

Medicare 101

Understanding Your Medicare Options

Costs shown are for the year 2024/2025.



Life +
Health

Who is eligible for Medicare?

Age:

65 and older

Disability:

Under 65 and receiving Social Security Disability Insurance (SSDI) payments for more than 24 months

Illness:

Any age with end stage renal disease or ALS

Residency:

U.S. Citizen or permanent resident for five consecutive years



If you have Social Security when you turn 65

You will be automatically enrolled into Medicare. You will receive your Medicare card three months prior to your birthday.

If you do not have Social Security when you turn 65

You will need to take the step to sign up for Medicare.

Three Ways to Join Medicare:

- ✔ You can apply online at: www.ssa.gov
- ✔ Call Social Security at: 1-800-772-12-13 (TTY 1-800-325-0778) to apply over the phone or to request an application
- ✔ Apply at your local Social Security office

The Medicare Basics



Original Medicare

1



Part A (Hospital Insurance)

2



Part B (Medical Insurance)

You have options for additional coverage:

3



Medicare
Supplement

and/or

4



Part D
(Prescription
Drug)

OR

5



Part C
(Medicare Advantage)

1

Original Medicare: Part A - Hospital Insurance



Provides coverage for:

- ✓ Inpatient hospital care
- ✓ Skilled nursing facilities
- ✓ Hospice care
- ✓ Limited home health care

This is not a complete list of services available.



Part A Costs

Eligible and paid into Social Security for 40 quarters:

Pay no cost for Part A.

Eligible and paid at least 30 quarters:

Reduced cost: \$278

Eligible and paid less than 30 quarters:

Full cost: \$505

Don't qualify on your own?

May be eligible base on your spouse's work history when you turn 65.



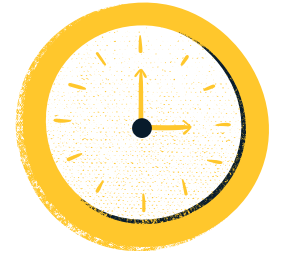
Provides coverage for:

- ✓ Doctor visits and preventative services
- ✓ Outpatient surgery
- ✓ Diagnostic screenings
- ✓ Emergency care
- ✓ Durable medical equipment

This is not a complete list of services available.



Part B - Late Enrollment Penalty



- ! **Did not sign up for Part B when first eligible and not covered by employer plan?** You may have to pay a late enrollment penalty for as long as you have Part B.
- ! **Monthly cost may go up 10% for each full 12-month period** that you could have had Part B but did not enroll.
- ! **Exception:** You do not have to pay a late enrollment penalty if you meet certain conditions that allow you to sign up for Part B during a Special Enrollment Period.

**Original Medicare
generally covers
80% of your
hospital and
medical expenses.**

Original Medicare does not cover:

- ! Deductibles**
- ! Copays/Coinsurance**
- ! Outpatient Prescription Drugs**
- ! Healthcare outside the U.S.**
- ! Hearing Aides, Exams,
Screenings**
- ! Routine Eye Exams and Most
Glasses**



Can fill some of the gaps Original Medicare does not cover.

- ✔ **Can cover deductibles, copays, and coinsurance**
- ✔ **Freedom to choose any Medicare-appointed doctor in the U.S.**
- ✔ **Standardized plan letter with associated services**
- ✔ **Has a monthly cost and will vary based on county/zip code**

Medicare Supplements do not cover:

- ! Prescription Drugs
- ! Drug coverage will need to be separate through:
 - Prescription Drug Plan, or
 - Other creditable coverage





Provides coverage for:

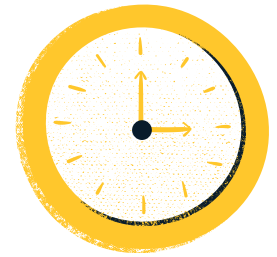
- ✓ For some prescription drug costs

Two types of Part D Coverage

- ✓ Stand-alone OR with an integrated Medicare Advantage plan
- ✓ Must be enrolled in Part A and/or Part B
- ✓ Live within the plan's service area



Part D - Late Enrollment Penalty



- !** Did not sign up for Part D when first eligible and did not have **creditable coverage for more than 63 days?** You may have to pay a late enrollment penalty for as long as you have Part D.
- !** **Monthly cost will have a penalty of 1%** of the national base premium (\$36.78) multiplied by the of full, uncovered months you were eligible.

