



# MEDICARE

# 101



## What is Medicare?

- A federal health insurance program for eligible U.S. citizens and legal residents
- Individual health insurance
- Funded in part by the taxes you pay while working



# What is Medicare?



# Who is eligible?

- You must be age 65 or older **AND** you, or your spouse, worked and paid Social Security taxes for at least 40 quarters (10 yrs.)
  - **OR** under age 65 with a qualifying disability
  - **OR** any age with a diagnosis of end-stage renal disease or ALS
- U.S. citizens and legal residents:
  - Legal residents must live in the U.S. for 5 consecutive years, including the 5 years just before applying for Medicare.





# Applying for Original Medicare



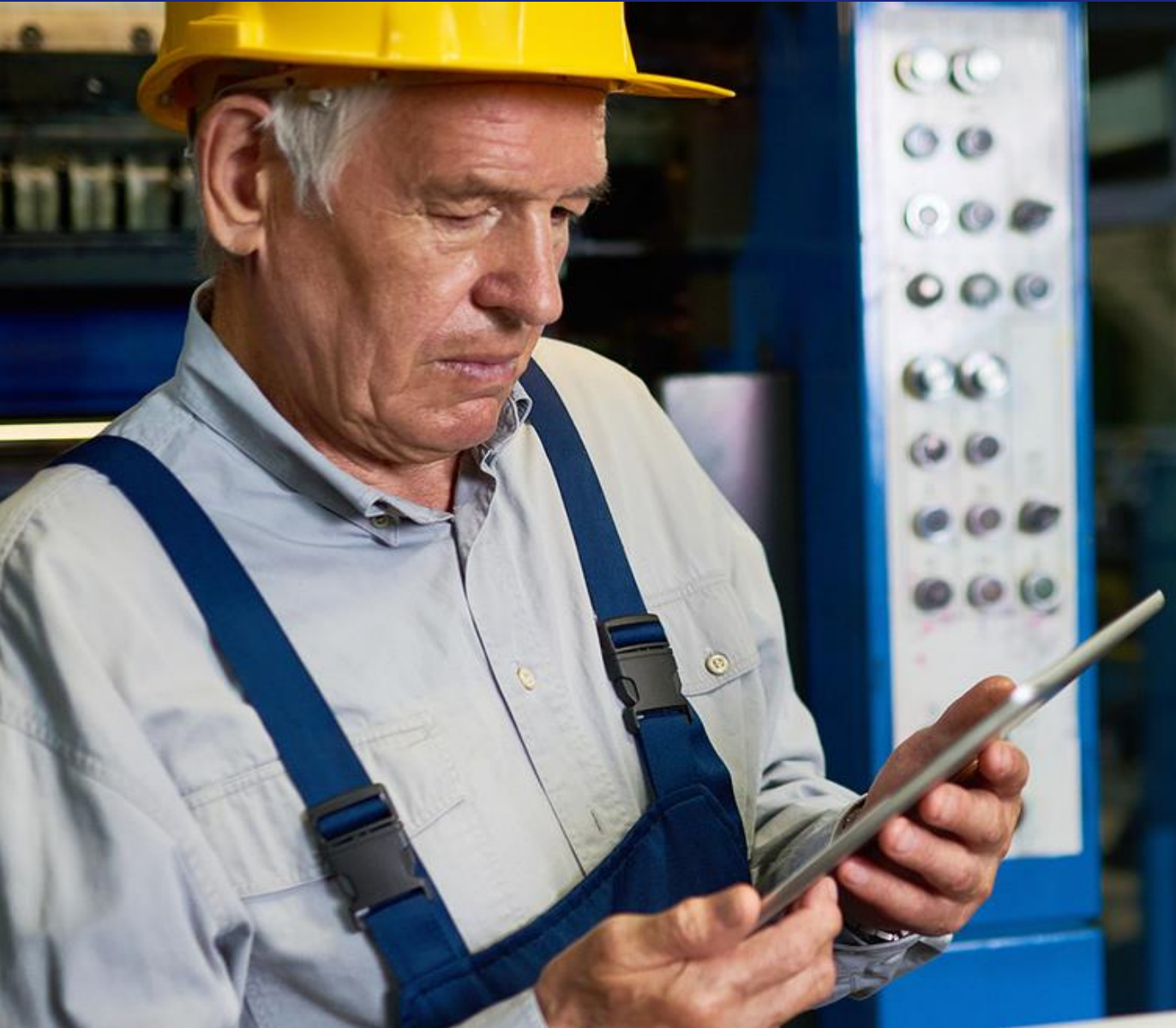
If you are receiving Social Security or Railroad Retirement Board (RRB) prior to your 65<sup>th</sup> birthday OR after receiving Social Security disability benefits for 24 months, you will be automatically enrolled in Original Medicare Part A and Part B.

