



2025 TEXAS MEDICARE 101

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Licensed Broker

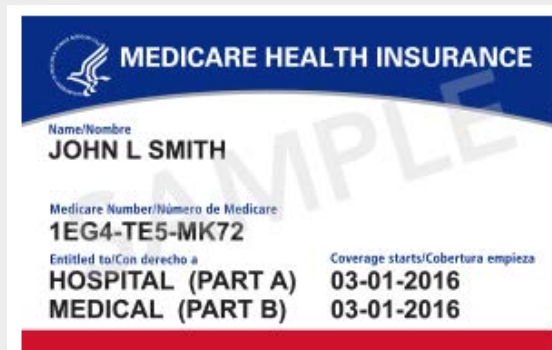


Schedule with Calendly



Medicare Basics

Medicare is a federal health insurance program for those aged 65 and over and some people with qualifying disabilities or conditions. The Social Security Administration accepts and manages Medicare applications. The red, white, and blue ID card issued by the Social Security Administration is commonly referred to Original Medicare.



What are the parts of Original Medicare?

- Part A - Hospital Insurance
 - Inpatient care in hospitals
 - Skilled nursing facility care
 - Hospice care
 - Home health care
 - Does not have a monthly premium if you worked 40 quarters (which equals 10 years)
- Part B - Medical Insurance
 - Doctor & specialist visits
 - Outpatient care
 - Home health care
 - Durable medical equipment like wheelchairs, walkers, hospital beds, and other equipment.
 - Preventative services like screenings and annual wellness visits
 - Has a monthly premium that changes every year (unless the Medicare beneficiary is enrolled into the Medicare Savings Program - see page 4)

Medicare Basics

What are the Other Parts of Medicare?

- Part D - Prescription Drug Plan (PDP)
 - Helps cover the cost of prescription drugs including shots & vaccines
 - Is a stand-alone plan separate from all other parts of Medicare
 - Is a type of coverage that must be purchased separately from Part A & Part B
 - Has a monthly premium, copays, and may have a deductible
 - Part D has a list of covered drugs called a formulary
 - Is paired with Medicare Supplement or Original Medicare only. It cannot be paired with Medicare Advantage.
- Part C - Medicare Advantage Prescription Drug plan
 - Is a combination of Parts A, B, and D
 - May provide additional coverage like dental & vision
 - May or may not have a monthly premium

Having Original Medicare alone is **not** recommended. Original Medicare has **no limits** to how much you could be billed. People new to Medicare should either choose a Medicare Supplement with Part D or Medicare Advantage Prescription Drug plan to help with costs. If someone misses their Initial Enrollment Period (IEP) and fails to enroll into Parts B & D, there could be lifetime penalties. If you're enrolled in an employer or group plan, different rules may apply.

Supplementing Your Original Medicare

Part B monthly premium for 2025 is \$185.00

this amount changes every year

Option 1: Medicare Supplement
= Pay Upfront Monthly

- Also known as Medigap
- Should pair with a Part D plan (which means you will have two ID cards)
- Cannot pair with Medicare Advantage
- Can go to any provider that accepts Original Medicare
- No networks, copays, or coinsurance
- No referrals needed
- The cost of Rx drugs is a separate cost
- Does not include dental or vision
- Guaranteed acceptance when newly eligible for Medicare during the Initial Enrollment Period (IEP)
- Must pass medical underwriting if Initial Enrollment Period has expired

Example Cost

Medicare Supplement \$150.00
+ Prescription Drug Plan \$40.00
+ Part B premium \$185.00
Estimated monthly cost \$375.00*

*Not including cost of prescription drugs



Option 2: Medicare Advantage
Prescription Drug plan = Pay As You Go

- Also known as Part C
- Cannot pair with a Medicare Supplement or a stand alone Prescription Drug Plan
- Has networks & network restrictions
- Referrals may be required
- Has medical copays, deductibles, and coinsurance
- The cost of Rx drugs is a separate cost
- Often includes dental & vision
- Can choose a plan or switch plans during the Annual Enrollment Period (AEP) or during a Special Enrollment Period (SEP)

Example Cost

- \$0 to low monthly premium
- Has copays, coinsurance, and sometimes deductibles. *
- Part B premium \$185.00

*Not including cost of prescription drugs





2025 Part D Changes: The Inflation Reduction Act

Congress passed the Inflation Reduction Act of 2022 which aims to lower prescription drug prices for those with Medicare Part D. Here are the major changes:

- a drop in the prescription drug out of pocket maximum from \$8,000 to \$2,000 per year
- elimination of the donut hole
- \$35 cap on a monthly supply of insulin

If you already have Part D or a MAPD, an Annual Notice of Changes (ANOC) is mailed in September with the following year plan changes.

Medicare Savings Program (MSP)

The Medicare Savings Program is a state-run program for those who already have Part A or Part B. Each state has its own qualifications & application instructions. The Medicare Savings Program is generally available for those with low incomes & few assets, and there are different levels of the MSP. Depending on the level awarded (if eligible), there may be no cost for Part A and/or B. The Texas application website is <https://yourtexasbenefits.com>, or you may ask me for a paper or PDF application. It typically takes 6 months to get a response from Texas Health & Human Services.

Low Income Subsidy (LIS)

Low Income Subsidy (LIS), also known as Extra Help, is a Social Security Administration program that helps lower prescription drug costs for those who are eligible. It is an asset & income based program. To apply visit <https://www.ssa.gov/medicare/part-d-extra-help>.