



Medicare 101

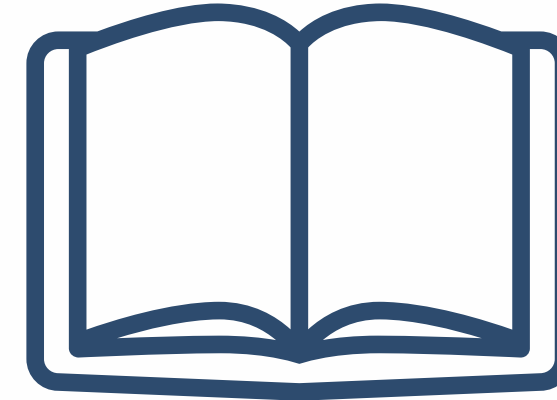
A Guided Tour and Introduction

A Client Education Presentation

Not affiliated with the U.S. Government or Federal Medicare program. We do not offer every plan available in your area. Any information we provide is limited to those plans we do offer in your area. Please contact Medicare.gov or 1-800-MEDICARE to get information on all your options.



What topics will we cover today?



- Original Medicare
- Medicare Advantage (Part C)
- Medicare Part D
- Medicare Supplements
- Enrollment & Important Dates

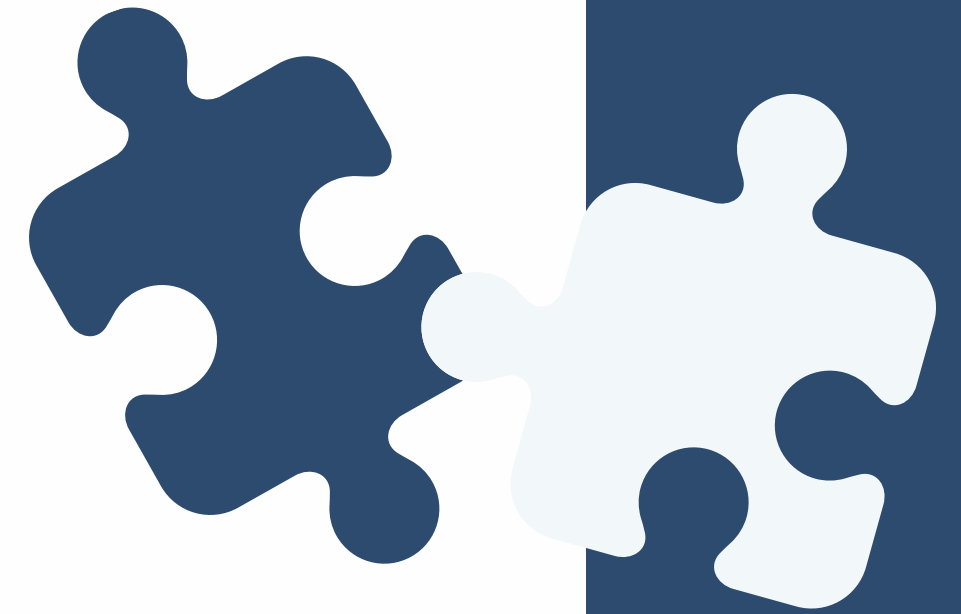
What is Medicare?



- Medicare is a federally funded health insurance program.
- Medicare Parts A and B are known as "Original Medicare".
- Medicare was established in 1965 .
- Medicare is administered by the Centers for Medicare & Medicaid Services (CMS).

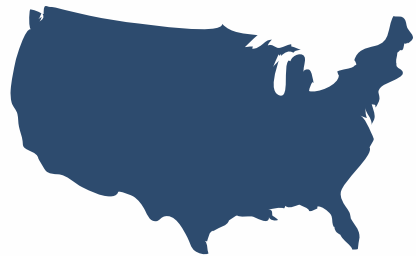
Who Can Join Medicare

People are eligible for Original Medicare (Parts A and B) if:



65

People who are at least 65 years of age, even if they still work.



