

Part A	
Covers	Hospitalization, skilled nursing care, and hospice. Full coverage for the first 60 days in a hospital after a \$1,484 deductible is paid. After the 60th day, you pay \$371 per day. After the 91st day, you pay \$742 per day. After the 150th day, you pay all expenses.
Premium	None, if Social Security tax has been withheld from your paycheck for at least ten years. Otherwise, there is a premium.
When to Enroll	Three months before the month of your 65th birthday. You can also enroll up to three months after the month of your 65th birthday, but, if you do, coverage will not begin immediately.
How to Enroll	You're automatically enrolled if you're collecting social security. Otherwise go to www.medicare.gov .
Employer Coverage & Delaying Enrollment	Most people enroll in Part A even if they are covered by their or their spouse's employer. The main reasons people delay enrolling in Part A are if they have not paid Social Security taxes for ten years and therefore need to pay a premium for Part A or if they have an HSA account.

Part B	
Covers	Out-Patient care and doctor's charges in a hospital. Examples of Out-Patient care are a check-up, X-Ray, blood test, or a simple elective procedure. After meeting an annual deductible of \$203, Part B covers 80% of expenses, and you pay the remaining 20%.
Premium	If your individual tax return shows income of \$88,000 (or \$176,000 for a joint tax return), or less, your Part B premium is \$148.50 a month. If your income is higher, your premium will be as well. You can find a chart of Part B premiums as they vary with income at www.medicare.gov .

When To Enroll	Three months before the month of your 65th birthday. You can also enroll up to three months after the month of your 65th birthday, but, if you do, coverage will not begin immediately.
How to Enroll	You are automatically enrolled if you are collecting Social Security. Otherwise go to www.medicare.gov .
Employer Coverage & Delaying Enrollment	Because everyone pays Part B premium, more people consider delaying enrollment in it if they have sufficient coverage from their or their spouse's employer. The employer's HR staff will let you know if you can delay enrollment in Part B. If you delay enrolling in Part B and do not have sufficient employer coverage, you will face financial penalties in the future. I can help you decide when to enroll in Part B.

A Quick Pause Before Adding More Layers

Parts A and B together are referred to as "Original Medicare", and while they satisfy the minimum medical coverage the government requires you to have, many folks find they have gaps in the following areas:

- Part A Deductible - The Part A deductible resets once you have been out of the hospital for 60 days. So, if you go to the hospital several times, each time 60 days since the last one, you will pay a \$1,484 deductible each time. This could add up.
- Part B Coinsurance - After you meet the Part B deductible, you pay 20% of Part B covered care. 20% of a large number can be a large number.
- Excess Charges - Healthcare providers will occasionally charge more than Medicare will reimburse them. The difference is called an "excess charge", and you pay for all of it.
- Foreign Travel - Original Medicare does not cover healthcare received abroad except for a few limited cases in Canada and Mexico.

Further, the government requires you to have Prescription Drug Coverage, also referred to as "Part D".

Medigap, Medicare Advantage, and Prescription Drug Coverage

If you are fine with the coverage provided by Original Medicare (Parts A and B), you can purchase an additional Prescription Drug Plan from a private insurance carrier (Part D), and you will have met the minimum amount of health insurance the government requires you to carry.

If you want additional coverage to Original Medicare, you have two options:

Medigap Plan (Medicare Supplement)

If you have ever heard of "Plan G" or "Plan N", you have heard of Medigap plans. They pick up the bill after Original Medicare pays. So, if you got a blood test that costs \$100, Part B will cover \$80, and if your Medigap plan covers Part B coinsurance, it will cover all or part of the remaining \$20.

Medigap plans are defined by the government but offered by private carriers. This means that the benefits of Plan G offered by Humana and Cigna are the same. The premium, however, will likely be different. Medigap premium is paid in addition to Medicare Part B premium.

The different Medigap benefits are listed on www.medicare.gov. Though there are ten options, four or five can usually be ruled out because, surprisingly, they cost more than other Medigap options with more coverage. The Medigap plan with the most comprehensive coverage that is currently available to new Medicare enrollees is Plan G or N.

Should you choose a Medigap plan, you also need to purchase a Prescription Drug Plan. I am happy to discuss which Medigap plan might be a good fit for you.

Medicare Advantage Plans

Unlike Medigap Plans, Medicare Advantage plans are entirely defined and run by private carriers. They typically have you pay a copayment (a flat fee) or coinsurance (a percent of the total costs) for In-Patient and Out-Patient care until your medical payments for the calendar year reach an "out-of-pocket maximum", at which point the plan covers all your expenses. Out-of-pocket maximums depend on the plan and typically range from \$4,000 to \$8,000.

Medicare Advantage plans are typically offered as HMOs or PPOs. In the HMO model, you can only see doctors in the HMO. This contrasts with Original Medicare or Medigap, which allow you to see any doctor who accepts Medicare.

In the PPO model, Medicare Advantage plans let you see out of network doctors but provide less coverage when you do so. If you choose the Medicare Advantage route, be sure it covers your preferred healthcare providers.

Unlike Medigap plans, Medicare Advantage plans come bundled with prescription drug coverage, so there is no need to purchase a separate Prescription Drug Plan. Be sure a Medicare Advantage plan covers your prescriptions before enrolling in it.

Choosing Between Medigap and Medicare Advantage

To compare any plans, you must consider their total cost for the year: their premium plus your share of the year's expected healthcare bills.

Depending on the plans available in your zip code, a Medicare Advantage plan might make more sense than a Medigap plan, or vice versa. I can help you compare different plans in your area.

Fortunately, there is an "escape hatch" for folks who enroll in a Medicare Advantage plan and are unhappy. If you enroll in a Medicare Advantage plan when you turn 65, you may switch to a Medigap plan for any reason during the first six months from your Part "B" date on your Medicare Card.

Like all insurance brokerages, our services are free to you.

We are compensated by insurance carriers when one of our clients buys one of their plans. However, unlike other insurance brokerages, we put you ahead of our profit. If our data model indicates you should purchase a plan from a carrier we do not work with, we will help you enroll in that plan even though we won't be compensated for it.

If you have any questions about Medicare or about which Medigap or Medicare Advantage plan might be a good fit for you, please call me at: (____) _____ - _____.

Thank you for your Business!