

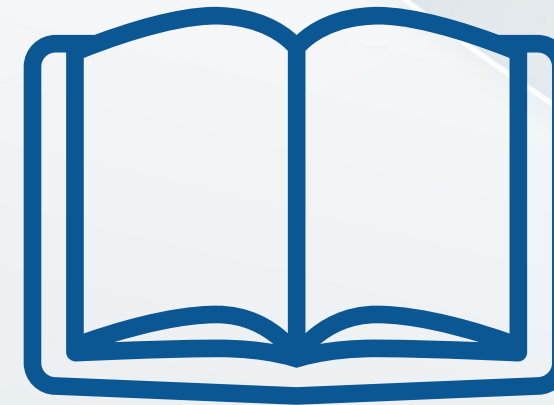
# Medicare 101

A Guided Tour and Introduction





# What topics will we cover today?



- ✓ **Original Medicare**
- ✓ **Medicare Advantage (Part C)**
- ✓ **Medicare Part D**
- ✓ **Medicare Supplements**
- ✓ **Enrollment & Important Dates**

# What is Medicare?



- ✔ Medicare is a federally funded health insurance program.
- ✔ Medicare Parts A and B are known as "Original Medicare".
- ✔ Medicare was established in 1965 .
- ✔ Medicare is administered by the Centers for Medicare & Medicaid Services (CMS).

# Who Can Join Medicare?

People are eligible for Original Medicare (Parts A and B) if:



People who are at least 65 years of age, even if they still work.



People who are U.S. citizens or a legal resident who has lived in the U.S, for at least 5 consecutive years.



People who are under 65 and qualify due to disability or other special circumstance, people with ALS, ERSD, or permanent kidney failure that requires dialysis.



# Enrolling in Medicare


Link Below:

 <https://secure.ssa.gov/iclaim/rib>

Medicare Hotline Number

 1-800-Medicare

Social Security Hotline Number

 1-800-772-1213





# Understanding Medicare Part A



## Medicare Part A helps pay for:

- Inpatient Hospital Stays
- Skilled Nursing Facilities
- Home Health
- Hospice
- See any provider who ACCEPTS Medicare

There is no monthly premium for most people (because they or a spouse paid Medicare taxes long enough while working – generally at least 10 years). If you get Medicare earlier than age 65, you won't pay a Part A premium.

There is a \$1,600 deductible for each inpatient hospital benefit period, before Original Medicare starts to pay. There's no limit to the number of benefit periods you can have in a year. This means you may pay the deductible more than once in a year.

## **Medicare Part A covers Inpatient Hospital stays as follows:**

Days 1–60: \$0 after you pay your Part A deductible.  
Days 61–90: \$400 copayment each day.  
Days 91–150: \$800 copayment each day while using your 60 lifetime reserve days.  
After day 150: You pay all costs.

# Understanding Medicare Part A



## **Medicare Part A pays for hospice care as follows:**

- \$0 for covered hospice care services.
- You may pay: A copayment of up to \$5 for each prescription drug and other similar products for pain relief and symptom control while you're at home.
- 5% of the Medicare-approved amount for inpatient respite care.



## **Medicare Part A pays for Skilled Nursing Home Stays as follows:**

- Days 1-20: \$0 copayment.
- Days 21-100: \$200 copayment each day.
- Days 101 and beyond: You pay all costs.



## **Medicare Part A pays for qualified home health care as follows:**

- \$0 for covered home health care services.
- 20% of the Medicare-approved amount for durable medical equipment (like wheelchairs, walkers, hospital beds, and other equipment).

# Understanding Medicare Part B

There is no max out of pocket for Original Medicare



## Medicare Part B Helps pay for:

- Medical Procedures
- Doctors Visits
- Injectable Drugs (administered in doctors office)
- Outpatient services
- Durable Medical Equipment
- Some preventative care services
- Lab's & Radiology
- Other health care provider services



Medicare Part B deductible is \$226, before Original Medicare starts to pay. You pay this deductible once each year.



Medicare Part B premium is typically \$164.90 each month (or higher depending on your income). The amount can change each year. You'll pay the premium each month, even if you don't get any Part B-covered services.

