skipped C on purpose... more on that in a moment...)



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Medicare **Part D** Enrollment period

- Begins at age 65 along with your entitlement to Medicare Part A
- Can be purchased as a stand alone product from a private carrier or integrated into a Medicare Advantage plan
- The late enrollment penalty is an amount added to your Medicare Part D monthly premium if you go without Creditable prescription drug coverage for a continuous period of 63 days or more after your Initial Enrollment Period is over.
- The penalty is 1% of the national average times the number of months you should have had credible coverage but didn't. ie 12 months without coverage equals a 12% **lifetime penalty** added to your monthly premium.

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Part D = Prescription Drug Plan



Standards for every Drug Plan

1. Deductible
2. Initial Coverage Limit – 75%/25%
3. Coverage GAP (Donut Hole)
4. Catastrophic

Formulary Varies By Plan

Amounts change every year

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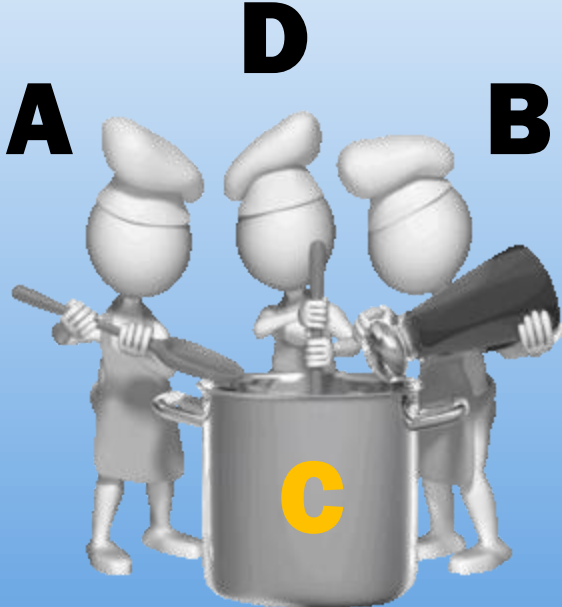
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Medicare **Part C** (Finally!)

Also known as Medicare Advantage (MA)



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3 Paths To Medicare Coverage

- Original Medicare
- Original Medicare + MediGap + Rx
- Medicare Advantage



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Path 1: Original Medicare

1

Part A
Hospital
Insurance

+

Part B
Medical
Insurance

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Path 1: Original Medicare



Part A - Usually no premium

Hospital

\$1632 deductible

Skilled Nursing

Days 1-20 \$0

Days 21-100

\$204.00/day

Part B – 2022 premium is **\$174.70**

\$240 annual deductible

Doctor

80% / **20%**

Lab Work

80% / **20%**

X-rays

80% / **20%**

Other Services

80% / **20%**

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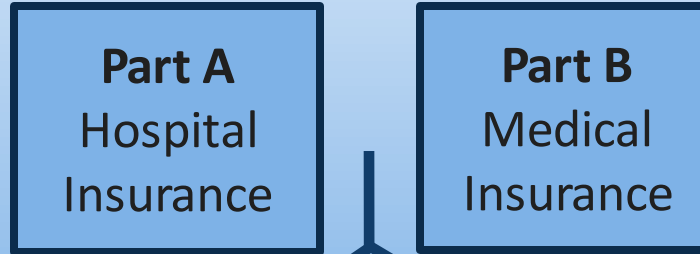
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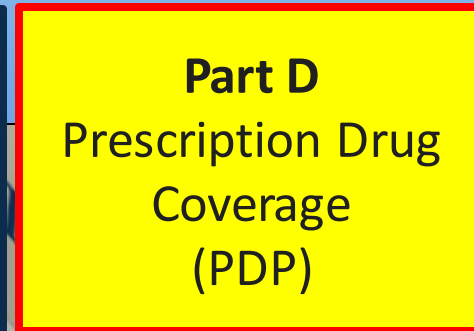
Path 2: Medicare Supp + Rx

2

Original Medicare



You can add



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Path 2: Medicare Supp + Rx

2

Medigap Plans A-N

Medicare Supplement Insurance Plans	A	B	C	D	F	G	K	L	M	N
Basic Benefits	YES	YES	YES	YES	YES	YES	50%	75%	YES	YES
Part A Deductible		YES	YES	YES	YES	YES	50%	75%	YES	YES
Skilled Nursing			YES	YES	YES	YES	50%	75%	YES	YES
Part B Deductible			YES		YES					
Part B Coinsurance	YES	YES	YES	YES	YES	YES	50%	75%	YES	YES*
Part B Excess Charges					YES	YES				
Foreign Travel Emergency			YES	YES	YES	YES			YES	YES

