



# Navigating the Medicare Maze



**Senior Benefits**  
INSURANCE SERVICES

*A Step-by-Step Guide for Making Important Medicare Decisions*



# I Have Questions!



## *Why does my mailbox keep filling up?*

Medicare agents and Medicare plans compete heavily for your business. Be aware that responding to any mailer or phone call will significantly increase these marketing efforts.



## *Who qualifies for Medicare?*

Generally, anyone turning 65, anyone disabled for 24 consecutive months, anyone with End Stage Renal Disease (ESRD) or Lou Gehrig's Disease (ALS).



## *Am I required to enroll in Medicare?*

No, but you run the risk of incurring late enrollment penalties should you decide to enroll after your Initial Enrollment Period.



## *How do they expect me to understand everything?*

Medicare goes to great lengths to provide comprehensive information, but it can be a lot to understand. The expertise of a qualified Medicare agent can be of great value in helping you understand your options and determining the plan that is right for you.





# I Have Questions!



## *What if I have an HSA?*

The IRS requires you and your employer to discontinue contributions to your HSA once you enroll in Parts A or B. If you enroll after your 65th birthday month, Medicare will look back to your 65th birthday month OR six months (whichever is closest) to see if contributions were discontinued. HSA Funds previously accumulated may be used for future qualified expenses.

## *Is Medicare Automatic?*

It depends. If you are receiving Social Security benefits prior to age 65, you WILL be automatically enrolled in Medicare Parts A and B, and your Medicare card will arrive in the mail about 90 days before your 65th birthday. If you aren't receiving Social Security benefits, you must proactively sign up for Parts A and/or B. This can be done online at [www.ssa.gov](http://www.ssa.gov), or through the Social Security office.

## *How much does it cost?*

Most people pay no premium for Part A if they've worked 40+ quarters over their lifetime, but people with higher incomes will pay more for both Parts B and D.

## *I hear there's penalties; what's that all about?*

Parts B and D are voluntary. However, if you decline to enroll in **Part B** when eligible without a valid exception, you may be subject to a lifetime 10% penalty for each year you did not apply. Valid exceptions include being covered by your or your spouse's group health insurance. Being on COBRA while Medicare eligible is NOT an exception. For **Part D**, you must have creditable drug coverage in place at age 65, otherwise you will pay a monthly 1% penalty of the national average premium, for life.





# What are the ABC's of Medicare?



## *Original Medicare (Gov't)*

### *Part A: Partial Coverage For:*

- Inpatient Hospital Stays
- Skilled Nursing Care
- Hospice
- Home Care



## *Original Medicare (Gov't)*

### *Part B: Partial Coverage For:*

- Doctor Fees and Charges
- Outpatient Care
- Lab and X-ray
- Medical Equipment



## *Private Insurers and Health Plans*

### *Part C: Medicare Advantage*

#### *Often Fully Covers:*

- Wellness Services
- PCP Visits
- Hearing Exams
- Preventive Services

#### *Often Partially Covers:*

- Eyeglasses
- Hearing Aids
- Preventive Dental



## *Private Insurers*

### *Part D: Prescription Drug Plans*

- Helps with the costs of prescription drugs not covered by Original Medicare





# What are the Coverage Gaps?

## **Part A Coverage Gaps:** **Hospital Stays**

- Deductible: \$1,408 each benefit period
- Co-pay, days 61-90: \$352 per day
- Co-pay, days 91-150: \$704 per 'lifetime reserve day'

*Figures reflect 2020 plan year only; co-pays may change annually*



## **Part A Coverage Gaps:** **Skilled Nursing**

- Co-pay, days 1-20: \$0 per day
- Co pay, days 21-100: \$176 per day
- Days 101+: you pay all costs
- No Long-Term Care coverage

## **Part B Coverage Gaps:**

- You pay \$198 annual deductible, plus
- 20% of Medicare fee schedule, with
- NO LIMIT on your 20% cost sharing



