

Navigating the Medicare Maze

How and When to Enroll

Brought to you by Your Medicare Store
www.YourMedicareStoreAZ.com



YOUR
MEDICARE
STORE



YOUR
MEDICARE
STORE

About Your Medicare Store

Our Principal, Charlie Ferrell, got started with Medicare Insurance as an independent agent in 2005. Soon after, he started his own agency, CPT Insurance dba Your Medicare Store. Charlie has helped thousands of beneficiaries with their Medicare coverage.

CPT Insurance is licensed in in multiple states. We know trusted advisors in many more. We can help you enroll into an appropriate plan anywhere in the country, and we never charge any fees for our services.

We are particularly focused on educating those turning 65 with their Medicare coverage choices, even if they don't need to enroll in Medicare immediately. We understand the appropriate timing for your Medicare enrollment, and we are ready and equipped to show you how to avoid a lifetime penalty.

Your health is individual to you. Your Medicare program should fit your needs, not your friends' or neighbors'. We are there to make the perfect match.

We also take great pride in helping underserved populations who might need assistance with their Medicare premiums and other costs. You never know what programs you are eligible for until you ask. Until they met with us, many of our clients had no idea they could qualify for Medicare savings programs (MSP) or low-income subsidies (LIS). We are happy to guide you through the Medicare Maze, at no cost to you.

Let us help you with your Medicare coverage. You'll be glad you did!

Table of Contents

- What is Medicare
- Paying for Medicare
- Parts of Medicare (ABDC)
- How to Enroll in Medicare
- When to Enroll in Medicare
- When to Enroll Scenarios
- Medicare Supplement Plans
- Medicare Glossary
- New to Medicare / Retiree checklist



**YOUR
MEDICARE
STORE**

What is Medicare

Medicare is a federal health insurance program that helps people age 65 and over. It also helps some younger people with debilitating disabilities such as ALS and people with end-stage kidney disease pay for their health care. You may have heard that Medicare is made up of different parts. Each part helps cover different types of health services. We've broken down the parts to help you understand the benefits and services Medicare helps pay for as well as monthly premiums and costs you should consider.

We will explain:

- When you should enroll in Medicare
- How to enroll in Medicare
- What you should expect to pay for premiums and services



**YOUR
MEDICARE
STORE**

Paying for Medicare

Part A is generally premium free.

Part B has a premium that goes up every year. In 2024 the Standard Part B Premium is \$174.70.

- If you are already receiving Social Security benefits, the premium will be taken directly from your SS check.
- If you are not enrolled in Social Security, you can pay the Part B premium via quarterly billing or monthly bank draft.
- If you are enrolled in a Medicare Saving plan due to your low income, you may not have to pay your part B Premium (income less than 135% of the Federal Poverty Level (FPL)).
- 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). This IRMAA amount can be appealed by contacting the Social Security Administration.
- If you do not enroll in Medicare Part B when you're first eligible, your monthly premium may go up 10% for each 12-month period you could've had Part B but didn't sign up. In most cases, you'll have to pay this penalty for as long as you have Part B. The penalty increases the longer you go without Part B coverage.



YOUR MEDICARE STORE

Parts of Medicare

Part A - Usually no premium

Hospital	<u>You pay \$1632 deductible</u>
Skilled Nursing	Day 1-20 \$0..Day 21-100 <u>you pay \$204/day</u>
Home Health Care	No charge
Hospice	No charge for care (you pay bed charge)

Part B - 2024 standard premium is \$174.70 \$240 annual deductible

Doctor	80% / <u>you pay 20%</u>
Lab Work	80% / <u>you pay 20%</u>
X-rays	80% / <u>you pay 20%</u>
Other Services	80% / <u>you pay 20%</u>

Part D Rx coverage – Private Carrier that is contracted with Medicare, premium varies by plan. Here are the 4 stages of a standard Part D plan.

