



2023

# MEDICARE 101

What You Need to Know

# MEDICARE 101

Introduction to Medicare

Original Medicare Plan

Medicare Supplement Insurance (Medigap)

Medicare prescription drug coverage

Medicaid and Medicare Savings Programs

# What Is Medicare?



## A Health Insurance Program for:

- People 65 years of age and older
- People under age 65 with certain disabilities (who have been receiving Social Security Benefits for 24 months)
- People with End-Stage Renal Disease (ESRD)

## Administered by Centers for Medicare & Medicaid Services (CMS)

## Enrollment by Social Security Administration (SSA) or Railroad Retirement Board (RRB)

# Applying for Medicare

---



Apply 3 months before  
age 65

Enrollment is automatic if  
receiving Social Security  
or Railroad Retirement  
benefits

You don't have to be  
retired

Contact the Social Security  
Administration

- 1-800-772-1213
- TTY users call 1-800-325-0778
- [www.SSA.gov](http://www.SSA.gov)

# Medicare Basics

Part  
A

Hospital Insurance

Part  
B

Medical Insurance

Part  
D

Prescription Drug  
Coverage

# Medicare Coverage Basics

## Part A

Inpatient Hospital Care  
Skilled Nursing Care  
Home Health Care  
Hospice Care

## Part B

Doctor's Services and Outpatient Care  
Preventive Services  
Diagnostic Tests  
Some Therapies  
Durable Medical Equipment

## Part D

Outpatient Prescription Drugs

# Medicare Part A

---

**Most people receive Part A premium free**

(Do not delay enrolling in Part A, even when you have Group Coverage)

---

**People with less than 10 years of Medicare-covered employment**

can still get Part A but will pay a premium

# Eligibility

## When & how to sign up for Part A & Part B

- **Some people get Part A & Part B automatically**
- You may qualify for [Medicare Part A \(Hospital Insurance\)](#) and [Medicare Part B \(Medical Insurance\)](#) if one of the following applies to you:
  - [I'm already getting benefits from Social Security or the Railroad Retirement Board \(RRB\).](#)
  - [under 65 and have a disability.](#)
  - [I have ALS \(Amyotrophic Lateral Sclerosis, also called Lou Gehrig's disease\).](#)
  - [I live in Puerto Rico and get benefits from Social Security or the RRB.](#)





# Eligibility Cont'd

**If you get Medicare automatically**

- If you're automatically enrolled, you'll get [your red, white, and blue Medicare card](#) in the mail 3 months before your 65th birthday or your 25th month of disability.

**Some people need to sign up for Part A & Part B**

- You need to sign up for Part A and Part B if you aren't getting Social Security or RRB [benefits](#) (for example, because you're still working).
- **Note:** If you have coverage through a current or former employer, it's important to [understand how your current coverage works with Medicare](#) before making any decisions.

# Enrolling in Medicare Part B

## Pay monthly Part B premium

- \$165.90 standard monthly premium in 2023 (estimated \$174.80 in 2024)

## Initial Enrollment Period (IEP)

- 7 months, starting 3 months before the month you are eligible

## General Enrollment Period (GEP)

- January 1 through March 31 each year
- Coverage effective first of the next month
- Premium penalty
  - 10% for each 12-month period eligible but not enrolled
  - Must pay the penalty as long as the person has Part B
  - Limited exceptions

# Enrolling in Medicare Part B

Some people can delay enrolling in Part B with no penalty

- If covered under employer or union group health plan (recommend that you still get Part B)

Will get a Special Enrollment Period (SEP)

- Eight-month period from end of group health coverage



# Part B Enrollment Periods (*Example*)

- Marie turns 65 on June 25, 2023. She will have group health coverage from her employer until she stops working on December 31, 2023.
- Part B enrollment opportunities....