## **More Coverage Gaps:**

- Prescription drugs
- Care outside the U.S
- Dental services
- Long-Term Care expenses
- Excess doctor charges
- Routine vision care
- Glasses and contacts
- Hearing aids
- Unapproved charges







# How Do I fill in the Gaps?

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## **Medicare Supplement**

- "Medigap" fills in the gaps of Medicare by paying co-pays, deductibles and co-insurance
- No network requirements
- Rx coverage purchased separately
- Dental, vision and hearing purchased separately
- Age-based monthly premiums with very low out-of-pocket expenses

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## **Medicare Advantage**

- You pay co-pays and co-insurance
- Has provider network requirements
- Can include basic dental, vision and hearing
- Administered by private companies
- Very low, or NO premiums

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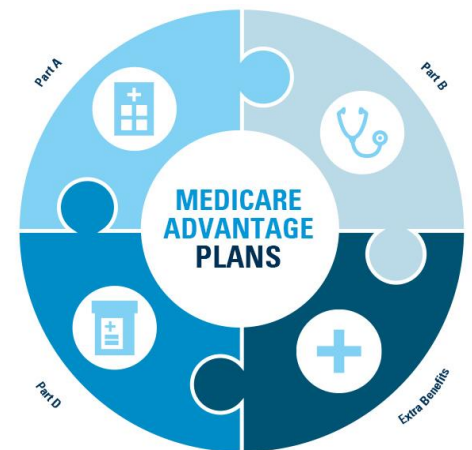
## **Part D Rx Plan**

- Helps reduce your costs and protects against high or unexpected drug costs

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## **Long-Term Care Insurance**

- A person turning 65 today has a 71% chance they will require long-term care
- The Wall Street Journal reports that 75% of all single people and 50% of all couples spend their entire life's savings within 12 months of requiring long-term care
- The National Academy of Elder Law Attorneys recently found the odds of financial ruin from long-term care expenses to be 50-50





# When Should I Enroll?

## ***Medicare Parts A & B: Initial Enrollment Period***

- 3 months before your 65<sup>th</sup> birthday
- The month of your 65<sup>th</sup> birthday
- 3 months following your 65<sup>th</sup> birthday month
- CRITICAL: Start the process approximately 90 days before you need your Medicare coverage to begin!



## ***Medicare Advantage Plans Part D Prescription Plans***

- Same 7-month window as Initial Enrollment Period

## ***Supplement or "Medigap" Plans***

- Your Open Enrollment period begins on your Part B effective date, and ends on the last day of the 6<sup>th</sup> month after your Part B effective date

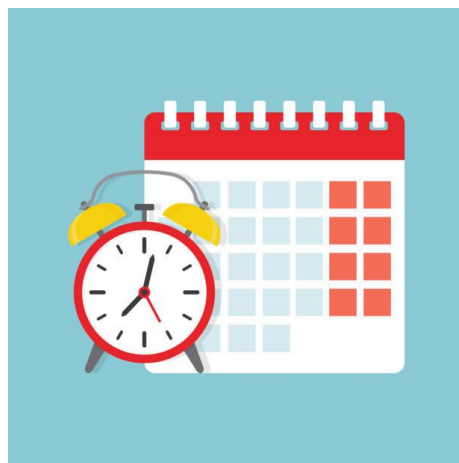
## ***Other Enrollment Periods***

### **Annual Election/Enrollment Period**

- Oct 15 – Dec 7 each year; your opportunity to join or switch plans. Enrollments during this period go into effect on Jan 1

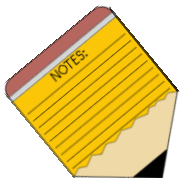
### **Special Election Period**

- Available for 63 days following certain qualifying events such as:
  - Relocation from plan coverage area
  - Loss of employer group health coverage



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# Senior Benefits

## INSURANCE SERVICES

*A No-Cost Resource for All Your Medicare Needs*

801.523.6081

888.582.7744

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Medicare

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Social Security

1.800.772.1213

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