



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

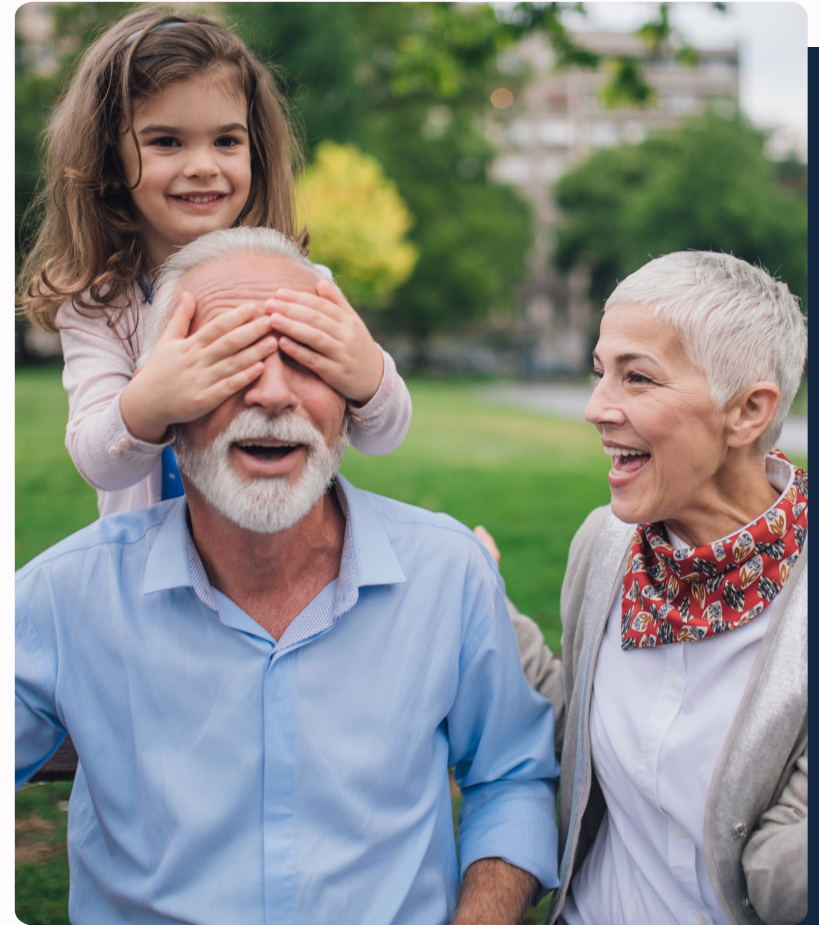


What is Medicare?



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 years).
 - **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