Deductible	\$545
Initial coverage limit of \$5030	75% / 25% or tiers (\$1471)
Gap \$8000	5%/70%/25% 75%/25%
Catastrophic	5% or \$4.50 or \$11.20
Tier 1	Preferred Generic
Tier 2	Non-preferred Generic
Tier 3	Preferred Brand
Tier 4	Non-preferred Brand
Tier 5	Injectable (expensive)

Part C - Medicare Advantage

Private Carrier that is contracted with Medicare

Covers **ALL** Medicare Part A and Part B services and generally includes Rx coverage

Pays **INSTEAD** of Medicare

Carrier is paid by Medicare per member per month



**YOUR
MEDICARE
STORE**

How to enroll in Medicare

- You enroll in Medicare Parts A and B through Social Security. If you have a Social Security account, you can enroll in Medicare online. You can also call Social Security and enroll over the phone. If you have to make a phone appointment, the wait for an appointment can be over two months in some cases, so plan ahead. You can also go to your local Social Security office and apply in person. If you delayed taking Medicare Part B at age 65 because you had group insurance, there are forms that need to be filled out by your employer to avoid the late enrollment penalty.
- You enroll in Part D through a private carrier. Your Initial Enrollment Period (IEP) begins at age 65 with your entitlement to Medicare Part A. You can get your prescription drug coverage through a stand-alone Part D plan or a Medicare Advantage plan that includes prescription drugs. Note: If you delay taking Part D because you have VA drug coverage, VA IS considered creditable coverage for Part D.
- You enroll in Part C (if desired) through private carriers. You must have Medicare Parts A and B and live in the service area (county) of the plan you want to enroll in.



**YOUR
MEDICARE
STORE**

When to enroll in Medicare

Most of us know we are eligible for Medicare at age 65, but do you know how and when to enroll? If you said no, rest assured, you are not alone. We will cover some common scenarios in the next few pages.

Medicare eligibility. You are eligible for Medicare on the first day of your 65th birth month. For example, if your birthday is August 15th, your Medicare eligibility date will be August 1st. The exception to this rule is if your birthday falls on the 1st of the month. If your birthday falls on the 1st, your Medicare eligibility date is the 1st of the previous month. i.e. January 1st for a February 1st birthday.

When talking about retirement, remember that Social Security and Medicare are two completely separate programs. In 2024 full retirement age for those born in 1959 is 66 years, 10 months. Those born in 1960 and later have a full retirement age of 67. You can begin receiving Social Security benefits at age 62 but it will be a reduced amount. You can also delay taking Social Security until age 70 and receive a larger monthly benefits check. Consult a Social Security adviser about what works best for you.

So, if you are eligible for Medicare at age 65 and full Social Security benefits at age 66 or older, who reminds you at age 65 and tells you it's time to enroll in Medicare so you don't have a lifetime penalty? NOBODY... That's right NOBODY! You're on your own to figure it out. We're here to help you with your choices.



YOUR
MEDICARE
STORE

When to enroll Scenario 1

Scenario 1 - Age 65 and currently enrolled in Social Security:

You will be automatically enrolled in Medicare Part A and B and don't need to sign up. Medicare will send you a "Welcome to Medicare" packet 3 months before you turn 65. Social Security will take your Part B premium out of your SS check the month before your effective date.

You can refuse Medicare Part B by sending the card back and requesting only Medicare Part A. Do not do this unless you know you have CURRENT EMPLOYMENT MEDICAL COVERAGE!

COBRA, VA and GROUP RETIREMENT plans do not count as creditable coverage for Medicare Part B. See lifetime penalties above.

Remember...If you do not enroll in Medicare Part B when you're first eligible, your monthly premium may go up 10% for each 12-month period you could've had Part B but didn't sign up. In most cases, you'll have to pay this penalty for as long as you have Part B. The penalty increases 10% with each additional year you go without Part B coverage.



YOUR
MEDICARE
STORE

When to enroll Scenario 2

Scenario 2 - Age 65 with no current Group Employment Insurance and not enrolled in Social Security.

You have a 7-month Initial Enrollment Period or IEP. You can enroll the 3 months before, the month of, and 3 months after your 65th birthday.

If you enroll anytime in the 3 months before your effective date, your start date will be the first of your birth month.