If you are delaying collecting these retirement benefits, you must actively apply with Social Security (or Railroad Retirement) during your **7-month Initial Enrollment Period (IEP) which occurs:**

- 3 months before your 65<sup>th</sup> birthday
- Month of your 65<sup>th</sup> birthday
- 3 months after your 65<sup>th</sup> birthday

**Apply for Part A and B at [ssa.gov/benefits/medicare](https://ssa.gov/benefits/medicare) or Contact your local Social Security office, 1-800-772-1213, and schedule an in-person appointment to enroll. Railroad Retirees call 1-877-772-5772 to enroll.**

# Working beyond age 65?



If your employer has 20 or more employees, and the employer health coverage is considered “creditable”, you may delay enrolling in Medicare. Otherwise, you must enroll at age 65.

If covered under your spouse’s employer coverage, delaying Medicare will depend on their employer’s guidelines for covering a Medicare-eligible spouse/dependent.

**WARNING!** COBRA is **NOT** considered creditable health coverage to delay Medicare Part B. Additionally, continuing enrollment in COBRA without enrolling in Medicare could result in higher costs for medical services!



## What Original Medicare Covers:

### Part A: Hospital Insurance

- Inpatient hospital stays
- Skilled nursing facility care
- Hospice care
- Some home health care

### Part B: Medical Coverage

- Doctors' services
- Outpatient medical and surgical services, supplies
- Clinical lab tests
- Durable medical equipment
- Preventive services

*\*\* Medicare will only cover Medicare-eligible expenses and approved services.*

# Medicare Part A: Hospital Insurance

**Premium:** There is no premium if you or your spouse worked and paid Social Security taxes for at least 40 quarters (10 years). This is sometimes called "premium-free Part A."

## Hospital Stay:

- You pay a **\$1,632 deductible** per benefit period (up to 60 days)
- Then **\$408 per day** for days 61-90 of each benefit period
- Additionally, **\$816** per lifetime reserve day (maximum of 60 days)



## Skilled Nursing Confinement:

- Medicare pays all eligible expenses for the first 20 days. You pay a copay of **\$204 per day days 21 – 100** of each benefit period. You are responsible for all costs each day after day 100 of the benefit period.

\*\*There is **NO** out-of-pocket maximum limit.

*This information reflects Original Medicare benefits for the 2024 plan year.*



# Medicare Part B: Medical Insurance

**Premium:** **\$174.70 per month** for most people. Premiums are adjusted based on household income. A premium penalty is assessed for late enrollment without a qualifying SEP.

**Deductible:** You pay a one-time deductible of **\$240 per year** for 2024. This is subject to change annually.

**Other Costs:** You must pay **20%** of the Medicare-approved amounts for qualifying medical services, plus **Excess Charges** (if applicable).

\*\*There is **NO** out-of-pocket maximum limit.

*This information reflects Original Medicare benefits for the 2024 plan year.*





# Medicare Part D Prescription Drug Coverage

- Provides coverage for prescription drugs and certain vaccines (not covered by Part B)
- Two ways to get coverage:
  - Stand-alone Prescription Drug Plan (PDP)
  - Medicare Advantage – Prescription Drug Plan (MAPD)
- Tiered Formulary
  - Drugs are grouped into tiers based on cost
  - In general, the lower the tier, the lower the cost
  - Deductibles may be charged by tier
- Prescription drug costs depend on the formulary tiers of medication(s) and the coverage stages entered throughout the year. Costs are subject to change annually.



