



MEDICARE 101

Making sense of the Medicare puzzle...

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MEDICARE 101

Making sense of the Medicare puzzle...

Clay Carroll, MMAP Counselor
Jackson County Department on Aging
November 2023



Who is Clay Carroll?

- Retired HR Manager at Eaton
- Paid Retiree Medical Claims in the 1980's – my first Medicare exposure
- Became thoroughly frustrated trying to help my mother so I became a passionate volunteer
- I also fish



2019 Dog Lake, Ontario

- 29 1/2 inch
Walleye caught on
an ice fishing Jig





Medicare – How Tough Can It Be?

- Who is eligible for Medicare?
- How many parts does Medicare have?
- Do I have to take Medicare? Which parts?
- How much do they cost?
- What is an Advantage plan? Supplement?



Medicare – How Tough Can It Be?

- Is there more than one supplemental Plan?
- What is open enrollment?
- When is open enrollment?
- What is a special enrollment period? (SEP)



Medicare – How Tough Can It Be?

- How many drug plans are there?
- How do I pick a drug plan?
- Does my Pharmacy Matter?
- Do I need to sign up for a drug plan every year?



Medicare – How Tough Can It Be?

- Today is your lucky day! – Sort of
- We will answer all of these and most other questions you may have
- There will be an open question period at the end of the presentation and I will stop briefly after each part.
- This presentation is only to help you make better decisions
- I do not sell insurance – or swampland in Florida





Medicare



- Our goal is to educate you and give you the info you need to make informed decisions
- This is the 30 thousand foot view
- Have been doing this for more than 10 years and learn something new almost every week



What is Medicare?

- Federal Health Insurance established in 1965 for:
 - People 65 years of age or older
 - Some persons with disabilities, after a 24 month waiting period
 - People with End-Stage Renal Disease
 - People with Amyotrophic Lateral Sclerosis (ALS)



Medicare Overview

- There are currently 4 Parts to Medicare plus an unlettered 5th:
 - Part A – Inpatient Hospital Coverage
 - Part B – Outpatient – Everything else except RX
 - Part C – Medicare Advantage Plans (ABD)
 - Part D – Prescription Drug Plans
 - Medigap Supplemental Plans
-

Original Medicare

(Primary)

Part A:

Hospital

Premium: usually \$0
(earned from work history)

Deductible: \$1632 (5/yr max)
then covers 100%

Co-pay: none for 1st 60 days
(after deductible)

Part B:

Dr. & Out-patient

Premium: \$174.70/mo.
if not held harmless or subject
to IRMAA

Deductible: \$240/year,
then covers 80%

Co-pay: 20% after deductible

***Medigap C or F plans:** Not available to beneficiaries eligible for Medicare after 1-1-2020

- 100% coverage
(all deductibles and copays covered)

***Medigap D or G plans:**

- Owe \$240/year Part B deductible
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- Owe \$226/year Part B deductible then owe \$20 per doctor visit

Supplemental Medicare

(Secondary)

- **Retiree**
- **Medicaid**
- **Medigap***
 - Monthly premiums \$ _____
 - Plans A-N
 - Guaranteed issue (no medical underwriting) if enroll by: _____

Prescription Drug Plan

- **Retiree plans**
- **Medicare D (for drug) plans**
 - Monthly premiums \$ _____
 - Re-evaluate every year Oct 15-Dec 7

**Part
D**

Medicare Advantage Plans

**Part
C**

HMO, PPO,
PFFS

Medicare Adv Plan Cautions:

- Network Restrictions
- Copays for doctor & hospital
- Not good if travel
- Benefits, premiums and providers (drs) may change every year



ORIGINAL MEDICARE





Medicare Part A

Covers inpatient hospital services, skilled nursing home care, and hospice care.

Medicare Part B

Helps pay the cost of doctors' services, outpatient hospital services, medical equipment and supplies and other health services. Also some RX's are covered by Part B.



