

# Understanding your Medicare choices

## Step 1

Enroll in Original Medicare.

### Original Medicare

Provided by the federal government



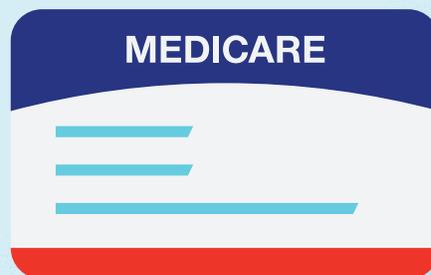
#### Part A

Helps pay for hospital stays and inpatient care



#### Part B

Helps pay for provider visits and outpatient care



## Step 2

After you enroll in Original Medicare, there are two ways to get additional coverage.

### Option 1

Add one or both of the following to Original Medicare:

#### Medicare Supplement Insurance

Offered by private companies



Helps pay some or all the costs **not** covered by Original Medicare

**Medicare Part D Plan** Offered by Medicare-approved private companies



Helps pay for prescription drugs

or

### Option 2

Choose a Medicare Advantage plan:

#### Medicare Advantage Plan

Offered by Medicare-approved private companies



#### Part C

Combines Part A (hospital insurance) and Part B (medical insurance) in one plan



#### Part D

Often include prescription drug coverage



May offer additional benefits not provided by Original Medicare

Questions? Call Cornerstone Insurance Group at **425-595-5028**

[www.CornerstoneReady.com](http://www.CornerstoneReady.com)

Fax (425) 595-5039



**CORNERSTONE**  
INSURANCE GROUP  
EDUCATE ADVISE INSURE

[Support@CornerstoneReady.com](mailto:Support@CornerstoneReady.com)

# Medicare 101

(Updated for 2024)

## Original Medicare Part A- Hospital Benefits

- Available at age 65 or in case of disability for 24 consecutive months.
- A **\$1,632** deductible per hospital admission (through day 60. From day 61-90 there is a **\$408** per day co-payment. After day 90 there is a **\$816** per day co-payment up to 60 reserve days over your lifetime).
- Covers Skilled Nursing Facility (SNF) care for the first 20 days. From days 21-100 there is a **\$204** co-payment per day. Limits SNF coverage to 100 days in each benefit period.

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](http://www.socialsecurity.gov)
- IEP gives you 7 months to enroll- 3 months before your 65<sup>th</sup> birthday, the month of your 65<sup>th</sup> birthday, and the 3 months after your 65<sup>th</sup> birthday.
- Standard Monthly Premium is **\$174.70** (This premium adjusts based on your income - see grid below.) If your monthly income is at or below individual- \$1,640 – or couple- \$2,219, you may qualify for one of the Medicare Savings Programs. How to apply... you can contact your local DSHS office, call the Health Care Authority at 1-800-562 3022 or go to this website: [www.washingtonconnection.org/home/](http://www.washingtonconnection.org/home/)
- Annual **\$240** deductible before Original Medicare starts to pay.
- **20%** coinsurance for all Medicare approved medical services: doctor visits, lab work, diagnostic tests, medical supplies, etc. **There is NO LIMIT to this 20% co-insurance.**
- Covers certain preventive & screening services, including flu shots. Visit Medicare.gov for the full list.

### 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

2024 Part B Premium Monthly	2024 Part D Income Adjustment	Yearly Income Individual	Yearly Income Joint Tax return
\$174.70	PDP premium	\$103,000 or less	\$206,000 or less
\$244.60 (\$174.70 + \$69.90)	Premium + \$12.90	\$103,001 - \$129,000	\$206,001 - \$258,000
\$349.40 (\$174.70 + \$174.70)	Premium + \$33.30	\$129,001 - \$161,000	\$258,001 - \$322,000
\$454.20 (\$174.70 + \$279.50)	Premium + \$53.80	\$161,001 - \$193,000	\$322,001 - \$386,000
\$559.00 (\$174.70 + \$384.30)	Premium + \$74.20	\$193,001 - \$500,000	\$386,001 - \$750,000
\$594.00 (\$174.70 + \$419.30)	Premium + \$81.00	Above \$500,001	Above \$750,001

## 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 \$34.70 (i.e., \$0.35 for each month you were without Part D. If you were without Part D for 10 months, you'll have a penalty of \$3.47/month). This is for life, if you choose not to elect this type of coverage when first eligible.
- 2024 figures: There are four phases of a drug plan regulated by Medicare. The coverage stages start in this order: 1. **deductible** (if applicable), 2. **initial coverage**, 3. **coverage gap** (aka donut hole), and 4. **catastrophic coverage**. Deductible= **\$545**, initial coverage is full cost of the medications up to **\$5,030**: 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 **\$8,000** (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 \$8,000 you will pay nothing.
- All Formularies vary from plan to plan. Some may require Prior Authorization, Step Therapy, and/or Mail order. Select insulin costs will be capped at \$35 co-pay based on your plan's formulary and recommended Part D vaccines (COVID & shingles) will be no cost.
- If you make less than \$22,000 a year (\$30,000 for married couples), it's worth applying for "Extra Help." Extra Help can pay for your prescription drug coverage (Part D) premiums, deductibles, coinsurance, and other costs. Visit [ssa.gov/extrahelp](https://ssa.gov/extrahelp) or call Social Security at 1-800-772-1213 to apply.

## 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. You have a guaranteed issue right for the first 6 months when you have Part B in place.
- 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 and many plans have drug benefits bundled into them.
- Often there are networks to stay within: Examples of types of plans HMOs, PPOs.
- Enrollment Periods
  1. Annual Enrollment October 15 – December 7th. **MOST IMPORTANT DATES ANNUALLY**
  2. New- Jan 1<sup>st</sup>- March 31<sup>st</sup> 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