

Understanding your Medicare choices

Step 1

Enroll in Original Medicare.

Original Medicare

Provided by the federal government



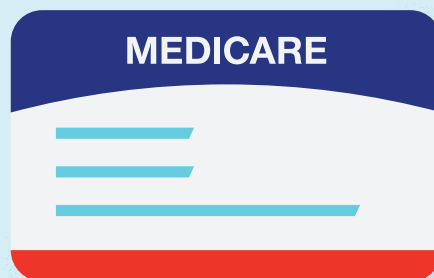
Part A

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**

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Medicare 101

- Available at age 65 or in case of disability for 24 consecutive months.
- Initial Enrollment Period (IEP) gives you a 7-month window to enroll - 3 months before your 65th birthday, the month of your 65th birthday, and the 3 months after your 65th birthday.
- Automatic enrollment if you have already activated your SSA benefits. Otherwise, you can enroll with Social Security: either by phone at 1-800-772-1213, visit your local SSA office or online at www.ssa.gov

Original Medicare Part A- Hospital Benefits

- No premium if you or your spouse worked for 40 calendar quarters (10 years) or more.
- A **\$1,676** deductible per admission (through day 60. From 61-90 days there is a **\$419** per day co-payment. After day 90 there is a **\$838** per day co-payment up to 60 reserve days over your lifetime).
- Skilled Nursing Facility care is covered for the first 20 days (3-day inpatient hospital stay required first). From days 21-100 there is a **\$209.50** co-payment per day. Limit 100 days in each benefit period.
- Covers Hospice and some level of home health care. **Medicare does NOT pay for Long Term Care!*

Original Medicare Part B- Medical Benefits

- You must enroll if you DON'T have creditable health coverage from an employer to avoid a penalty.
- Standard Monthly Premium is **\$185** (This premium adjusts based on your income - see grid below.) If your monthly income is at or below individual- \$1,715 – or couple- \$2,320, 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/
- Annual **\$257** deductible before Original Medicare starts to pay.
- **20%** coinsurance for all Medicare approved “medically necessary” services: doctor visits, lab work, diagnostic tests, durable medical equipment, etc. **There is NO LIMIT to this 20% co-insurance.**
- Covers certain preventive & screening services, including flu shots. One initial physical exam within the first 12 months, thereafter, allowed annual wellness screenings. *Many routine services are **not** covered such as most dental care, eye exams for glasses, hearing aids, etc.* Visit Medicare.gov for the full list.

Part B Premium (including high income Part B & Part D) [paid to Medicare]

IRMAA (Income Related Monthly Adjustment Amount) based on Modified Adjusted Gross Income (MAGI)

*IRMAA uses tax returns from two years ago. MAGI = Adjusted Gross Income (Form 1040 line 11) + Tax-Exempt Interest (Form 1040 line 2a)

| 2025 Part B Premium Monthly | 2025 Part D Income Adjustment | Yearly Income Individual for 2023 | Yearly Income Joint Tax return for 2023 |
|-----------------------------------|-------------------------------|-----------------------------------|---|
| \$185.00 | PDP premium | \$106,000 or less | \$212,000 or less |
| \$259.00 (\$185.00 + \$74.00) | Premium + \$13.70 | \$106,001 - \$133,000 | \$212,001 - \$266,000 |
| \$370.00 (\$185.00 + \$185.00) | Premium + \$35.30 | \$133,001 - \$167,000 | \$266,001 - \$334,000 |
| \$480.90 (\$185.00 + \$295.90) | Premium + \$57.00 | \$163,001 - \$200,000 | \$326,001 - \$400,000 |
| \$591.90 (\$185.00 + \$406.90) | Premium + \$78.60 | \$200,001 - \$499,999 | \$400,001 - \$749,999 |
| \$628.90 (\$185.00 + \$443.90) | Premium + \$85.80 | 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 \$34.70 (i.e., \$0.35 for each month you were without Part D. If you were without Part D for 10 months, you will have a penalty of \$3.47/month). This is for life, if you choose not to choose this type of coverage when first eligible.
- 2025 Drug Stages: There are 3 stages of a drug plan regulated by Medicare. The coverage stages start with this order: 1. **Yearly Deductible** (if applicable), 2. **Initial Coverage**, and 3. **Catastrophic Coverage**.
- The Deductible can range up to **\$590** depending on the plan. To determine when a member moves from one stage to the next, the plan keeps track of the member's TrOOP (True Out-of-Pocket) costs. Any money spent during the Deductible and Initial Coverage stages counts toward TrOOP costs. The monthly premium does not count toward TrOOP costs. Because enrollees' out-of-pocket costs for covered Part D drugs will be capped at \$2,000 in 2025, enrollees will reach the Catastrophic Coverage stage sooner, at which point they will have \$0 cost-sharing for covered Part D drugs.
- 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 \$22,590 a year (\$30,660 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 www.ssa.gov/medicare/part-d-extra-help or call SSA 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 (AEP) - October 15 to December 7th. **MOST IMPORTANT DATES ANNUALLY**
 2. Open Enrollment (OEP) – January 1st to 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 (SEP) - anytime of the year due to eligible life event change.