Enrollment Period	Begins	Ends
IEP	3/1/2023	9/30/2023
SEP	1/1/2024	8/31/2024
GEP (each year)	1/1	3/31

# 2023 Part B Income Related Monthly Adjustment Amount (IRMAA)

Beneficiaries who file individual tax returns with modified adjusted gross income in 2021:	Beneficiaries who file joint tax returns with modified adjusted gross income <u>In</u> 2021:	Income-Related Monthly Adjustment Amount	Total Monthly Premium Amount
<b>Less than or equal to \$97,000</b>	Less than or equal to \$194,000	\$0.00	\$164.90
<b>Greater than \$97,000 and less than or equal to \$123,000</b>	Greater than \$194,000 and less than or equal to \$246,000	\$65.90	\$230.80
<b>Greater than \$123,000 and less than or equal to \$153,000</b>	Greater than \$246,000 and less than or equal to \$306,000	\$164.80	\$329.70
<b>Greater than \$153,000 and less than or equal to \$183,000</b>	Greater than \$306,000 and less than or equal to \$366,000	\$263.70	\$428.60
<b>Greater than \$183,000 and less than \$500,000</b>	Greater than \$366,000 and less than \$750,000	\$362.60	\$527.50
<b>Greater than or equal to \$500,000</b>	Greater than or equal to \$750,000	\$395.60	\$560.50

# Paying the Part B Premium

1

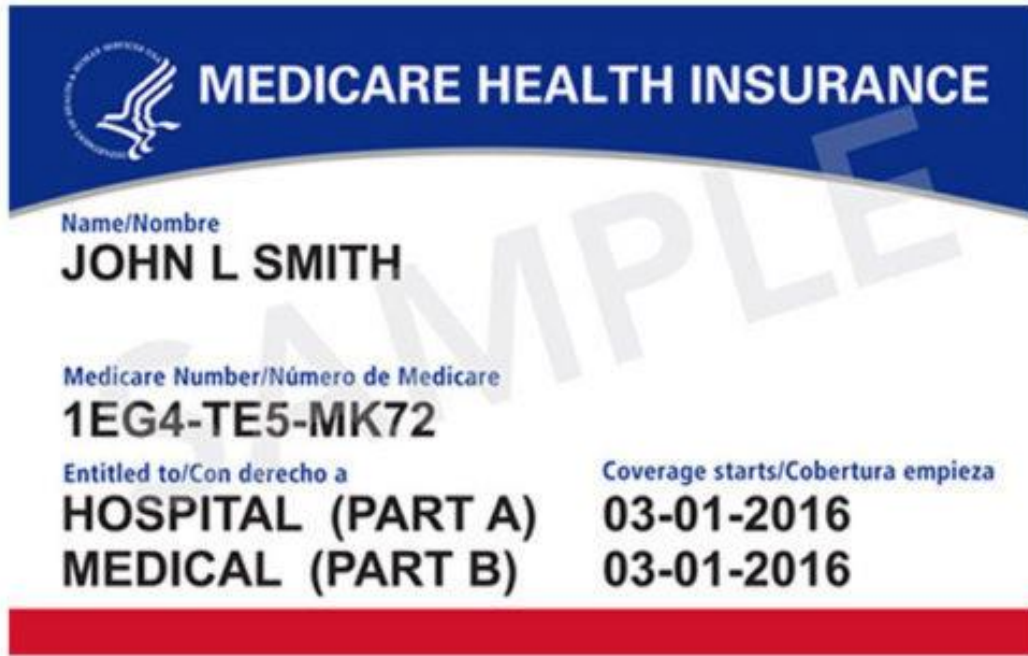
Sign up for Medicare Easy Pay, a free service that automatically deducts your premium payments from your savings or checking account each month.

2

Pay by check or money order.

