
DEMYSTIFYING MEDICARE

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AGENDA

- Choices
- Costs
- Considerations



CHOICES

The image features a minimalist design with three overlapping circles. A large white circle is on the left, a smaller blue circle is at the top, and a large gold circle is on the right. The gold circle contains a series of white concentric lines that fade out towards the right edge. The word "CHOICES" is printed in a bold, blue, sans-serif font on the white circle.

MEDICARE IS A GAME CHANGER

- Many people continue to work solely for the health insurance benefits.
- Some workers take social security early to help pay for health care before 65.
- Fidelity Retiree Health Care Cost Estimate is \$315,000 per couple. <https://www.fidelity.com/viewpoints/personal-finance/plan-for-rising-health-care-costs>
- At 65 employees have options related to health insurance.
- Will Medicare be cheaper or more expensive than your current outlays?

DO I NEED TO APPLY FOR MEDICARE AT AGE 65?

- Continuing to work?
- Employer with more than 20 employees?
- Penalties for failing to sign up.
- Cobra is not employer provided health insurance for Medicare purposes.

CHOICES. CHOICES. CHOICES.

Original/Traditional Medicare

Part A (Hospital)

In-patient care; Hospice; Home healthcare

Part B (Doctor)

Healthcare providers; Out-patient care; Home healthcare; Durable medical equipment; Preventative services

Part D (Drugs - Prescription)

Supplemental Insurance

Private; Out-of-pocket costs; Standardized

OR

Medicare Advantage Plan (Part C)

Medicare-approved plan from a private company that offers an alternative to Original/Traditional Medicare; Bundled plan that usually includes Part A, Part B and, usually, Part D; Usually restrictions on doctors and geographies; Insurance company determines necessary treatment; May have lower out-of-pocket costs; May include services Original Medicare does not (i.e. vision, hearing dental)

HOW DO YOU APPLY FOR MEDICARE?

- **IEP** (Initial Enrollment Period) 3 months before 65th birthday, the month of your 65th birthday and three months after your 65th birthday.
- **AEP** (Annual Enrollment Period) 10/15 – 12/7.
- **GEP** (General Enrollment Period) 1/1 – 3/31
- **SEP** (Special Enrollment Period) – Working Past 65 – Sign up anytime you are still covered by the group health plan or 8-month period that begins the month after employment or coverage ends, whichever is first. (Medicare Booklet).
- **SSA.gov**
- Should already have an account at ssa.gov to check earnings.
- Allow for “additional Information” required. Can take longer to get a card. Reasons include foreign born US citizens.

COSTS

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MEDIGAP PLANS

Medigap Benefits	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 up	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%
Medicare Part A deductible		100%	100%	100%	100%	100%	50%	75%		100%
Medicare Part B deductible			100%		100%					
Medicare Part B excess charges					100%	100%				
Foreign travel emergency (up to plan limits)			80%	80%	80%	80%			80%	80%

- * Starting in 2020, Plans C and F are not be available to people new to Medicare
- * For Plans K and L, after you meet your out-of-pocket yearly limit and Part B deductible, the Medigap plan pays 100% of covered services for the rest of the calendar year. Out-of-pocket limits: Plan K \$6,620; Plan L \$3,310
- * Plan N pays 100% of the Part B coinsurance, except for some copayments.

Source: www.medicare.gov/supplement-other-insurance/compare-medigap/compare-medigap.html

MONTHLY PREMIUMS FOR PARTS B & D INCLUDING INCOME RELATED ADJUSTMENT AMOUNTS

MAGI Single	MAGI Joint	MAGI Married filing separately	Part B monthly premium paid to Medicare	Part B income-related adjustment amount paid to Medicare	Part D monthly premium (average) paid to insurer	Part D income-related adjustment amount paid to Medicare	Total Parts B & D premium
≤\$97,000	≤\$194,000	≤\$97,000	\$164.90	\$0.00	\$40.00	\$0.00	\$204.90
\$97,001–\$123,000	\$194,001–\$246,000		\$164.90	\$65.90	\$40.00	\$12.20	\$283.00
\$123,001–\$153,000	\$246,001–\$306,000		\$164.90	\$164.80	\$40.00	\$31.50	\$401.20
\$153,001–\$183,000	\$306,001–\$366,000		\$164.90	\$263.70	\$40.00	\$50.70	\$519.30
\$183,001–\$499,999	\$366,001–\$749,999	\$97,001–\$402,999	\$164.90	\$362.60	\$40.00	\$70.00	\$637.50
≥\$500,000	≥\$750,000	≥\$403,000	\$164.90	\$395.60	\$40.00	\$76.40	\$676.90

