



Getting Started with Medicare



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Session Objectives

At the end of this session, you'll be able to:

- Compare the parts of Medicare and coverage options
- Explain benefits and costs
- Compare Original Medicare and Medicare Advantage
- Discuss how Medicare Supplement Insurance (Medigap) policies and Medicare Advantage Plans are different
- Describe the Health Insurance Marketplace[®] and what people nearing Medicare eligibility need to know
- Describe programs for people with limited income and resources



Lesson 1

What's Medicare?

Lesson 1 Objectives

At the end of this lesson, you'll be able to:

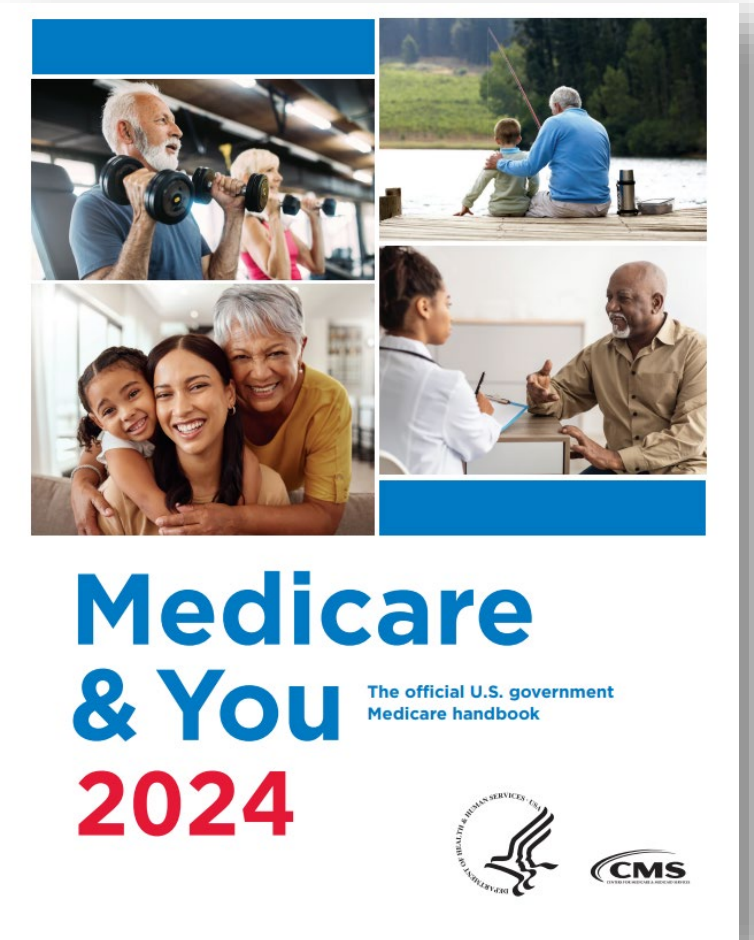
- Describe Medicare and who it's for
- Identify the parts of Medicare and explain coverage options
- Explain automatic enrollment and how it works
- Describe various enrollment periods you may use to join or switch plans

Medicare

Health insurance for:

- People 65 or older
- Certain people who are under 65 with disabilities
- People of any age with End-Stage Renal Disease (ESRD) (permanent kidney failure requiring dialysis or a kidney transplant)

★ **NOTE:** To get Medicare you must be a U.S. citizen or lawfully present in the U.S. Must reside in the U.S. for 5 continuous years.



CMS Product No. 10050

What Agencies Are Responsible for Medicare?



Social Security
Enrolls most people in Medicare



Railroad Retirement Board (RRB)
Enrolls both railroad retirees and active employees in Medicare



Office of Personnel Management (OPM)
Handles federal retirees' premiums



Centers for Medicare & Medicaid Services (CMS)
Forms Medicare policy and administers Medicare coverage, benefits, and payments

What Are the Parts of Medicare?



Part A
(Hospital Insurance)



Part B
(Medical Insurance)



Part D
(Drug coverage)

Your Medicare Options

Original Medicare

Part A



Part B



You can add:

Part D



You can also add:

Supplemental coverage



This includes Medicare Supplement Insurance (Medigap). Or, you can use coverage from a current or former employer or union, or Medicaid.

Medicare Advantage (also known as Part C)

Part A



Part B



Most plans include:

Part D



Some extra benefits

Some plans also include:

Lower out-of-pocket costs

Original Medicare vs. Medicare Advantage: Doctor & Hospital Choice

Original Medicare	Medicare Advantage (Part C)
You can use any doctor or hospital that takes Medicare, anywhere in the U.S.	In many cases, you can only use doctors and other providers who are in the plan's network and service area (for non-emergency care). Some plans offer non-emergency coverage out of network, but typically at a higher cost.
In most cases, you don't need a referral to use a specialist.	You may need to get a referral to use a specialist.

Original Medicare vs. Medicare Advantage: Cost

Original Medicare	Medicare Advantage (Part C)
<p>For Part B-covered services, you usually pay 20% of the Medicare-approved amount after you meet your deductible. This amount is called your coinsurance.</p>	<p>Out-of-pocket costs vary—plans may have lower or higher out-of-pocket costs for certain services.</p>
<p>You pay a premium (monthly payment) for Part B. If you choose to join a Medicare drug plan, you'll pay a separate premium for your Medicare drug coverage (Part D).</p>	<p>You pay the monthly Part B premium and may also have to pay the plan's premium. Some plans may have a \$0 premium and may help pay all or part of your Part B premium. Most plans include Medicare drug coverage (Part D).</p>
<p>There's no yearly limit on what you pay out of pocket, unless you have supplemental coverage—like Medicare Supplement Insurance (Medigap).</p>	<p>Plans have a yearly limit on what you pay out of pocket for services Medicare Part A and Part B cover. Once you reach your plan's limit, you'll pay nothing for services Part A and Part B cover for the rest of the year.</p>
<p>You can choose to buy Medigap to help pay your remaining out-of-pocket costs (like your 20% coinsurance). Or, you can use coverage from a current or former employer or union, or Medicaid.</p>	<p>You can't buy Medigap.</p>

Original Medicare vs. Medicare Advantage: Coverage

Original Medicare	Medicare Advantage (Part C)
Original Medicare covers most medically necessary services and supplies in hospitals, doctors' offices, and other health care facilities. Original Medicare doesn't cover some benefits like eye exams, most dental care, and routine exams.	Plans must cover all medically necessary services that Original Medicare covers. Plans may also offer some extra benefits that Original Medicare doesn't cover —like certain vision, hearing, and dental services.
You can join a separate Medicare drug plan to get Medicare drug coverage (Part D).	Medicare drug coverage (Part D) is included in most plans. In most types of Medicare Advantage Plans, you can't join a separate Medicare drug plan.
In most cases, you don't need approval for Original Medicare to cover your services or supplies.	In many cases, you may need to get approval from your plan before it covers certain services or supplies.

Original Medicare vs. Medicare Advantage: Foreign Travel

Original Medicare	Medicare Advantage (Part C)
<p>Original Medicare generally doesn't cover medical care outside the U.S. You may be able to buy a Medicare Supplement Insurance (Medigap) policy that covers emergency care outside the U.S.</p>	<p>Plans generally don't cover medical care outside the U.S. Some plans may offer a supplemental benefit that covers emergency and urgently needed services when traveling outside the U.S.</p>

★ **NOTE:** Medicare may pay for inpatient hospital, doctor, and ambulance services you get in a foreign country in rare cases.

Automatic Enrollment: Medicare Part A & Part B

Enrollment is automatic for people who:

- Get Social Security or RRB Benefits
- Are under 65 and have a disability

Look for your “Get Ready for Medicare” package

- Mailed 3 months before:
 - Your 65th birthday
 - Your 25th month of disability benefits
- Includes a letter, booklet, and Medicare card



Some People Must Take Action to Sign Up for Medicare



To apply for Medicare 3 months before you turn 65, contact Social Security at [SSA.gov](https://www.ssa.gov).