You might pay a monthly penalty if you don't sign up for Part B when you're first eligible for Medicare (usually when you turn 65). You'll pay the penalty for as long as you have Part B. The penalty goes up the longer you wait to sign up.



# Understanding Medicare Part B

## What you pay for in 2023



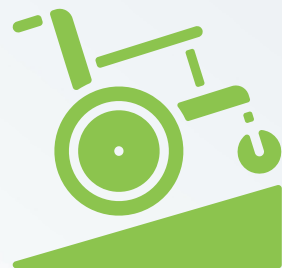
### Medicare Part B – General

- You will usually pay 20% of the cost for each Medicare-covered service or item after you've paid your deductible (and as long as your doctor or health care provider accepts the Medicare-approved amount as full payment – called “accepting assignment”).



### Medicare Part B Co-Insurance– Inpatient and Outpatient

- You will usually pay 20% of the Medicare-approved amount for most doctor services while you're a hospital inpatient.
- You will usually pay 20% of the Medicare-approved amount for doctor and other health care providers' services when receiving outpatient hospital care
- You'll also pay a copayment to the hospital for each service you get in a hospital outpatient setting (except for certain preventive services).



### Medicare Part B Co-Insurance for Durable Medical Equipment (DME)

- You will usually pay 20% of the Medicare-approved amount for durable medical equipment (like wheelchairs, walkers, hospital beds, and other equipment).

# What are Medicare Advantage (MA) Plans



## Medicare Advantage Plans

Medicare Advantage Plans are another way to get your Medicare Part A and Part B coverage. Medicare Advantage Plans, sometimes called “Part C” or “MA Plans,” are offered by Medicare-approved private companies that must follow rules set by Medicare.



# Medicare Advantage Plans – MA or Part C

## They Bundle

MA Plans bundle Part A & Part B into one, and may include Part D (Prescription Drug Coverage).

## Medicare Services

MA Plans bundle Part A & Part B into one, and may include Part D (Prescription Drug Coverage).

## Premium

You pay the monthly Part B premium and may also have to pay the plan's premium. Some plans may help pay all or part of your Part B premium.

## Out of Pocket Cost

Out of Pocket Cost will vary with co-pays, co-insurance, deductibles and max out of pocket cost depending on the plan.

## Network of Providers

In many cases, you can only use doctors and other providers who are in the plan's network and service area (for non-emergency care). Some plans offer non-emergency coverage out of network.



# Medicare Advantage Plans – Key Points

## Key Points:

- You may need a prior authorization for some services.
- You can get all the details on what a plan covers from that plan's "Evidence of Coverage" document.
- Different Regions offer different plans– even down to neighboring counties in the same state.
- Some plans may offer extra benefits that are not included in Original Medicare.
- Some plans may require you to get a referral to see a specialist.
- There are special needs plans based off income and specific health conditions.





# The Most Common Medicare Advantage Plan Types



## Private fee-for-service (PFFS)

- You may have more freedom to choose providers, but a network arrangement may still apply. Providers must have not opted out of Medicare, agree to bill the PFFS per its terms and conditions, and agree to treat you.



## Special Needs Plans

- These plans are for people with special needs. For example, they have Medicaid and Medicare, they live in a nursing home, have specific chronic health condition such as diabetes, dementia and end stage renal disease.



## Preferred Provider Organization (PPO)

- Will allow you to seek care in or out of network. Out of network coverage may cost more.



## Health Maintenance Organization (HMO)

- Require you to seek care in a specified network of hospitals and doctors.

# Prescription Drug Coverage (Part D)

## Prescription Drug Coverage (Part D)

Part D is prescription drug coverage for those who are entitled to or already enrolled in Medicare. All plans must cover a wide range of prescription drugs that people with Medicare take, including most drugs in certain protected classes,” like drugs to treat cancer or HIV/AIDS. A plan’s list of covered drugs is called a “formulary,” and each plan has its own formulary. Many plans place drugs into different levels, called “tiers,” on their formularies. Drugs in each tier have a different cost. For example, a drug in a lower tier will generally cost you less than a drug in a higher tier.





# Part D Tier Level – Examples



## Tier 1

Lowest copayment: most generic prescription drugs.

## Tier 2

Medium copayment: preferred, brand-name prescription drugs.