Additions to Original Medicare

- Part C – Optional Medicare Advantage Plans
 - Health Plan (HMO, PPO, PFFS) offered by private health plans –
- You are either in Parts A,B,D or you are in an advantage plan Part C (Includes D usually)
 - Many employer plans are advantage plans which can be all over the map



Additions to Original Medicare

- Part D - Prescription Insurance
 - Stand alone plan added to Original Medicare
 - Coverage is usually included in Med Adv Plan
 - Needs to be reviewed every year during open enrollment, unless part of an advantage plan. (Oct 15th to Dec 7th)





Supplemental Plans (Medigap/unlettered 5th part)

- Supplemental plans supplement the uncovered portion of the expenses in Medicare Parts A and B (not D)
- They are private insurance you can choose to purchase on your own. However, they are regulated by Medicare so each lettered plan (A,B,C,D,F,G,K,L,M, and N) offers different benefits at a different cost



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MEDICARE PART A





Medicare Part A Sign Ups

- New to Medicare Age 65:
 - 7 Month period
 - 3 months before and after the month of your 65th Birthday – (Not retroactive!)
 - Automatic if drawing Social Security (Get notice)
 - Still Working with Emp coverage at 65? – Usually want to sign up for Part A (Unless you have an HSA) but can delay Part B if 20 or more employees



Health Savings Accounts

- Cannot contribute to an HSA and have Medicare part A or B
- If over 65 must stop contributing to an HSA 6 months before enrolling in Medicare
- Tax penalties apply if you contribute to an HSA while enrolled in Medicare
- Can continue to use the money already in an HSA once you are enrolled in Medicare



Medicare Part A Sign Ups

- Special Enrollment Period (SEP)
 - Lose Coverage – Move – Etc



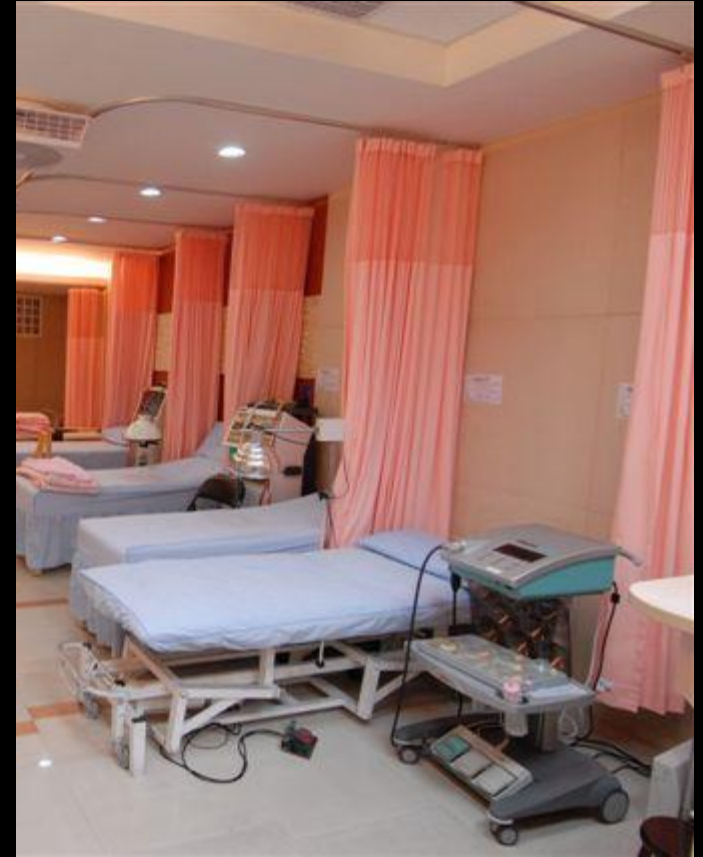
Medicare Part A

- Part A – Inpatient Hospital Coverage
 - Generally **No Premium** to those eligible for Social Security
 - Has a \$1632 deductible
 - Deductible renews after 60 days out of the hosp.
 - Could happen up to 5 times in a year



Medicare Part A

- Covers 100 days in a rehabilitation Facility
- Skilled Nursing care required
- Covers first 20 days in full
- Days 21- 100 have a \$200+ daily co-pay





Medicare Part A

- Home Health Care*
 - Medicare pays in full
- Hospice
 - Medicare pays in full except for \$5 copay for palliative medications





Medicare Part A Questions





MEDICARE PART B





Enrolling in Medicare Part B

- Initial Enrollment Period
 - 7 months beginning 3 months before age 65
- General Enrollment Period
 - January 1 through March 31 each year
 - Coverage effective first of following month
 - Penalty for late enrollment (10%/yr)
- Limited exceptions



Medicare Part B

- Part B Medicare Insurance Covers:
 - Outpatient hospital services, emergency room, doctor's visits, ambulance (deemed medically necessary), lab, x-rays, durable medical equipment, certain preventative services
- What does it cost???





