

Page 19 of the Workbook

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## What We'll Cover Today

- : Medicare Basics
- : What Do the "Parts" Mean?
- : Costs
- : Other Options

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## It's a Big Deal

3.6 million  
baby boomers  
turn 65  
each year



54%  
don't  
understand  
benefit



Source: Medicare Consulting Firm: 65 Incorporated

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## What is Medicare?

- : National health insurance program for retirees
- : Includes a combination of public and private insurance
- : Enroll through Social Security Administration

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# Handy Reference Guide



<https://www.medicare.gov/Pubs/pdf/10050-medicare-and-you.pdf>

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## The Parts

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## What the “Parts” Mean

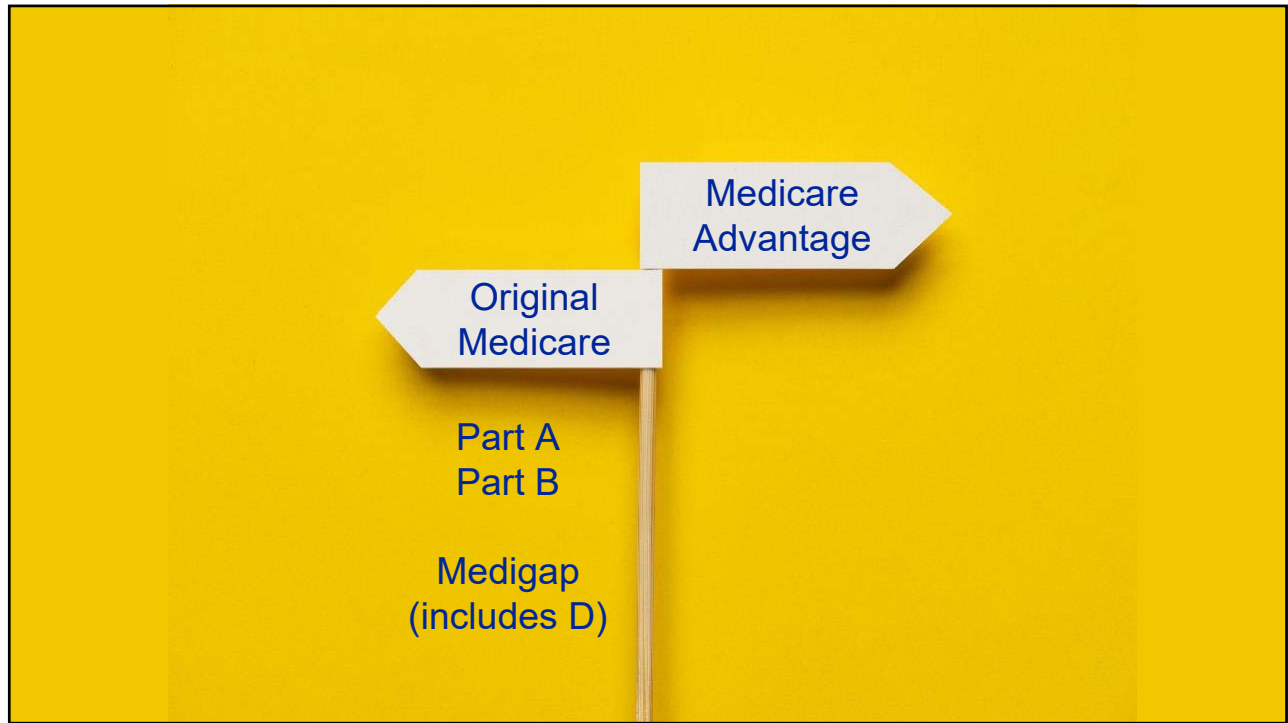
Part A – Hospital Insurance

Part B – Medical Insurance

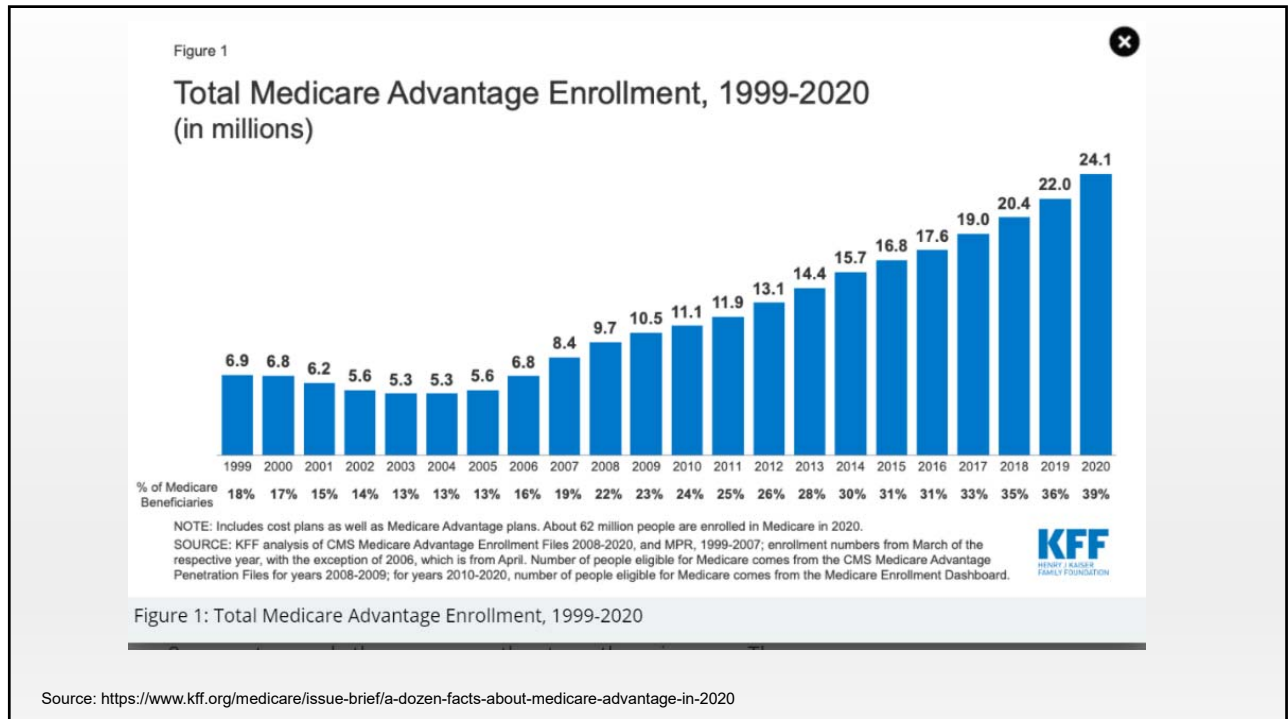