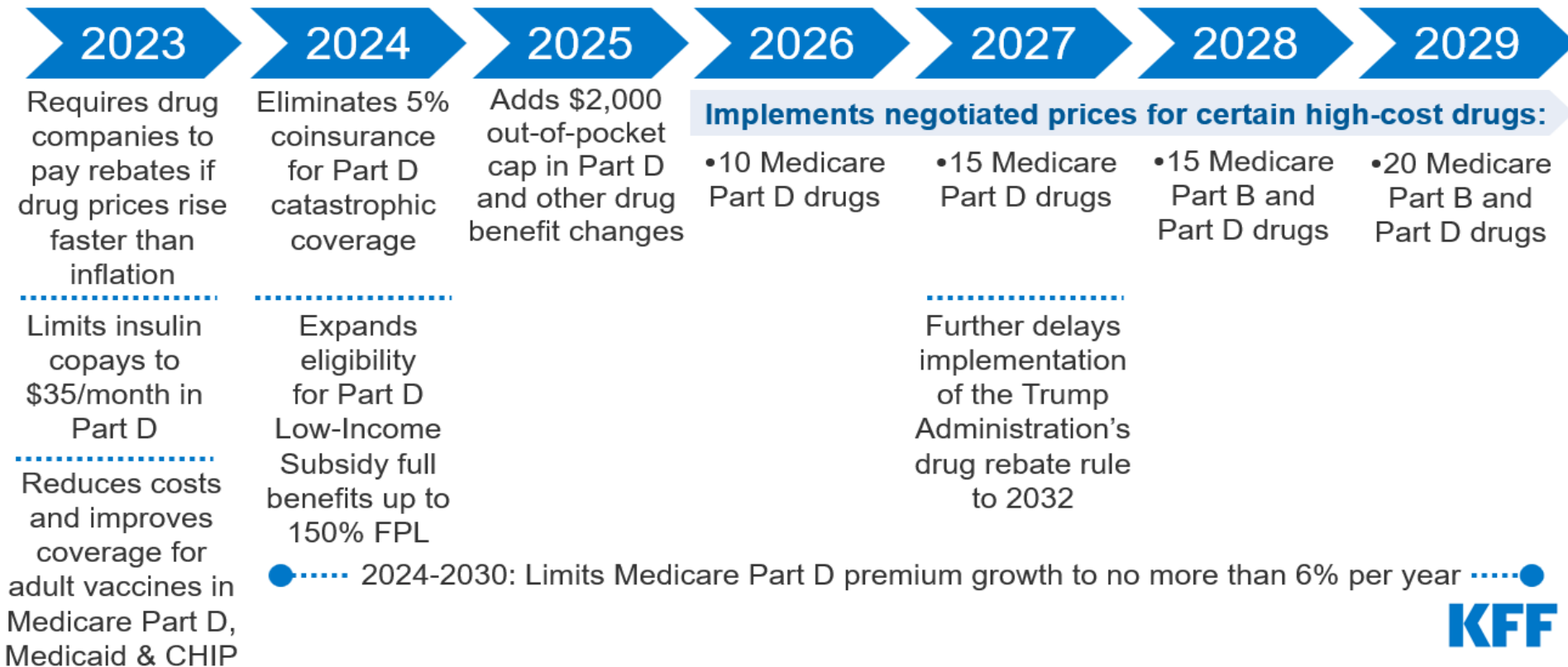
# Prescription Drug (Part D) Costs

- Plan premiums, deductibles and formularies vary.
- A late enrollment premium penalty (1% of the average premium) may be assessed on each month without creditable drug coverage.
- According to the Centers for Medicare & Medicaid Services, the average basic monthly premium for Medicare Part D is projected to be \$55.50 in 2024.
- Below are the four Medicare prescription drug coverage stages and the Standard Part D Benefits .

	Annual Deductible	Initial Coverage	Coverage Gap (Donut Hole)	Catastrophic Coverage
<b>2024 Plan Year</b>	\$545	A copay or coinsurance is paid for prescription drugs during the initial coverage phase up to <b>\$5,030</b> in total drug costs.	Beneficiaries pay 25% of the cost of generic drugs and 25% of the undiscounted costs of brand name drugs during the “Coverage Gap” phase up to <b>\$8,000</b> in true out-of-pocket costs.	Cost-sharing for Part D drugs will be eliminated for beneficiaries in the catastrophic phase of coverage.

