



MEDICARE 101

All Things Medicare



Last Revised on May 20th, 2025

IN THIS PACKET WE WILL COVER:

- What Is Medicare?
 - Who Qualifies for Medicare?
 - The Different Parts of Medicare
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WHAT IS MEDICARE?

- **Medicare** is the federal health insurance program for people who are 65 or older, certain younger people with disabilities, and people with End-Stage-Renal-Disease.
 - Regulated by **Center for Medicare Services (CMS)**.
 - As of 2023, Medicare provided health insurance to over **65.7 million** Americans.
 - **12,000 Baby Boomers** come into Medicare every day.
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A BRIEF HISTORY OF MEDICARE

1965

President Lyndon B. Johnson signed Medicare bill H.R. 6675. Coverage began in 1966 for 19 million Americans.

1980-82

Home health services are expanded, Medigap brought under federal oversight, and hospice added for the terminally ill.

2003

President Bush signed into law the Medicare Prescription Drug Improvement and Modernization Act, adding a prescription drug benefit.

1972

President Nixon expanded coverage to include long term disabilities and ESRD.

1997

Part C or Medicare Advantage is signed in to law under the Balanced Budget Act by President Bill Clinton.

2010

The Patient Protection and Affordable Care Act included reform to contain costs, close Part D coverage gap, and increased preventative services.

WHO QUALIFIES FOR MEDICARE?

3 Ways to Qualify for Medicare

1. *Age In (Turn 65)*

- a. You are a U.S. citizen, or a permanent legal resident.
- b. You or your spouse worked and paid taxes for 40 employment quarters or 10 years.

2. *Disability*

- a. You have been entitled to Social Security disability benefits for at least 24 months.

3. *Qualifying Illness*

- a. Lou Gehrig's disease (amyotrophic lateral sclerosis), qualifies you immediately.
- b. End Stage Renal Disease (ESRD): You have permanent kidney failure requiring regular dialysis or a kidney transplant.

THE DIFFERENT PARTS OF MEDICARE

Part A & B

- Administered by federal government
- AKA Original Medicare



Hospital Insurance



Medical Insurance



**Medicare Advantage
Plans (MA)**



**Medicare Prescription Drug
Plans (PDP)**

THE DIFFERENT PARTS OF MEDICARE

Part A = Hospital Insurance



What It Covers

- Inpatient Hospital Care
- Inpatient Mental Health Care
- Skilled Nursing Services
- Hospice Care
- Some Blood Transfusions

Coverage Facts

- You can't be turned down because of your medical history or any pre-existing condition.
- You can see any providers in the U.S. that accept Medicare but generally not outside the country.

Coverage Costs

- Must pay into social security for 40 quarters to qualify for premium free.
- If you paid 30-39 quarters, the standard Part A premium is \$285 a month.
- If you paid less than 30 quarters, the standard Part A premium is \$518 each month.
- Part A has a deductible of \$1,676.

Coverage Costs

- A benefit period begins the day you're admitted as an inpatient in a hospital or SNF.
- The benefit period ends when you haven't received inpatient hospital care or skilled care in a SNF, for 60 days in a row.

Inpatient Hospital Cost Per Benefit Period

- Deductible of \$1,676.
- Days 1-60: \$0 copay.
- Days 61-90: \$419 copay per day.
- Days 91 and beyond: \$838 copay per each "lifetime reserve day" up to 60 days
- Each day after lifetime reserve days: All costs.

THE DIFFERENT PARTS OF MEDICARE

Part B = Medical Insurance



What It Covers

- Physician Services
- Outpatient Hospital Services
- Ambulance
- Outpatient Mental Health
- Laboratory Services
- Durable Medical Equipment (wheelchairs, oxygen, etc.)
- Outpatient Physical, Occupational, and Speech Therapy
- Some Preventative Care

Coverage Facts

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Coverage Costs

- Yearly Deductible = \$257.00
- Monthly Premium = \$185.00
 - IRMAA - Income-related monthly adjusted amount
- 80/20 coinsurance for all Medicare approved expenses after deductible is met

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Individual Tax File	\$106,000 or Less	Above \$106,000 Up to \$133,000	Above \$133,000 Up to \$167,000	Above \$167,000 Up to \$200,000	Above \$200,000 Less Than \$500,000	Above \$500,000
Joint Tax File	\$212,000 or Less	Above \$212,000 Up to \$266,000	Above \$266,000 Up to \$334,000	Above \$334,000 Up to \$400,000	Above \$400,000 Less Than \$750,000	Above \$750,000
Married & Separate	\$106,000 or Less	Not Applicable	Not Applicable	Not Applicable	Above \$106,000 Less Than \$394,000	Above \$394,000
Estimated Monthly Cost	\$185.00	\$259.00	\$370.00	\$480.90	\$591.90	\$628.90

THE DIFFERENT PARTS OF MEDICARE

Part B = Medical Insurance



Coverage Costs

- Part B is optional and can be declined.
- Penalty to be reinstated, unless delayed because of current employer group health plan.
- Penalty is an extra 10% of the monthly premium, times each full 12-month period that you could have been enrolled.

THE DIFFERENT PARTS OF MEDICARE

Part A + Part B

Why The Need For Additional Coverage?