Changes happening to Part D with the Inflation Reduction Act (IRA)

IRA was created to provide meaningful financial relief for Medicare beneficiaries, including improvements to Medicare. Passed in 2022 to:

Increase access to treatments and expand services

Provide affordability by lowering Medicare costs and limiting price increases

Make the Medicare program more sustainable now and in the long-run



Part D Improvements Timeline

2023

- ✓ Vaccines without copays
- ✓ Insulin copays limited to \$35/month

2024

- ✓ Eligibility expansion for “Extra Help” program
- ✓ Elimination of 5% coinsurance in catastrophic phase

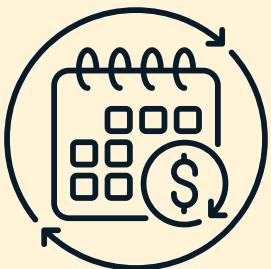
2025

- ✓ \$2,000 annual cap on prescription drug costs
- ✓ Monthly payment program for yearly out-of-pocket prescription drug costs
- ✓ Part D Redesign (no more Coverage Gap phase)
- ✓ Implementation of Manufacturer Discount Program

2025 Part D Improvements



Your out-of-pocket prescription drug costs is capped at **\$2,000** for the year.



You can **enroll into the Medicare Prescription Payment Plan** to help spread your out-of-pocket prescription costs over the year.

2024 Part D Current Design:

Your prescription drug plan costs may change annually depending on the coverage stage you are in.

Stage 1 Deductible	Stage 2 Initial Coverage	Stage 3 Coverage Gap	Stage 4 Catastrophic Coverage
The amount you pay before a plan covers your prescription drug costs.	The plan pays its share of the cost and you pay your share (copays and coinsurance).	Known as the “Donut Hole”, the plan is limited in how much it can pay for your drugs. You will pay 25% of the costs for covered drugs.	After you reach the MOOP, the plan will pay your drug costs for the rest of the year.
Deductible Range: \$0 - \$545	Total maximum of your payments and plan’s payments: \$5,030	Maximum Out-of-Pocket (MOOP) Cost for covered drugs: \$8,000	No copay or coinsurance.

2025 Part D Improvements

Part D Redesign Program will consist of three phases:

Phase 1 Annual Deductible

The amount you pay before a plan covers your prescription drug costs.

Deductible Range:

\$0 - \$590

Phase 2 Initial Coverage

The plan pays its share of the cost, and you pay your share (copays and coinsurance).

Your Maximum Out-of-Pocket Rx Drug Costs (copays and coinsurance):

\$2,000

Coverage Gap (Donut Hole)

The plan is limited in how much it can pay for your drugs. You will pay 25% of the costs for covered drugs.

Phase 3 Catastrophic Coverage

After you reach the MOOP, the plan will pay your drug costs for the rest of the year.

No copay or coinsurance.

The Coverage Gap Phase will be end on December 31, 2024, and be replaced with the **Manufacturer Discount Program**.

Manufacturer Discount Program

How is it applied to the Part D program?

Phase 1 Annual Deductible

Not applicable on deductible.

Phase 2 Initial Coverage

Manufacturers will provide a 10% “discount” as their cost-share on applicable brand-name drugs.

Coverage Gap (Donut Hole)

Phase 3 Catastrophic Coverage

Manufacturers will provide a 20% “discount” as their cost-share on applicable brand-name drugs.

Participating manufacturers must enter into an agreement with CMS (Centers for Medicare & Medicaid Services) for Part D coverage eligibility and offer a discount on applicable brand-name drugs.

The IRA Impact on Your Medicare Coverage

What can be expected with the upcoming 2025 changes to Part D



Your max out-of-pocket prescription drug cost is lower and capped at \$2,000.

Monthly payment plans allow you to reduce the stress of financial insecurity.

You can access brand-name drugs that may have been too costly for you to pay out-of-pocket.

The discount and rebate programs go into effect on manufacturers that plan to increase prices, beating inflation.

What to be aware of with the upcoming 2025 changes to Part D



Medicare Prescription Payment Plan is more beneficial in the beginning of the year to spread out costs.


Drugs that are excluded from Medicare Prescription Payment Plan:

- Non-covered drugs
- Part B drugs

The \$2,000 cap does not apply to out-of-pocket spending on Part B drugs.

Once you incur a Part D out-of-pocket cost, the payment plan will apply to all of your covered Part D drugs and billed monthly.

- You will not be able to pick and choose which covered prescriptions to include.



What to be aware of with the upcoming 2025 changes to Part D

Part D plans will continue to bill any amounts owed (not to exceed the max monthly cap) for those who switch Part D plans or cancel participation.

Part D plans may choose to not cover certain drugs.

- Notice any applicable changes and get assistance from your doctor about alternatives.

Plan sponsor liability will increase in the catastrophic phase.

- May see an increase in plan cost while you have lower out-of-pocket drug costs.
- May see a reduction in plan services.

The definition of “creditable coverage” for prescription drug plans has been redefined.