People who are U.S. citizens or a legal resident who has lived in the U.S, for at least 5 consecutive years.




People who are under 65 and qualify due to disability or other special circumstance, people with ALS, ERSD, or permanent kidney failure that requires dialysis.


Enrolling in Medicare

 <https://secure.ssa.gov/icclaim/rib>

Medicare Hotline Number

 1-800-Medicare

Social Security Hotline Number

 1-800-772-1213



Understanding Medicare Part A

Medicare Part A helps pay for:

- Inpatient Hospital Stays
- Skilled Nursing Facilities
- Home Health
- Hospice
- See any provider who ACCEPTS Medicare



There is no monthly premium for most people (because they or a spouse paid Medicare taxes long enough while working - generally at least 10 years). If you get Medicare earlier than age 65, you won't pay a Part A premium.

Understanding Medicare Part A

There is a **\$1,676** deductible for each inpatient hospital benefit period, before Original Medicare starts to pay. There's no limit to the number of benefit periods you can have in a year. This means you may pay the deductible more than once in a year.

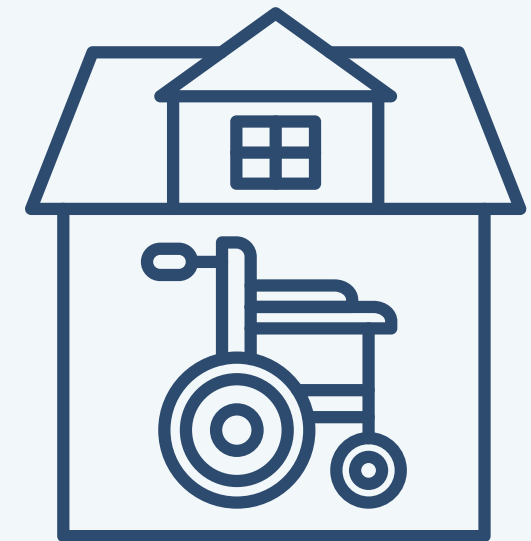
Medicare Part A covers Inpatient Hospital stays as follows:

- Days 1-60: **\$0** after you pay your Part A deductible.
- Days 61-90: **\$419** copayment each day.
- Days 91-150: **\$838** copayment each day while using your 60 lifetime reserve days.
- After day 150: You pay all costs.

Understanding Medicare Part A

Medicare Part A pays for hospice care as follows:

- **\$0** for covered hospice care services.
- You may pay: A copayment of up to **\$5** for each prescription drug and other similar products for pain relief and symptom control while you're at home.
- **5%** of the Medicare-approved amount for inpatient respite care.



Understanding Medicare Part A

Medicare Part A pays for Skilled Nursing Home Stays as follows:

- Days 1-20: **\$0** copayment.
- Days 21-100: **\$209.50** copayment each day.
- Days 101 and beyond: You pay all costs.



Understanding Medicare Part A

Medicare Part A pays for qualified home health care as follows:

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



Understanding Medicare Part B

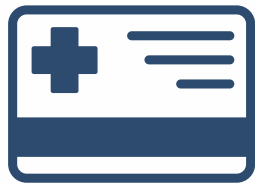
Medicare Part B Helps pay for:

- Medical Procedures
- Doctors Visits
- Injectable Drugs (administered in doctors office)
- Outpatient services
- Durable Medical Equipment
- Some preventative care services
- Lab's & Radiology
- Other health care provider services



There is no max out of pocket for Original Medicare

Understanding Medicare Part B



Medicare Part B deductible is \$257, before Original Medicare starts to pay. You pay this deductible once each year.



Medicare Part B premium is typically \$185.00 each month (or higher depending on your income). The amount can change each year. You'll pay the premium each month, even if you don't get any Part B-covered services.

You might pay a monthly penalty if you don't sign up for Part B when you're first eligible for Medicare (usually when you turn 65). **You'll pay the penalty for as long as you have Part B.** The penalty goes up the longer you wait to sign up.

