

# Introduction To Medicare

Presented By

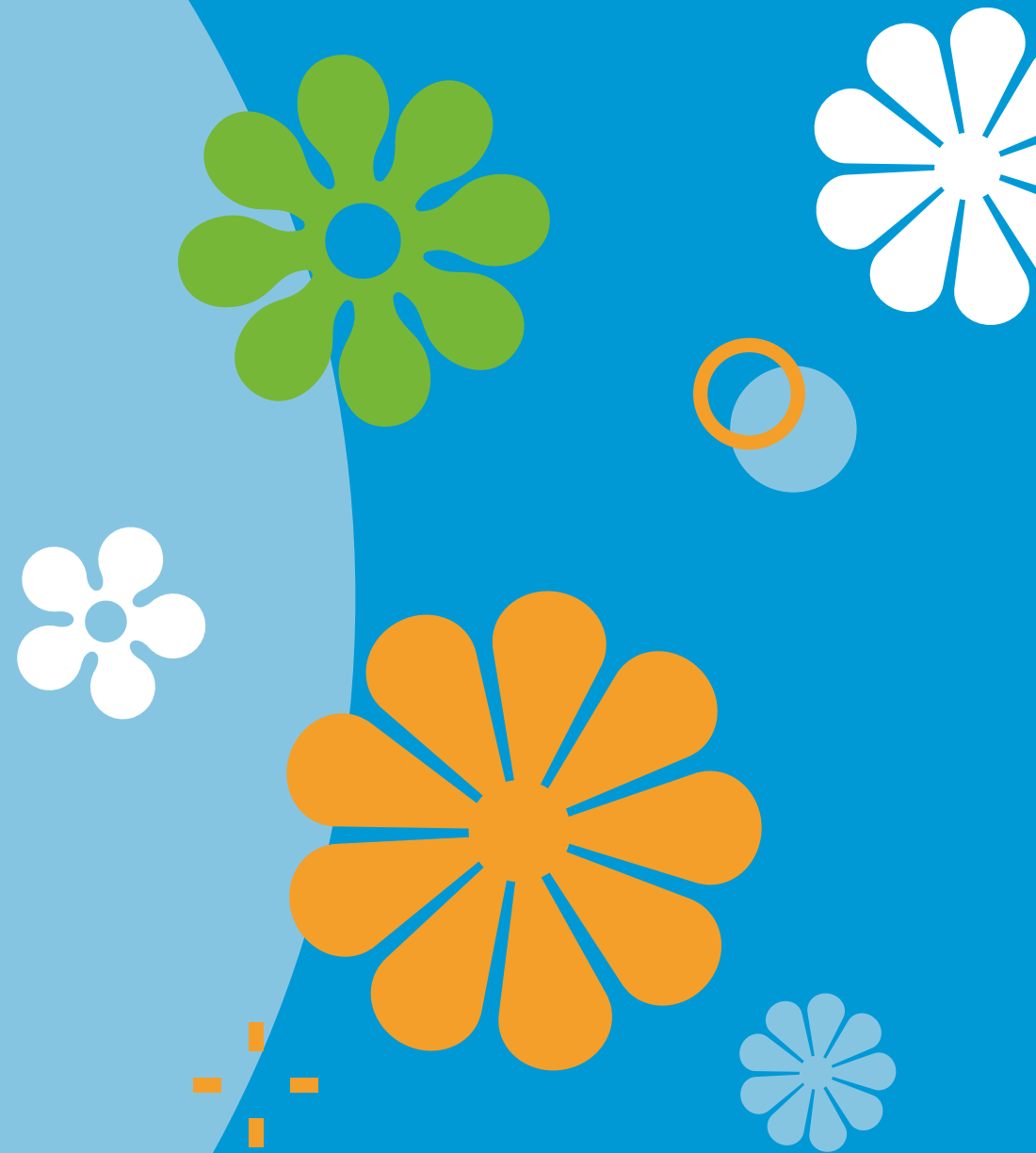
**Michael Larson**

(801) 742-8596 | [mike.larson@enroll365.org](mailto:mike.larson@enroll365.org)