These do not include premiums for Medicare Advantage or Medicare supplement plans

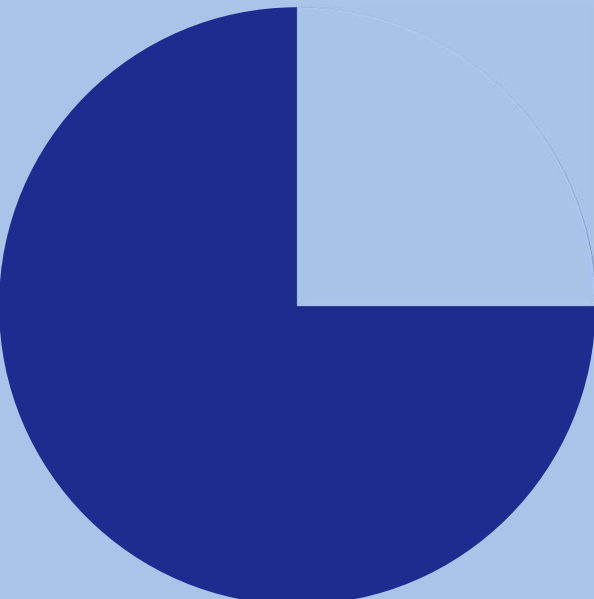
Source: <https://www.medicare.gov/your-medicare-costs/medicare-costs-at-a-glance>

WHAT MEDICARE DOES NOT COVER?

- Long-term care
- Care delivered outside the U.S.
- Dental care
- Vision care
- Hearing aids
- Cosmetic surgery
- Acupuncture and other alternative care
- Amounts over Medicare-approved amount
- Amounts not covered by deductibles and coinsurance (20%)

TYPICAL MEDICARE BUDGET TODAY

Insurance Premiums



Expenditure	Monthly amount
Part B premium	\$164.90
Medigap premium	\$200.00
Part D drug plan premium	\$40.00
Total	\$404.90

For illustrative purposes only.

TYPICAL ANNUAL HEALTH CARE BUDGET TODAY

Insurance Premiums and Out-of-Pocket Costs

Expenditure	Annual amount
Insurance premiums: \$404.90 x 12	\$4,858.80
Prescription drugs: out-of-pocket costs	\$650
Dental out-of-pocket	\$450
Vision out-of-pocket	\$300
Alternative care out-of-pocket	\$200
Total	\$6,458.80

For illustrative purposes only.

RETIREMENT HEALTH CARE EXPENSES

Annual Health Care Budget: Per Person (Prior Slide)	\$6,459
Annual Health Care Budget: Couple	\$12,918
Estimated Life Expectancy - Years	25
Estimated Lifetime Expenses	\$322,950
Fidelity Estimate	\$315,000

For illustrative purposes only.



CONSIDERATIONS

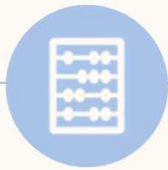
MEDICARE PART A IS FREE?

No “cost” for Part A.

HSA(Health Savings Accounts)?

- Enrolling in Parts A or B means you are no longer eligible to contribute to an HSA because you can only have a HDHP with an HSA.
- Contributing to an HSA means you cannot collect Social Security Benefits because Part A is automatic if you are collecting Social Security Benefits.
- If you contribute to an HSA make sure you stop six months before you plan to enroll in Medicare because you receive 6 months of retroactive coverage.

HOW DO I PAY FOR MEDICARE?



IF RECEIVING SOCIAL SECURITY BENEFITS, MEDICARE PREMIUMS ARE DEDUCTED.



IF NOT RECEIVING SOCIAL SECURITY BENEFITS, MEDICARE PREMIUMS MUST BE PAID SEPARATELY.