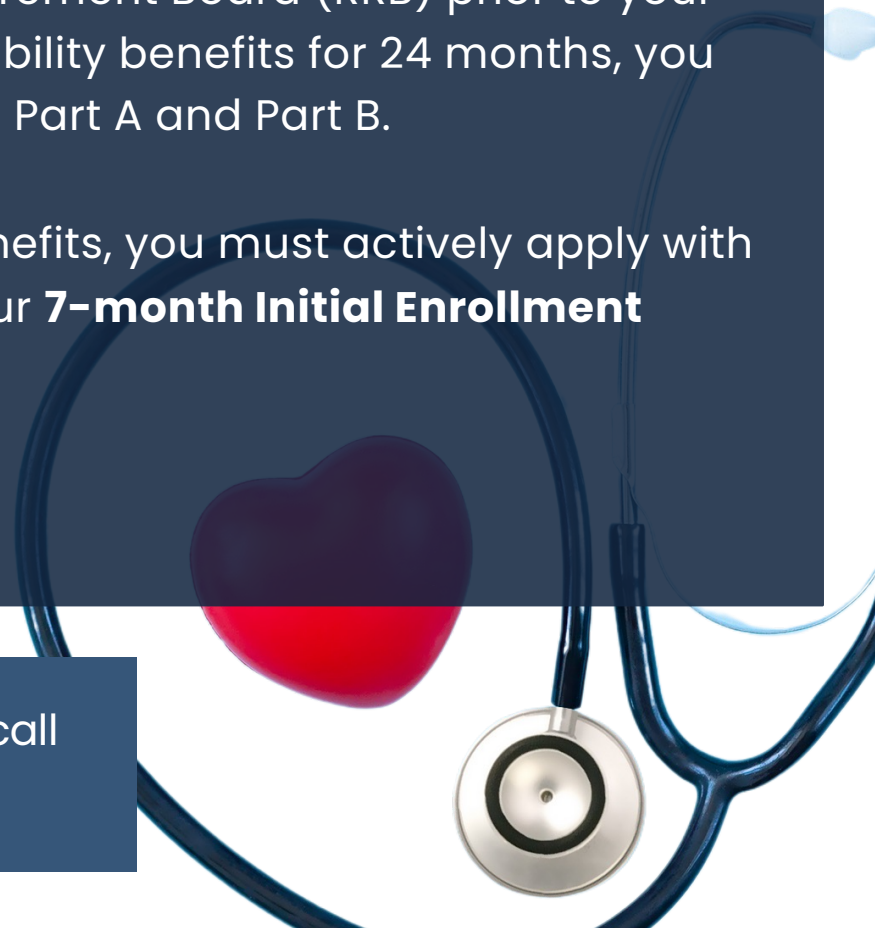
If you are receiving Social Security or Railroad Retirement Board (RRB) prior to your 65th birthday or after receiving Social Security disability benefits for 24 months, you will be automatically enrolled in Original Medicare Part A and Part B.

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 65th birthday
- Month of your 65th birthday
- 3 months after your 65th birthday

Contact your local Social Security office or visit ssa.gov/benefits/medicare.

Railroad Retirees call
(877) 772-5772.



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 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." If you don't qualify for premium-free Part A, you may pay up to \$505 each month.

Hospital Stay:

- You pay a **\$1,676 deductible** per benefit period (up to 60 days)
- After deductible is met, days 1-60 is **\$0 per day**
- Then **\$419 per day** for days 61-90 of each benefit period
- Additionally, **\$838** 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 **\$209.50 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 2025 plan year.*



Medicare Part B: Medical Insurance



Premium: **\$185.00 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 **\$257 per year** for 2025. 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 2025 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.



Inflation Reduction Act of 2022

OVERVIEW



- On August 16, 2022, the Biden administration signed into law H.R.5376, the Inflation Reduction Act.
- This legislation includes sweeping changes to all Part D plans/benefits, including individual and group (self-funded and fully insured) standalone Medicare prescription drug plans (PDPs) and Medicare Advantage plans with Medicare prescription drug benefits (MAPDs).
- The IRA changes began in 2023 and will continue until 2032.

2025 PART D CHANGES

- **Elimination** of the **Coverage Gap** (“Donut Hole”) Phase.
- **\$2,000** maximum true out-of-pocket (**TrOOP**).
- Requires the option of the **Medicare Prescription Payment Plan (MPPP)**.
- Carriers and drug manufacturers to pay a larger share of drug costs.

Effective January 1st, 2025



Medicare Part D

PRESCRIPTION DRUG COVERAGE STAGES

2025: Elimination of the Coverage Gap stage, or “Donut Hole”.

Deductible Stage

If a member's plan has a prescription drug deductible, they will pay the full cost for their drugs until they reach the deductible amount; then they move to the Initial Coverage stage.

Initial Coverage Stage

Members will pay their plan copays or coinsurance, and the Part D plan (or Drug Manufacturers) will pay the rest.

Once the member, and others on their behalf, have paid a combined total of \$2,000 (including any amounts paid toward a deductible), they move to the Catastrophic Coverage stage.

Catastrophic Coverage Stage

Members won't pay anything for Part D covered drugs for the rest of the plan year. The Part D plan will be responsible for most costs in this stage.

