

Medicare 101

(Updated for 2020)

Original Medicare Part A- Hospital Benefits

- Available at age 65 or in case of disability for 24 consecutive months
- A **\$1,408** deductible per hospital admission (thru day 60. From day 61-90 there is a **\$352** per day co-payment. After day 90 there is a **\$704** per day co-payment up to 60 reserve days over your lifetime)
- Will cover Medicare Approved Skilled care for the first 20 days. From days 21-100 there is a **\$176** co-payment per day

NOTE: Medicare does NOT pay for long term care!

Original Medicare Part B- Medical benefits

- Available at 65 (Must enroll if you DON'T have creditable health coverage from an employer to avoid penalty.) MUST request if not receiving SSI. You can enroll by calling Social Security at 1-800-772-1213, in person at your local SSI or online at www.socialsecurity.gov
- IEP gives you 7 months to enroll- 3 months before your 65th birthday, the month of your 65th birthday, and the 3 months after your 65th birthday.
- Monthly premium is typically **\$144.60** (this premium is for Medicare beneficiaries with income under \$85K for single filers and \$174K for joint filers. Higher income households will pay a higher premium graded on their income- see grid below.
- Annual **\$198** deductible
- **20%** coinsurance for all Medicare approved medical services: doctor visits, lab work, diagnostic tests etc.
- There is **NO LIMIT** to this 20% co-insurance

**Monthly Part B Premium for Persons with Higher Income Levels, also known as IRMAA
Based on Modified Adjusted Gross Income from tax year 2 years ago**

2020 Part B Premium Monthly	2020 Part D Income Adjustment	Yearly Income Individual	Yearly Income Joint Tax return
\$144.60	PDP premium	\$87,000 or less	\$174,000 or less
\$202.40	Premium + \$12.20	\$87,001 - \$109,000	\$174,001 - \$218,000
\$289.20	Premium + \$31.50	\$109,001 - \$136,000	\$218,001 - \$272,000
\$376.00	Premium + \$50.70	\$136,001 - \$163,000	\$272,001 - \$326,000
\$462.70	Premium + \$70.00	\$160,001 - \$499,999	\$326,001 - \$750,000
\$491.60	Premium + \$76.40	Above \$500,00	Above \$750,000

Medicare Part D- Drug coverage

- Available when one has Part A AND/OR Part B
- Must sign up when eligible through me as your agent or insurance carrier directly. Penalty of 1% for each month without drug coverage X the average cost plan today \$33.19. (i.e. 10 months without Part D is 10% X \$33.19=\$3.30 penalty) This is for life, if you choose not to elect this type of coverage when first eligible.
- 2020 figures: Four phases of the drug plan are deductible, initial coverage, gap, catastrophic. Deductible= \$435, initial coverage is full cost of the medications up to \$4,020: you will pay co-payments or co-insurance during this phase. Gap- you pay discounted prices for medications, 25% of generic drugs and 25% of the most name brand drugs until YOUR total annual out of pocket expense reaches \$6,350 (not including premium). Total out of pocket cost are the amounts paid by you in the first stage plus any applicable drug manufacturer discounts applied in the coverage gap stage. Catastrophic- after your total out of pocket drug cost reaches \$6,350 you will pay \$3.60 for generic and \$8.95 co-payment for all other medications not to exceed 5% co-insurance.
- Low Income Subsidy available apply by calling 800-633-4227 (Annual single \$19,140; \$1,595 per month. Annual Joint \$25,860; \$2,155 per month. Resources: Single- \$13,10, Joint-\$26,160)
- All Formularies vary from plan to plan. Some may require Prior Authorization, Step Therapy, an/or Mail order

Medicare Supplements (Medigap)

- These plans are sold by private companies and you can choose plans A-N. These plans are the same company to company and companies can choose the plans they want to offer for purchase
- Required you must have Part A and Part B. **Original Medicare** is primary, and the Supplement is secondary
- Will only pay for what Medicare approves and can limit or eliminate copays/coinsurance
- There is no drug coverage. You must add a part D plan for drugs
- No networks. No Referrals. You may see any doctor that is accepting Medicare.

Medicare Advantage Plans (aka Medicare Part C)

- Privatization of Medicare (You apply through me as your agent or insurance company directly.)
- Works as Primary insurer. ***you WILL still pay your Medicare Part B premium**
- Pays for the same services that Medicare allows/approves but may have additional coverages as well: annual physicals, dental, vision, hearing aids, acupuncture, naturopath, health club membership, etc.
- Co-payments/co-insurances for services
- Many plans have drug benefits bundled into them
- Often there are networks to stay within: Examples of types of plans HMOs, PPOs, PFFS
- Enrollment Periods
 1. Annual Enrollment October 15 – December 7th. **MOST IMPORTANT DATES ANNUALLY**
 2. New- Jan 1st- March 31st If you are on a Medicare Advantage Plan, you can make one change to a different plan or switch back to Original Medicare (and a stand-alone Prescription Drug Plan) once during this time
 3. Special Enrollment- anytime of the year due to eligible life event change