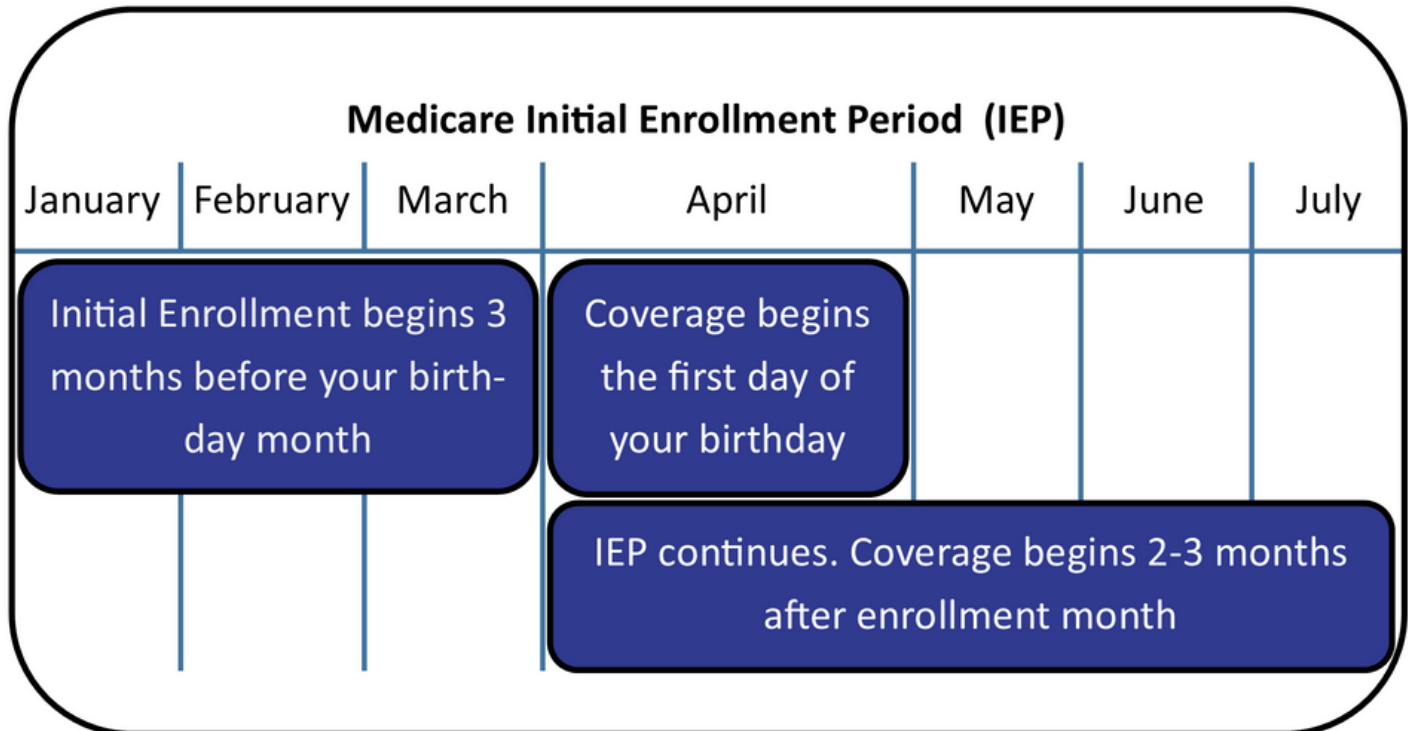
If you delay your enrollment past the first day you are eligible for coverage, your coverage will generally be the first of the following month depending on when you enroll.

Remember, you can enroll online, over the phone, or in person.

This is also the Initial Enrollment Period (IEP) for Medicare Part C through a private carrier. You can enroll in these plans at www.medicare.gov, the carriers websites or through a trusted local Medicare insurance advisor.

If you have a Group Retirement Plan through your employer, it is up to you to find out your Medicare choices as part of your retirement coverage. Check with your Human Resources department to find out. If you decide not to take Part B and later change your mind, you will pay the Part B Late enrollment penalty.