\$590
Rx Deductible

25%
Cost-Share

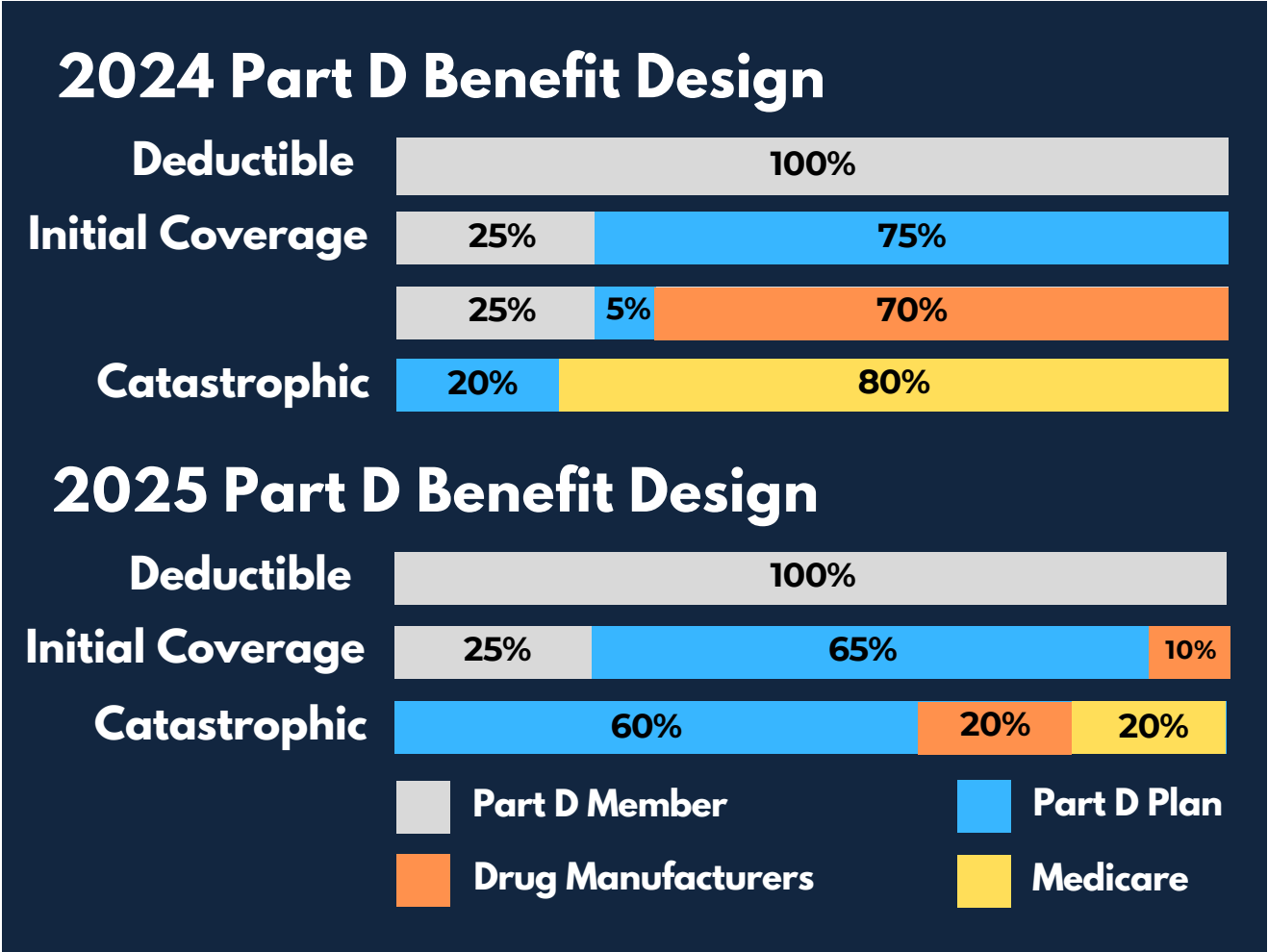
Medicare Part D

2025 PRESCRIPTION DRUG COVERAGE

Plan Year	Annual Deductible	Initial Coverage	Coverage Gap (Donut Hole)	Catastrophic Coverage
2024	\$545	A copay or coinsurance is paid for prescription drugs during the initial coverage phase up to \$5,030 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 \$8,000 in true out-of-pocket costs.	Beneficiaries pay 0%.
2025	\$590	A copay or coinsurance is paid for prescription drugs during the initial coverage phase up to \$2,000 in total drug costs. This cap does not apply to out-of-pocket spending on Part B drugs.	Eliminated: Part D enrolled beneficiaries will no longer face a change in their cost sharing for a given drug when the move from the Initial coverage phase.	Beneficiaries pay 0%.

Reallocation of Costs in the Catastrophic Stage

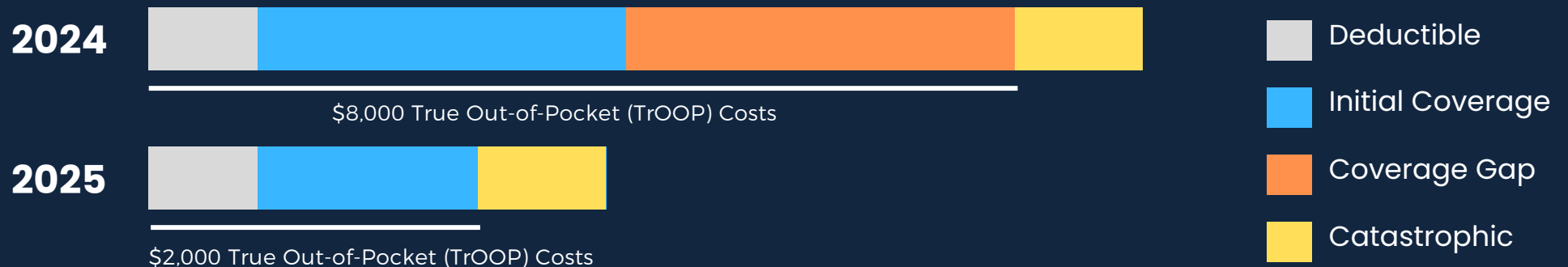
- For 2025, the cost responsibilities in the Catastrophic stage have shifted. Medicare will now pay a smaller portion of the costs (20% for brand, 40% for generics) and the Part D plan will be responsible for paying a higher share of the costs (60% in 2025 vs. 20% in 2024).



- Beneficiaries who typically reach the coverage gap may benefit from lower out-of-pocket costs in 2025.

2025 Annual True Out-of-Pocket Maximum (TrOOP)

