



2026 TEXAS MEDICARE 101

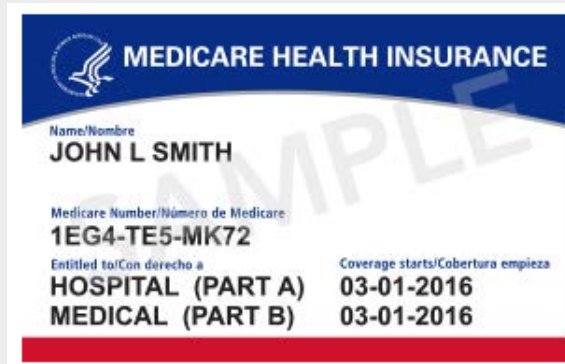
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Medicare Basics

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
 - Has a higher monthly premium for those with higher incomes
 - May not have a monthly premium for those who qualify and are enrolled into the Medicare Savings Program through the Texas Health and Human Services Commission (see page 5)

Medicare Basics

What are the Other Parts of Medicare?

- Part D - Prescription Drug Plan (PDP)
 - Helps cover the cost of prescription drugs including shots and 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 and 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
 - 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 and hearing
 - 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.

Please note that no Medicare plan covers Long Term Care. Long Term Care is either covered by a separate Long Term Care policy purchased years before becoming Medicare-eligible or by qualifying for state Medicaid benefits through the Texas Health and Human Services Commission.

Supplementing Your Original Medicare

Standard Part B monthly premium for 2026 is \$202.90
Part B deductible for 2026 is \$283.00

these rates change on a yearly basis

Option 1: Medicare Supplement = Pay Upfront Monthly

- Also known as Medigap
- Is supplemental insurance to help pay for Medicare out-of-pocket costs
- Is offered by private companies
- Must pair with a Part D plan (which means you will have two ID cards)
- Part D plans often have their own premiums and deductibles
- Cannot pair with Medicare Advantage
- Can go to any provider in the country that accepts Original Medicare
- No networks, copays, or coinsurance
- No referrals needed
- Does not include the cost of Rx drugs
- Does not include dental, vision, or hearing
- Does not include Long Term Care
- 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 \$50.00
+ Part B premium \$202.90
*Estimated monthly cost \$402.90

*This does not include the prescription drug deductible or the Part B deductible

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

- Also known as Part C
- Bundles your Medicare Part A, B, and D
- Is offered by private companies
- Includes prescription drug coverage
- Cannot pair with a Medicare Supplement or a stand alone Prescription Drug Plan
- Has networks & network restrictions
- Referrals are often required
- Has medical copays, deductibles, and coinsurance
- Has an annual maximum out of pocket limit
- May have a prescription drug deductible
- Does not include the cost of Rx drugs
- Does not include Long Term Care
- Often includes dental, vision, and hearing
- Can choose a Medicare Advantage plan or switch to another Medicare Advantage plan during the Annual Enrollment Period (AEP) or during a Special Enrollment Period (SEP)

Example Cost

- \$0 to low monthly premium
- Must pay monthly Part B premium of \$202.90 (see page 5 for an exception)
- The prescription drug deductible is separate from the medical deductible
- The Part B deductible is built into the MAPD

Supplementing Your Original Medicare (cont.)

Examples of Medicare Supplement
and Prescription Drug Plan ID cards

Example of Medicare Advantage
ID card





2026 Part D: The Inflation Reduction Act

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

- the 2026 prescription drug out of pocket maximum is \$2,100
- there's a \$35 cap on a monthly supply of insulin if it's covered in the Part D formulary

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

Medicare Savings Program (MSP)

The Medicare Savings Program is a state-run program for those who have limited income and assets and is commonly referred to Medicaid for those who have Medicare. Each state has its own qualifications and application instructions. There are different levels of the Medicare Savings Program. 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 the Texas Health and Human Services Commission. While waiting an a determination from the State, you will still need to pay your Part A and/or Part B monthly premium.

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 low-income individuals. It is an asset and income based program, and it's free to apply. To apply visit <https://www.ssa.gov/medicare/part-d-extra-help>. You will get a determination letter in the mail once your application has been reviewed.