# Implementation Timeline of the Prescription Drug Provisions in the Inflation Reduction Act

On August 16, 2022, President Biden signed into law the Inflation Reduction Act of 2022, which includes a broad package of health, tax, and climate change provisions. **The law includes several provisions to lower prescription drug costs for people with Medicare and reduce drug spending by the federal government.** Let discuss the potential impact of these provisions for Medicare beneficiaries nationally.



Note: This information is based on the current Senate-passed legislation on August 16, 2022.

Source: How Will the Prescription Drug Provisions in the Inflation Reduction Act Affect Medicare Beneficiaries? [image]. 2022. Retrieved from <https://www.kff.org/medicare/issue-brief/how-will-the-prescription-drug-provisions-in-the-inflation-reduction-act-affect-medicare-beneficiaries/>.

When can you enroll in a Medicare plan?





# Initial Enrollment Period (IEP)

The 7 months surrounding your Medicare eligibility date:

- 3 months before your Medicare eligibility or 65<sup>th</sup> birthday
- The month of your Medicare eligibility or 65<sup>th</sup> birthday
- 3 months after your Medicare eligibility or 65<sup>th</sup> birthday



Special Recognition to our Veterans. **THANK YOU FOR YOUR SERVICE!**

If you are eligible for TRICARE For Life (TFL), you must enroll in Medicare Part B during this time.

# Annual Enrollment Periods

## Annual Enrollment Period (AEP) Oct. 15<sup>th</sup> - Dec. 7<sup>th</sup>

- Opportunity to review your current coverage for the upcoming plan year
- You may change your Medicare Advantage or Prescription Drug Plan or switch to Original Medicare
- Coverage begins January 1<sup>st</sup>

## MA Open Enrollment Period (OEP) Jan. 1<sup>st</sup> – Mar. 31<sup>st</sup>

- You may change your Medicare Advantage Plan or enroll in a Prescription Drug Plan
- Drop your MA Plan and return to Original Medicare
- Coverage begins first of the month after you enroll



# Special Enrollment Period (SEP)





A Special Enrollment Period (SEP) is a time outside the standard enrollment periods that allows you to sign up for Original Medicare or make changes to your Medicare coverage.

- This occurs when qualifying events happen in your life. i.e., permanent move, loss of coverage, change in Medicaid status or Extra Help, etc.
- For example, if you didn't sign up for Part B (or Part A if you must buy it) when you were first eligible because you have group health plan coverage based on current employment, you can sign up for Part A and/or Part B:
  - Anytime you're still covered by the group health plan
  - During the 8-month period that begins the month after the employment ends or the coverage ends, whichever happens first
- When you can make changes and the type of changes you can make vary for each SEP.
- A late enrollment will not be if you sign up during a Special Enrollment Period.



There are simply two ways to get your Medicare coverage!

