

How Medicare Works





Today we'll cover

- 🍁 Medicare basics
- 🍁 Enrollment periods
- 🍁 Medigap
- 🍁 Prescription Drug plans
- 🍁 Medicare Advantage plans
- 🍁 Important things to consider

Medicare Entitlement

**Medicare
Enrollment
Periods**

**Initial
Enrollment
Period
(IEP)**

**Special
Enrollment
Period
(SEP)**

**General
Enrollment
Period
(GEP)**

When to defer Medicare enrollment

Employed with Employee Health Plan coverage

 You can enroll in Part A (free), but not required

Dependent on an actively employed spouse plan

Contributing to an HSA

 Must stop contributing to your HSA 6 months prior to taking Part A




Impact of Income Related Monthly Adjustment Amount (IRMAA)

Cost of Medicare - IRMAA

If your yearly income is		Part B premium	Part D premium
File individual tax return	File joint tax return		
\$103,000 or less	\$206,000 or less	\$174.70	Your plan premium
\$103,001 - \$129,000	\$206,001 - \$258,000	\$244.60	Your plan premium + \$12.90
\$129,001 - \$161,000	\$258,001 - \$322,000	\$349.40	Your plan premium + \$33.30
\$161,001 - \$193,000	\$322,001 - \$386,000	\$454.20	Your plan premium + \$53.80
\$193,001 - \$500,000	\$386,001 - \$750,000	\$559.00	Your plan premium + \$74.20
More than \$500,000	More than \$750,000	\$594.00	Your plan premium + \$81.00

When to enroll in Medicare

When you stop working

-  L-564 form allows for SEP
-  8 month SEP for Parts A & B
-  60 day SEP for Part D

When you are a dependent and your spouse stops working

When you have COBRA – COBRA will pay secondary

When Medicare enrollment is automatic

If you are disabled and receiving SSDI benefits

-  Receiving SSDI benefits for 24 months or longer
-  Under age 65



Dialysis – End Stage Renal (ESRD)

If you take Social Security Retirement benefits prior to age 65


-  Medicare automatically becomes effective at age 65

Guarantee Issue (GI)

Everyone has GI during their first enrollment to a Medicare plan

-  You cannot be turned down for any Medicare plan selection
-  You may need to pass through underwriting if changing plans in the future

Continuous GI available in 3 States

-  New York
-  Connecticut
-  Massachusetts

Why consider Medicare while working?