3

Deduct from your Social Security benefits (if you are receiving SS benefits)



# The Medicare Card

# Turning 65 and still employed? What are your Options?



## OPTIONS:

- **1) Keep Employer Coverage**
  - Enroll in Part A when eligible
- **2) Enroll in Part B**
  - If your Employer Group plan has less than 20 employees
  - If you retire, quit, are laid off, or leave your group plan because you want to sign up for Medicare (note: electing COBRA could delay Part B eligibility and result in a penalty)
- **With Option 2 you want to be sure you have Part D (or inclusive with Medicare Advantage plan) so you don't later incur penalties for enrolling late.**
- **When you have Medicare A & B you can enroll in either:**
  - Medicare Supplement Plan
  - Part D Plan (can do with either Part A or B)
  - Medicare Advantage Plan (+ Part D)



# Medicare Choices

---

Original Medicare Plan (The Original Medicare Plan is available nationwide. It is also known as “fee-for-service.”)

---

Medicare Advantage Plans

---

Other Medicare Plans

---

Medicare Prescription Drug Plans

# Original Medicare Plan

Go to any health care provider that accepts Medicare

You are responsible for:

- **Part A**
  - \$1,600 deductible in 2023 for hospital stays up to 60 days
    - Additional costs after 60 days (\$400/day) and 90 days (\$800/day)
  - Different costs for other Part A services
- **Part B**
  - \$226 annual deductible in 2023
  - 20% coinsurance or copayment for most Part B services



Some programs may help with costs (i.e. small groups with under 20 employees)

# Medicare Supplement

Health Insurance Policy

Sold by private insurance companies

Commonly known as “Medigap” policies

Must say “Medicare Supplement Insurance”

Covers “gaps” in the Original Medicare Plan

- Deductibles, coinsurance, copayments
- Does not work with Medicare Advantage Plans

Up to 10 standardized plans A – N (with a couple high deductible options)

- Except in Massachusetts, Minnesota, Wisconsin
- So people can compare easily
- Plans C & F only available to those who aged in before 1/1/2020.

# How Medicare Supplement (Medigap) Works



## You can buy a Medigap policy

- Within 6 months of enrolling in Part B
  - Within 6 months of turning 65- GI
- If they lose certain kinds of health coverage (should enroll in Part B 60 days after losing group coverage to be GI)
  - Through no fault of their own (e.g., group plan ends, move out of the service area, etc.)
- If they leave MA Plan under certain circumstances
- Can qualify with full underwriting

You will have a monthly premium

Can generally go to any doctor or specialist

# Medicare Advantage (MA) Plans (Part C)

---

**Health Maintenance Organization (HMO) Plans:** Members must generally get health care from providers in the plan's network. Some plans require referrals to network providers for non-emergency care.

---

**Preferred Provider Organization (PPO) Plans:** Similar to an HMO plan but members don't need a referral to see a specialist. Going to a provider that isn't part of the plan will cost more.

# Medicare Advantage (MA) Plans

## (Part C) Continued

---

**Private Fee-for-Service (PFFS) Plans:** Members can go to any provider that accepts the plan's terms, and they may get extra benefits. The private company decides how much it will pay and how much members pay for services.

---

**Special Needs Plans:** Limit all or most of their membership to people in some long-term care facilities (like a nursing home); who are eligible for both Medicare and Medicaid; or who have certain chronic or disabling conditions. Special Needs Plans are available in limited areas.

# Other Medicare Advantage Plan

## Programs of All-inclusive Care for the Elderly (PACE)

- **Who Can Get PACE?**

- Must be 55 or older
- Live in the [service area](#) of a PACE organization
- Need a nursing home-level of care (as certified by your state)
- Be able to live safely in the community with help from PACE

# Eligibility for Medicare Advantage (MA) Plans

Must live in plan's service area

Must be enrolled in Medicare Part A

Must be enrolled in Medicare Part B

- Will continue to pay Part B premium
- May also pay monthly premium to plan

Don't have ESRD (End Stage Renal Disease) at enrollment

- Some exceptions, such as when a person is already in a plan and then develops ESRD



# How MA Plans Work

## Are still in Medicare program

- You will get all Part A and Part B services
- Have Medicare rights and protections
- Have to use providers in plan's network
- Generally must still pay Part B premium(unless you qualify for Medicaid)

## May get extra benefits

- Vision, hearing, dental services
- Prescription drug coverage (MAPD)