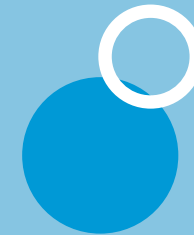


**ENROLL**365

**Who  
remembers  
1965?**

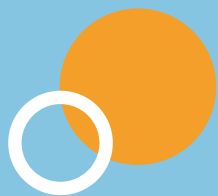


# What was the best-selling car of 1965?



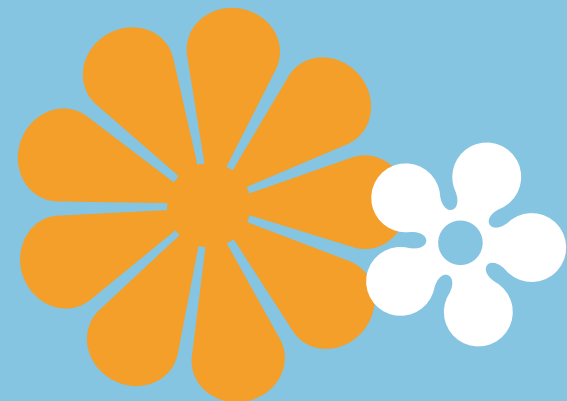


What was the  
highest rated  
TV show of  
1965?





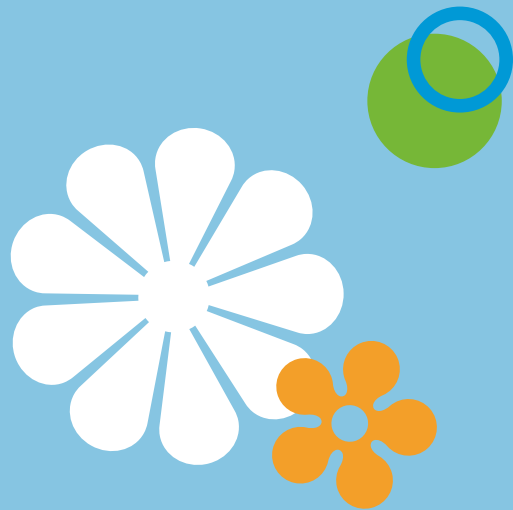
**NASA's  
space  
program  
was in  
full-swing!**





# Medicare is Signed into Law

July 30, 1965



488-40-6969-A

APPLICATION FOR ENROLLMENT  
in the  
Supplementary Medical Insurance Program  
Under the Social Security Act

PLEASE READ THE ENCLOSED LEAFLET

Harry S Truman  
Independence, Missouri

TO GET MEDICAL INSURANCE  YES  
CHECK

The Federal Government will pay half the cost of this insurance. Your share of the cost (\$3) will be deducted from your monthly social security benefits.

IF YOU DO NOT WANT THIS MEDICAL INSURANCE  NO  
CHECK

SIGN HERE *Harry S Truman*

Signature by mark (X) must be witnessed below.

SIGNATURE OF WITNESS *[Signature]*

ADDRESS OF WITNESS

Do not write in the space above

DHEW - SOCIAL SECURITY ADMINISTRATION

Health Insurance

SOCIAL SECURITY ACT

NAME OF BENEFICIARY  
Harry S. Truman

CLAIM NUMBER 488-40-6969A SEX M

IS ENTITLED TO

Hospital Insurance	7-1-66
Medical Insurance	7-1-66

SIGN HERE

# What is Medicare?

- Medicare is federal health insurance for people 65 or older, who have worked 10 years or more in Medicare-covered employment and are citizens or permanent legal residents of the United States
- As of September 2022, there are over **65,000,000** people on some form of Medicare





# Who is Eligible for Medicare?

## People who are at least 65 years of age, and:

- Have worked 10 or more years in Medicare-covered employment
- Have paid (or a spouse paid) Social Security for at least 10 years
- Are citizens of the United States or permanent legal residents

## People who are under 65 and disabled:

- Have been receiving Social Security Disability income for 24 months
- or
- Have been diagnosed with ESRD (End Stage Renal Disease) or ALS (Amyotrophic Lateral Sclerosis or Lou Gehrig's Disease)