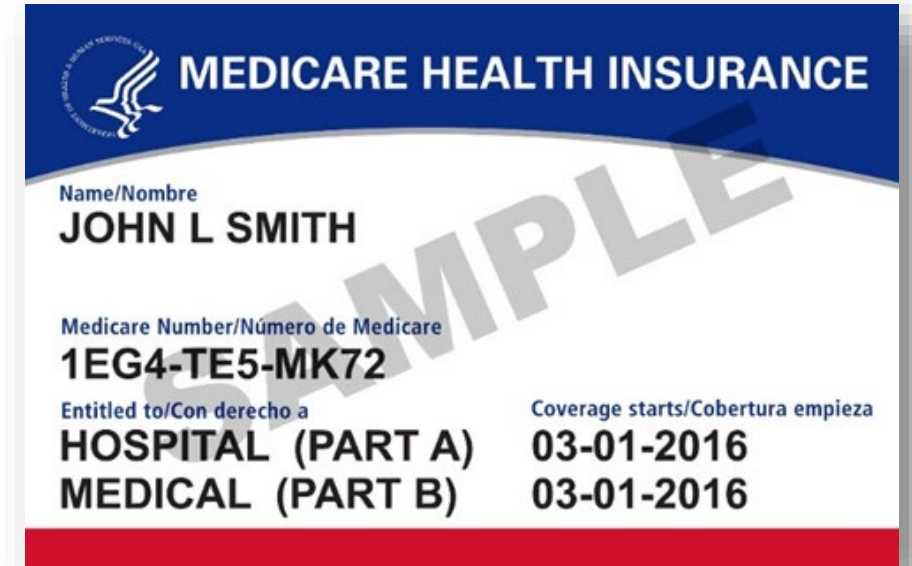
If you retired from a railroad, contact your local Railroad Retirement Board at 1-877-772-5772; TTY: 1-312-751-4701



★ **NOTE:** The age for full Social Security retirement benefits is increasing. Medicare eligibility age is still 65.

Your Medicare Card

- Lists Medicare Part A (shown as HOSPITAL), Part B (shown as MEDICAL) along with the date your coverage begins
- To accept Part B, keep your card (and carry it when you're away from home)
- To refuse Part B, follow the instructions in the “Get Ready for Medicare” booklet



Need a replacement card?

- Visit [Medicare.gov/account](https://www.Medicare.gov/account) to log into your secure Medicare account and print an official copy
- Call **1-800-MEDICARE** (1-800-633-4227) (TTY: 1-877-486-2048)

When to Sign Up or Make Changes to Your Medicare Coverage

If you don't already have Medicare:

- Initial Enrollment Period (IEP)
- Special Enrollment Period (SEP)
- General Enrollment Period (GEP)

If you already have Medicare and want to change how you get your coverage:

- Open Enrollment Period (OEP)
- Medicare Advantage OEP
- Open Enrollment Period for Institutionalized Individual (OEPI)
- Special Enrollment Period (SEP) (in certain circumstances)

Initial Enrollment Period (IEP)

7-Month Period



If you sign up for Part A and/or Part B before you turn 65, your coverage starts the 1st day of your birthday month.



If you sign up the month you turn 65 or during the last 3 months of your IEP, your coverage begins the 1st day of the month after you sign up.

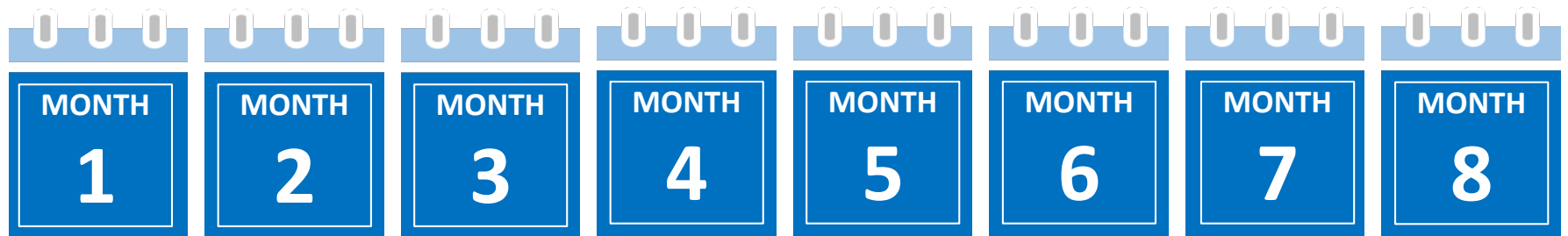
If you're under 65 and have a disability, you'll automatically get Part A and Part B after getting 24 months of disability benefits, either from Social Security or certain disability benefits from the RRB.

- ★ **NOTE:** Your 6-month Medigap Open Enrollment Period (OEP) begins the month you're 65 or older and enrolled in Part B (must also have Part A) and lasts at least 6 months (may be longer in your state).

Special Enrollment Period (SEP)

Continues for 8 Months after GHP Coverage Ends

Starts after Medicare IEP if you have GHP coverage based on current employment



You can sign up for Part A (if you have to pay for it) and/or Part B:

- ✓ Anytime you're still covered by the GHP
- ✓ During the 8-month period that begins the month after the employment ends or the coverage ends

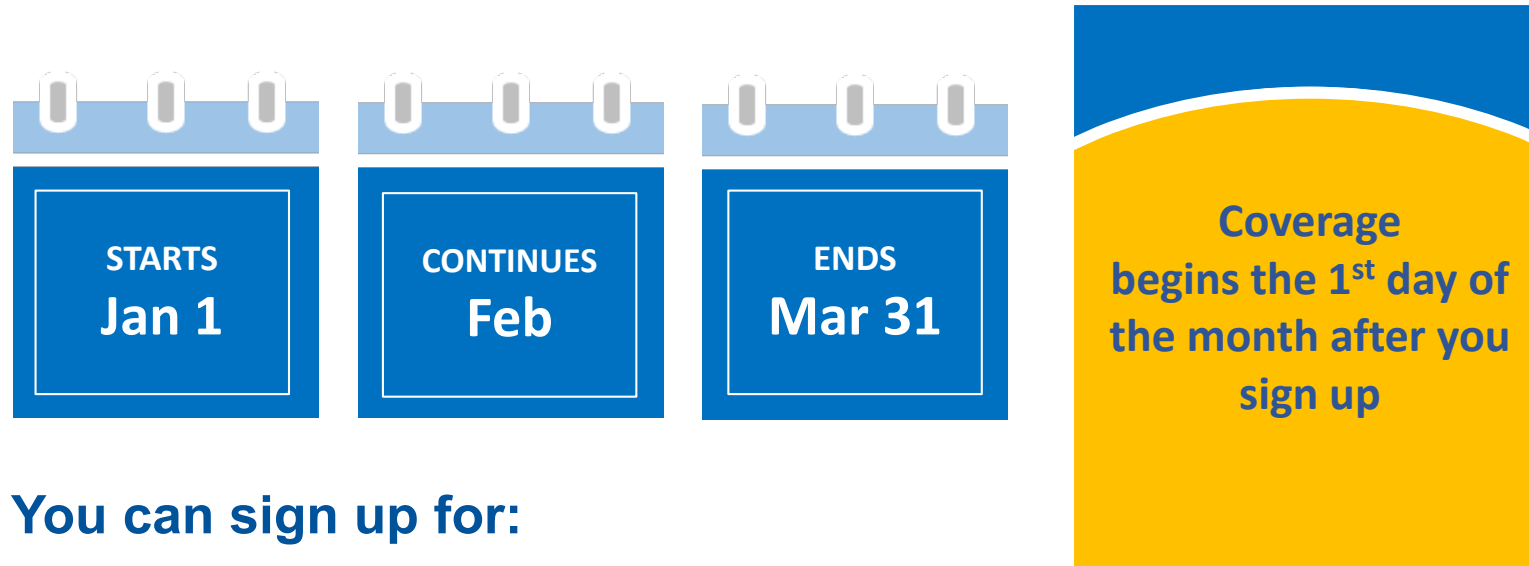
Usually, no late enrollment penalties



★ NOTE: You have 6 months from the Part B effective date to buy a Medigap policy (must have Part A and Part B).

