



Understanding Medicare

What is Medicare?

Medicare is medical insurance for individuals who have paid the adequate number of Medicare taxes into the Social Security system over their lifetime (40 quarters). Persons qualify for Medicare at age 65, or prior if disabled or diagnosed with end stage renal disease.

You must enroll in Medicare when you first qualify during your open enrollment which is a 7 month period beginning 3 months prior to and three months after your 65th birthday. If you miss this time you could be penalized on your Part B premiums for the rest of your life and suffer delayed enrollment. If you have other credible coverage like through a qualified employer with 20 or more employees or the VA, you don't have to enroll until you lose that coverage. However in many cases Medicare is a better value. We suggest you compare the costs of both to determine which is a better value for you.

What is covered. What are the costs?

Medicare comes in two primary parts, Medicare Part A and Medicare Part B.

Medicare Part A: is provided at no cost if you qualify based on contributions you made over your lifetime and covers inpatient hospital care up to 150 days and inpatient skilled nursing care for up to but no more than 100 days. Part A has a modest deductible of \$1676 for 2025, and is subject to per day coinsurance. Coinsurance begins after day 60 of hospital care and day 20 of in-patient skilled nursing care. Medicare Part A does not pay for Long Term Care services.

Medicare Part B: pays for Out-Patient Care like Doctor Visits, Lab Work, Outpatient Surgery, Physical Therapy, etc. Part B has a monthly cost to obtain coverage. The cost in 2025 for most Americans is \$185 per month. If your Adjustable Gross Income (AGI) is higher than most, the premium for Part B is higher. Higher income also affects your Part D drug coverage premium. The Chart below shows 2025 Part B and Part D cost adjustment and is based on your AGI (adjusted gross income) from 2023. It is important not to let Part B lapse or you could suffer delays and penalties to get it reinstated.

2025 Part B Premium & Part D Income Related Monthly Adjustment (IRMA) based upon filing status and AGI for 2023:

<u>File individual tax return</u>	<u>File joint tax return</u>	<u>Married & File Separately</u>	<u>Part B Premium</u>	<u>Part D IRMA</u>
\$106,000 or less	\$212,000 or less	\$105,999 or less	\$185.00	\$0.00
\$106,001 to \$133,000	\$212,001 to \$266,000	Not applicable	\$259.00	\$13.70
\$133,001 to \$167,000	\$266,001 to \$334,000	Not applicable	\$370.00	\$35.30
\$167,001 to \$200,000	\$334,001 to \$400,000	Not applicable	\$480.90	\$57.00
\$200,001 to \$499,999	\$400,001 to \$749,999	\$106,000 to \$393,999	\$591.90	\$78.60
\$500,000 or above	\$750,000 or above	\$394,000 or above	\$628.90	\$85.80

What do you need to do? Enroll In Medicare - Call us! We can show you how and make it easy!

- **Medicare Part A.** (Comes at no charge if you meet the requirements)
- **Medicare Part B.** (Has monthly cost or premium based upon your annual income as noted above.)
- **Medicare A&B alone does not cover all your medical expenses and does not adequately protect you. It is advisable to either add a Medigap policy and Part D drug coverage or to enroll in a Medicare Advantage plan with Drug coverage.**
(The next page Medicare Advantage vs Original Medicare—What's the Difference can help you with this choice)

We are here to answer questions and help you understand your options so you make the right choice!

[See our 5 Star Reviews On Google!](#)

In most cases you must enroll within 3 months of your 65th birthday or you could be penalized on Part B and Part D Drug coverage for the rest of your life, and also suffer delayed enrollment when you do enroll.

So Don't Delay! Call us today: (210)-972-9035 Remember there is no Cost or Obligation!

Medicare Advantage vs Original Medicare

What's the difference?

Original Medicare Allows you to go to any doctor, hospital, or provider that accepts Medicare in the USA and you don't need permission to see a specialist. Medicare is your primary insurance provider and pays providers directly for services when rendered with no preauthorization requirements for Medicare approved services. With Original Medicare we recommend adding a good Medicare Supplement policy (Medigap) to the cover costs of services Medicare approves but does not pay for. This reduces your overall out-of-pocket expenses for all Medicare approved services. One of the more popular plans, Plan G, reduces out of pocket expense for 2025 to \$257 per year for all Medicare approved services!