Part C – Medicare Advantage Plans

Part D – Prescription Drug Coverage

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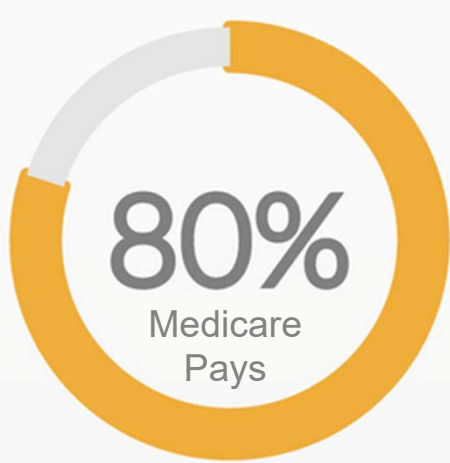
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**What percentage of expenses are paid by Medicare.**

- A. 100% for in-network providers, 80% for all others 0%
- B. 90% of expenses with maximum out of pocket 0%
- C. 80% of expenses with no maximum out of pocket 0%
- D. 80% of expenses with maximum out of pocket 0%

Start the presentation to see live content. For screen share software, share the entire screen. Get help at [pollev.com/app](https://pollev.com/app)

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Source: <https://www.medicare.gov/what-medicare-covers/what-part-a-covers>

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## Part A – Hospital Coverage

- : Hospital
- : Skilled Nursing Facility
- : Home Health Care
- : Hospice



Source: <https://www.medicare.gov/what-medicare-covers/what-part-a-covers>

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## Part A–Hospital Insurance