## Tier 3

Higher copayment: nonpreferred, brand-name prescription drugs.

## Specialty Tiers

Highest copayment: very high cost prescription drugs.

# Prescription Drug Plan Stages



## Plan Stages:





# Part D Late Enrollment Penalty

## Important Notice

The cost of the late enrollment Penalty depends on how long you went without Part D or creditable prescription drug coverage.

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Medicare calculates the penalty by multiplying 1% of the “national base beneficiary premium” (\$32.74 in 2023) times the number of full, uncovered months you did not have part D creditable coverage. The monthly premium is rounded to the nearest \$.10 and added to your monthly Part D premium.



# What is Medicare Supplement (Medigap)?

## Medicare Supplement (Medigap)

With Original Medicare, you generally pay some of the costs for approved services. Medicare Supplement Insurance (Medigap) is extra insurance you can buy from a private company that helps pay your share of costs.

Medigap policies are standardized, most states name them with letters, Plans A–N. Each letter is a different plan and has different coverage levels.

Premium will be different with each carrier, even if they have the same plan letter. Premiums increase on an annual basis.





# Medicare Supplement Plan Options

Every Medigap policy must follow federal and state laws designed to protect you, and it must be clearly identified as "Medicare Supplement Insurance." Insurance companies can sell you only a standardized policy identified in most states by letters.

All policies offer the same basic benefits but some offer additional benefits, so you can choose which one meets your needs. In Massachusetts, Minnesota, and Wisconsin, Medigap policies are standardized in a different way.

Each insurance company decides which Medigap policies it wants to sell, although state laws might affect which ones they offer. Insurance companies that sell Medigap policies:

- Don't have to offer every Medigap plan
- Must offer Medigap Plan A if they offer any Medigap policy
- Must also offer Plan C or Plan F if they offer any plan

# Medicare Supplement Plan Options



**For a list of plans and how they compare, please review this link:**

<https://www.medicare.gov/supplements-other-insurance/how-to-compare-medigap-policies>

**Note:**

As of January 1, 2020, Medigap plans sold to people new to Medicare can no longer cover the Part B deductible. Because of this, Plans C and F are no longer available to people new to Medicare on or after January 1, 2020. If you already have either of these 2 plans (or the high deductible version of Plan F) or are covered by one of these plans before January 1, 2020, you can keep your plan. If you were eligible for Medicare before January 1, 2020, but not yet enrolled, you may be able to buy one of these plans (Plan C or F).



**If you decide to switch Medigap Policies, you may not be able to change back later.**



# Enrollment Periods Explained

## Annual Enrollment Period (AEP) Enrollment Period October 15th – December 7th



You can add drop or switch your Medicare Coverage.



## Special Enrollment Period

You may be eligible to change your Medicare Advantage (MA) plan due to special circumstances, like being diagnosed with a qualifying chronic health condition, moving to a new area, qualifying for extra help, or retiring and losing your employer coverage.

## Initial Enrollment Period (IEP)

If enrolling in Medicare for the first time, you have an IEP that begins 3 months before and ends three months after you turn 65. You may enroll in Part A, Part B or both. You may also choose to enroll in a Medicare Advantage (Part C), Medicare Supplement (Medigap) or Prescription Drug (Part D) plan. While you are not required to enroll in Part D, there is a penalty of 1% of the average monthly premium for each year you delay enrollment.

# Changing Plans



If you go with a Medicare Advantage Plan, you have 12 months to switch to a Medicare Supplement on a guaranteed issue basis.



If you remain on the Medicare Advantage plan longer than 12 months, you would have to health qualify to go to a Medicare Supplement (October 15 December 7).



If you go with a Medicare Supplement, you can go to a Medicare Advantage plan anytime during your Initial Enrollment Period (three months before your Medicare effective date, the month of and three months after).



If you stay on the Medicare Supplement longer than your Initial Enrollment Period and would like to switch to a Medicare Advantage Plan, you will need to wait for the Annual Election Period (October 15 December 7).





**Have any questions or want  
to schedule a consultation?**



**Charles Clark**

NPN# 18915583

801-509-8893

[charles@FirstAmericanMedicare.com](mailto:charles@FirstAmericanMedicare.com)

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