When to enroll Scenario 2





YOUR
MEDICARE
STORE

When to enroll Scenario 3

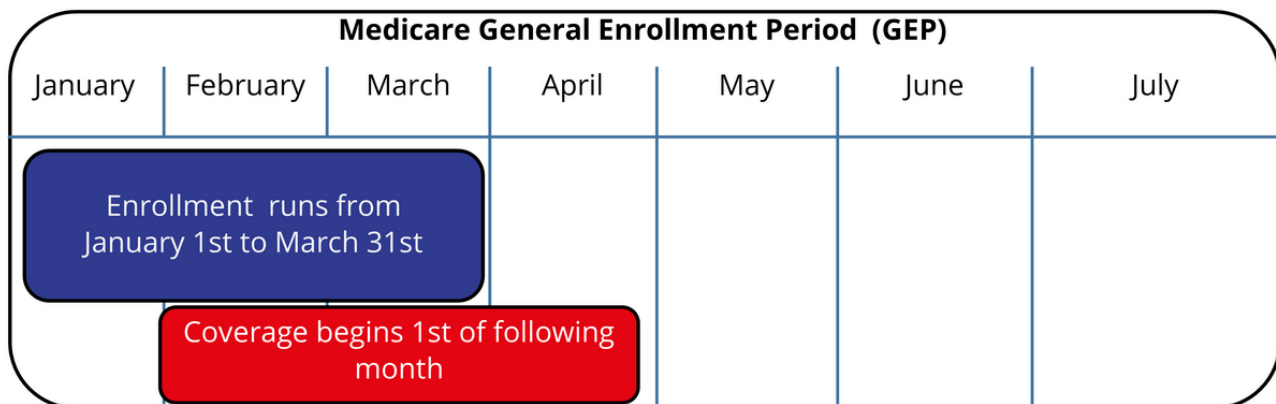
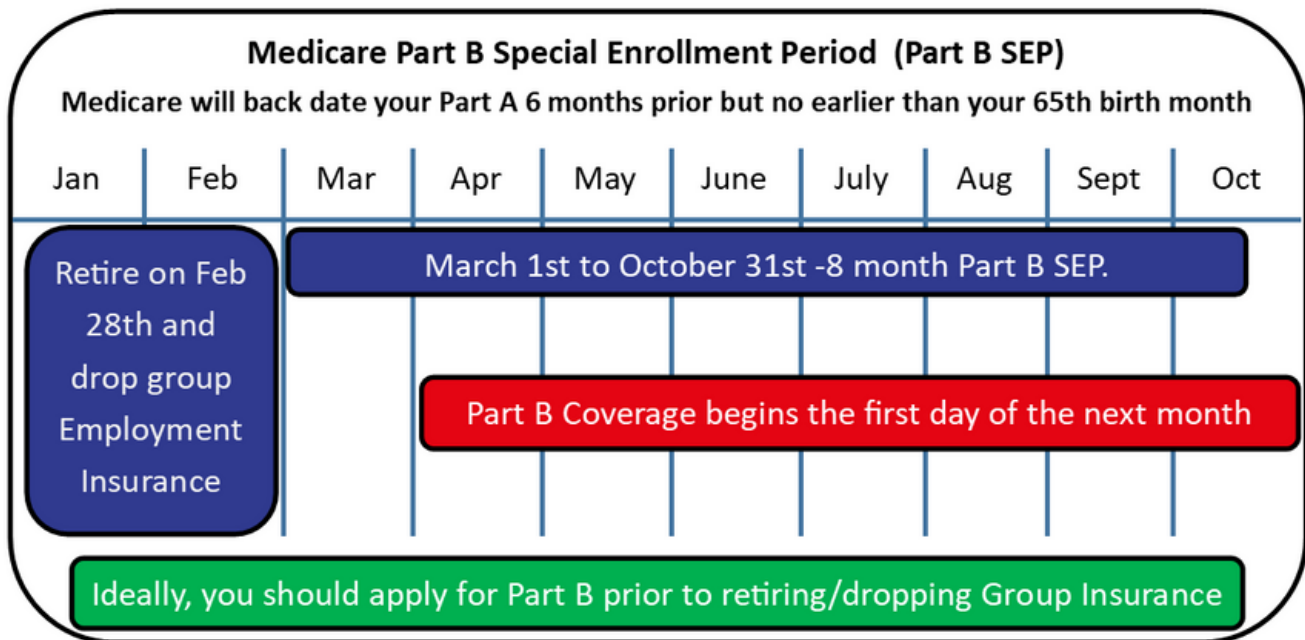
Scenario 3 - Age 65 and currently covered by a group employer plan (NOT group retirement plan)