**Questions about eligibility? Call 1-800-MEDICARE**



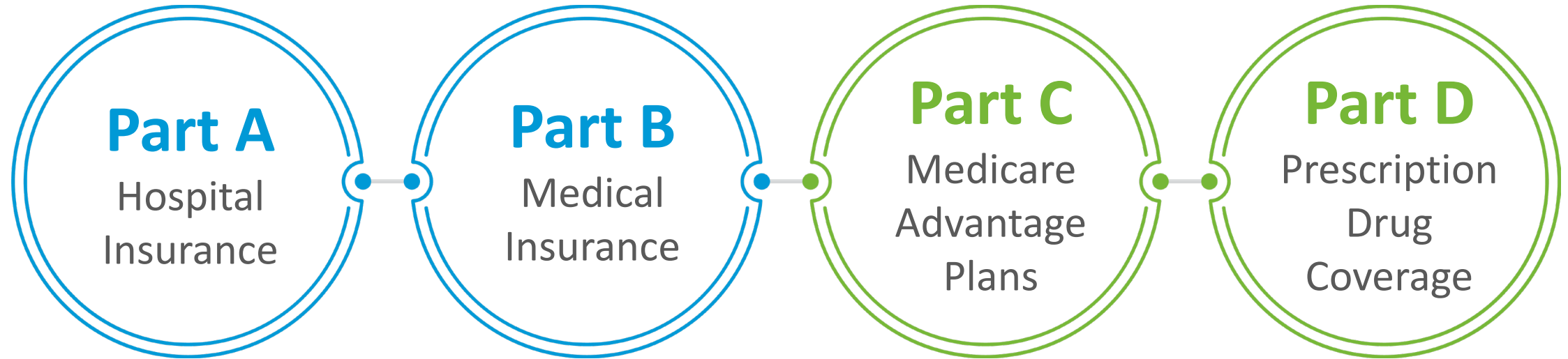
# When Can I Sign Up for Medicare?

## Initial Enrollment Period (IEP):

You can start enrolling 3 months *before* your 65<sup>th</sup> birthday month and up to 3 months *after* your birthday month



# The Four Parts of Medicare



Administered by the Government

Administered by Private Insurance Companies

Medicare Parts A & B are often referred to as Original Medicare



# What Does Original Medicare Cover?

## Part A: Hospital Insurance

- Inpatient Care in Hospitals
- Skilled Nursing Facilities
- Hospice Care
- Home Health Care Services

## Part B: Medical Insurance

- Medical Services from Doctors & Other Health Care Providers
- Outpatient Care
- Labs & X-Rays
- Part B Drugs & Chemotherapy
- Durable Medical Equipment
- Some Preventive Services







# What Does Medicare Cost?

## Part A: Hospital Insurance

- If you qualify for Medicare, there is no premium for Part A if you (or spouse) paid Social Security for 10 years. However, Part A does not cover all inpatient expenses.

### 2023 Medicare Part A Cost-Sharing

Inpatient Hospital Deductible (each benefit period)	\$1,600
Inpatient Hospital Copay (per day) days 61-90 at the hospital	\$400
Inpatient Hospital Copay (per day) days 91-150 at the hospital (no coverage after day 150)	\$800
Skilled Nursing Copay days 1-20	\$0
Skilled Nursing Copay (per day) days 21-100 (no coverage after day 100)	\$200.00



# What Does Medicare Cost?

## Part B: Medical Insurance

- For Part B most people will pay \$164.90 for 2023
- Individuals or couples on Medicare with annual incomes over \$97,000 single or \$194,000 couples filing jointly will pay more than \$164.90
- Amounts are determined using your modified Adjusted Gross Income (AGI) from 2 years prior

### 2023 Medicare Part B Cost-Sharing

Deductible (per calendar year)

\$226

Coinsurance (NO out of pocket maximum)

20%  
(percentage may vary)