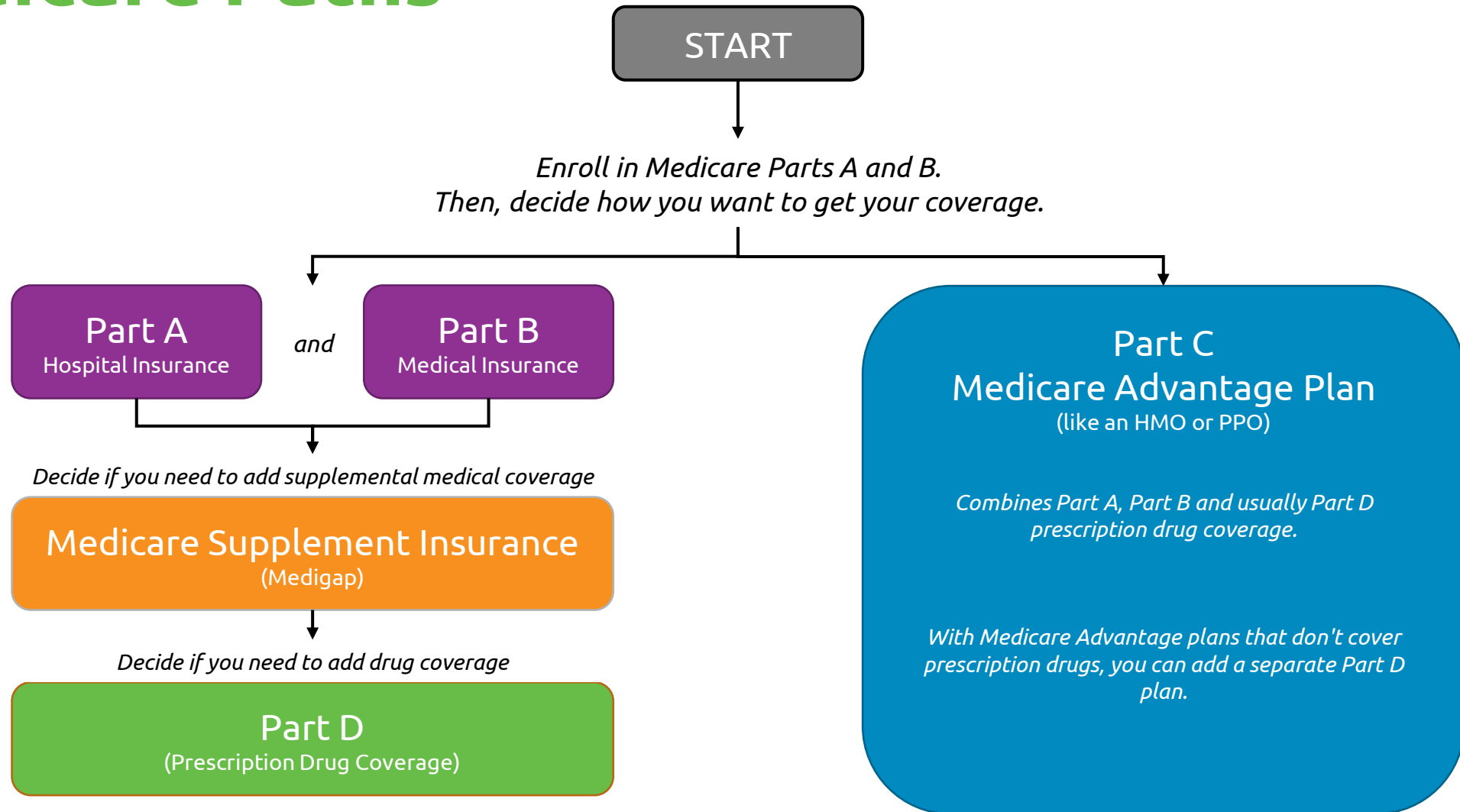
**Premiums
are stable**

**Lower
deductibles**

**Lower out-
of-pocket
costs**

**Networks
are often
broader**

Medicare Paths



Path 1 – Original Medicare

**Original
Medicare**


Part A
Part B

Medigap

Medicare
Supplement

**Prescription
Drug**

Part D







How Original Medicare Works

- May see any provider in the United States who accepts Medicare
- Does not cover prescription drugs – Part D Prescription Drug Plan is separate coverage
- Deductibles (Parts A & B)
- Co-insurance for most medical services – 80% covered by Medicare, 20% covered by you or other insurance

How Medigap Plans Work

Covers the gaps in the Original Medicare Program

-  Medigap covers 20% of remaining medical services
-  Typically covers deductibles for Part A
-  Pays for additional hospital stays beyond Original Medicare
-  May cover “excess charges”

Medigap plans have an additional premium

Types of Medigap Plans

Benefits	Medigap plans									
	A	B	C	D	F*	G*	K	L	M	N
Medicare Part A coinsurance and hospital costs (up to an additional 365 days after Medicare benefits are used)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Medicare Part B coinsurance or copayment	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%***
Blood (first 3 pints)	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
Part A hospice care coinsurance or copayment	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
Skilled nursing facility care coinsurance			100%	100%	100%	100%	50%	75%	100%	100%
Part A deductible		100%	100%	100%	100%	100%	50%	75%	50%	100%
Part B deductible			100%		100%					
Part B excess charges					100%	100%				
Foreign travel emergency (up to plan limits)			80%	80%	80%	80%			80%	80%

Why Choose Medigap?