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Path 2: Rx = PDP

2

Monthly Premium on Part D Plans

1. Deductible
2. Initial Coverage Limit – 75%/25%
3. Coverage GAP (Donut Hole)
4. Catastrophic



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Path 2: Prescription Drug Plan

Initial Coverage Limit Formulary Tiers

2

Tier 1
Inexpensive Drugs



Tier 5
Expensive Drugs



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Path 3: Medicare Advantage

3

Part C
Combines
Part A and Part B

May include, or you may be able to add

Part D
Prescription Drug Coverage
(98% of Part C plans cover prescription
drugs. You may be able to add drug
coverage to **some** plan types if *not*
already included.)

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Path 3: Medicare Advantage

How MA plans work

3

Medicare pays plan for each member every month
Amount varies by county



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Path 3: Medicare Advantage



Additional Options - HMO

3

Health Maintenance Organization - You pick **one primary care physician**. **All your health care services go through that doctor**. That means that you **need a referral** before you can see any other health care professional, except in an emergency. Visits to health care professionals **outside of your network typically aren't covered by your insurance**.

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Path 3: Medicare Advantage

Additional Options - PPO



3

Preferred Provider Organization - plans give you flexibility, **no primary care physician**. You can go to any health care professional you want without a referral—in/out of your network, as long as they agree to bill your insurance.

Staying inside your network means smaller copays and full coverage. If you **choose to go outside your network, you'll have higher out-of-pocket costs**, and not all services may be covered.

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3 Paths In Review

Original Medicare

Part A
Hospital
Insurance

Part B
Medical
Insurance

You can add

**Medicare
Supplement
Insurance
(Medigap) Policy**

Part D
Prescription Drug
Coverage
(PDP)

Medicare Advantage Plan

Part C
Combines
Part A and Part B

May include, or you may be able to add

Part D
Prescription Drug Coverage
(Most Part C plans cover prescription
drugs. You may be able to add drug
coverage to **some** plan types if *not*
already included.)

Medicare Case Study

Meet Bernice...



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Medicare Case Study



2 ER Visits (Feb – 3 days, April – intensive care 2 weeks, moved to skilled nursing, dialysis) Multiple chronic conditions

2 Hospital Deductibles

Chemotherapy

42 days Skilled Nursing - Dialysis

6 PCP visits

Total of 42 different bills, doctor visits, chemo treatment

6 visits to Cardiologist

2 Ambulance rides

1 Urgent care visit

8 visits to audiologist

Tier 5 Part D Drug (\$16k/ month)

Hearing Aids \$5,300

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Medicare Case Study

Chemotherapy - \$61,000 allowable charges,
 $\$61,000 * 20\% = \mathbf{\$12,200}$

1

2 Hospital Deductibles
 $\$1632 * 2 = \mathbf{\$3264}$

2 Ambulance rides
 $\$2600 \text{ for both, times } 20\% = \mathbf{\$520}$

Original Medicare

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Medicare Case Study

2 Emergency Room visits - ~\$10,000 total charges

Skilled Nursing – 42 days total

Days 1-20 – No charge

Days 21-42 - \$204 * 21 = **\$4,284**

Doctor Visits

\$22,000

Hearing Aids - **\$5,300**

Original Medicare



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Medicare Case Study

Bernice says...



Original Medicare

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Medicare Case Study

Premium - Plan F - \$265/ month
\$3,180 annual

Premium – Part D Plan \$30/ month
\$360 annual

Hearing Aids - \$5,300

Total \$8,840 for 1 year

Original Medicare +
MediGap + Rx

2

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Medicare Case Study

Bernice says...

2

Original Medicare +
MediGap + Rx



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Medicare Case Study

\$0 premium Medicare Advantage -
MOOP \$3,000 (Multiple plans currently)
(Can be as high as \$8,300)

3

Premium – Part D Plan – **Included with plan**

Hearing Aids - \$5,300 Discounted to **\$1,400**

Max Total \$4,400 for 1 year

Medicare Advantage

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Medicare Case Study

Bernice says...