- : \$1,632 deductible (2024)
- : Days 1-60 - \$0 coinsurance
- : Days 61-90 - \$408 coinsurance per day
- : Days 91 and beyond - \$816 per lifetime reserve day (60 days in your lifetime)
- : After 150 days you pay all costs
- : Benefit periods reset if you are out of the hospital for 60 consecutive days

Source: <https://www.medicare.gov/your-medicare-costs/part-a-costs>

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## Part A – Hospital Insurance

### Costs for Part A

- FREE (no monthly premiums) if you're fully eligible for Social Security (40 quarters)

Source: <https://www.medicare.gov/your-medicare-costs/part-a-costs>

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## Part B – Medical Insurance

- : Doctor's visits
- : Outpatient Hospital Services
- : Clinical Lab Tests
- : Preventive Services



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## Part B – Medical Insurance

- : Monthly premium deducted from SS check or bill sent if you haven't started SS
- : Covers 80% after \$240 deductible
- : No out-of-pocket limit so supplemental insurance is needed

Source: <https://www.medicare.gov/your-medicare-costs/part-b-costs>

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## Part B – Medical Insurance

### Costs for Part B

- \$174.70 per month for most in 2024
- Higher income people pay more

Source: <https://www.medicare.gov/your-medicare-costs/part-b-costs>

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## Income Adjustments to Part B Premiums

Modified Adjusted Gross Income (MAGI)	Part B monthly premium amount	Prescription drug coverage monthly premium amount
Individuals with a MAGI of less than or equal to \$103,000 Married couples with a MAGI of \$206,000 or less	2024 standard premium = \$174.70	Your plan premium
Individuals with a MAGI above \$103,000 up to \$129,000 Married couples with a MAGI above \$206,000 up to \$258,000	Standard premium + \$69.90	Your plan premium + \$12.90
Individuals with a MAGI above \$129,000 up to \$161,000 Married couples with a MAGI above \$258,000 up to \$322,000	Standard premium + \$174.70	Your plan premium + \$33.30
Individuals with a MAGI above \$161,000 up to \$193,000 Married couples with a MAGI above \$322,000 up to \$386,000	Standard premium + \$279.50	Your plan premium + \$53.80
Individuals with a MAGI above \$193,000 and less than \$500,000 Married couples with a MAGI above \$386,000 and less than \$750,000	Standard premium + \$384.30	Your plan premium + \$74.20
Individuals with a MAGI equal to or above \$500,000 Married couples with a MAGI equal to or above \$750,000	Standard premium + \$419.30	Your plan premium + \$81.00

Source: <https://www.ssa.gov/benefits/medicare/medicare-premiums.html>

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## Part D - Prescription Drug Insurance

- : Covers part of the cost of prescription drugs
- : Offered through private insurers
- : Need to shop for plans based on what medicines you take
- : Monthly premiums increase as income rises



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## Medigap Plans

- : MUST HAVE with traditional Medicare
- : Sold by insurance companies
- : Average monthly premium \$152 but costs range widely (according to one study)

Source: <https://www.medicareadvantage.com/costs/average-cost-of-medicare-supplement>.

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## It's Your Decision

Stay with plan for entire year

Medicare A, B, D  
and  
Medigap

or

Medicare  
Advantage  
Plan (Part C)  
A & B (&D)