A Medigap Policy may be a great option if you:

- Want to see out of State doctors (Medigap is portable)
- Have a major surgery expected
- Have frequent medical needs & procedures
- Want peace of mind



Choosing a Prescription Plan

Only 5.2% of seniors choose the least expensive drug plan

- 🌈 Average overspending is \$368/year
- 🌈 The more options available, the more likely an individual is to overspend
- 🌈 On average, a zip code has 23 plans to choose from

<http://health.usnews.com/health-news/news/articles/2012/10/11/many-seniors-overpaying-for-medicare-drug-plans-study>

Part D Improvements under the IRA

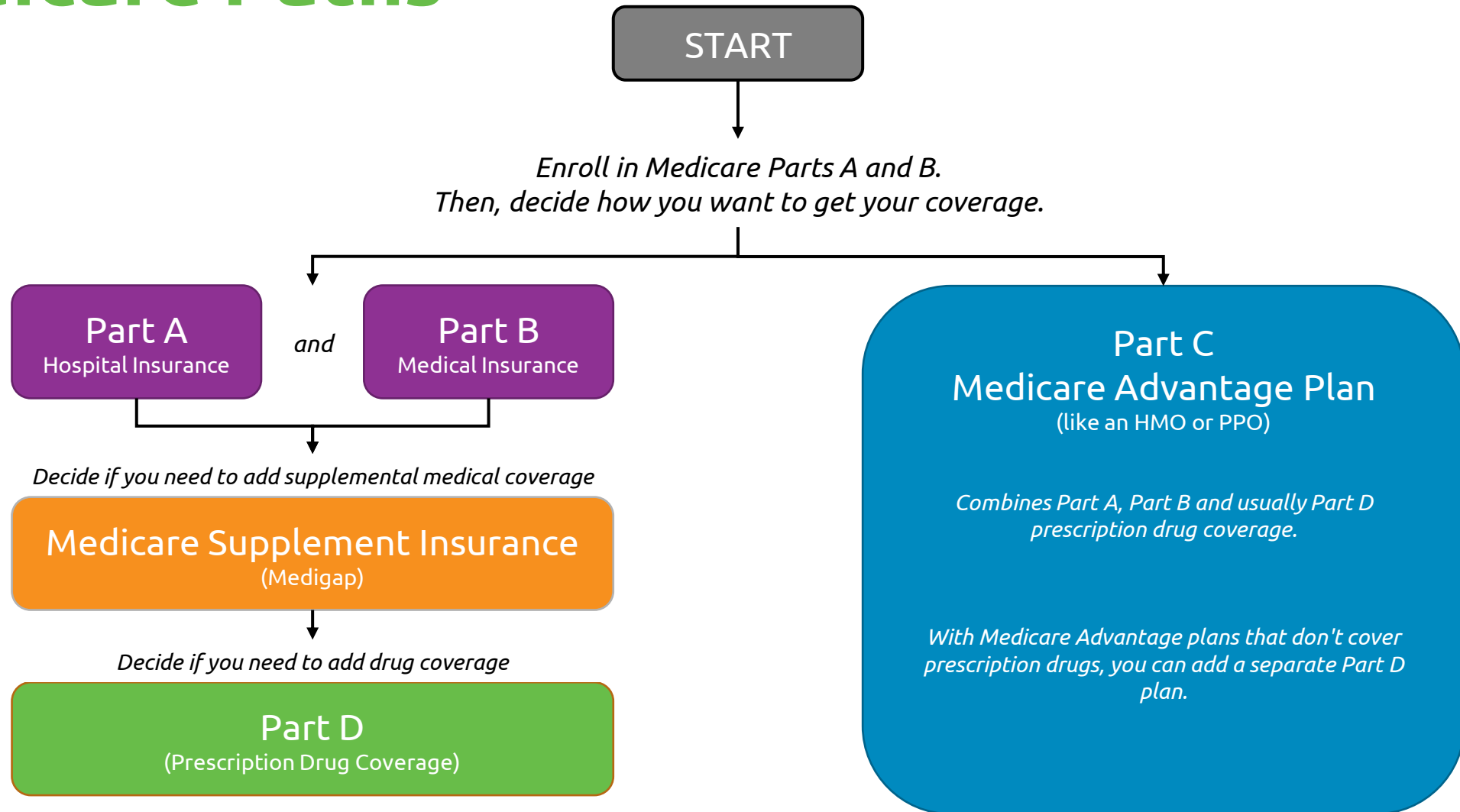
- 🌈 Insulin capped at \$35 per month per covered prescription
- 🌈 In 2025, the annual max out of pocket of \$2,000 (a \$6,000 reduction from the \$8,000 MOOP amount in 2024)
- 🌈 Access to recommended adult vaccines without cost-sharing
- 🌈 Medicare will be able to negotiate directly with drug manufacturers to lower the price of some of the costliest prescriptions for individuals covered by Medicare
- 🌈 New payment plan option for Medicare Part D members