Medicare Part B Costs

- \$175 monthly premium in 2024
- Annual deductible of \$240 in 2024
- 80% coinsurance for most services with no maximum out of pocket (assumes using Medicare providers)
- Penalty for not signing up (10%/yr)
 - Pay penalty for twice the amount of time you were late. (1 year late – 2 years of penalty)



Working Beyond Age 65?

- If you have employer coverage and sign up for Medicare A and B –
 - Medicare becomes secondary to your employer coverage when you turn 65
- Generally your employee coverage is creditable coverage
- Exception
 - Less than 20 employees – Medicare Primary



Will you pay higher premium for Medicare Part B?

If your yearly income in 2021 (for what you pay in 2023) was:			You pay each month (in 2023)
File individual tax return	File joint tax return	File married and separate tax return	
\$103,000 or less	\$206,000 or less	\$103,000 or less	\$175.
Above \$103,000 up to \$129,000	Above \$206,000 up to \$258,000	Not applicable	\$245
Above \$129,000 up to \$161,000	Above \$258,000 up to \$322,000	Not applicable	\$349
Above \$161,000 up to \$193,000	Above \$322,000 up to \$386,000	Not applicable	\$454
Above \$193,000 and less than \$500,000	Above \$386,000 and less than \$750,000	Above \$103,000 and less than \$403,000	\$559
\$500,000 or above	\$750,000 or above	\$403,000 or above	\$594



Medicare Part B Questions





MEDICARE PART C





Original Medicare

(Primary)

Part A:

Hospital

Premium: usually \$0
(earned from work history)

Deductible: \$1632 (5/yr max)
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Co-pay: none for 1st 60 days
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Part B:

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Premium: \$175/mo.
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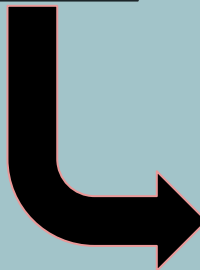
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Medicare Part C

Medicare Advantage Plans

HMO, PPO, PFFS



Medicare Adv Plan Cautions:

- Network Restrictions
- Copays for doctor & hospital
- Not good if travel
- Benefits, premiums and providers (drs) may change every year



Medicare Part C Enrollment

- Medicare Advantage Plans
 - Open enrollment October 15 to December 7 each year
 - Advantage Plan Open Enrollment Period January 1st to March 31st each year
 - Can change from current advantage plan to another advantage plan
 - Can disenroll from your advantage plan and go back to Original Medicare and join a Drug Plan
 - Coverage effective first of following month



Medicare Part C Enrollment

- Medicare Advantage Plans
 - Private Insurance that combines A,B, and usually D
 - You move out of original Medicare
 - Insurance receives your \$175 from SS - plus the premium you pay - plus a government subsidy (amounts to billions per year)
 - These plans are generally more profitable for the insurance company over standard Medigap plans and get more sales push.





Medicare Advantage Plans

Concerns

- Takes you out of Original Medicare so they may change the structure of benefits (everything covered but not covered as well)
- Benefits may not be as good as Original Medicare in some cases with a MA plan. You can be subjected to many additional co-pays and/or deductibles
- Plans are generally HMO, PPO, or Private Fee For Service which generally limit doctor choice, make referrals necessary and many don't travel well
 - Benefits can change each year
 - Usually only one drug plan option



Medicare Advantage Plans

Positives

- They are subject to a yearly Annual Enrollment Period (you do not have to re-enroll)
- Many have coverage for Vision, Dental and Gym Memberships
- If you believe the TV - you can even get lunch with Joe Namath
- Your main advantage - One place for all your medical issues -many people love them - many don't.
- Many employer Med Adv Plans are better than what the individual can purchase
- Can be cheaper than a supplement



Medicare Part C Questions





SUPPLEMENTAL PLANS



Original Medicare

(Primary)

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Hospital

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(earned from work history)

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Supplemental Medicare

(Secondary)

- **Retiree**
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Prescription Drug Plan

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Medicare Advantage Plans

HMO, PPO,
PFFS

Medicare Adv Plan Cautions:

- Network Restrictions
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Supplemental Plans Enrollment

- Open enrollment 6 months after enrollment in Part B
 - Guaranteed Issue Rights
 - Cannot use medical underwriting
- Private Insurance so you can opt out or in most any time but.....
- Pre existing conditions and physical health may apply after the 6 month enrollment window
- In short - can use M/U after 6 mos.