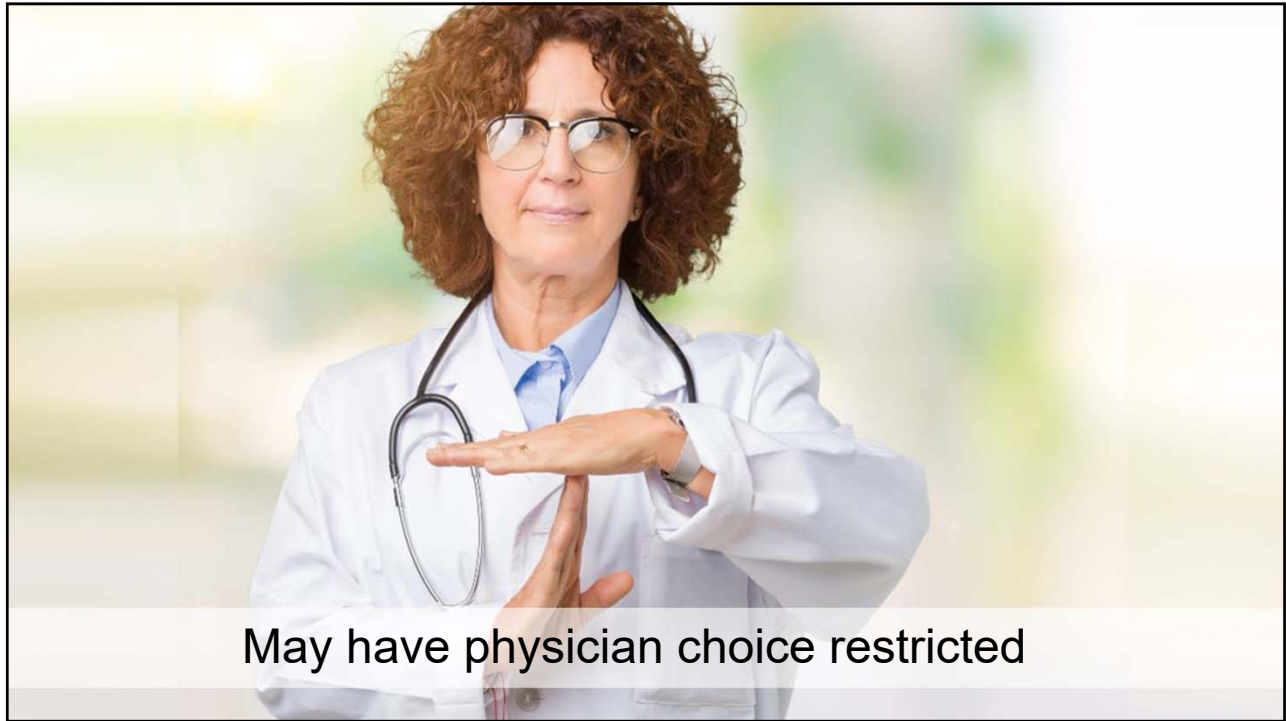
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## Medicare Advantage

- : Bundled plan sold by insurance companies
- : Still pay for Part B then a supplemental cost for everything else
- : Can be HMO or PPO
- : Can include coverage for things not covered by traditional Medicare (dental, vision, etc)
- : May be lower cost

Source: <https://www.medicarefaq.com/faqs/average-cost-of-medicare-advantage/>

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May have physician choice restricted

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Traditional Medicare favors travelers

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## Different Enrollment Periods

### Initial Enrollment

*(seven-month period surrounding your 65<sup>th</sup> birthday)*

### Special Enrollment

*(only for those who delay due to other coverage)*

### General Enrollment

*(ability to enroll annually)*

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Do I have to  
enroll if I still  
have employer  
coverage?



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## Special Enrollment Period

- : Those with employer coverage have until 8 months after employer coverage ends
- : Next annual election period October 15 – December 7 with coverage beginning on January 1

Source: [Medicare.gov/sign-up-change-plans/joining-a-health-or-drug-plan#:~:text=When%20you%20first%20become%20eligible,switch%2C%20or%20drop%20a%20plan.](https://www.medicare.gov/sign-up-change-plans/joining-a-health-or-drug-plan#:~:text=When%20you%20first%20become%20eligible,switch%2C%20or%20drop%20a%20plan.)