# Medicare Supplement “Medigap” vs Medicare Advantage (MA) Plan

## Medicare Supplement

- Can see any provider that accepts Medicare
- With Part A and Part B, Medicare-covered hospital and provider costs to the member are usually zero depending upon Plan selected (see outline of coverage).
- Guaranteed issue within 6 months of age 65 or within 60 days of leaving a group policy
- Hard to change to a different carrier after initial enrollment except to a Medicare Advantage plan (usually subject to underwriting at the later time)
- Monthly premium cost

## Medicare Advantage

- Low or no premium cost
- Utilizes a network, some require a PCP-be sure to check not only for current doctors, but for hospital systems in-network
- Can change between Medicare Advantage plans every year during open enrollment, but cannot change to a Medicare Supplement without medical underwriting after past age 65. **There is a one-time exception.** If you had been on a Supplement and move to Advantage, you can change back to the Supplement if within one year. This is only allowed one-time!
- Most services require a copay

# Medicare Prescription Drug Coverage

- Coverage began January 1, 2006
- Available to all people with Medicare

## Provided Through

Medicare  
Prescription Drug  
Plans (Part D)

Medicare  
Advantage and  
Other Medicare  
Plans

Some Employers  
and Unions

# Enrollment Periods

## Initial Enrollment Period (IEP)

- 7 months
- Starts 3 months before month of eligibility

## Annual Coordinated Election Period (AEP)

- October 15 through December 7 each year
- Can join, drop, or switch coverage (MA and Part D Only)
  - **Effective January 1 of following year**

## Special Enrollment Period (SEP)

# Important Dates



---

**Oct. 1 – Oct. 14 Pre-enrollment period:** During this period, you can find out which products will be offered during the Annual Election Period. (Does not apply to Medicare Supplement)

---

**Oct. 15 – Dec. 7 Annual Election Period (AEP):** You can enroll in a Medicare Advantage or prescription drug plan for the next calendar year.

---

**Jan. 1 – March 31 Annual Enrollment Period for Medicare Advantage plans and prescription drug plans:** If you're enrolled in a Medicare Advantage Plan, you can switch to a different Medicare Advantage Plan or switch to Original Medicare (and join a separate Medicare drug plan) once during this time.

---

**Apr. 1– Oct. 14:** Generally, you can only make changes if you qualify for a special exception. You can purchase a Medicare Supplement plan any time during the year, although restrictions may apply outside of the Medicare Supplement Open Enrollment Period or if you don't qualify for guaranteed acceptance.

## Important Dates



---

**Special Election Period (SEP)** is a special enrollment period based on certain conditions of exceptions. Some exceptions include moving from your plan's service area and needing to select a new plan or qualifying for Medicaid coverage. If you are eligible for a special election, you can enroll in a Medicare Advantage plan outside of the Annual Election Period. If you qualify for a special election, you can enroll in a Medicare Advantage plan even between April 1 and Oct. 14.

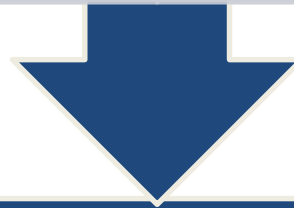
# Late Enrollment



**People who wait to enroll in Part D may pay a penalty**

An additional 1% of the national base premium for every month eligible but not enrolled

Must pay the penalty as long as enrolled in a Medicare drug plan



**Unless they have other coverage at least as good as Medicare drug coverage (i.e. employer plan)**

“Creditable coverage”

# Special Needs Plans

- In some areas, you may be able to get a Medicare Advantage Special Needs Plan (SNP). These plans generally offer benefits, providers and drug lists designed to meet the specific needs of the members they serve.
- **To join a Medicare-approved Special Needs Plan, you must have Medicare Parts A and B.**

## **Also, at least ONE of the following must apply to you:**

- You have a chronic illness, like diabetes or a heart condition, that's diagnosed and verified by a physician
- You're eligible for Medicare, and you receive Medicaid assistance from the state
- You reside within a long-term care facility



# Special Needs Plans

**Medicare Advantage Special Needs Plans include all Medicare Part A, Part B and Part D benefits, and may also include:**

- Access to proactive programs focused on supporting your specific conditions.
- Additional benefits and services targeted to members with special healthcare needs.
- Additional support through increased care coordination. The goal is to help you receive the medical care and support you need.