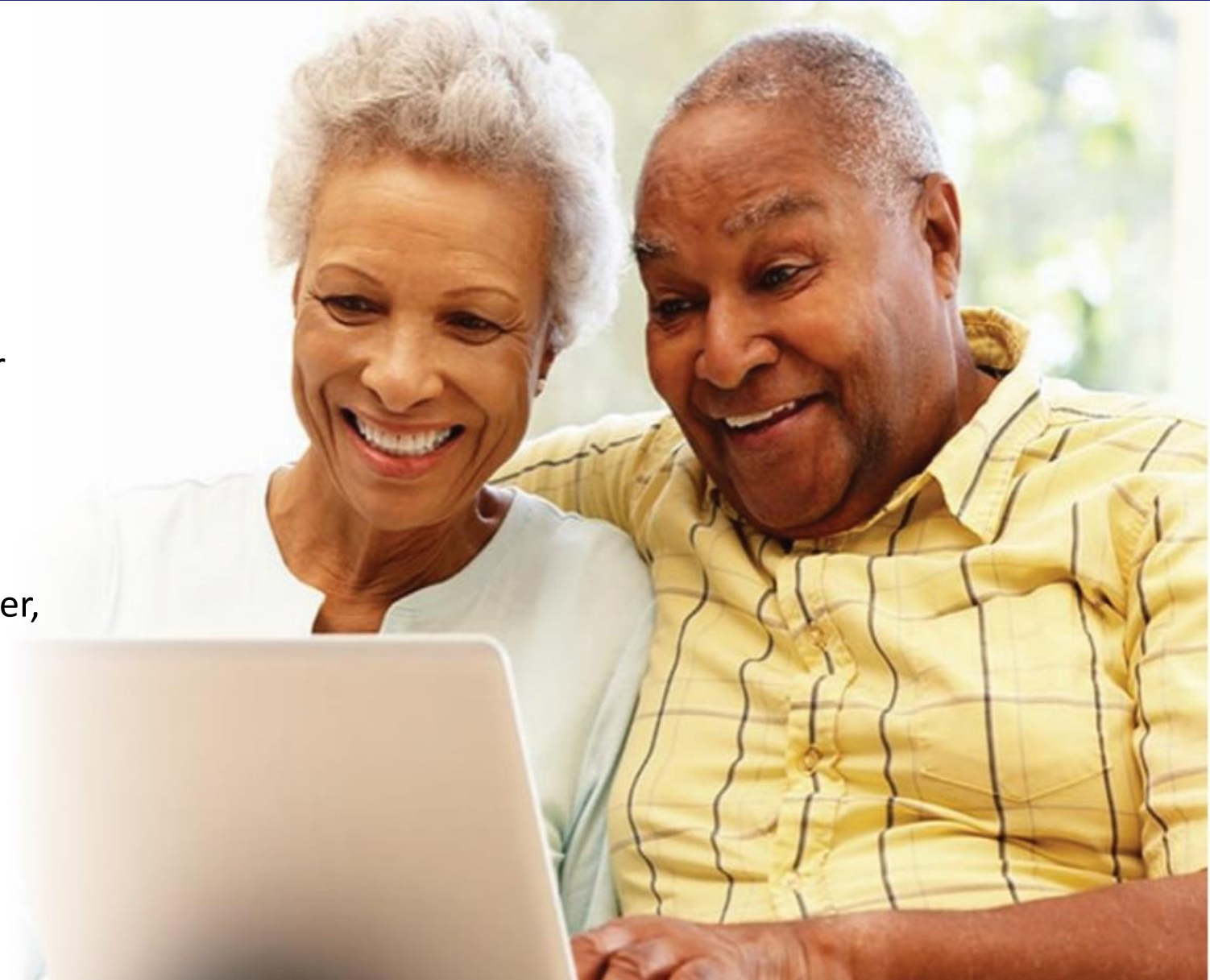
## Your Medicare Options:

Original Medicare	Medicare Advantage
Part A  Part B 	Also known as Part C 
<p>You can add:</p> <ul style="list-style-type: none"><li>• Part D </li></ul> <p>You can also add:</p> <ul style="list-style-type: none"><li>• Medicare Supplement Insurance (Medigap)</li><li>• This plan type is offered by private insurance companies</li><li>• Or, you can use coverage from a former employer or union, or Medicaid</li></ul>	<ul style="list-style-type: none"><li>• Medicare-approved plans offered by private insurance companies</li><li>• These “bundled” plans include Part A, Part B, and usually Part D</li><li>• In most cases, you can only use doctors that are in the plan’s network</li><li>• Have lower out of pocket costs than Original Medicare</li><li>• Offer some “extra” benefits that Original Medicare doesn’t cover like: Vision, and Dental services</li></ul>



# Medicare Supplement Insurance: Medigap

- Offered through private insurance companies
- Must be enrolled in Medicare Parts A & B and live in the state where the plan is offered
- Must continue to pay Medicare Part B
- No medical underwriting up to 6 months after turning 65 or enrolling in Part B
- Works with Original Medicare and Part D
- Helps pay some of hospital and medical expenses that Original Medicare does not cover, such as copayments, coinsurance, yearly deductibles, and healthcare if you travel outside of the U.S.
- Plans are labeled by letters, (i.e., Plan G) and are standardized by federal and state law



# Medicare Part C: Medicare Advantage Plan



## Available to:

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

## Alternative to Original Medicare:

- Offered by private insurance companies
- Alternative to Original Medicare
- Most plans include Prescription Drug coverage
- There are various types of Medicare Advantage Plans. i.e., HMO & PPO.
- Must continue to pay Part B premium
- Often includes additional benefits like routine dental, vision and hearing.



## Original Medicare does not cover the following:

- Prescription Drugs (Part D)
- Dental, Vision and Hearing
- Chiropractic services
- Emergency coverage while traveling outside of the U.S.
- Services may be available outside of those deemed medically necessary, such as: meal delivery, transportation, fitness membership, and over-the-counter allowance

\*\*Dual-eligible Special Needs plans may offer an allowance that can be used for life expenses like healthy groceries and utilities for those who qualify.