You don't have to sign up for Medicare and will not incur any penalties as long as you have documentation of creditable coverage. You will receive a letter in your insurance packet every year that tells you if your current coverage meets minimum standards for creditable coverage. Most current group plans are considered creditable coverage. However, it is up to you to make sure your coverage is considered "creditable". The letters you receive will show this. Keep these documents in a Medicare file for proof of coverage for when you do enroll in Medicare.

When you retire or want to drop your group insurance to enroll in Medicare, you will need your employer to fill out a form that you give to Social Security as proof of creditable coverage so you are not assessed the Part B Late Enrollment Penalty (LEP). This employer letter that shows your last day of coverage will start your 8-month Special Enrollment Period (SEP) to sign up for Medicare Part B. You do not need to wait until you retire to enroll in Medicare Part B. You can enroll in Medicare Part B at any time after your 65th birthday.

Please note, COBRA and retiree benefits typically meet the minimum standards for Part D but not Part B. Dropping either of these plans will NOT give you a SEP to enroll in Medicare Part B. If you have not yet enrolled in Medicare Part B, you must use the General Enrollment Period (GEP) that runs from January 1st to March 31st of each year to enroll in Medicare Part B. Your Part B effective date will be the 1st of the following month. You may also be responsible for a Part B Late Enrollment Penalty

When to enroll Scenario 3





YOUR
MEDICARE
STORE

When to enroll Scenario 4

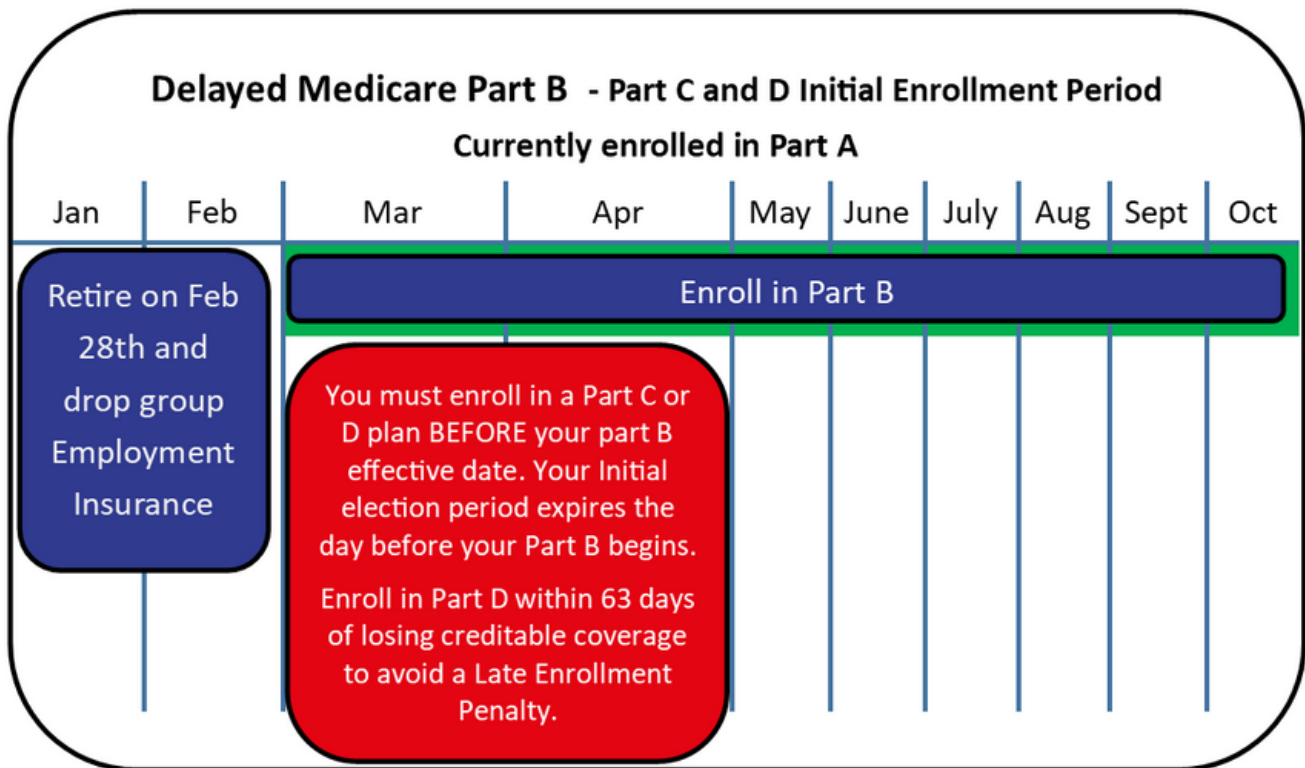
Scenario 4 - Enrollment in Medicare Part C with delayed Part B

