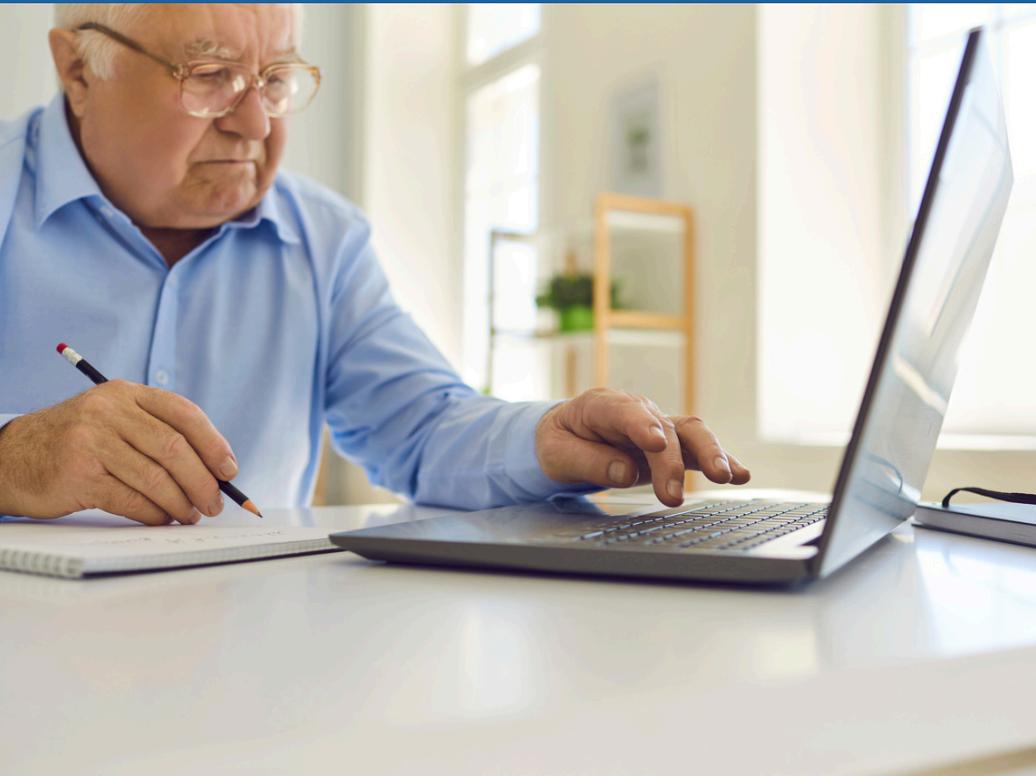


THE MINI BOOK ON **MEDICARE**

MEDICARE BASICS TO HELP YOU PLAN



JOHN SALOIS

WHAT IS MEDICARE?

A federal system of health insurance for US citizens who are aged 65 or above, are permanently disabled, are receiving railroad retirement benefits, or who are living with end-stage renal disease (ESRD).

With Original Medicare (Parts A & B), you can:

- Go to any doctor or hospital that takes Medicare, anywhere in the U.S
- Join a separate Medicare drug plan (Part D) to get drug coverage
- Buy a Medicare Supplement Insurance (Medigap) policy to help lower your share of costs for services.

PART A

Part A (Hospital Insurance):

Helps cover inpatient care in hospitals, skilled nursing facility care, hospice care, and home health care. It's not free! In most cases, there is no monthly premium but there will likely be deductible costs.

PART B

Part B (Medical Insurance):

- Helps cover services from doctors and other health care providers, outpatient care, home health care, durable medical equipment (like wheelchairs, walkers, hospital beds, and other equipment) and medications administered in a clinical setting (like infusions).
- There is a monthly base premium that fluctuates annually; in 2024 it was \$174.70, in 2025 it's \$185.00 (you may have a higher rate based on your income level). In addition to the monthly premiums, there is also an annual deductible that must be paid out before Medicare Part B kicks in. This also fluctuates; in 2024 it was \$240 and in 2025 it's \$257.
- There will be additional out of pocket charges in the form of 20% coinsurance.
- There is no limit to your out-of-pocket spending unless you have other coverage (like Medigap, Medicaid, or employee or union coverage).
- Prescription drug, dental, vision and hearing coverage are not included in Original Medicare and can also be purchased separately.