Original Medicare with a Medigap & PDP

Newburyport, MA

Elips Life Ins. Co. Medigap Plan G w/ Wellcare PDP	
Monthly Premium	\$292.20 (\$117 Medigap + \$.50 Part D + \$174.70 Part B)
Deductible	\$240
Drug Deductible	\$505 Tiers 3-5
Max Out of Pocket	N/A
Tier 1 Rx	\$0
Tier 2 Rx	\$5
Tier 3 Rx	\$44 after deductible
PCP	\$0 after deductible
Specialist	\$0 after deductible
Emergency Room	\$0 after deductible
Urgent Care	\$0 after deductible
Lab Work	\$0 after deductible
X-Rays	\$0 after deductible
Hospitalization	\$0

Medicare Paths




Path 2 – Medicare Advantage

Medicare Advantage Part C

-  Bundled plans
-  Network based

Replaces
Original
Medicare

No Medigap
or Part D
necessary



How Medicare Advantage Works

- Covers all Medicare covered services with a single premium (versus multiple premiums with Original Medicare)
- Continue to pay Part B premium – Advantage plan may have an additional cost added to the premium
- Medicare Advantage Plans are network based (PPOs & HMOs)
- Prescription drug coverage usually included
- May offer extra benefits such as vision, dental & fitness programs

Why Choose Medicare Advantage?

A Medicare Advantage Plan may be a great option if you:

- Want the convenience of getting your coverage from one source
- Want lower premiums than you would pay for Original Medicare, Medigap and Part D combined
- Want additional benefits not covered by Original Medicare, such as dental, vision and fitness



Medicare Advantage Plan “Part C”

Newburyport, MA

Humana Choice Medicare Advantage (PPO)	
Monthly Premium	\$174.70 (\$0 + \$174.70 Part B)
Deductible	\$0
Drug Deductible	\$0
Max Out of Pocket	\$3,200
Tier 1 Rx	\$0
Tier 2 Rx	\$0
Tier 3 Rx	\$47
PCP	\$0 copay
Specialist	\$25 copay
Lab Work	\$0 - \$45 copay
X-Rays	\$0 - \$95 copay
Emergency Room	\$90 copay
Urgent Care	\$25 copay
Hospitalization	\$275 per day (days 1-6), \$0 per day (days 7-90)

Turning 65 & Medicare enrollment



- Start early
- Understand how existing health insurance coordinates with Medicare
- Research your options – choose Medicare plans that match your health needs and financial resources
- Understand how Medicare costs are affected by higher income
- Secure health coverage for spouse and dependents
- Seek professional plan selection assistance if uncertain or want a second option

How to reach an Allsup specialist


 Phone: 888-271-1173

 E-mail: allsuphealthcare@allsup.com

 Chat: www.allsupmedicare.com

Business Hours:

 Monday – Friday

 8:00 AM – 5:00 PM CDT

Thank you!



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