If you have different Medicare Part A and Part B effective dates and have not enrolled in a Part D plan yet, you must enroll in a Part D plan within the 3 months prior to your Medicare Part B effective date. For example, your Medicare Part A effective date is January 1st, Medicare Part B effective date is July 1st, your Initial Enrollment Period (IEP) for Part D begins April 1st and ends June 31st. If you miss this enrollment period, you can enroll in a Part D plan during the Annual Election Period (AEP) that runs from Oct 15th through Dec 7th with coverage beginning January 1st. You may have to pay a late enrollment penalty if you have not had creditable coverage going back to when you first became eligible for Medicare. The late enrollment penalty is 1% per month times the national premium average.

In 2023 the average premium is around \$35 so not having coverage for 3 years would incur a penalty of 36% or roughly \$12 per month. This is a LIFETIME penalty.

If you choose to enroll in a Medicare Advantage Part C plan, your Initial Coverage Election Period (ICEP) is the same 3 months before your Part B Effective date. In this example, your ICEP for a Medicare Advantage plan is April 1st to June 30th with coverage beginning on July 1st.

When to enroll Scenario 4





**YOUR
MEDICARE
STORE**

Medicare Supplements

Medicare parts A&B also known as original Medicare have deductibles and cost sharing that you as the beneficiary are responsible for. Medicare Supplement plans are designed to pay these costs and fill in the coverage gaps. If you are enrolled in original Medicare with no additional coverage, there is no maximum out of pocket limit you are liable for.

Medicare Supplement policies are written by private carriers and you must apply for them separately from Medicare. These carriers can ask health questions (underwriting) and deny your coverage based upon your answers.

Federal Medicare regulations prohibit carriers from asking these questions during the first 6 months you are 65 or older and enrolled in Medicare Part B. This is considered your Medicare Supplement Open Enrollment Period and can't be changed or repeated. Some states have different rules regarding underwriting and may not allow these health questions.

Enrollment in Medicare Supplements (Medigap) plans is open year-round as long as you have Medicare A&B and can pass the underwriting criteria.

If you turned 65 after January 1st, 2020, Medicare Supplements can cover everything but the Part B deductible. If your Medicare effective date is December 1st, 2019 or earlier, you are eligible to purchase a Plan C or F that covers the Part B deductible.

Medicare Supplements

All State but Massachusetts, Minnesota and Wisconsin have standardized Medicare plans according to the chart below.

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

If you turned 65 after January 1st, 2020, You are not allowed to purchase a plan C or F Medicare Supplement.

* Plan F and G also offer high-deductible plans. If you choose this option, this means you must pay for Medicare-covered costs up to the deductible amount of \$2,800 in 2024 before your Medigap plan pays anything. After you meet your out-of-pocket yearly limit and your yearly Part B deductible, the Medigap plan pays 100% of covered services for the rest of the calendar year.