Understanding Medicare Part B

Medicare Part B - General

- You will usually pay **20%** of the cost for each Medicare-covered service or item after you've paid your deductible (and as long as your doctor or health care provider accepts the Medicare-approved amount as full payment – called “accepting assignment”).



Understanding Medicare Part B

Medicare Part B Co-Insurance- Inpatient and Outpatient

- You will usually pay **20%** of the Medicare-approved amount for most doctor services while you're a hospital inpatient.
- You will usually pay **20%** of the Medicare-approved amount for doctor and other health care providers' services when receiving outpatient hospital care
- You'll also pay a copayment to the hospital for each service you get in a hospital outpatient setting (except for certain preventive services).



Understanding Medicare Part B

Medicare Part B Co-Insurance for Durable Medical Equipment (DME)

- You will usually pay **20%** of the Medicare-approved amount for durable medical equipment (like wheelchairs, walkers, hospital beds, and other equipment).



Medicaid



Medicaid is a joint federal and state program designed to help cover medical costs for people based on income and resources. **Medicaid offers benefits not normally covered by Medicare, like nursing home care and personal care services.** The rules around who's eligible for Medicaid are different in each state.

Medicaid

If you have Medicare and qualify for full Medicaid coverage:

- Your state will pay your Medicare Part B (Medical Insurance) monthly premiums (\$185.00 in 2025).
- Depending on the level of Medicaid you qualify for, your state might pay for:
 - Your share of Medicare costs, like deductibles, coinsurance, and copayments
 - Part A (Hospital Insurance) premiums, if you have to pay a premium for that coverage.
- Medicaid may pay for other drugs and services that Medicare doesn't cover.

Extra Help

Extra Help/LIS for Medicare Prescription Drug Costs

- Based on income and resources some people may also qualify for Extra Help with the costs - monthly premiums, annual deductibles, and prescription co-payments — related to a Medicare prescription drug plan.
- The Extra Help is estimated to be worth about **\$5,300** per year.
- Many people qualify for these big savings and don't know it.
- To find out if you qualify, Social Security will need to know the value of your savings, investments, real estate (other than your home), and your income.

Medicare Advantage (MA) Plans



Medicare Advantage Plans are another way to get your Medicare Part A and Part B coverage. Medicare Advantage Plans, sometimes called “**Part C**” or “**MA Plans**,” are offered by Medicare-approved private companies that must follow rules set by Medicare.

Medicare Advantage (MA) Plans

- **They Bundle** - MA Plans bundle Part A & Part B into one, and may include Part D (Prescription Drug Coverage).
- **Premiums** - You pay the monthly Part B premium and may also have to pay the plan's premium. Some plans may help pay all or part of your Part B premium.
- **Out of Pocket Costs** - Out of Pocket Cost will vary with co-pays, co-insurance, deductibles and max out of pocket cost depending on the plan.
- **Provider Networks** - 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.

Medicare Advantage (MA) Plans

- You may need a **prior authorization** for some services.
- You can get all the details on what a plan covers from that plans "**Evidence of Coverage**" document.
- Different Regions offer different plans- even down to neighboring counties in the same state.
- Some plans may offer **extra benefits** that are not included in Original Medicare.
- Some plans may require you to get a **referral to see a specialist**.
- There are special needs plans based off income and specific health conditions.

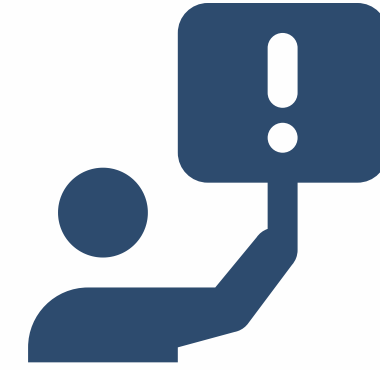
Medicare Advantage Plan Types



Private fee-for-service (PFFS)

You may have more freedom to choose providers, but a network arrangement may still apply. Providers must have not opted out of Medicare, agree to bill the PFFS per its terms and conditions, and agree to treat you.