# Medicare Supplement Insurance or Medicare Advantage Plan?

	Medicare Supplement	Medicare Advantage
<b>Cost</b>	<p><b>Higher monthly premiums, lower out of pocket expense.</b>            Plan pays for all or most medical deductibles, coinsurance and copayments. <u>Think: <b>PAY NOW for lower costs later</b></u></p>	<p><b>Low monthly premium</b>            Member subject to pay deductibles, coinsurance and copayments for services. <u>Think: <b>PAY AS YOU GO</b></u></p>
<b>Provider Choice</b>	You can typically use any doctor or hospital that accepts Medicare.	Have a network of health care providers, including doctors, hospitals, and facilities.
<b>Drug Coverage</b>	If you need drug coverage, you will need to add a stand-alone drug plan <b>for an additional premium.</b>	Most plans include prescription drug coverage.
<b>Things to Consider</b>	<ul style="list-style-type: none"> <li>You don't mind higher monthly premiums for more predictable Medical costs</li> <li>You want the freedom to see any doctor or hospital</li> <li>You understand Original Medicare typically does not cover ancillary benefits such as dental, vision, and hearing</li> <li>Carry your Medicare card, Medicare Supplement Insurance card and Part D card</li> </ul>	<ul style="list-style-type: none"> <li>You want to keep premium cost as low as possible</li> <li>You don't mind using a network of providers</li> <li>It's important to enroll in a plan that includes additional benefits like dental, vision, hearing, fitness benefit, OTC, etc.</li> <li>One card to carry for all services</li> </ul>



# How To Avoid Medicare Scams: Things To Look Out For

- **Aggressive or threatening tactics:** Fraudulent sellers of Medicare plans may call many times throughout the day, leave numerous voice mails, or call you back even after you hang up.
- **Unsolicited phone calls:** Medicare scammers may pretend to work for the government or claim to represent legitimate insurance companies. They can even change their caller identification information to make it look like they are calling from your local Medicare office.
- **Identity verification:** Fake "identity verification" scams are an easy way for criminals to get your Social Security number, full name, home address, and other information that enables them to steal your identity. Sometimes they even ask for a credit card number for verification purposes, as a way to access your financial accounts. Medicare does not contact consumers over the phone or email seeking to verify their identities or get credit card information.
- **Email solicitations:** A few simple design tools can make an email look like it came from Medicare or an insurance provider. Scammers can even spoof Medicare email addresses or redirect you to a web page that looks identical to the real Medicare page. Never give personal information to someone who contacts you via email, even if they seem legitimate.
- **Mail solicitation:** While some Medicare plans and service providers may contact you through the mail, many scammers also send fake plan documents.
- **Door-to-Door Sales:** Insurance agents cannot show up at your house to sell you a plan without an appointment. This means that a door-to-door solicitor offering to sell you a plan is likely a scammer. Do not give them personal information or allow them into your home.

## **If you suspect Medicare fraud, do any of these:**

- Call 1-800-MEDICARE (1-800-633-4227). TTY users can call 1-877-486-2048.
- Call the fraud hotline of the Department of Health and Human Services Office of the Inspector General at 1-800-HHS-TIPS (1-800-447-8477). TTY users can call 1-800-377-4950.
- Visit [tips.oig.hhs.gov](https://tips.oig.hhs.gov) to file a complaint online.

# Let me help you eliminate the confusion surrounding Medicare!



**(800) 778-0346**

[medicare@lfgben.com](mailto:medicare@lfgben.com)

## Value Added Services:

- Welcome to Medicare introduction and thorough assessment to find the plan that best meets your unique needs
- Prescription drug cost analysis – My goal is help keep your RX cost low!
- Smooth transition from your employer / union group health plan to a Medicare plan
- Options to supplement your Veterans Benefits
- Annual Enrollment Period reviews and life event plan changes
- Access to national and local Medicare Advantage Plan, Medicare Supplement Plan and Prescription Drug Plan Options
- Dedicated to providing the highest level of customer service to answer questions surrounding benefits, billing, claims and more!

*Thank you!* Schedule your Medicare plan review today. No Cost. No Obligation.