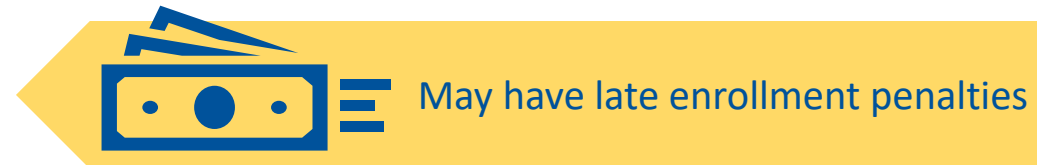
General Enrollment Period (GEP)

3-Month GEP each year



You can sign up for:

- Part A (if you have to buy it)
- Part B
- Part D (when you sign up for Part B)



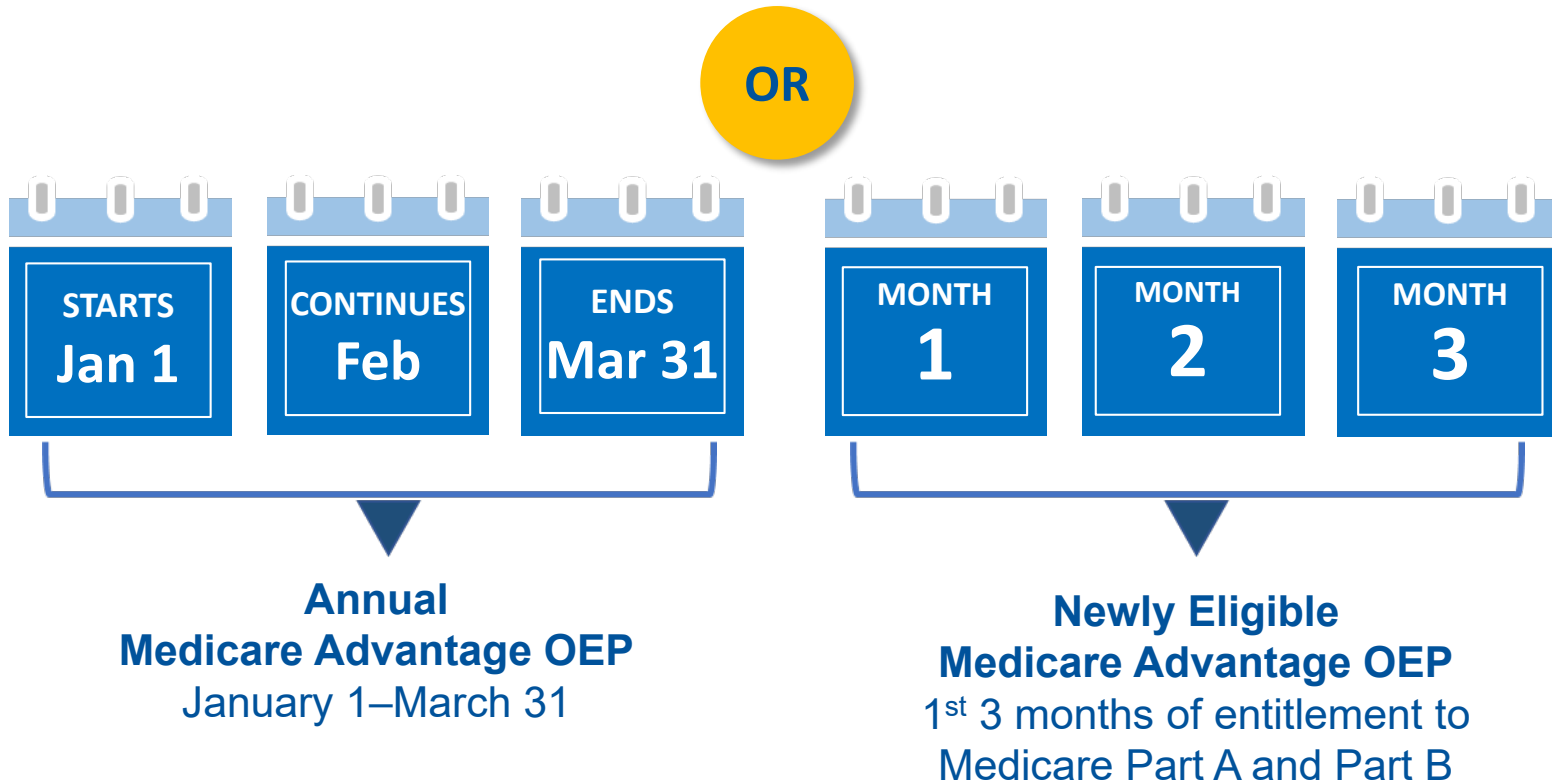
Yearly Open Enrollment Period (OEP) for People with Medicare

7-Week Period



- 7-week period each year where you can join, drop, or switch Medicare Advantage Plans or Medicare drug plans
- This is a time to review health and drug plan choices

Medicare Advantage Open Enrollment Period



You can:

- Switch to another Medicare Advantage Plan, with or without drug coverage
- Drop your Medicare Advantage Plan and return to Original Medicare. If you do:
 - You can join a Medicare drug plan
 - Coverage begins the 1st of the month after you join the plan

★ **NOTE:** You need to be in a Medicare Advantage Plan to use this enrollment period.

Open Enrollment Period for Institutionalized Individuals (OEPI)

- A Part D SEP will be provided to an individual who moves into, resides in, or moves out of an institution.
- The OEPI ends 2 months after the month the individual moves out of the institution.
- An individual using the OEPI to disenroll from a Medicare Advantage Plan that includes Part D benefits plan is eligible for an SEP to request enrollment in a Part D plan. The SEP:
 - Begins with the month the individual requests disenrollment from the Medicare Advantage Plan, and
 - Ends on the last day of the 2nd month following the month Medicare Advantage enrollment ended.



Special Enrollment Periods (SEP): Exceptional Situations

- People may qualify for one of the SEPs if:
 - They're impacted by an emergency or disaster
 - They were formerly incarcerated
 - They get inaccurate or misleading information from their health plan or employer
 - They lose Medicaid coverage
 - They experience other exceptional conditions
- If you sign up for Part A and/or Part B because of an exceptional situation:
 - You'll have 2 months to join a Medicare Advantage Plan (with or without drug coverage) or a Medicare drug plan (Part D)
 - Your coverage will start the 1st day of the month after the plan gets your request to join

Medicare Advantage & Part D Special Enrollment Periods (SEPs)


You may have an SEP if you:



Move out of your plan's service area



Leave or lose employer or union coverage



Have Medicaid and Medicare or qualify for a low-income subsidy



Want to enroll in a 5-Star Plan



Are in a plan that leaves Medicare or reduces its service area



Are sent a retroactive notice of Medicare entitlement



Check Your Knowledge: Question 1

If you have ALS and get Social Security Disability Insurance (SSDI), you'll have a 24-month waiting period before you're enrolled in Medicare.

a. True

b. False

Countdown timer: Answer the question before the bar disappears!



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Check Your Knowledge: Question 2



What's the difference between the General Enrollment Period (GEP) and the annual Open Enrollment Period (OEP)?

- a. The GEP is a yearly 3-month period, and the OEP is a yearly 7-week period.
- b. In the GEP, you can sign up for Part A (if you have to buy it) or Part B.
- c. In the OEP, you can review your Medicare choices and pick the Medicare health and/or drug plan that works best for you.
- d. All of the Above**

Countdown timer: Answer the question before the bar disappears!



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Lesson 2

Original Medicare Part A (Hospital Insurance) & Part B (Medical Insurance)

Lesson 2 Objectives

At the end of this lesson, you'll be able to:

- Describe coverage and costs for Medicare Part A (Hospital Insurance) and Medicare Part B (Medical Insurance)
- Explain who gets Part A automatically
- Discuss what to consider when deciding to sign up for Part A
- Discuss what to consider when deciding to keep or sign up for Part B

Part A (Hospital Insurance) Covers

- **Inpatient care in a hospital, including:**
 - ✓ Semi-private room
 - ✓ Meals
 - ✓ General nursing
 - ✓ Drugs (including methadone to treat an opioid use disorder)
 - ✓ Other hospital services and supplies
- **Inpatient care in a skilled nursing facility (SNF)** after a related 3-day inpatient hospital stay



Part A
Hospital Insurance

Part A (Hospital Insurance) Covers (continued)

Part A also helps cover:

Blood (inpatient)

Hospice care

Home health services

Inpatient care in a religious nonmedical health care institution (RNHCI)



Part A
Hospital Insurance

Paying for Part A (Hospital Insurance) in 2024

Most people don't pay a premium for Part A

- If you or your spouse paid FICA taxes for at least 10 years, you get Part A without paying a **premium**
- You may have to pay a **penalty** if you don't sign up when first eligible for Part A (if you have to buy it)
 - Your monthly premium may go up 10%
 - You'll have to pay the higher premium for twice the number of years you could've had Part A, but didn't sign up



What You Pay in Original Medicare in 2024: Part A

Hospital Inpatient Stay

- \$1,632 deductible for each benefit period.
- Days 1–60: \$0 copayment for each day.
- Days 61–90: \$408 copayment each day.
- Days 91-150: \$816 copayment each day while using your 60 “lifetime reserve days.”
- After day 150: You pay all costs.

NOTE: You pay for private-duty nursing, a television, or a phone in your room. You pay for a private room unless it’s medically necessary.