Medicare Advantage Plan Types



Special Needs Plans

These plans are for people with special needs. For example, they have Medicaid and Medicare, they live in a nursing home, have specific chronic health condition such as diabetes, dementia and end stage renal disease.

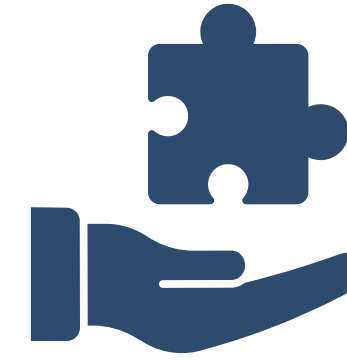
Medicare Advantage Plan Types



Preferred Provider Organization (PPO)

Will allow you to seek care in or out of network.
Out of network coverage may cost more.

Medicare Advantage Plan Types



Health Maintenance Organization (HMO)

Require you to seek care in a specified network of hospitals and doctors.

Prescription Drug Coverage (Part D)



Part D is prescription drug coverage for people with Medicare. Each plan has its own list of covered drugs, called a **formulary**, which includes medications in protected classes like cancer or HIV/AIDS treatments.

Drugs are grouped into cost tiers—lower tiers usually mean lower costs.



Part D Tier Level – Examples

- **Tier 1** - Lowest copayment: most generic prescription drugs.
- **Tier 2** - Medium copayment: preferred, brand-name prescription drugs.
- **Tier 3** - Higher copayment: nonpreferred, brand-name prescription drugs.
- **Specialty Tiers** - Highest copayment: very high cost prescription drugs.

In 2025, Medicare Part D will undergo significant changes aimed at reducing out-of-pocket expenses and simplifying the coverage structure. Below is a summary of the key modifications:

Aspect	2024	2025
Out-of-Pocket Spending Cap	No cap; catastrophic coverage after \$7,400 in total drug costs	\$2,000 annual cap on out-of-pocket spending
Coverage Phases	Four phases: Deductible, Initial Coverage, Coverage Gap (Donut Hole), Catastrophic Coverage	Three phases: Deductible, Initial Coverage, Catastrophic Coverage (Donut Hole eliminated)
Deductible	Up to \$545, varying by plan	Up to \$590, varying by plan
Initial Coverage Phase	Beneficiary pays 25% of drug costs	Beneficiary pays 25% of drug costs
Catastrophic Coverage Phase	After \$7,400 in total drug costs, beneficiary pays a small coinsurance or copayment	After reaching \$2,000 out-of-pocket cap, beneficiary pays nothing for covered drugs
Manufacturer Discounts	70% discount in Coverage Gap for brand-name drugs	10% discount in Initial Coverage Phase; 20% in Catastrophic Phase

Part D Late Enrollment Penalty



The cost of the late enrollment Penalty depends on how long you went without Part D or creditable prescription drug coverage.

Medicare calculates the penalty by multiplying 1% of the “national base beneficiary premium” times the number of full, uncovered months you did not have part D creditable coverage. The monthly premium is rounded to the nearest \$.10 and added to your monthly Part D premium.

Medicare Supplement (Medigap)



With Original Medicare, you pay part of the cost for approved services.

Medigap is private insurance that helps cover those out-of-pocket expenses. Plans are labeled A–N, each offering different coverage. Premiums vary by carrier and typically increase each year.

Medicare Supplement Plan Options

Every Medigap policy must follow federal and state laws designed to protect consumers and must be clearly labeled as "Medicare Supplement Insurance." In most states, Medigap policies are **standardized** and identified by letters, such as **Plan A through Plan N**.

Each lettered plan offers the same core benefits regardless of the insurance company, but some plans include additional coverage, allowing individuals to choose the option that best meets their needs.