# Prescription Drug Plans

---



At a minimum, must offer standard benefit

- **In 2023 members may pay**
  - Monthly premiums (nationwide average is \$56)
  - Annual deductible (no more than \$505)
  - Copayments or coinsurance
  - In 2024, out-of-pocket will be capped at about \$3,300.
  - In 2025, out-of-pocket will be capped at \$2,000.

Plan information and costs available

- [www.medicare.gov/find-a-plan/questions/home.aspx](http://www.medicare.gov/find-a-plan/questions/home.aspx)
- 1-800-MEDICARE (1-800-633-4227)

## 2023 Part D Income Related Monthly Adjustment Amount (IRMAA).

Beneficiaries who file individual tax returns with modified adjusted gross income in 2021:	Beneficiaries who file joint tax returns with modified adjusted gross income in 2021:	Income-related monthly adjustment amount
<b>Less than or equal to \$97,000</b>	Less than or equal to \$194,000	\$0.00
<b>Greater than \$97,000 and less than or equal to \$123,000</b>	Greater than \$194,000 and less than or equal to \$246,000	12.20
<b>Greater than \$123,000 and less than or equal to \$153,000</b>	Greater than \$246,000 and less than or equal to \$306,000	31.50
<b>Greater than \$153,000 and less than or equal to \$183,000</b>	Greater than \$306,000 and less than or equal to \$366,000	50.70
<b>Greater than \$183,000 and less than \$500,000</b>	Greater than \$366,000 and less than \$750,000	70.00
<b>Greater than or equal to \$500,000</b>	Greater than or equal to \$750,000	76.40

# Extra Help With Drug Costs



Available for many people with limited income and resources

- Contact your Medicaid Office or your State Health Insurance Assistance Program (SHIP) for more information

# Extra Help With Drug Costs

## People with lowest income and resources

- Pay no premiums or deductibles
- Have small or no copayments

## Those with slightly higher income and resources

- Pay no or a reduced premium
- Have a reduced deductible
- Pay a little more out of pocket

# Extra Help

Some people may automatically qualify;  
People with Medicare who:

- Get full Medicaid benefits
- Get Supplemental Security Income (SSI)
- Get help from Medicaid paying Medicare premiums

Others must apply and qualify

# Medicaid

Joint Federal and state program

- For some people with limited income and resources

If eligible, most health care costs covered

Eligibility determined by state

Application processes vary

Office names vary

- Social Services
- Public Assistance
- Health & Human Services

# Additional Medicare Guidance



---

**Medicare** has resources to help you choose the Medicare coverage that's right for you. The “Medicare & You” handbook contains detailed information. To get a copy, visit [www.medicare.gov](http://www.medicare.gov).

---

**Medicare Supplement Plans** – See the publication “Choosing a Medigap Policy: A Guide to Health Insurance for People with Medicare.” To view a copy, visit [www.medicare.gov](http://www.medicare.gov).

---

**State Health Insurance Assistance Program** – Each state has a State Health Insurance Assistance Program (SHIP). Visit [www.shiptalk.org](http://www.shiptalk.org) for details.



# Additional Medicare Guidance



- Financial Assistance – If you have limited income, you may be able to get assistance. To find out if you qualify, contact your state Medicaid office or call the Social Security Administration at 1-800-772-1213 (TTY: 1-800-325-0778).
- Hours are 7 a.m. – 7 p.m., Monday – Friday.