The cost of a good Medigap Policy at age 65 can range from \$55-\$185 per month depending upon zip code, gender, tobacco use, class rating, and company. But the modest cost for coverage compared to the increased level of care, low overall out of pocket costs, and expanded service it avails can far outweigh the cost.

Medicare Advantage (Plan C): Most seniors don't realize, enrolling in Medicare Advantage or Plan C, actually disenrolls them from Original Medicare meaning Medicare is no longer your insurance provider. Medicare Advantage was added as a cost saving measure for Medicare when Congress passed the Balanced Budget Act of 1997. When you sign up for Medicare Advantage, Medicare contracts with private insurance and pays the Advantage plan a fixed dollar amount each month based on your age, gender and location, whether you see them for services or not! This puts the Advantage plan in charge of all care and they are now 100% responsibility for all cost. Because medical services are now a direct cost to the plan, all Advantage plans require preauthorization for many services to control cost. This can cause delays or even denial for certain services to include diagnostic testing, treatment, or surgery. To protect patients when services are denied, Medicare established an appeal process to follow but this takes time and does not guarantee approval or that denials will be reversed. In addition, all Advantage plans impose cost sharing through co-pays and coinsurance with annual out of pocket maximum expenses ranging from \$2,550 to \$11,900 per year. Be sure to look at this closely before enrolling in an Advantage plan so you are not surprised by high out of pocket costs if a major issue arises. Finally, most Advantage plans include network restrictions and require you see certain doctors, hospitals, and providers.

The benefit of Medicare Advantage is typically lower up-front cost like minimal to no premium and they often include benefits like basic dental, vision, and even gym memberships to encourage enrollment, but when major care is needed clients may experience delayed or restricted care options as well as higher overall cost for care.

Some things to consider: If you enroll in Medicare Advantage and later want to move back to Original Medicare, you can but if you have preexisting health issues or later develop health issues, you may not be able to secure a Medigap policy to cover the out of pocket expenses Medicare does not pay. That's because Medigap policies require medical underwriting to enroll unless you are enrolling in Medicare for the first time during your open enrollment or qualify for a guaranteed issue period. For this reason, we almost always recommend Original Medicare with Medigap when you first enroll and qualify or as soon as you can pass medical underwriting.

Also because Medicare Advantage is an alternative to Original Medicare, Medicare allows all those on Medicare Advantage to switch back to Original Medicare two times per year, (Oct 15 - Dec 7th) and (Jan 1 - Mar 31st). If you are on an Advantage plan and want to see if moving back to Original Medicare is better for you, we will be happy to review this with you for no cost or obligation. Because we're an independent agency, we represent several major carriers and work to find clients coverage that passes underwriting as well as meets the needs and budget of clients. In addition, if you are currently on Original Medicare and your Medigap premiums have increased higher than you like, we can shop for you and often find equal or better coverage for a lower premium.

Prescription Drug Coverage Medicare requires you to enroll in a drug plan when you first qualify unless you have credible coverage through another source, like an employer or the VA, or face a penalty of 1% per month for every month you didn't have coverage when you do enroll. There is also an Income Related Monthly Adjustment (IRMA) added to your Part D premium if your income is higher than most. (Part D IRMA)

- To get drug coverage on Medicare Advantage plan the coverage must be included with the plan.
- To get drug coverage on Original Medicare with Medigap, you can enroll in a stand alone Part D drug plan.

We suggest shopping drug coverage each year during Annual Enrollment (Oct 15 thru Dec 7th) because formularies change each year causing drug costs to change from previous year. We can show you how to shop all plans available to find you the most cost-effective coverage. This service alone will save you money!

InsuranceSmart

Call for a no cost or obligation consultation!

Serving seniors since 2005 CALL TODAY: (210) 972-9035