Mental Health Inpatient Stay

- \$1,632 deductible for each benefit period.
- Days 1–60: \$0 each day.
- Days 61–90: \$408 copayment each day.
- Days 91 and beyond: An \$816 copayment each day while using your 60 "lifetime reserve days."
- Each day after the lifetime reserve days: All costs.
- 20% of the Medicare-approved amount for mental health services you get from doctors and other health care providers while you're a hospital inpatient.

NOTE: There’s no limit to the number of benefit periods you can have, whether you’re getting mental health care in a general or psychiatric hospital. However, if you're in a psychiatric hospital (instead of a general hospital), Part A only pays for up to 190 days of inpatient psychiatric hospital services during your lifetime.

Part A (Hospital Insurance) Costs in 2024 (continued)

Skilled Nursing Facility (SNF) Stay

- Days 1–20: \$0 for each benefit period.
- Days 21–100: \$204 copayment each day.
- Days 101 and beyond: You pay all costs.

Home Health Services

- \$0 for home health services.
- 20% of the Medicare-approved amount for durable medical equipment (DME) like wheelchairs, walkers, hospital beds, and other equipment.

Hospice Care

- \$0 for hospice care services.
- You may need to pay a copayment of no more than \$5 for each prescription drug and other similar products for pain relief and symptom control while you're at home. In the rare case your drug isn't covered by the hospice benefit, your hospice provider should contact your Medicare drug plan to see if it's covered under Medicare drug coverage (Part D).
- You may need to pay 5% of the Medicare-approved amount for inpatient respite care.
- Medicare won't pay room and board for your care in a facility, unless the hospice medical team decides you need short-term inpatient care to manage pain and other symptoms. This care must be in a Medicare-approved facility, like a hospice facility, hospital, or skilled nursing facility that contracts with the hospice.

Blood

- If hospital gets it from a blood bank at no charge, you have no charge.
- If the hospital has to buy blood for you, you must either pay the hospital costs for the first 3 units of blood you get in a calendar year or have the blood donated by you or someone else.

Benefit Periods in Original Medicare

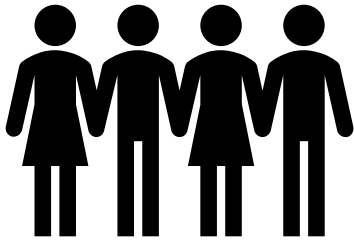


Benefit periods can span across calendar years

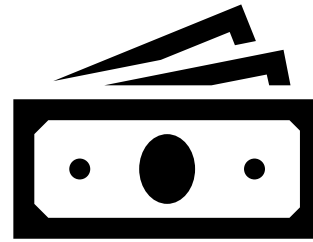
- **Each benefit period:**
 - Begins the day you first get inpatient care in hospital or SNF
 - Ends after being home for 60 days in a row (not in a hospital or skilled care in a SNF)
- You pay Part A deductible for each benefit period
- No limit to number of benefit periods you can have

Decision: Do I Need to Sign Up for Part A?

Consider:



It's free for most people



You can pay for it if you or your spouse's work history isn't sufficient (there may be a penalty if you delay)



Talk to your benefits administrator if you (or your spouse) are actively working and covered by an employer plan

★ **NOTE:** To avoid Internal Revenue Service (IRS) tax penalties, stop contributions to your Health Savings Account (HSA) before Medicare starts.

Medicare Part B (Medical Insurance) Covers

- Doctors' services
- Outpatient medical and surgical services and supplies
- Clinical lab tests
- Durable medical equipment (DME) (like walkers and wheelchairs)
- Diabetic testing equipment and supplies
- Preventive services (like flu shots and a yearly wellness visit)
- Home health services
- Medically necessary outpatient physical and occupational therapy, and speech-language pathology services
- Outpatient mental health care services
- Limited number of outpatient prescription drugs under certain conditions



Part B
Medical Insurance

Part B: Preventive Services

- Abdominal aortic aneurysm screening
- Alcohol misuse screenings & counseling
- Bone mass measurements
- Cardiovascular behavioral therapy
- Cardiovascular disease screenings
- Cervical & vaginal cancer screenings
- Colorectal cancer screenings
- Counseling to prevent tobacco use & tobacco-caused disease
- Covid-19 vaccines
- Depression screening
- Diabetes screenings
- Diabetes self-management training
- Flu shots
- Glaucoma screenings
- Hepatitis B shots
- Hepatitis B Virus infection screenings
- Hepatitis C screenings
- HIV (Human Immunodeficiency Virus) screenings
- Lung cancer screenings
- Mammograms
- Medical nutrition therapy services
- Medicare Diabetes Prevention Program
- Obesity behavioral therapy
- Pneumococcal shots
- Prostate cancer screenings
- Sexually transmitted infection (STI) screenings & counseling
- “Welcome to Medicare” preventive visit
- Yearly “Wellness” visit

What's Not Covered by Part A & Part B?

Some of the items and services that Part A and Part B don't cover include:



- Eye exams (for prescription eyeglasses)
- Long-term care
- Cosmetic surgery
- Massage therapy
- Routine physical exams
- Hearing aids and exams for fitting them
- Concierge care
- Covered items or services you get from an opt-out doctor or other provider
- Most dental care

They may be covered if you have other coverage, like Medicaid or a Medicare Advantage Plan that covers these services.

What You Pay in 2024: Part B Monthly Premiums

Standard premium is \$174.70



Some people who get Social Security benefits pay less due to the statutory hold harmless provision



Your premium may be higher if you didn't choose Part B when you first became eligible or if your income exceeds a certain threshold

Monthly Part B Standard Premium: Income-Related Monthly Adjustment Amount (IRMAA) for 2024

If your yearly income in 2022 (for what you pay in 2024) was:

File Individual Tax Return	File Joint Tax Return	File Married & Separate Tax Return	You pay each month (in 2024)
\$103,000 or less	\$206,000 or less	\$103,000 or less	\$174.70
Above \$103,000 up to \$129,000	Above \$206,000 up to \$258,000	Not applicable	\$244.60
Above \$129,000 up to \$161,000	Above \$258,000 up to \$322,000	Not applicable	\$349.40
Above \$161,000 up to \$193,000	Above \$322,000 up to \$386,000	Not applicable	\$454.20
Above \$193,000 and less than \$500,000	Above \$386,000 and less than \$750,000	Above \$103,000 and less than \$397,000	\$559.00
\$500,000 or above	\$750,000 or above	\$397,000 or above	\$594.00

What You Pay in Original Medicare in 2024: Part B

Yearly Deductible

\$240 (You pay this deductible once each year)

Coinsurance for Part B Services

- 20% for most covered services, like doctor's services and some preventive services, if provider accepts assignment
- \$0 for most preventive services
- 20% for outpatient mental health services, and copayments for hospital outpatient services

★ **NOTE:** If you can't afford to pay these costs, there are programs that may help. These programs are discussed later in Lesson 7.

Decision: Should I Keep/Sign Up for Part B?

Consider:

- Most people pay a monthly premium
 - Usually deducted from Social Security/Railroad Retirement Board (RRB) benefits
 - Amount depends on income
- You can delay enrollment if you have group health plan (GHP) coverage based on your current employment, or the employment of a spouse or a family member if you're disabled
- You can apply for Part B at any time while working and continue for 8 months after employment ends or GHP ends, whichever comes first
- Sometimes, you must have Part B

When You Must Have Part A & Part B



To buy a Medicare Supplement Insurance (Medigap) policy



To join a Medicare Advantage Plan



Eligible For TRICARE for Life (TFL)



Eligible for Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA)



Employer coverage requires you to have it (has fewer than 20 employees)



Check Your Knowledge: Question 3

Part A (Hospital Insurance) covers inpatient care in a skilled nursing facility (SNF) after a related ___-day inpatient hospital stay.

- a. 1
- b. 3
- c. 5
- d. 10

Countdown timer: Answer the question before the bar disappears!



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Check Your Knowledge: Question 4

When does Part B cover home health care?

- a. An inpatient hospital stay precedes the need for home health care
- b. An inpatient hospital stay doesn't precede the need for home health care
- c. The number of Part A-covered home health visits exceeds 100
- d. B or C**

Countdown timer: Answer the question before the bar disappears!