In 2025, there is a new \$2,000 annual true out-of-pocket maximum (TrOOP), reduced from \$8,000 in 2024. TrOOP is the out-of-pocket drug cost that accumulates during the Deductible and Initial Coverage stages. As a result, beneficiaries may reach the Catastrophic stage more quickly (where they will have no drug cost responsibility) due to the elimination of the Coverage Gap and the lower TrOOP.



When can you enroll in a Medicare plan?



MEDICARE ENROLLMENT PERIODS

- Initial Enrollment Period (IEP)
- Annual Enrollment Period (AEP)
- MA Enrollment Period (OEP)
- Special Enrollment Period (SEP)



Initial Enrollment Period (IEP)

The 7 months surrounding your Medicare eligibility date:

- 3 months before your Medicare eligibility or 65th birthday
- The month of your Medicare eligibility or 65th birthday
- 3 months after your Medicare eligibility or 65th birthday

**3 Months Before
Your 65th Birthday**



**The Month
You Turn 65**



**3 Months After
Your 65th 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 Period (AEP)**

Oct. 15th - Dec. 7th

- 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 1st

- **MA Open Enrollment Period (OEP)**

Jan. 1st – Mar. 31st

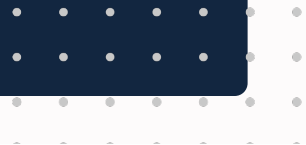
- You may change your Medicare Advantage Plan or enroll in a Prescription Drug Plan
- Drop your MA Plan and return to Original Medicare
- Coverage begins first of the month after you enroll

Special Enrollment Period (SEP)





A Special Enrollment Period (SEP) allows you to enroll in or adjust your Medicare coverage outside the standard times.