- Medicare Part A and B premiums, deductibles, copays, and coinsurances
- No Maximum Out-Of-Pocket (MOOP)
- No comprehensive ancillary coverage on dental, hearing, and vision
- No prescription drug coverage

THE DIFFERENT PARTS OF MEDICARE

Part C = Medicare Advantage Plan (MA)

Medicare Advantage Prescription Drug Plan (MAPD)



Coverage Facts

- One of the options for additional coverage
- Offered by private insurance companies like UnitedHealthcare, Humana, Blue Cross, etc.
- Insurance companies assume liability of beneficiary and receive a set amount of money per enrollee.
- Insurance companies have a contract with CMS that must be renewed each year.

Coverage Facts

- Plans must cover all services under Original Medicare
- Must obtain health care from contracted providers and facilities, unless it's an emergency.
- May offer additional benefits such as:
 - Dental
 - Vision
 - Hearing
 - OTC Credit
 - Silver Sneakers
 - Meals on Wheels

THE DIFFERENT PARTS OF MEDICARE

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Coverage Costs

- Many offered at \$0 cost but can vary depending on type of plan.
- Medical services are broken down into fixed copays and coinsurances.
- Plans have a yearly limit on what you pay for out-of-pocket services under Medicare A & B called a **MOOP** or **Max Out-Of-Pocket**

Eligibility

- Must be enrolled in Medicare Part A & B
- Must live in the plan's service area

THE DIFFERENT PARTS OF MEDICARE

Part D = Prescription Drug Plan (PDP)



Coverage Costs

- Offered by private insurance companies.
- Have a contract with CMS that must be renewed each year.
- Can be purchased as a standalone or combined with a Part C MAPD.

Eligibility

- Must be enrolled in Medicare Part A and B.
- Must live in the plan's service area

Coverage Costs

- Prescription drug costs vary from plan to plan.
- Cost sharing and benefits can change each year.
- Costs associated with Part D plans may include; premiums, deductibles, co-pays, and coinsurances.
- IRMAA - Income-related monthly adjusted amount like Part B

Individual Tax File	\$106,000 or Less	Above \$106,000 Up to \$133,000	Above \$133,000 Up to \$167,000	Above \$167,000 Up to \$200,000	Above \$200,000 Less Than \$500,000	Above \$500,000
Joint Tax File	\$212,000 or Less	Above \$212,000 Up to \$266,000	Above \$266,000 Up to \$334,000	Above \$334,000 Up to \$400,000	Above \$400,000 Less Than \$750,000	Above \$750,000
Married & Separate	\$106,000 or Less	Not Applicable	Not Applicable	Not Applicable	Above \$106 Less Than \$394,000	Above \$394,000
Estimated Monthly Cost	\$0.00	\$13.70	\$35.30	\$57.00	\$78.60	\$85.80

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THE DIFFERENT PARTS OF MEDICARE

Part D = Prescription Drug Plan (PDP)



Coverage Facts

- Like Part B, penalties may apply if you enroll late.
- Enrollment may be delayed if actively working and you have creditable coverage

The penalty is 1% of the “national base beneficiary premium,” (\$36.78 in 2025) times the number in full, uncovered months without Part D or creditable coverage.

Then round to the nearest \$.10 and add to your monthly Part D premium.

RECENT PART D CHANGES THAT BENEFIT YOU

MAXIMUM OUT-OF-POCKET CAPPED AT \$2,000 ANNUALLY

- After reaching your deductible, you pay your 25% cost sharing
- When you reach \$2,000 out of pocket, you pay \$0 for **covered** prescription drugs for the rest of the year.

Due to co-pays, this may happen sooner than you think.

- Excludes drugs covered by Part B

NO MORE “DONUT HOLE” COVERAGE GAP PHASE

- Now, there is only the deductible phase, initial coverage phase, and catastrophic phase (after you reach maximum out of pocket).

SPREAD OUT YOUR PRESCRIPTION DRUG COSTS OVER THE YEAR

- This can smooth your costs, helping you to budget.
- Example: You have one prescription that costs \$300 every three months. You now have the option to pay \$100 per month--the same \$1,200 over a year.

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WHAT DO YOU NEED TO DO?

1. Weigh the costs and benefits of adding additional coverage to your Original Medicare coverage. Consider Medicare Advantage, Medicare Supplement, and Prescription Drug Plan options.
2. If you're enrolled in any Medicare plan, watch for your Annual Notice of Change (ANOC), which you will receive by the end of September annually.
3. Review your current plan and benefits. Consider recent and future changes in your medical needs.
4. Schedule a free consultation with me to review your options and ensure that you have the best plan for your needs.

YOUR RESOURCES

- [Medicare.gov](https://www.medicare.gov)
 - “Medicare & You” Publication
- [SSA.gov](https://www.ssa.gov)
- [Me!](#) Your local, licensed insurance agent
 - I specialize in Medicare!

If you want a “quick review” (15-minute) appointment to review this information, please contact me to book a no-cost, no-obligation consultation today!



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Enrollment in the described plan type may be limited to certain times of the year unless you qualify for a special enrollment period. We do not offer every plan available in your area. Currently we represent 10+ organizations which offer 50+ products in your area. Please contact Medicare.gov, 1-800-MEDICARE, or your local State Health Insurance Program (SHIP) to get information on all of your options. For accommodation of persons with special needs, call 480.447.9657, TTY: 711.