** Plan N pays 100% of the Part B coinsurance, except for a copayment of up to \$20 for some office visits and up to a \$50 copayment for emergency room visits that don't result in an inpatient admission.



**YOUR
MEDICARE
STORE**

Medicare Glossary

Enrollment period cheat sheet:

IEP

Initial Enrollment Period for Medicare Part A, B, D.

GEP

General Enrollment Period for Medicare Part B. Runs from January 1st to March 31st every year. Coverage is effective July 1st.

ICEP

Initial Coverage Election Period for Medicare Part C.

SEP Part B

Special Enrollment Period for Medicare Part B lasts for 8 months following loss of creditable Group Employment Insurance. Retiree or COBRA coverage not eligible for SEP.

SEP MA

Special Enrollment Period for Medicare Advantage plans. SEP's are based upon personal individual circumstances such as low income or a change in residence.

AEP

Annual Election Period when you can change your Part D or Medicare Advantage plan. It runs from October 15th to Dec 7th every year with coverage beginning January 1st the next year.

MA-OEP

Medicare Advantage Open Enrollment Period. You must be enrolled in a Medicare Advantage plan to take advantage of the MA-OEP. You have a one-time opportunity to change Medicare Advantage plans during the first 3 months of the year. You can also disenroll from your Medicare Advantage plan and enroll in original Medicare Parts A and B with or without a Medicare Part D plan. If you can pass underwriting, you can also enroll in a Supplement plan at this time.



New to Medicare/Retiree Checklist

How do I enroll in Medicare?

Contact Social Security (800-772-1213) or enroll yourself at www.ssa.gov three months before you turn 65 or three months before your retirement date to set up your Medicare coverage. If you are drawing a monthly Social Security benefit, Social Security will automatically enroll you in Medicare Part A and Part B with no further action on your part. You WILL need prescription coverage as well.

Medicare website: <http://www.medicare.gov>

"Medicare & You" handbook: <https://www.medicare.gov/pubs/pdf/10050-Medicare-and-You.pdf>

When	What	Who	Additional comments
"HSA NOTE" 6 months before the month you enroll in Medicare	If you are enrolled in a High Deductible Health Plan (HDHP) with a Health Savings Account (HSA), check your HSA contributions 6 months before enrolling in Medicare Parts A and B to avoid a tax penalty.	Contact your Employer Human Resources to stop HSA contributions.	Premium-free Medicare Part A coverage begins at age 65 or 6 months back from the date you apply for Medicare. It is never earlier than the first month you are eligible for Medicare at age 65.
3 months before you turn 65	Enroll in Medicare Part A and Part B	Social Security (800) 772-1213 or www.ssa.gov	If postponing enrollment into Medicare, you are entitled to enroll in Medicare Part A anytime after attaining age 65. (see prior HSA note)
2 months before you turn 65	If you want to enroll in a Medicare Supplement plan, Part D plan or Medicare Advantage plan, you must provide a copy of your Medicare ID card, showing start dates for Medicare Part A and Part B	All potential Medicare eligibles	You want your Supplement/PDP or Advantage plan to begin the same day your Medicare Part A and Part B coverage begins. If delaying Medicare Part B, you will want to coordinate your enrollment into a plan with your Medicare effective date.
Beginning the month you turn 65	When you receive medical services show your new Medicare & Supplement ID card(s) to make sure your claims are processed correctly. When you purchase prescription drugs show your Part D ID card.	Your medical provider or pharmacy	Alternatively, If you enroll in a Medicare Advantage plan, you present the same card for all of your claims, medical as well as prescription coverage.



YOUR
MEDICARE
STORE

Please visit our website at:

www.YourMedicareStoreAZ.com

for more detailed information

You can also call us at:

(602) 770-3714

for a free, no obligation meeting
with advice on your specific situation

Visit us on the southeast corner of Gilbert
and Southern in Mesa:

1235 S Gilbert Rd
Suite 14
Mesa, AZ 85204