# What Does Medicare Cost?

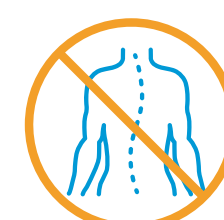
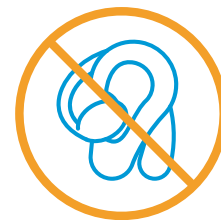
If your filing status and yearly income in 2021 was...			Then your 2023 Part B monthly payment is...
File Individual Tax Return	File Joint Tax Return	File Married & Separate Tax Return	
\$97,000 or less	\$194,000 or less	\$91,000 or less	<b>\$164.90</b>
above \$97,000 to \$123,000	above \$194,000 to \$246,000	Not applicable	<b>\$230.80</b>
above \$123,000 to \$153,000	above \$246,000 to \$306,000	Not applicable	<b>\$329.70</b>
above \$153,000 to \$183,000	above \$306,000 to \$366,000	Not applicable	<b>\$428.60</b>
above \$183,000 and less than \$500,000	above \$366,000 and less than \$750,000	above \$97,000 and less than \$403,000	<b>\$527.50</b>
\$500,000 or above	\$750,000 and above	\$403,000 and above	<b>\$560.50</b>



# Original Medicare Does Not Cover Everything

## Examples of Services Not Covered Include:

- Most Prescription Drugs
- Routine Eye Exams
- Routine Dental Care & Dentures
- Hearing Aids
- Custodial Care at Home
- Most Chiropractic Services
- Care Outside of the United States





FAQ

# If I'm drawing Social Security when I turn 65, what happens with Medicare?

## Be aware that...

- Enrollment in Parts A & B is automatic
- If you decline Part B and send your Medicare care back:
  - There can be a 10% penalty for each year you delay applying
  - You may avoid a penalty if you or your spouse is actively working AND you are covered by your group's health insurance



# FAQ

## **What if I'm still working, have group coverage through my employer, and I do not intend to retire when I turn 65 – what do I do with Medicare?**

**Is my employer coverage creditable (drug coverage as good as Medicare's)?**

- Creditable employer coverage protects you from a late enrollment penalty
- You don't have to notify Medicare of your current status
- When you finally drop employer plan, you then validate you had continuous coverage through employment





# FAQ

## When should I avoid Medicare?

### If I'm still working and plan to keep my employer coverage...

- Is my employer plan a High Deductible Health Plan (HDHP)?
- If you enroll in Medicare, which is not HDHP, you cannot make new contributions to your Health Savings Account (HSA) nor can your employer
- You may be advised to pick up Medicare Part A because it doesn't cost anything – Don't Do It

# Is Original Medicare All There Is?

You have two options in addition to Original Medicare:

1

## Medicare Supplement

Part A: Hospital Insurance

Part B: Medical Insurance

Medicare Supplement (Medigap)

Part D: Prescription Drug Coverage

2

## Part C: Medicare Advantage Plans

Part C: Medicare Advantage Plans include:

- Part A: Hospital Insurance
- Part B: Medical Insurance
- Part D: Prescription Drug Coverage
- Additional Benefits

# Part D: Prescription Drug Plan (PDP)

- Part D helps pay for your prescription drug costs
- Purchased from private companies (approved by Medicare)
- Insurance companies set the premium
- You're responsible for coinsurance and copays



# What is the Coverage Gap (Donut Hole)?

Total Drug Spend: \$4,660

**Discount of 70% paid by drug manufacturer on brand medications, which counts toward out-of-pocket expense.**

## Initial Coverage Stage

**Patient Pays**  
Copayment or coinsurance.  
Medicare tracks combined expenses until total of \$4,660



## Enter Coverage Gap

### Coverage Gap Stage

**Patient Pays**  
25% for Brand  
25% for Generic

## Catastrophic Coverage Stage

**Patient Pays Greater of**  
5% or \$4.15 Gen  
\$10.35 Brand

Out-of-Pocket Expenses: \$7,400



Exit Coverage Gap



# Why Medicare?

- **Original Medicare - Parts A & B** is good health insurance: Copays and coinsurances (generally 80%/20%) after deductibles
- **Medicare Advantage** plans can improve Original Medicare by adding additional benefits such as prescription drug coverage
- **Medicare Supplement** or **Medigap** plans supplement Original Medicare's coverage, closing the gaps in Original Medicare
- **Medicare Supplement and Medicare Advantage** plans can be very cost effective and comprehensive when compared with other types of coverage