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Lesson 3

Medicare Supplement Insurance (Medigap) Policies

Lesson 3 Objectives

At the end of this lesson, you'll be able to:

- Explain Medigap policies and who can buy them
- Describe what's similar and different in various types of Medigap policies
- Explain what to consider when deciding whether to buy a Medigap policy
- Explain when and how to buy a Medigap policy

Medigap Policies

- Are sold by **private insurance companies**
- Fill **gaps in Original Medicare** coverage, like copayments, coinsurance, and deductibles
- Each **standardized** Medigap policy under the same plan letter:
 - Must offer the same basic benefits, no matter who sells it
 - May vary in costs
- Another type of Medigap policy called Medicare SELECT is available in some states
- Plans are different in Minnesota, Massachusetts, and Wisconsin



Medicare Supplement Insurance (Medigap)

Medigap Plan Coverage in 2024

Medicare Supplement Insurance (Medigap) plans

Medigap Benefits	A	B	C	D	F*	G*	K	L	M	N
Part A coinsurance and hospital costs up to an additional 365 days after Medicare benefits are used up	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Part B coinsurance or copayment	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%***
Blood (first 3 pints)	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
Part A hospice care coinsurance or copayment	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
Skilled nursing facility care coinsurance			100%	100%	100%	100%	50%	75%	100%	100%
Part A deductible		100%	100%	100%	100%	100%	50%	75%	50%	100%
Part B deductible			100%		100%					
Part B excess charge					100%	100%				
Foreign travel exchange (up to plan limits)			80%	80%	80%	80%			80%	80%
							Out-of-pocket limit in 2024**	Out-of-pocket limit in 2024**		
							\$7,060	\$3,530		

* Plans F and G also offer a high-deductible plan in some states. With this option, you must pay for Medicare-covered costs (coinsurance, copayments, and deductibles) up to the deductible amount of \$2,800 in 2024 before your policy pays anything. (Plans C and F aren't available to people who were newly eligible for Medicare on or after January 1, 2020.)

** For Plans K and L, after you meet your out-of-pocket yearly limit and your yearly Part B deductible, the Medigap plan pays 100% of covered services for the rest of the calendar year.

*** Plan N pays 100% of the Part B coinsurance, except for a copayment of up to \$20 for some office visits and up to a \$50 copayment for emergency room visits that don't result in inpatient admission.

Decision: Do I Need a Medigap Policy?

It only works with Original Medicare, right?

Yes.

What if I have other supplemental coverage, like from an employer?

You might not need Medigap.

Can I afford Medicare deductibles and copayments?

Weigh this against how much the monthly Medigap premium costs.

What does the monthly Medigap premium cost?

It can vary.

When's the Best Time to Buy a Medigap Policy?

Medigap Open Enrollment Period (OEP):

- Begins the month you're 65 or older **and** enrolled in Part B (must also have Part A)
- Lasts at least 6 months (may be longer in your state)

During your Medigap OEP, companies can't:

- Refuse to sell you any Medigap policy they offer
- Make you wait for coverage
- Charge more because of a past/present health problem


★ **NOTE:** You can also buy a Medigap policy whenever a company agrees to sell you one



How to Buy a Medigap Policy



Decide on a **Medigap plan (A–N)**



Shop around
(consider plan and price)



Find **insurance companies** that sell Medigap policies in your state



Choose the insurance company and the Medigap policy



Check on **Medigap protections** in your state



Apply for the policy

Check Your Knowledge: Question 5

Medicare Supplement Insurance (Medigap) policies _____.

- a. Can work with either Original Medicare or Medicare Advantage
- b. Offer different basic benefits depending on the insurance company selling them
- c. Are sold by Medicare
- d. None of the above

Countdown timer: Answer the question before the bar disappears!



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Check Your Knowledge: Question 6

When is the best time to buy a Medicare Supplement Insurance (Medigap) policy?

- a. Initial Enrollment Period
- b. General Enrollment Period
- c. Medigap Open Enrollment Period
- d. Special Enrollment Period

Countdown timer: Answer the question before the bar disappears!



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Lesson 4

Medicare Drug Coverage (Part D)

Lesson 4 Objectives

At the end of this lesson, you'll be able to:

- Explain Medicare drug coverage (Part D) and how it works
- Describe associated costs
- Discuss considerations when deciding how you'll get your drug coverage
- Explain the Part D late enrollment penalty and how to avoid it
- Explain how and when to join a plan

Medicare Drug Coverage (Part D)

- An optional benefit available to all people with Medicare
- Run by private companies that contract with Medicare
- Provided through:
 - Medicare drug plans (also known as PDPs) (work with Original Medicare)
 - Medicare Advantage Plans with drug coverage (also known as MA-PDs)
 - Some other Medicare health plans

How Part D Works

- It's optional
 - You can choose a plan and join
 - You may pay a lifetime penalty if you join late
- Plans have formularies (lists of covered drugs), which:
 - Must include a range of drugs in each category
 - May change during the year—you'll be notified
- Your out-of-pocket costs may be less if you use a preferred pharmacy
- If you have limited income and resources, you may get Extra Help

Medicare Drug Plan Costs: What You Pay in 2024

Most people will pay:

- A monthly **premium** (varies by plan and income)
- A yearly **deductible** (if applicable)
- **Copayments or coinsurance**
- **Out-of-pocket** costs
 - A **percentage** of the cost while in the coverage gap, which begins at \$5,030 for out-of-pocket spending in 2024
 - **No copayment or coinsurance** after spending \$8,000 out of pocket in 2024—will automatically get catastrophic coverage



Income-Related Monthly Adjustment Amount (IRMAA): Part D Premium for 2024

If your filing status and yearly income in 2022 was:

File Individual Tax Return	File Joint Tax Return	File Married & Separate Tax Return	You pay each month (in 2024)
\$103,000 or less	\$206,000 or less	\$103,000 or less	Your plan premium (YPP)
Above \$103,000 up to \$129,000	Above \$206,000 up to \$258,000	Not applicable	\$12.90 + YPP
Above \$129,000 up to \$161,000	Above \$258,000 up to \$322,000	Not applicable	\$33.30 + YPP
Above \$161,000 up to \$193,000	Above \$322,000 up to \$386,000	Not applicable	\$53.80 + YPP
Above \$193,000 and less than \$500,000	Above \$386,000 and less than \$750,000	Above \$103,000 and less than \$397,000	\$74.20 + YPP
\$500,000 or above	\$750,000 or above	\$397,000 or above	\$81.00 + YPP

Part D Late Enrollment Penalty 2024

- You may have to pay more if you wait to join, unless you have:
 - Creditable prescription drug coverage
 - Extra Help
- You'll pay the penalty for as long as you have coverage
 - 1% for each full month eligible and without creditable prescription drug coverage
 - Multiply percentage by base beneficiary premium (\$34.70 in 2024)
 - Amount changes every year

Who Can Join Part D?

	To join a Medicare Drug Plan	To join a Medicare Advantage Plan with Drug Coverage	To join a Medicare Cost Plan with Drug Coverage or a PACE Program
You must have	Medicare Part A (Hospital Insurance) and/or Medicare Part B (Medical Insurance)	Part A and Part B	Part A and Part B, or Part B only

★ NOTE: To join any Medicare drug or health plan you must be a United States citizen or lawfully present in the U.S.

When Can I Join a Part D Plan?

Can I join during my 7-month Initial Enrollment Period (IEP)?

Yes. It starts 3 months before the month you turn 65. Or, if you get Medicare due to a disability, it starts 3 months before your 25th month of disability.

Can I sign up, switch, or join during the yearly Open Enrollment Period (OEP)?

Yes. It's from October 15–December 7. Coverage begins January 1.

What if I get Part B for the first time during a General Enrollment Period (GEP)?

You can sign up for a Medicare drug coverage starting the date you submit your Part B application.

When Can I Join a Part D Plan? (continued)

What if I'm in a Medicare Advantage Plan on January 1 but I want to switch to Original Medicare?

You may add Medicare drug coverage if you switch during the Medicare Advantage OEP (January 1–March 31).

What if I'm new to Medicare and enrolled in a Medicare Advantage Plan during my IEP?

You can make a change within the first 3 months you have Medicare.

Can I join, switch, or drop a drug plan if I qualify for a Special Enrollment Period (SEP)?

Yes

When's the 5-star SEP?

December 8–November 30 each year, you can switch to Medicare drug coverage that has 5 stars for its overall rating.