- Plan sponsors or plans may exit the Medicare market if they are unable to meet the new standards of creditable coverage.

**Be aware of the upcoming changes
on your current coverage.**

**Your healthcare needs are your priority for
2025. You deserve the right care with the
right Medicare plan that suits your needs.**



**Review your current plan and keep a list of your
current medications.**



**When your plan provides your yearly notice in
September, pay close attention to any changes
that may have been applied.**

You Can Save on Drug Costs

If you meet certain income and resource limits, you may qualify for **Extra Help** from Medicare to pay the costs of Medicare prescription drug coverage (Part D).

You can apply at: www.ssa.gov/benefits/medicare/prescriptionhelp/



Countable Assets

- Money in a checking/savings account
- Stock
- Bonds



Noncountable Assets

- Your home
- One car
- Burial plot
- Up to \$1,500 for burial expenses if you have put that money aside
- Furniture
- Other household and personal items

Medicare Advantage plans are offered by private insurance companies approved by Medicare and is an alternative option to Original Medicare.

Includes:



Part A - Hospital Coverage



Part B - Medical Coverage

*Most MA plans includes:



Part D - Prescription Drug Coverage



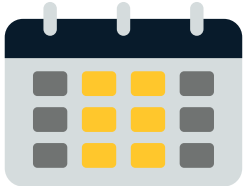
Part C
Medicare
Advantage

IRMAA Income Brackets

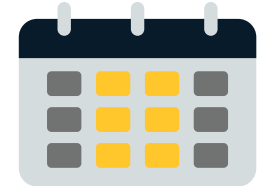
Depending on your yearly income from two years prior, your Part B and D cost will vary.			Part B Costs	Part D Costs
SINGLE	JOINT	JOINT - SEPARATE RETURN		
\$103,000 or less	\$206,000 or less	\$103,000 or less	\$174.70	Plan Cost
\$103,000 - \$129,000	\$206,000 - \$258,000	N/A	\$244.60	Plan Cost + \$12.90
\$129,000 - \$161,000	\$258,000 - \$322,000	N/A	\$349.40	Plan Cost + \$33.30
\$161,000 - \$193,000	\$322,000 - \$386,000	N/A	\$454.20	Plan Cost + \$53.80
\$193,000 - \$500,000	\$386,000 - \$750,000	\$103,000 - \$397,000	\$559.00	Plan Cost + \$74.20
\$500,000+	\$750,000+	\$397,000+	\$594.00	Plan Cost + \$81.00

Enrollment Periods





Enrollment Periods



- ✓ **Initial Enrollment Period (IEP)**
7-month “Turning 65” Election Period
- ✓ **Annual Enrollment Period (AEP)**
October 15 to December 7
- ✓ **Open Enrollment Period (OEP)**
January 1 to March 31
- ✓ **Lock-in Period**
April 1 to December 31
- ✓ **Special Enrollment Period (SEP)**
Special circumstances within the year



Medicare Supplement Enrollment Period



- ✓ **A six-month window that begins on your Part B effective date or 65th birthday, whichever is later.**
- ✓ **No medical underwriting.**
- ✓ **Can choose from any Medicare Supplement Plan options.**

Medicare Supplement Guaranteed Issue (GI) Situations



- ✓ **There are several other GI situations to enroll into a Medicare Supplement plan with no underwriting. For example:**
 - Loss of coverage
 - Moving to a new area, and many more
- ✓ All plan options may not be available.
- ✓ If you do not qualify for a GI situation, you may need to undergo medical underwriting.

Star Ratings



Each plan is assigned a star rating from one to five stars.

- ✓ Member satisfaction surveys, plans, and providers
- ✓ Performance measurements based on more than 50 key factors
- ✓ Additional information is available on [Medicare.gov](https://www.Medicare.gov)





**My
Service
to You**

You have options! I'm here to help!

- ✔ Continue with your employer plan if you're still working
- ✔ Continue with your retiree/military plan if applicable
- ✔ Enroll in a Part C, Medicare Advantage Plan, which can include your Part D, Prescription Drug coverage
- ✔ Enroll in a Medicare Supplement plan and a stand-alone Part D, Prescription Drug plan



During your appointment, *we'll review your needs* to help find the right plans for you to choose from!

Analysis questions include:

- ✓ When does/did your Medicare start?
- ✓ What zip code do you live in?
- ✓ Do you have a primary doctor?
- ✓ Do you have a specialist?
- ✓ Do you take any medications?
- ✓ Are you looking for a certain service?





Life +
Health

**Ready to find the plan that fits your
needs or have more questions?**

I am here to help you at ***no cost or obligation to you!***

My contact information:



By calling the number above, you will be directed to a licensed insurance agent.