Supplemental Plans (No Letters Yet But Soon)

- Employer Retiree Medical
- Medigap
- Medicaid – Income/Asset based
- These plans help cover the gaps in original Medicare



Medigap Plans

- Sold by private insurance companies
- Fills some or most of original Medicare gaps (copayments, coinsurance and deductibles)
- Plans are standardized by state and are labeled with letters
- Set of core benefits for each standard plan
- Costs vary by plan and by company
- Enrollment – Disenrollment are voluntary – private insurance – but may have pre-existing issues



Medigap Plans

- Don't need Medigap if you:
 - Are in a Medicare Advantage plan
 - Have retiree medical coverage
 - Have full Medicaid

Ready for more letters??

The word "NO" is written in large, bold, grey letters on a white background. The letters have a slight 3D effect and a reflection below them.



Medigap Plans



- There are 10 types of standard Medigap plans that vary by State
- A B C D F G K L M N (C and F will not be sold to new Medicare beneficiaries after 1-2020)
- Each letter signifies a different level/type of benefits but all plans in one category (A plans for instance) are the same regardless of insurance company

2022 Medigap plan benefits

For plans sold on or after June 1, 2010

	A	B	C	D	F*	G*	K**	L**	M	N
Hospital coinsurance Coinsurance for days 61-90 (\$389) and days 91-150 (\$778) in hospital; Payment in full for 365 additional lifetime days	■	■	■	■	■	■	■	■	■	■
Part B coinsurance Coinsurance for Part B services, such as doctors' services, laboratory and x-ray services, durable medical equipment, and hospital outpatient services	■	■	■	■	■	■	50%	75%	■	Except \$20 for doctors visits and \$50 for emergency visits
First three pints of blood	■	■	■	■	■	■	50%	75%	■	■
Hospital deductible Covers \$1,556 in each benefit period		■	■	■	■	■	50%	75%	50%	■
Skilled nursing facility (SNF) daily coinsurance Covers \$194.50 a day for days 21-100 each benefit period			■	■	■	■	50%	75%	■	■
Part B annual deductible Covers \$233 (Part B deductible)			■	■	■	■				



**Medicare
Part ABCD**

vs.

**MEDIGAP Supplement
Plan ABCD**



Totally different animals!



Medigap Plans

- G plan is a G plan but....
 - Premiums for plans can vary greatly – Hundreds a month
 - Most all plan premiums will go up with age.
 - If changing companies may have pre-existing condition issues





Medigap Plans

- G plan is a G plan but....
 - 65 year old non tobacco female
 - \$94 to \$337 per month
 - 65 year old non tobacco male
 - \$106 to \$380 per month
 - Difference of roughly \$3000 per year for the same thing!





Medigap Plans

- G Plan supplement with original Medicare A & B means that if I have from \$240 to \$2 million or more of covered medical expenses, my out of pocket cost will be \$240 - or the part B deductible in any Calendar year.





Conclusion

- Determine how much coverage you want if any - it is not required
- Medigap plans piggy back and are good wherever your Medicare works
- Shop around for the best price. Medicare.gov
- Get help if needed through MMAP



Medical Underwriting w/Supplement

- No issue if within the first 6 months after you are eligible for Part B and over 65
- No issue if you involuntarily lose coverage
 - for the first 63 days after you lose the coverage
- Otherwise you could be subjected to underwriting and they can accept or reject you and charge you according to your conditions if they accept you. (Whew)



Supplemental Plan Questions





MEDICARE PART D



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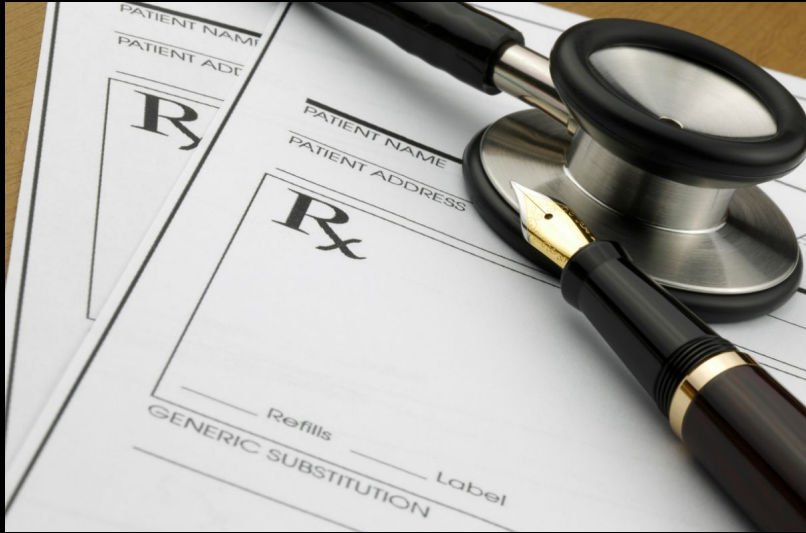
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When to Enroll for Medicare Part D



- New to Medicare – 7 month period
- Annual Election Period
 - October 15th – December 7th
- Special Enrollment Period (63 days)
 - Low income, involuntary loss of creditable coverage, moved outside of plan's service area, etc.