3



Medicare Advantage

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The Choice Is Yours

Path 1: Original Medicare –

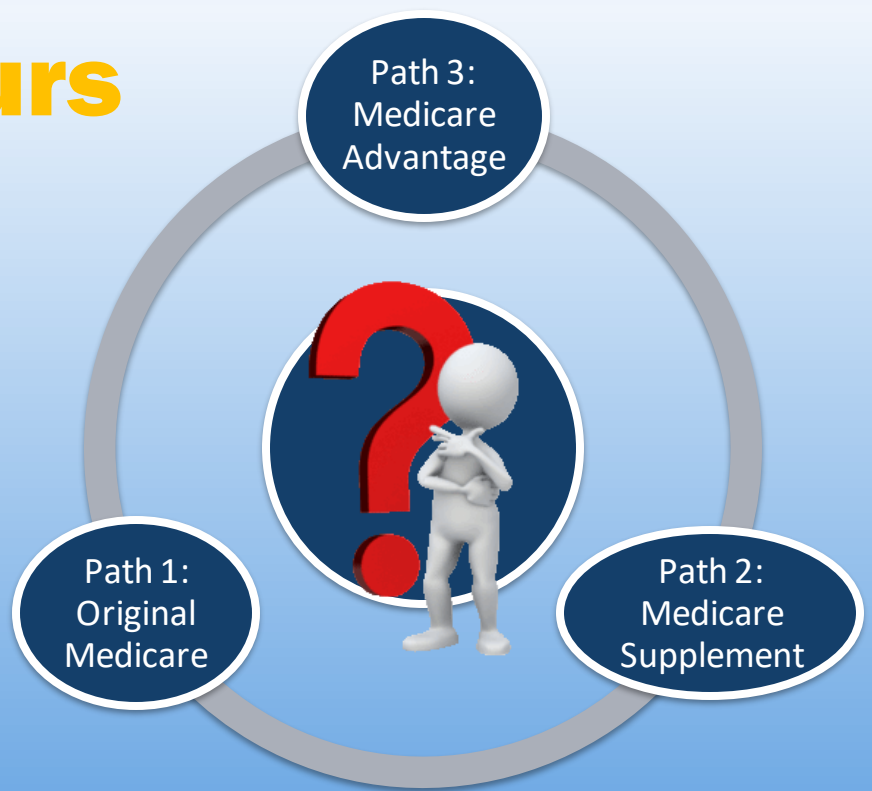
- No coverage for the 20%
- No MOOP

Path 2: Medicare Supplement –

- Maximum coverage – for an Additional premium
- Drug Plan purchase separately

Path 3: Medicare Advantage –

- Affordable Coverage – MOOP
- Premiums range from \$0 – 160/month
- Drug Plan included
- Some have Hearing, Dental, Vision, Gym



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MA-OEP: One time change



Who can use the MA OEP:

Individuals enrolled in MA plans as of January 1

New Medicare beneficiaries who are enrolled in an MA plan during their ICEP

MA OEP occurs:

January 1 – March 31

The month of entitlement to Part A and Part B – the last day of the 3rd month of entitlement



What this means?

If a beneficiary is enrolled into a MA plan using their ICEP election, they have an Open Enrollment Period ("OEP") for the next 90 days.



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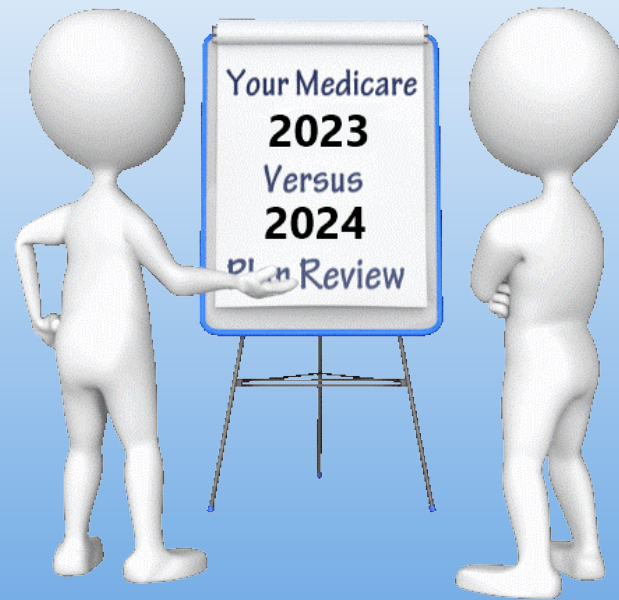
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The importance of Annual Review

AEP – October (1) 15th – December 7th

Does your current plan continue to meet your needs in the coming year?



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Do You Have Questions?



Medicare Education – Why do We do This?



Sheri Younker
(602) 960-8974 Call
(602) 397-8480 Text
stressfreemedicare@hotmail.com

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Broker vs. Captive Agent



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Everyone's Situation is Different

Let's set a time to talk. Which Medicare scenario *will work for you?*



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