

A – Hospital
B – Medical
Original Medicare

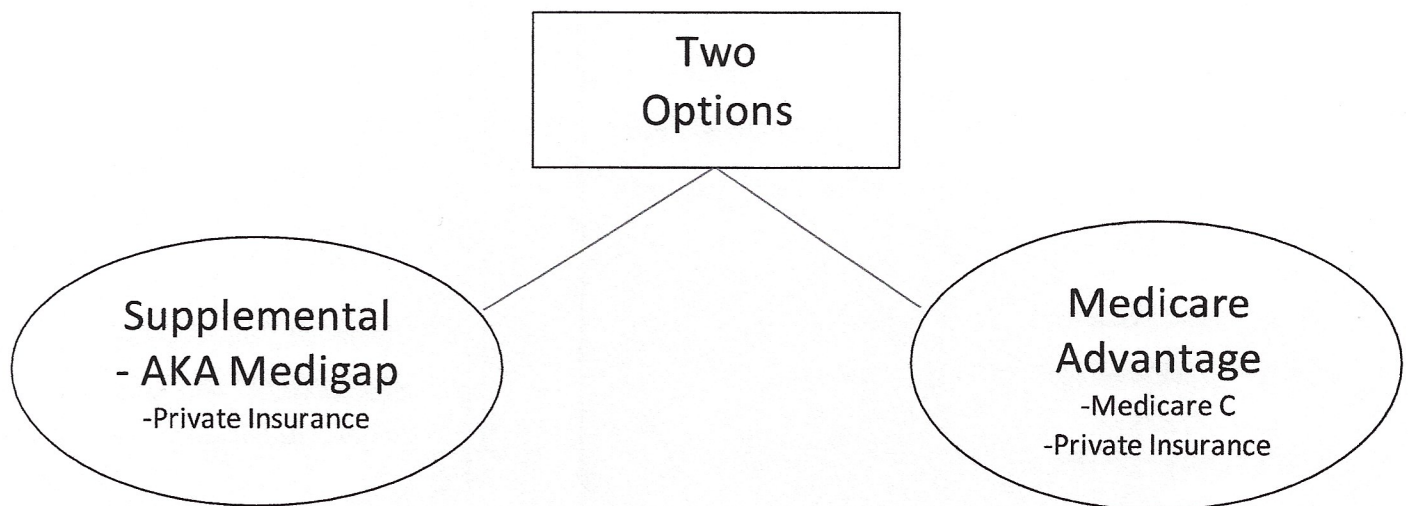
\$148.50 per month
Usually taken out of
Social Security
Check (for B), also
\$203 deductible for
2021

You get:
Government – 80%
You – 20%

Example with Original Medicare:

If you incur a \$100,000 medical bill. Government pays \$80K and you pay \$20k.

- Catastrophic for most people
- Even if you can afford it, most don't want to spend that for medical bills



- You pay a premium each month and they pay the 20%.

- If you go to hospital or Doctor you show them your Medicare Card and Supplement Card

- Covers everything Medicare covers

- Does Not cover:
Eye Glasses
Preventative Dental
Hearing Aids

- W/Supplement plan must get a stand-alone drug plan.

- Supp plans are mandated by the State

- Government sends a check to them every month for approx. \$800

- Government pays them to take care of you

- Same benefits as w/Supp plans

- Get a new card which replaces your Medicare card and Supp card. Now only MA card.

- No longer have the 80/20 split

- Most MA plans also include prescription drug plan (part D)

- Plans run from Jan 1 to Dec 31

Supp cont.

* - IEP = 6-month period which starts at age 65 or get part B

* - No medical questions for underwriting and can't be turned down

- After 6 months can still apply but may be turned down w/medical evaluation

- All Supp plans are the same based on ZIP codes, premiums vary

- Supp plans usually pay \$\$ up front and most are around \$2000

Medicare Advantage cont.

- AEP Oct 15 – Dec 7 every year

- Can change plan every year

- I'll send you a letter with advice every year ahead of the AEP

- If your health changes, inform me and we can meet to discuss plans

- Also, can change MAPD plans one time during the OEP: Jan, Feb and March

- Max OOP is \$7500, won't spend over that
- safety net and resets every year
- approx. 3% ever reach the MOO

** When you turn 65 you must purchase a prescription drug plan.

- If you do not and decide to purchase a plan later you will be required to pay a 1% penalty for each month you did not have a plan. A National base cost = \$33.06.

- Example: 12 mths w/out plan

$(12) (.01) \times 33.06 = \3.97 , rounded to \$4.00

so additional cost of \$4.00 added to your premium per month

I can give you the information about various Supplement and Advantage plans but you must choose.

It is impossible to know exactly the best plan. The only way is to foresee the future:

- How much bloodwork
- How many x-rays
- How many Doctor visits
- How many hospital visits
- Length of hospital stays

Many times it's a flip of the coin. Do not know if you will ever get to the MOOP-\$7500 w/MAPD.

If you know you will reach the \$7500 then go with Supp.

Example: if over a 10 year period you save \$1000/year with MAPD then saved \$10,000.

- It all depends on how much you use your plan and when and how you die.
 - No way to predict which type of plan is best
- If you are more comfortable with complete coverage all the time than choose a Supplement plan.
 - Pay up front and know you are covered
 - If nothing ever happens then you are OK with paying the premiums for peace of mind
- If you are the type of person who doesn't like Insurance companies and don't want to give them extra money. And if you are OK with paying higher copays then go with a Medicare Advantage plan.

Some people are unable to pay Supp premiums and choose MAPD plans.

Numerous MAPD plans have \$0 premiums and also \$0 deductibles.

Two scenerios:

- 1.) Same number of doctor visits but no major health problems.
 - MAPD – after 3 years, pay a total of \$450 (\$0 premium)
 - SUPP -after 3 years, pay a total of \$6,000 (\$2000 premium)
 - The MAPD saves you \$5,550
- 2.) Get very sick with hospital stays and other health/medical bills.
 - MAPD – after 3 years, pay up to \$7500/yr = up to \$22,500
 - SUPP – after 3 years, pay \$2000/yr = \$6000
 - The Supp saves you \$15,500

Drug plans

- Initial stage - tiers (usually 1-5). Stage until combined costs exceed \$4130.
- Coverage GAP – You pay 25% until you reach \$6550
- Catastrophic Coverage – After \$6550, you pay 5% or \$3.70, whichever is greater.

MOOP for MAPD plans includes: Co-pays, Co-insurance and deductibles. It does not include drug costs.