Medicare Part D

- I affectionately refer to this as “No drug company left behind” which is stolen from a friend of a friend
- Who is eligible?
 - Anyone who has Medicare Part A or Part B and does not have employer drug plan
- Enrollment is voluntary - but



Penalty for not signing up

- If a beneficiary does not enroll in Medicare Part D when they are first eligible and did not have creditable coverage, he/she is subject to a penalty
- Penalty is in the form of higher premiums should he/she elect to join a Medicare Part D plan later
- 1% of the National Average Premium (approx \$4 per year you did not have a plan) applied monthly for life





Creditable Coverage

- People who have other drug coverage that is at least as good as Medicare's drug coverage may keep their coverage and incur no penalty (VA)
- If someone involuntarily loses creditable coverage, there is a Special Enrollment Period.
 - The SEP begins upon notification of coverage loss and ends 63 days after coverage ends.



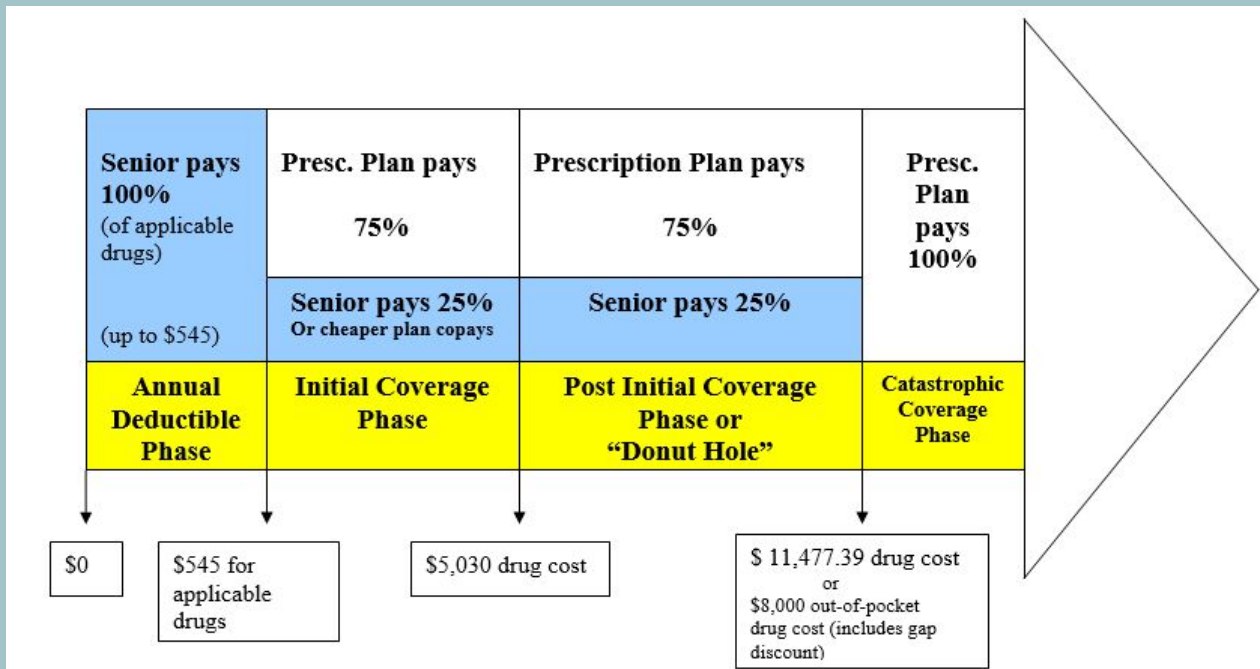
Medicare Part D – Standard Plan

- How is it designed or - “Who Thought This Up”?
- \$545 deductible
- Patient to pay 25% plan 75%
- When total drug cost reached \$5030
 - You have the DONUT HOLE
- Was No coverage - Now 75/25 until total drug cost reaches \$11477 (ACA)
- Then the plan pays 100%





Medicare Part D Basic Plan 2024



(Senior's costs and drug plan costs combined)

Insulin product copays are a maximum of \$35 through all phases until \$0 in catastrophic phase. Chart does not include monthly premiums and does not pertain to seniors qualifying for "Extra Help."