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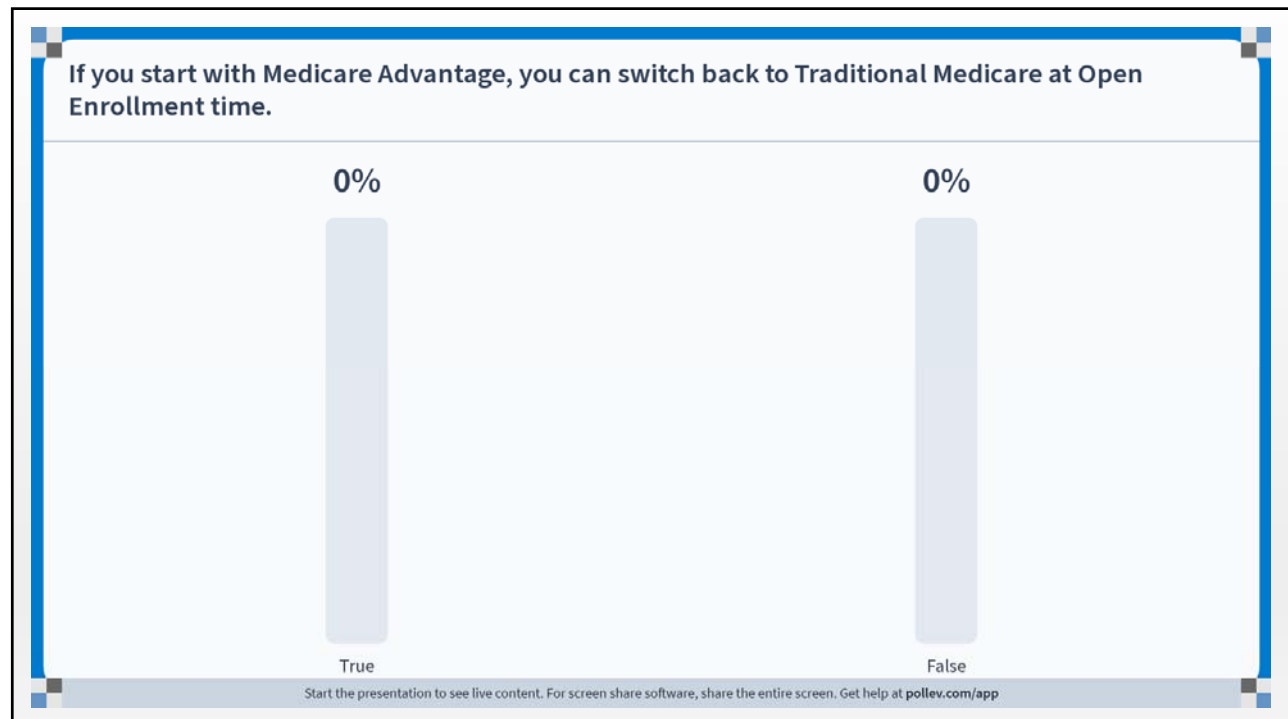
# Annual Open Enrollment

- : October 15 – December 7
- : Current Medicare beneficiaries who want to start, switch or drop a Medicare Advantage or drug plan
- : Changes take effect January 1

**Insurance companies can change premiums at any time, so check every year!**

Source: [Medicare.gov/sign-up-change-plans/joining-a-health-or-drug-plan#:~:text=When%20you%20first%20become%20eligible,switch%2C%20or%20drop%20a%20plan.](https://www.medicare.gov/sign-up-change-plans/joining-a-health-or-drug-plan#:~:text=When%20you%20first%20become%20eligible,switch%2C%20or%20drop%20a%20plan.)

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# If You Fail to Apply

- : Part A: No penalties since Part A is free
- : Part B: 10% penalty for every 12-month period you could have had Part B, ***paid for as long as you have Part B (the rest of your life)***
- : Part D: You owe a late enrollment penalty if there is a period of 63 or more days in a row where you didn't have Part D or other credible prescription drug coverage.

Source: <https://www.medicare.gov/pubs/pdf/10050-medicare-and-you.pdf>. Example for illustration purposes only.

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The image shows a screenshot of the Medicare.gov website. At the top left is the Medicare.gov logo. Below it is a navigation bar with links for Basics, Health & Drug Plans, and Providers & Services. The main content area features a large banner with the text "Remember to protect your Medicare card" and two buttons: "Protect Yourself/Learn How" and "Log in/Create Account". Below the banner is a green bar with the text "See how Medicare is responding to Coronavirus" and a "Learn More" button. At the bottom, there are four service tiles: "Find plans" (Find health & drug plans), "Get started" (Learn about Medicare), "Find care providers" (Compare hospitals, nursing homes & more), and "Want a new plan now?" (See if you can join).

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

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## What About Before Age 65?

- : National Marketplace (Obamacare)
- : COBRA
- : Employer Insurance
- : Private Insurance (underwriting is required)

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## Tax Credits for Lower Wage Earners

Household income for the year must be at least 100% but no more than 400% of the federal poverty line for their family size.