# Summary

Medicare coverage

Original Medicare  
Plan

Medicare  
Supplement  
Insurance  
(Medigap)

Medicare  
Advantage and  
other Medicare  
plans

Medicare  
prescription drug  
coverage

Medicaid and  
Medicare Savings  
Programs



# For More Information

1-800-MEDICARE (1-800-633-4227)

- TTY users call 1-877-486-2048

[www.medicare.gov](http://www.medicare.gov)

[www.cms.hhs.gov](http://www.cms.hhs.gov)

State Health Insurance Assistance Program (SHIP)

*Medicare & You* handbook

- Other publications, which you can get through 1-800-MEDICARE or the Medicare website

# Prepare Ahead of Time

1

Go to [www.SSA.gov](http://www.SSA.gov)

2

Go to  
[www.medicare.gov/find-a-plan/questions/home.aspx](http://www.medicare.gov/find-a-plan/questions/home.aspx)  
and enroll in Part D

3

Study your options

4

Contact Carriers or your  
Trusted Insurance Advisor

Questions?



# GLOSSARY

**Annual Election Period (AEP):** From Oct. 15 through Dec. 7, people who are Medicare eligible can enroll in, or disenroll from or change to the Medicare Advantage or Medicare prescription drug plan of their choice for the following year.



**Coinsurance:** A percentage of your medical and drug costs that you pay out of pocket.

**Copayment:** The fixed dollar amount you pay when you receive medical services or have a prescription filled.

**Creditable Coverage:** Health coverage you had in the past that gives you certain rights when you apply for new coverage.

**Deductible:** The amount you pay for medical services or prescriptions before your plan pays for your benefits.

**Drug List:** A list of the drugs your plan covers. It's often divided into sections, or tiers, based on the amount your plan will pay for the drugs in that group.

**Health Maintenance Organization (HMO):** Generally, a primary care physician arranges your healthcare in the plan's network.

# GLOSSARY

**Initial Enrollment Period (IEP):** When you're eligible to sign up for Part A and/or Part B for the first time.

**Mail-delivery Pharmacy:** These pharmacies allow you to order your medicines and often supplies (like diabetes test strips) and have them mailed to you. Many mail-delivery pharmacies will allow you to fill many maintenance medications for up to 90-day supply and provide regular refill reminders. Some medications may only be filled for a 30-day supply.

**Medically Necessary:** Medicare defines this as services or supplies needed for the diagnosis or treatment of a medical condition. These services and supplies must meet the standards of good medical practice in the local area and cannot be mainly for the convenience of you or your doctor.

**Network:** A group of healthcare providers who have agreed to provide care based on a plan's terms and conditions. These providers include doctors, hospitals, and other healthcare professionals and facilities.

**Original Medicare:** Original Medicare is the traditional fee-for-service program offered directly by the federal government, which pays directly for your healthcare. You can see any doctor who takes Medicare anywhere in the country.

# GLOSSARY

**Out-of-Pocket Costs:** Anything you are required to pay for medical, prescriptions, and other healthcare services. These include coinsurance, copayments and deductibles.

**Preferred Provider Organization (PPO):** This type of health plan gives you freedom to choose your own doctors and hospitals. Your out-of-pocket costs are usually lower if you choose healthcare providers in the plan's network.

**Premium:** What you pay Medicare or a health plan for healthcare coverage.

**Private-fee-for-service (PFFS):** Plan requires the member to find doctors, hospitals and other types of providers that accept the plan's payment terms. Some PFFS plans have a network of providers. You can still see out-of-network providers that accept the plan's payment terms, although you may pay more. A PFFS plan is not a Medicare supplement insurance. Providers who do not contract with the PFFS plan are not required to see plan members except in an emergency.

**Special Needs Plan (SNP):** Plans that may offer benefits, providers and drug lists designed to meet the specific needs of the groups they serve. People with chronic conditions, like diabetes or heart conditions, or who are dually eligible for Medicare and Medicaid, may benefit from this type of plan.



**CONTACT US**



**JME Insurance Agency**

(972) 245-0266

[www.jmeinsurance.com](http://www.jmeinsurance.com)