Medicare Part D

So, How hard can it be????





Medicare Part D in Jackson County

- 21 prescription drug plans in Jackson County for 2024
- Each plan can have different attributes
 - Premiums \$0 to \$120.00
 - Deductibles
 - Co pays
 - Covered drugs
 - Tier Levels 1-2-3-4-5 and now 6
- That's a minimum of over 200 possible options to look at for each drug you take



Medicare Part D in Jackson County

- And if that is not enough to confuse you - they may also have
 - Prior Authorizations
 - Step Therapy
 - Quantity Limits
- Another 84 potential variations
- Plus!!!
 - Most plans have preferred pharmacies!
 - Most plans have enhancements - they don't follow the chart



Medicare Part D

- Enhancements
 - \$0 deductible on certain generics
 - Special rules for certain drugs
 - Special rules for preferred pharmacies
- The only way to find the best plan is the web tool on Medicare.gov
 - It is best to set up a My Medicare account
- **Always use Kroger and Walmart in your search**
 - They're in almost every special enhanced plan except 1 (AARP Walgreens)
 - Can search up to five pharmacies at a time



Medicare Part D

- In addition most plans change each year
- Premiums, Deductibles, Drugs Covered
- Co Pays–Drug tier levels 1,2,3,4,5,6
- Prior Authorizations
- Step Therapy
- Quantity Limits
- So you have to check every year!





Medicare Part D



- What happens if your drugs change during the year?
 - Stuck until open enrollment
 - Possibly get samples
 - Check out pricing on [GoodRx.com](https://www.goodrx.com)
 - Every plan has a drug for every condition - may not be the one your doctor wants
- You will get a formulary with your plan



Medicare Part D

Inflation Reduction Act Impact - Partial List

- Allows Negotiation of Drug Prices to begin in 2026
 - Total of 60 drugs through 2029
- Requires drug companies to pay rebates if prices rise higher than inflation
- Limits Insulin co-pays to \$35 in 2023 (different plans cover different insulins but every plan has one in every level)
- Eliminates 5% catastrophic co-pay in 2024
- Puts a cap on out of pocket drug costs in 2025 of \$2000



Check Your Medicare D Plan Yearly!

- **You must check each year to see if your plan is still the best for you**
- Your pharmacy may help you - but BEWARE of self interest
- Medicare.gov is the easiest place to get this information. Easy to do if somewhat knowledgeable about computers and the internet
 - DOA offers this service through MMAP (Oct 15 to Dec 7)
 - All the drugs you purchased during the year will show up on your my Medicare account
 - You can edit this list for your annual drug plan search



Additional Help With Part D – LIS

- Extra help program available through Social Security that assists with Part D premiums and co-pays.
- 2 levels of assistance based on income and assets
- Upper limits:
 - Single: income less than \$1,823/month and assets less than \$16,600.
 - Couple: Income less than \$2,465/month and assets less than \$33,240
- Can apply at Social Security or by calling JDOA for help.



Medicare Part D Questions





MEDICAID





Medicaid

- Should not be confused with Medicare
- Different levels of help – Income/Asset based
- Some beneficiaries qualify for Medicare Savings Plan in which the state pays their Medicare Part B premium for them.
 - Upper income limits are:
 - Single: less than \$1,640/month, assets under \$9,900
 - Couple: less than \$2,219/month and assets under \$13,630
- Contact Dept On Aging for Specifics



Review





Medicare – How Tough Can It Be?

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- Is there more than one supplemental Plan?
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Medicare – How Tough Can It Be?

- How many drug plans are there?
- How do I pick a drug plan?
- Does my Pharmacy Matter?
- Do I need to review my drug plan every year?



Summary

- A very complex subject and we have not dealt with the details of medical care – Most things that are deemed medically necessary are covered...
- Do not be shy about asking for help – On your own can cost you money...and AARP or Blue Cross may not be your best bets every time.... MMAP services are all donation based and it gives me something to do!



Additional Questions?

- Statewide MMAP services:
1-800-803-7174
- If in Jackson County:
 - Jackson County
Department on Aging
517-788-4364
 - Amy Minix, MMAP
Coordinator
aminix@mijackson.org





FINAL Q&A

Any Final Questions



Thank You!