Choosing a Part D Plan

- **Compare plans by computer or phone:**
 - Find health and drug plans at [Medicare.gov/plan-compare](https://www.Medicare.gov/plan-compare)
 - Call Medicare
 - Contact your SHIP at [shiphelp.org](https://www.shiphelp.org) for help comparing plans
- **To join a Medicare drug plan, you can:**
 - Join at [Medicare.gov/plan-compare](https://www.Medicare.gov/plan-compare)
 - Call 1-800-MEDICARE (1-800-633-4227) (TTY: 1-877-486-2048)
 - Join on the plan's website or call the plan
 - Complete a paper enrollment form
- The plan will notify you whether it has accepted or denied your application

Decision: Should I Join a Part D Plan?

If you have creditable drug coverage, consider costs and coverage:

- Will you or your spouse or dependents lose your health coverage if you join a Medicare drug plan?
- How do your out-of-pocket drug costs compare to out-of-pocket drug costs with a Medicare drug plan?
- How will your costs change if you get Extra Help with Medicare drug plan costs?

If you don't have creditable drug coverage, consider possible penalties:

- Will joining when you're first eligible help you avoid a likely lifetime late enrollment penalty if you join a plan later?
- Do you qualify for Extra Help? If so, you may join a plan without penalty.

Check Your Knowledge: Question 7

Everyone with Medicare can choose to get drug coverage by joining a drug plan (Part D) if they meet all the conditions to join.

a. True

b. False

Countdown timer: Answer the question before the bar disappears!



15



Check Your Knowledge: Question 8

All Medicare drug coverage must cover all commercially available vaccines and vaccines covered under Part B.

a. True

b. False

Countdown timer: Answer the question before the bar disappears!



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Lesson 5

Medicare Advantage & Other Medicare Health Plans

Lesson 5 Objectives

At the end of this lesson, you'll be able to:

- Explain Medicare Advantage Plans and how they work
- Discuss what to consider when deciding whether to join a Medicare Advantage Plan, like coverage and costs
- Explain who can join a plan, and when and how to join
- Explain the difference between Medicare Advantage Plans and Medicare Supplement Insurance (Medigap) policies
- Describe other types of Medicare health plans that may be available

Medicare Advantage Plans (Part C)

Part A



Part B



Most plans include:

Part D



Some extra benefits

Some plans also include:

Lower out-of-pocket costs

- Another way (other than Original Medicare) to get your Medicare Part A (Hospital Insurance) and Part B (Medical Insurance) **coverage**
- Offered by Medicare-approved **private companies** that must follow rules set by Medicare
- Most Medicare Advantage Plans include drug coverage (Part D)
- In most cases, you'll need to use health care providers who participate in the **plan's network** (some plans offer non-emergency coverage out of network, but typically at a higher cost)

How Medicare Advantage Plans Work

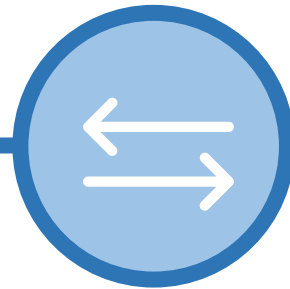
In a Medicare Advantage Plan, you:



Are still in Medicare with all **rights and protections**



Still get **services** covered by Part A and Part B



Can't be **charged** more than Original Medicare for certain services, like chemotherapy, dialysis, and skilled nursing facility (SNF) care



May choose a plan that includes **drug coverage** and/or **extra benefits** like vision, dental or fitness and wellness benefits



Have a yearly limit on **out-of-pocket costs**

How Medicare Advantage Plans Work (continued)

In a Medicare Advantage Plan:



Each plan has a **service area** in which its enrollees must live



You (or a provider acting on your behalf) can request to see if an item or service will be covered by the plan in advance (called an **organization determination**)



Medicare pays a fixed amount for your coverage each month to the **companies** offering Medicare Advantage Plans

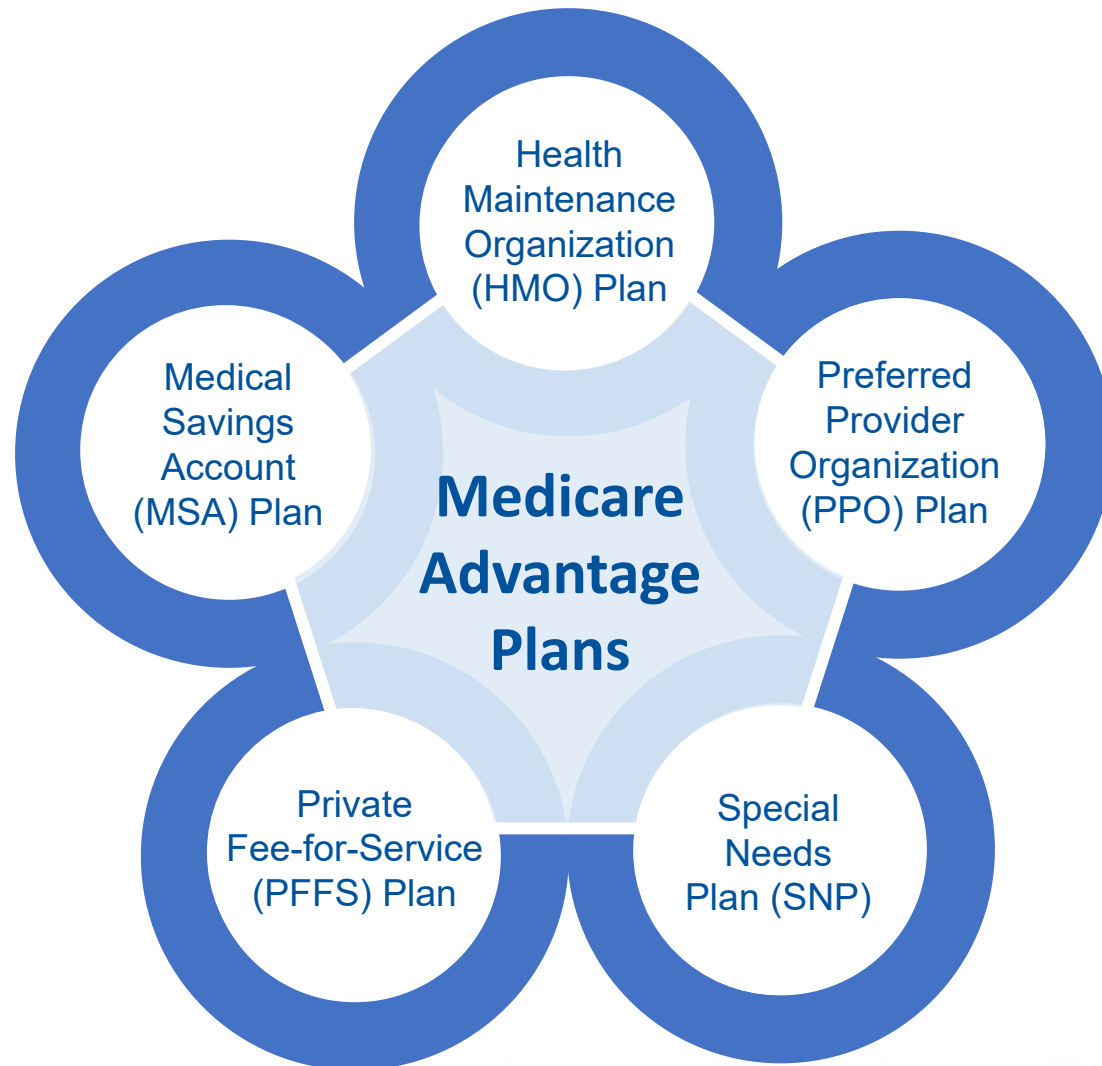


Each plan can charge different out-of-pocket costs and have different **rules** for how you get services (which can change each year)



Hospice care is covered, but by Original Medicare

Different Types of Medicare Advantage Plans



When Can I Join a Medicare Advantage Plan?

When can I first join a Medicare Advantage Plan?

You can join when you first qualify for Medicare, generally during your Initial Enrollment Period (IEP), which begins 3 months before you first qualify for both Part A and Part B.

What if I have Part A and sign up for Part B during a General Enrollment Period (GEP)?

You can join a Medicare Advantage Plan with or without drug coverage.

If I join a Medicare Advantage Plan, when can I make a change?

You can make changes during the yearly Open Enrollment Period (OEP), a Medicare Advantage OEP, or a Special Enrollment Period (SEP).

How Do I Join a Medicare Advantage Plan?

- Find and enroll in health and drug plans at [Medicare.gov/plan-compare](https://www.Medicare.gov/plan-compare)
- Once you understand the plan's rules and costs, here are ways to join:
 - Visit the plan's website to see if you can join online
 - Fill out a paper enrollment form
 - Call the plan you want to join (visit [Medicare.gov/plan-compare](https://www.Medicare.gov/plan-compare) to get your plan's contact information)
 - Call Medicare

Decision: Should I Join a Medicare Advantage Plan?