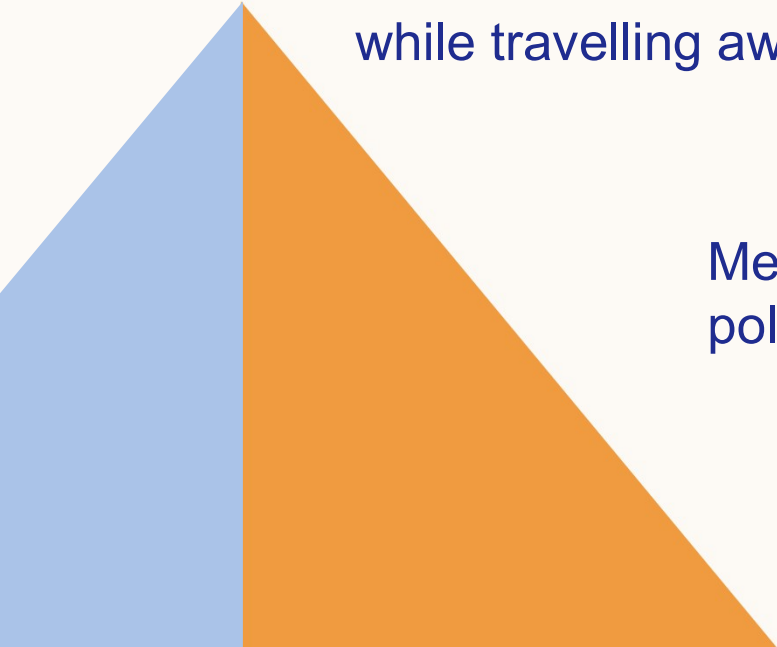
HOLD HARMLESS PROVISION. INCREASES IN MEDICARE PREMIUMS CANNOT BE HIGHER THAN SOCIAL SECURITY BENEFIT INCREASES (INFLATION ADJUSTMENT).

DOES THIS APPLY IF NOT COLLECTING SOCIAL SECURITY AND PAYING MEDICARE SEPARATELY?

MEDICARE WHILE TRAVELING

Medicare Advantage Part C can limit coverage while travelling away from home in the US.

Medicare is limited for overseas travel. A separate policy may be needed.



IRMAA

Income Related Monthly Adjustment Amount

Medicare premiums can be higher with higher income

Income Limits – See Table

Planning opportunities before 65?

- Generally Two-year lookback <https://www.ssa.gov/pubs/EN-05-10507.pdf>
- Income Timing
- QCD's and RMD's

Life Changing Events can be appealed

- Marriage, divorce, death of spouse, work stoppage, work reduction, loss of income-producing property, loss of pension income, employer settlement payment.

Form SSA-44 to appeal

2023 IRMAA BRACKETS

2023 IRMAA Brackets			
2021 MAGI (single filers)	2021 MAGI (joint filers)	Part B	Part D
\$97,000 or less	\$194,000 or less	\$164.90	Your plan premium
More than \$97,000 up to \$123,000	More than \$194,000 up to \$246,000	\$230.80	\$12.20 + your plan premium
More than \$123,000 up to \$153,000	More than \$246,000 up to \$306,000	\$329.70	\$31.50 + your plan premium
More than \$153,000 up to \$183,000	More than \$306,000 up to \$366,000	\$428.60	\$50.70 + your plan premium
More than \$183,000 up to \$500,000	More than \$366,000 up to \$750,000	\$527.50	\$70.00 + your plan premium
\$500,000 or more	\$750,000 or more	\$560.50	\$76.40 + your plan premium

Medicare recipients with 2021 incomes exceeding \$97,000 (single filers) or \$194,000 (married filing jointly) will pay an additional Part D premium between \$12.20 and \$76.40.

Income thresholds generally change annually in response to the CPI-U

TOP 10 MEDICARE NUGGETS TO MAKE YOU A HIT AT PARTIES

- 1) People need help.
- 2) Long Term Care (LTC) is not covered by Medicare.
- 3) Plan for timing of income for IRMAA and appealing IRMAA determination.
- 4) Alert clients with HSA's that they are no longer available with Medicare.
- 5) Planning for health expenditures during retirement.
- 6) Ensure no gap in coverage, COBRA does not count.
- 7) Part A does not equal part A.
- 8) Understand Parts A and B vs Medicare Advantage.
- 9) Explain each participant has their own policy. No participant and dependent.
- 10) Help client understand Medicare is not the same policy as what they had.

RESOURCES

Medicare - www.medicare.gov

Medicare Interactive – www.medicareinteractive.org

Healthpilot - www.healthpilot.com

AARP – www.aarp.org

Getting Medicare Right – www.medicarerights.org

THANK YOU

The image features a minimalist design with a white background. On the right side, there is a large, overlapping composition of shapes. A dark blue semi-circle is positioned at the top and bottom right. Overlapping this is a larger, solid orange semi-circle. Within the orange semi-circle, there are several thin, white, concentric curved lines that create a ripple effect. The text 'THANK YOU' is centered in the white space on the left side of the composition.