- Typically triggered by life events like moving, losing coverage, or changes in Medicaid status.
- For instance, if you initially missed enrolling in Part B because you had group health plan coverage, you can enroll in Part A and/or Part B during the SEP, which is either while you're still covered or within 8 months after your coverage ends. This period ensures you avoid late enrollment penalties.

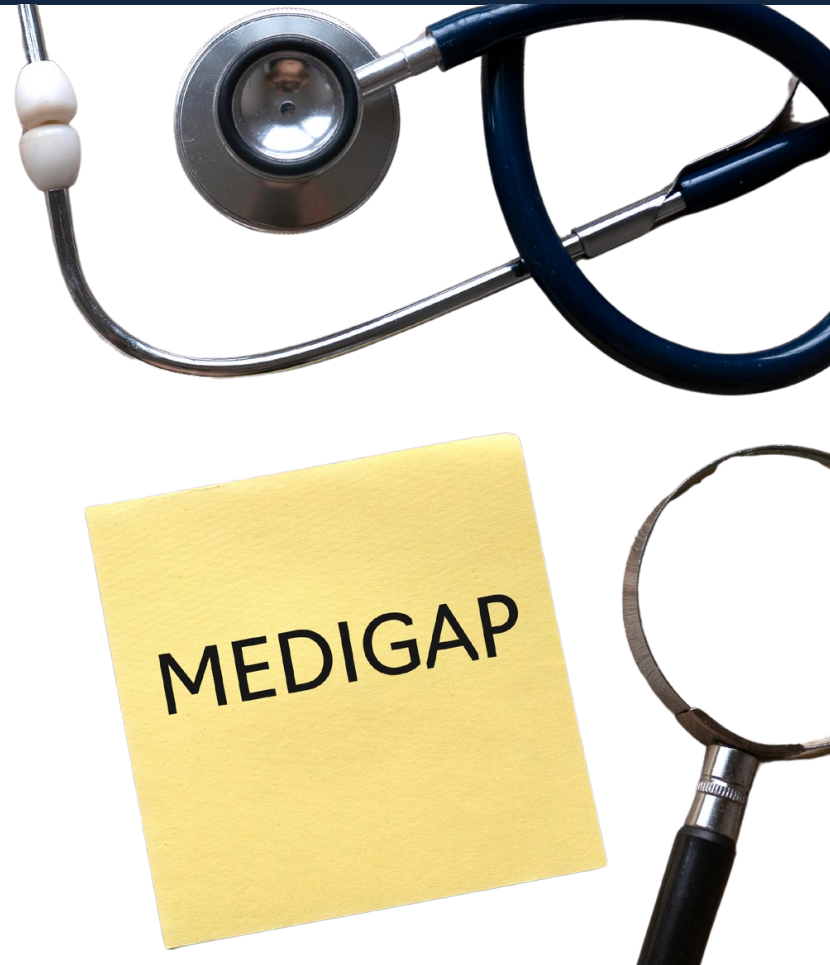


Your Medicare Coverage Options

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

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 the 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



- **Eligibility:**
 - 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
- Most plans include **Prescription Drug coverage**
- Various types of Medicare Advantage Plans
 - 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 vs. Medicare Advantage

WHAT'S THE DIFFERENCE

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

Medicare scams

WHAT TO LOOK OUT FOR



**Aggressive or
Threatening Tactics**



**Unsolicited Phone
Calls**



**Identity
Verification**



Email Solicitation



Mail Solicitation



**Door-to-door
Sales**

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 to file a complaint online.

Let me help you eliminate the confusion surrounding Medicare!



614-704-5055

kevin@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.