Consider



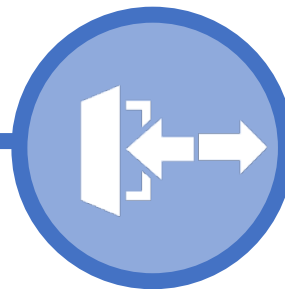
If the plan offers **extra benefits** (in addition to Original Medicare benefits) and if you need to pay extra to get them



Are my doctors in the plan's **network**?



You may need a **referral** to use a specialist



You can only **join/leave plan** during certain periods



It doesn't work with **Medigap** policies

★ **NOTE:** You must have Medicare Part A and Part B to join, and you must pay the Part B premium and usually a monthly plan premium.

How Are Medigap Policies & Medicare Advantage Plans Different?

	Medigap Policies	Medicare Advantage Plans
Offered by	Private companies	Private companies
Government oversight	State, but must also follow federal laws	Federal (plans must be approved by Medicare)
Works with	Original Medicare	N/A
Covers	Gaps in Original Medicare coverage, like deductibles, coinsurance, and copayments for Medicare-covered services.	All Part A and Part B covered services and supplies. May also cover things not covered by Original Medicare, like vision and dental coverage. Most Medicare Advantage Plans include Medicare drug coverage.
You must have	Part A and Part B	Part A and Part B
Do you pay a premium?	Yes. You pay a premium for the policy and you pay the Part B premium.	Yes. In addition to paying the Part B premium, you may have to pay a monthly plan premium.

Other Health Plans: Medicare Cost Plans

- You can join even if you only have Part B
- If you have Part A and Part B and go to a non-network provider:
 - Your services are covered under Original Medicare
 - You'll pay the Part A and Part B coinsurance and deductibles
- You can join anytime the plan accepts new members
- You can leave anytime and return to Original Medicare
- You can either get your Medicare drug coverage from the Cost Plan (if offered) or you can join a Medicare drug plan

Other Health Plans: Program of All-inclusive Care for the Elderly (PACE) Plans

To qualify, you must:



Be 55 or older



Live in the service area of a PACE organization



Need a nursing home-level of care (as certified by your state)



Be able to live safely in the community with the PACE services

Other Health Plans: Program of All-inclusive Care for the Elderly (PACE) (continued)

About PACE coverage and premiums:



If you have Medicare, but not Medicaid, you'll be charged a monthly premium to cover the long-term care portion of the benefit and a premium for Medicare Part D drugs.



If you have Medicaid, you won't have to pay a monthly premium for the long-term care portion of the benefit.

Check Your Knowledge: Question 9

With a Medicare Advantage Plan, you _____. (Select all that apply)

- a. Are still in Medicare with all rights and protections
- b. Still get Part A and Part B-covered services
- c. Can be charged different out-of-pocket costs depending on the plan
- d. May choose a plan that offers extra benefits that Original Medicare doesn't cover

Countdown timer: Answer the question before the bar disappears!



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Check Your Knowledge: Question 10

Which condition must you meet to qualify for Program of All-inclusive Care for the Elderly (PACE)? (Select all that apply)

- a. You're 55 or older.
- b. You live in the service area of a PACE organization.
- c. Your state certifies that you need a nursing home-level of care.
- d. At the time you join, you're able to live safely in the community with the help of PACE services.

Countdown timer: Answer the question before the bar disappears!

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Lesson 6

Medicare & the Health Insurance Marketplace[®]

Lesson 6 Objectives

At the end of this lesson, you'll be able to:

- Explain what to do if you have Marketplace coverage and become eligible for Medicare
- Discuss what to consider when deciding whether to join or keep a Marketplace plan instead of Medicare
- Discuss Medicare and the Marketplace for people with disabilities

Medicare & the Marketplace

If you have Medicare:



It's against the law for someone to sell you a Marketplace plan



You may have a Marketplace plan through your employer, sold through the Small Business Health Options Program (SHOP) if you're an active worker or a dependent of one

★ **NOTE:** SHOP plans are available through issuers, agents, and brokers, not through [HealthCare.gov](https://www.healthcare.gov).

Marketplace & Becoming Eligible for Medicare



Use [HealthCare.gov](https://www.healthcare.gov) to connect to the Marketplace in your state.



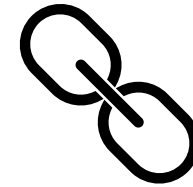
Once you're eligible for Medicare Part A (Hospital Insurance)

You won't be eligible for premium tax credits or other cost savings you may be getting for your Marketplace plan



Sign up for Medicare

During your Initial Enrollment Period (IEP) to avoid a possible lifetime late enrollment penalty



Connect with the Marketplace in your state

Before your Medicare enrollment begins to learn more

Choosing Marketplace Coverage Instead of Medicare

What if I have Medicare Part A and Medicare Part B (Medical Insurance), but I'm paying a premium for Part A?

You can drop your Part A and Part B coverage and get a Marketplace plan instead.

What if I only have Part B, and would have to pay a premium for Part A?

You can drop Part B and get a Marketplace plan instead.

What if I'm eligible for Medicare but haven't enrolled?

You can get a Marketplace plan if you haven't enrolled because you'd have to pay for Part A, have a medical condition that qualifies you for Medicare, or are in your 24-month disability waiting period.



Check Your Knowledge: Question 11

Once you're eligible for Medicare Part A (Hospital Insurance), you won't be eligible for premium tax credits or other cost savings you may be getting for your Marketplace plan.

a. True

b. False

Countdown timer: Answer the question before the bar disappears!



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Lesson 7

Help for People with Limited Income & Resources

Lesson 7 Objectives

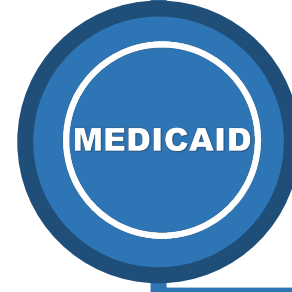
At the end of this lesson, you'll be able to:

- Explain Medicare Savings Programs and minimum federal eligibility requirements
- Explain other programs (Extra Help, Medicaid, and the Children's Health Insurance Program (CHIP)) and who qualifies

Help for People with Limited Income & Resources



Medicare Savings Programs



Medicaid



Extra Help



Children's Health Insurance Program (CHIP)

2024 Minimum Federal Eligibility Requirements for Medicare Savings Programs

Medicare Savings Programs	Individual Monthly Income Limits	Married Couple Income Limits	Helps Pay Your
Qualified Medicare Beneficiary (QMB)	\$1,275	\$1,724	Part A and Part B premiums, and other cost-sharing (like deductibles, coinsurance, and copayments)
Specified Low-Income Medicare Beneficiary (SLMB)	\$1,526	\$2,064	Part B premiums only
Qualifying Individual (QI)	\$1,715	\$2,320	Part B premiums only
Qualifying Disabled & Working Individuals (QDWI)	\$5,105	\$6,899	Part A premiums only

- **Resource limits** for QMB, SLMB, and QI are \$9,430 for an individual and \$14,130 for a married couple.
- **Resource limits** for QDWI are \$4,000 for an individual and \$6,000 for a married couple.

What's Extra Help?

- Program to help people pay for Medicare drug costs (Part D) (also called the low-income subsidy (LIS))
 - You pay no premiums or deductible, and small or no copayments
 - No coverage gap or Part D late enrollment penalty if you qualify for Extra Help
- ★ **NOTE:** If you qualify for Extra Help, a Special Enrollment Period (SEP) allows you to change your Medicare drug plan (also known as a PDP) once per quarter in the first 3 quarters of the year.