It's important to note that **Massachusetts, Minnesota, and Wisconsin** standardize their Medigap plans differently from the rest of the country, using their own model of benefits and coverage structures.

Medicare Supplement Plan Options

Important Note:

As of January 1, 2020, Medigap plans sold to people new to Medicare can no longer cover the Part B deductible. Because of this, Plans C and F are no longer available to people new to Medicare on or after January 1, 2020. If you already have either of these 2 plans (or the high deductible version of Plan F) or are covered by one of these plans before January 1, 2020, you can keep your plan. If you were eligible for Medicare before January 1, 2020, but not yet enrolled, you may be able to buy one of these plans (Plan C or F).

Enrollment Periods Explained

Annual Enrollment Period (AEP)

October 15th - December 7th



You can add, drop or switch your Medicare Coverage.

Enrollment Periods Explained

Initial Enrollment Period (IEP)

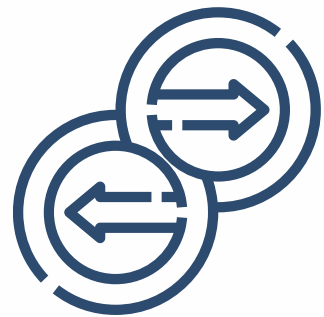
When you first become eligible for Medicare, you have a **7-month** Initial Enrollment Period (IEP) that starts **3 months before and ends 3 months after your 65th birthday**. You can enroll in Part A, Part B, or both, and may also choose Part C (Medicare Advantage), Part D (Prescription Drug), or a Medigap plan. Delaying Part D may result in a late enrollment penalty.

Enrollment Periods Explained

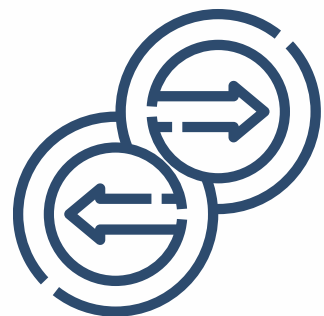
Special Enrollment Period

You may be eligible to change your Medicare Advantage (MA) plan due to special circumstances, like being diagnosed with a qualifying chronic health condition, moving to a new area, qualifying for extra help, or retiring and losing your employer coverage.

Changing Plans

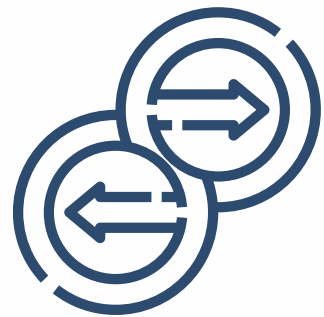


If you choose a Medicare Advantage Plan when first enrolling, you have a 12-month trial period to switch to a Medicare Supplement (Medigap) with guaranteed issue rights—no health questions asked.

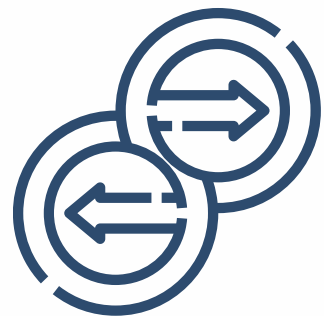


If you stay on the Medicare Advantage Plan longer than 12 months, you'll need to undergo medical underwriting to switch to a Medigap plan. You can only make this change during the Annual Election Period (October 15–December 7).

Changing Plans



If you choose a Medicare Supplement during your Initial Enrollment Period (which runs 3 months before, the month of, and 3 months after your Medicare Part B effective date), you can switch to a Medicare Advantage Plan at any time during that IEP window.



However, if you stay on the Medicare Supplement beyond your Initial Enrollment Period, you must wait until the Annual Election Period (October 15–December 7) to switch to a Medicare Advantage Plan.



Thank You

Have any questions or want to
schedule a consultation?

(800) 998-7715

www.psmbrokerage.com

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