HealthCare.gov Español

Get Coverage Keep or Update Your Plan See Topics Get Answers

Saving money on health insurance

### Income levels & savings

Income levels & savings

How to save on your monthly insurance bill with a premium tax credit

Cost-sharing reductions

See if you might save on Marketplace premiums, or qualify for Medicaid or Children Health Insurance Program (CHIP), based on your income. Or, find out who to include your household and how to estimate income before you apply.

You'll see exact plan prices and how much you'll save by filling out a Marketplace application.

1. What state do you live in?

Select your state

Source: <https://www.healthcare.gov/lower-costs/>

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**Roth retirement account withdrawals do count as income when determining premiums for National Healthcare insurance.**

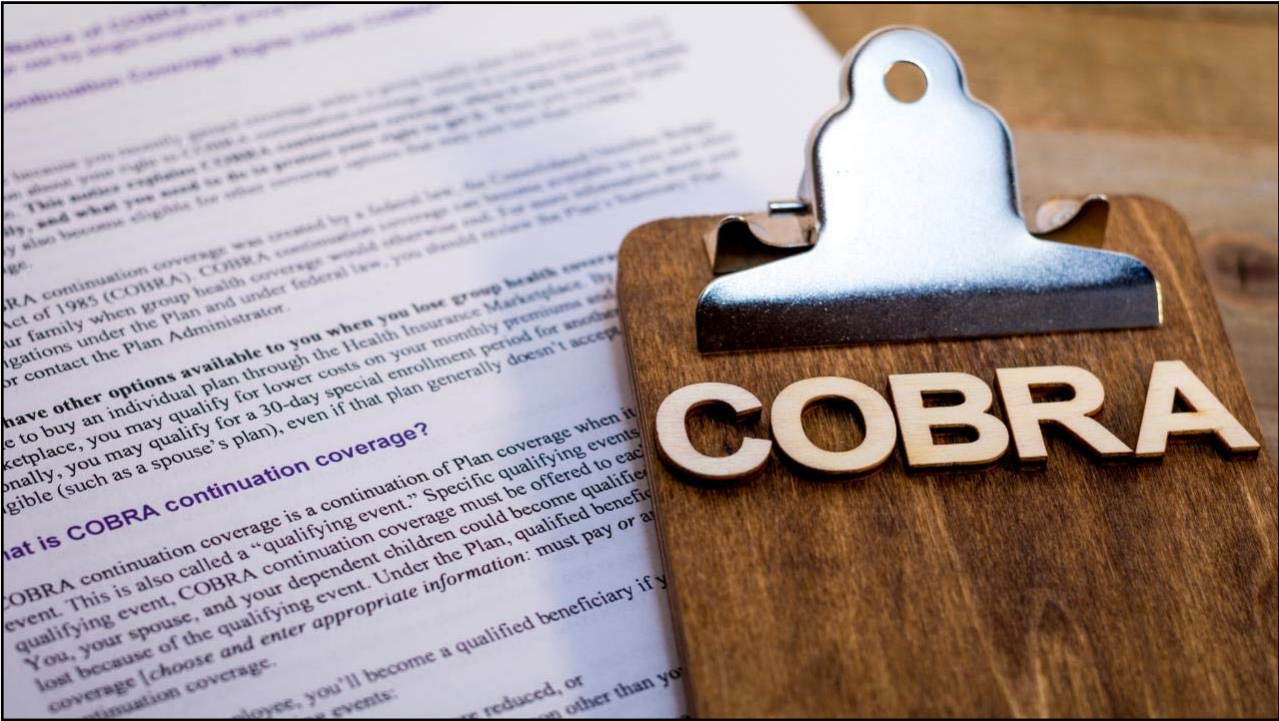
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True False

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# COBRA

- : Employee must end employment or have reduced hours
- AND**
- : Employee became eligible for Medicare less than 18 months before then
- THEN**
- : COBRA coverage for spouse and dependents can last 36 months after the date the employee is entitled to Medicare

Source: <https://www.dol.gov/sites/dolgov/files/ebsa/about-ebsa/our-activities/resource-center/faqs/cobra-continuation-health-coverage-consumer.pdf>

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Questions?  
Answers!