Qualifying for Extra Help

You automatically qualify for Extra Help if you get:

- Full Medicaid coverage
- Supplemental Security Income (SSI)
- Help from Medicaid paying your Medicare premiums (Medicare Savings Programs; sometimes called “partial dual”)

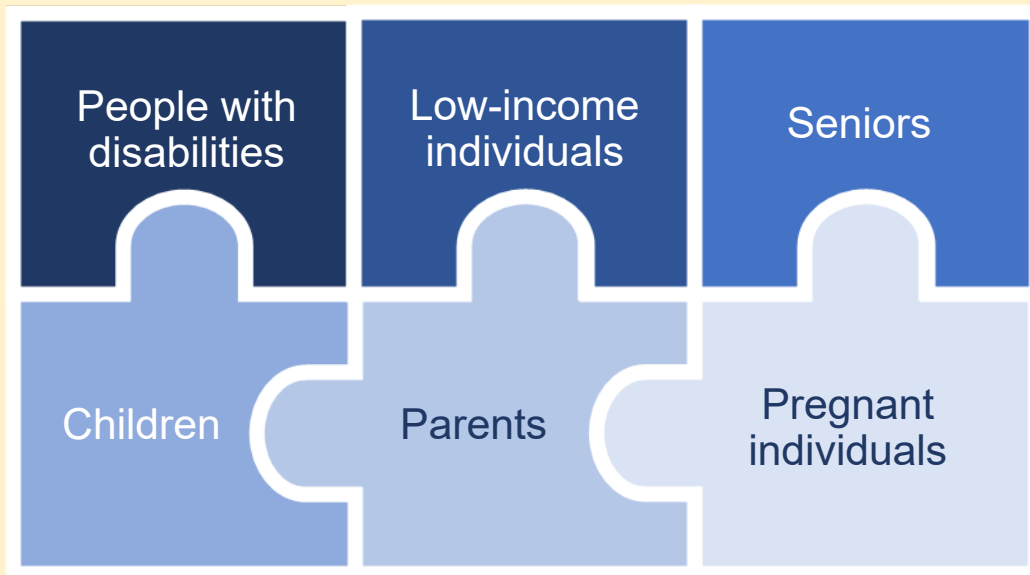
If you don't automatically qualify you must:

- Apply online at [SSA.gov/medicare/part-d-extra-help](https://ssa.gov/medicare/part-d-extra-help) and visit secure.ssa.gov/i1020/Ee001View.action for the “Application for Help with Medicare Prescription Drug Plan Costs” (SSA-1020)

What's Medicaid?

In November 2023,
Medicaid provided health coverage to:

85.8 million people



- Joint federal and state program
- Helps pay health care costs for people with limited income and resources, or whose medical expenses exceed their available income
- Some people qualify for Medicare and Medicaid
- May cover services that Medicare may not or may partially cover, like nursing home care, personal care, and home- and community-based services

How Are Medicare & Medicaid Different?

Medicare

National program that's consistent across the country

Administered by the federal government

Health insurance for people 65 and older, people under 65 with certain disabilities, or any age with End-Stage Renal Disease (ESRD)

Nation's primary payer of inpatient hospital services to the disabled, elderly, and people with ESRD

Medicaid

Statewide programs that vary among states

Administered by state governments within broad federal rules (federal/state partnership)

Health insurance for people based on need—financial and non-financial requirements

Nation's primary public payer of acute health care, mental health, and long-term care services

What's the Children's Health Insurance Program (CHIP)?



6.9 million children (2023)

- Health coverage for uninsured children in families earning too much to qualify for Medicaid, but too little for private insurance
- Jointly funded by federal and state governments
- Administered by states

For **CHIP** information by state:

Visit [Medicaid.gov/chip/state-program-information/chip-state-program-information.html](https://www.Medicaid.gov/chip/state-program-information/chip-state-program-information.html)

Check Your Knowledge: Question 12

Which of the following Medicare Savings Programs only helps pay Part A premiums?

- a. Qualified Medicare Beneficiary (QMB) Program
- b. Specified Low-Income Medicare Beneficiary (SLMB) Program
- c. Qualifying Individual (QI) Program
- d. Qualifying Disabled & Working Individuals (QDWI) Program

Countdown timer: Answer the question before the bar disappears!



15

Helpful Websites

01

Medicare

[Medicare.gov](https://www.Medicare.gov)

02

Medicaid

[Medicaid.gov](https://www.Medicaid.gov)

03

Social Security

[SSA.gov](https://www.SSA.gov)

04

Health Insurance Marketplace®

[HealthCare.gov](https://www.HealthCare.gov)

05

Children's Health Insurance Program

[InsureKidsNow.gov](https://www.InsureKidsNow.gov)

06

State Health Insurance Assistance Program (SHIP)

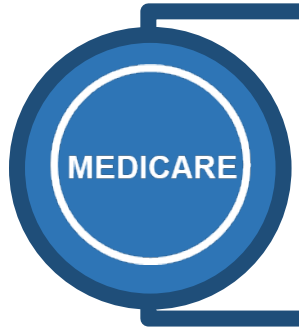
[shiphelp.org](https://www.shiphelp.org)

07

CMS National Training Program

[CMSnationaltrainingprogram.cms.gov](https://www.CMSnationaltrainingprogram.cms.gov)

Key Points to Remember

A circular icon with a blue background and a white border. Inside the circle, the word "MEDICARE" is written in white, uppercase letters.

Medicare is a health insurance program

A circular icon with a light blue background and a white border. Inside the circle, there is a white thought bubble containing a question mark, with a smaller thought bubble below it, and a white silhouette of a human head.

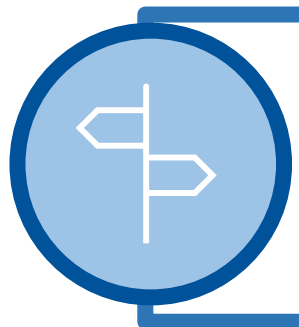
Decisions affect the type of coverage you get

A circular icon with a yellow background and a white border. Inside the circle, there is a white icon of a stack of money with a diagonal slash through it, indicating that Medicare does not cover all costs.


Medicare doesn't cover all your health care costs

A circular icon with a blue background and a white border. Inside the circle, there is a white clock face with hands, representing time sensitivity.

Certain decisions are time-sensitive

A circular icon with a light blue background and a white border. Inside the circle, there is a white icon of a vertical line with two arrows pointing left and right, representing choices or options.

You have choices in how you get coverage

A circular icon with a grey background and a white border. Inside the circle, there is a white dollar sign (\$) with a white arrow pointing downwards, representing financial assistance or programs for those with limited resources.

There are programs for people with limited income and resources

Acronyms (AL-MA)

ALS Amyotrophic Lateral Sclerosis

CHAMPVA Civilian Health and Medical Program of the Department of Veterans Affairs

CHIP Children's Health Insurance Program

CMS Centers for Medicare & Medicaid Services

COBRA Consolidated Omnibus Budget Reconciliation Act

DME Durable Medical Equipment

ESRD End-Stage Renal Disease

FICA Federal Insurance Contributions Act

FPL Federal Poverty Level

GEP General Enrollment Period

GHP Group Health Plan

HSA Health Savings Account

IEP Initial Enrollment Period

IRMAA Income-Related Monthly Adjustment Amount

IRS Internal Revenue Service

LIS Low-income Subsidy

MAC Medicare Administrative Contractor

MA OEP Medicare Advantage Open Enrollment Period

MA-PD Medicare Advantage Plan with Drug Coverage

MACRA Medicare Access and

CHIP Reauthorization Act

MAGI Modified Adjusted Gross Income

Acronyms (NT-VA)

NTP National Training Program

OEP Open Enrollment Period

OPM Office of Personnel Management

PACE Programs of All-Inclusive Care
for the Elderly

PDP Prescription Drug Plan

QDWI Qualifying Disabled & Working Individuals

QHP Qualified Health Plan

QI Qualified Individual

QMB Qualified Medicare Beneficiary

RNHCI Religious Nonmedical Health Care
Institutions

RRB Railroad Retirement Board

SEP Special Enrollment Period

SHIP State Health Insurance Assistance Program

SHOP Small Business Health Options Program

SLMB Specified Low-income Medicare
Beneficiary

SNF Skilled Nursing Facility

SSDI Social Security Disability Insurance

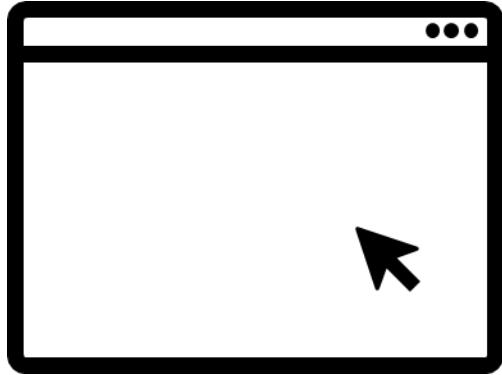
SSI Supplemental Security Income

TFL TRICARE For Life

TTY Teletypewriter/Text Telephone

VA U.S. Department of Veterans Affairs

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[CMSnationaltrainingprogram.cms.gov](https://www.cms.gov/nationaltrainingprogram).



Contact us at
training@cms.hhs.gov.