PART D

Part D (Drug coverage):

Helps cover the cost of prescription drugs. You join a Medicare drug plan in addition to Original Medicare, or you get it by joining a Medicare Advantage Plan that includes drug coverage

MEDI-GAP

Supplemental Insurance (Medigap): Original Medicare covers 80% of an Individual's medical coinsurance cost, leaving the patient to cover the remaining 20%. Medigap is extra insurance you can buy from a private company that can be used to fill in the gaps. Original Medicare (Parts A & B) paired with a Medigap supplement plan may cost you more in monthly premiums, but less when you're sick. Individuals may choose this option when they want peace of mind, freedom of choice, and hassle-free renewals. Medigap is popular among snowbirds that need to be covered in more than one state.

THE MEDIGAP OPEN ENROLLMENT PERIOD IS A ONE-TIME, SIX-MONTH PERIOD WHEN YOU CAN BUY ANY MEDIGAP POLICY SOLD IN YOUR STATE, REGARDLESS OF YOUR HEALTH STATUS, THIS PERIOD STARTS THE FIRST MONTH YOU ARE 65 OR ENROLL IN MEDICARE PART B.

Medigap insurance is meant to work in tandem with the original Medicare program by paying for beneficiary cost-sharing and some other services not usually covered by Medicare. An individual must have Parts A and B to buy a Medigap policy. Federal law provides rights to purchase policies at certain times and state law can expand such rights.

What are the alternatives to Original Medicare?

Part C (Medicare Advantage):

Sometimes referred to as “replacement policies” because they’re used in place of original Medicare, these are policies purchased from private companies. Medicare Advantage coverage bundles your Part A, Part B, and usually Part D coverage into one plan. Plans may offer some extra benefits that Original Medicare doesn’t cover – like vision, hearing, and dental services and caps your out-of-pocket spending. These plans may cost you less in monthly premiums, but more when you’re sick. Individuals may choose this option if they missed their Medigap Open Enrollment Period, are on a tight budget, can’t afford a medigap plan, or have simply weighed the options and decided to take the risk.

With Medicare Advantage, you:

- Need to use doctors who are in the plan’s network (for non-emergency or non-urgent care)
- May pay a premium for the plan in addition to the monthly Part B premium
- Can’t buy separate supplemental coverage (like Medigap).
- Must have both Part A and Part B to join

Employer-Sponsored Coverage: If you’re still working and have employer-sponsored health insurance, you may delay enrolling in Medicare. Talk to your employer’s benefits coordinator to understand how your employer coverage works with Medicare. Once you retire or lose employer coverage, you can enroll in Medicare without penalties.

State and Federal Assistance Programs: Programs like Medicaid (for low-income individuals) and Extra Help (for prescription drug costs) provide financial assistance. Eligibility criteria vary by state and income level.

When should I enroll?

Timely enrollment in Medicare during specified periods is necessary to avoid penalties for late enrollment as well as to ensure you get enrolled in the best possible plan for your personal needs. The initial Medicare enrollment period is a seven-month span that begins three months prior to the month of your 65th birthday, encompasses the month of your 65th birthday, and ends three months after your birthday month.

In addition to the initial enrollment period, there's also a general enrollment period, which occurs from January 1st to March 31st each year. Special Enrollment Periods allow individuals to enroll in or make changes to their Medicare coverage beyond the regular enrollment periods under specific circumstances.

When should I call a Medicare Agent for guidance?

- You've become disabled
- You're turning 65
- You're retiring or leaving employer coverage
- Every year to review your plan if you have Medicare Advantage
- Every few years to review your plan if you have Original Medicare with Medigap Supplement
- When you get a rate increase letter

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Book a consultation today!

