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Understanding Medicare

Since 2005 we have been helping folks understand, enroll in, and get the most out of Medicare!

What is Medicare?

Medicare is medical insurance provided by the Social Security Administration for individuals who have paid adequate number of quarters of Medicare premiums into the system over their working years.

We suggest enroll in Medicare when you first qualify or when it is most cost effective and not to miss this time or you could be penalized and have a delay in enrolling in Part B. If you need help we can guide you so give us a call!

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 to you at no cost if you qualify based upon contributions made from your employment to Medicare over your lifetime and covers inpatient care in hospitals for up to and **no more than 150 days**, and in-patient skilled nursing and rehab facilities up to but **no more than 100 days**. Medicare covers expenses after meeting a modest deductible of \$1600 for 2023, and depending upon the number of days in care, is also subject to per day coinsurance. The coinsurance requirement for hospital care begins after day 60 of hospital care and after day 20 of in-patient skilled nursing. Persons first qualify for Medicare at 65, or prior if they are disabled.

Medicare Part B: Covers Out-patient Care for Doctor Visits, Lab Work, Outpatient Surgical Care Etc. Medicare Part B coverage does require a monthly premium be paid to obtain this coverage. The current monthly premium in 2023 for most Americans is \$164.90 per month. If your Adjustable Gross Income (AGI) is higher than most, this premium is higher. The Chart Below illustrates 2023 costs, calculated by Social Security based on your AGI in 2021:

Part B Premiums for 2023 which are based upon your filing status and adjusted gross income in 2021:

<u>File individual tax return</u>	<u>File joint tax return</u>	<u>Married & File Separately</u>	<u>Mo Premium</u>
\$97,000 or less	\$194,000 or less	\$97,000 or less	\$164.90
\$97,001 to \$123,000	\$194,001 to \$246,000	Not applicable	\$230.80
\$123,001 to \$153,000	\$246,001 to \$306,000	Not applicable	\$329.70
\$153,001 to \$183,000	\$306,001 to \$366,000	Not applicable	\$428.60
\$183,001 to \$499,999	\$366,001 to \$749,999	\$97,001 to \$402,999	\$527.50
\$500,000 or above	\$750,000 or above	\$403,000 or above	\$560.50

Quick review. What do you need?

- **Medicare Part A.** (This comes with your social security benefits if you met the requirements)
- **Medicare Part B.** (This has monthly premium to pay to Medicare based upon your annual income)
- **Either Medicare Advantage with Drug coverage or Medigap policy with Part D (see next page for more info)**

We are here to help you understand all your options so you can make the right choice, find the plan that meets your needs and your budget, and there is absolutely no cost or obligation for our service!

Medicare Advantage vs Original Medicare – What’s The Difference?

Medicare Advantage When you enroll in Medicare Advantage, you disenroll from Original Medicare and Medicare is no longer your insurance provider. Instead, Medicare pays a private company, the Medicare Advantage plan you choose, a specific dollar amount based upon your age, gender, health, and geographic location, whether you see them for services or not. In exchange, the Advantage plan assumes 100% responsibility for all cost of your care, and cannot increase compensation from Medicare unless there is significant change in your health. All services provided become a direct cost to the plan and as a result, most Advantage plans include **network restrictions that require patients see certain providers, and preauthorization requirements for many services to control cost.** In addition, all Advantage plans have cost sharing requirements members could incur with out of pocket maximums ranging from \$2,550 to \$11,900 per year depending upon plan.

Original Medicare on the contrary allows you to go to any doctor, hospital, or provider that accepts Medicare anywhere in the USA. Medicare remains your primary insurance provider and pays providers directly for services when rendered with no preauthorization requirements, as long as care is for Medicare approved services. In this scenario, you are responsible for costs Medicare approves but does not pay, which could be substantial. For this reason we recommend a good Medicare Supplement policy (or Medigap) to reduce your out of pocket expenses to a few hundred dollars per year.

Medicare Supplement Insurance or Medigap policies pay costs Original Medicare approves but does not pay, and dramatically reduces your maximum out of pocket expenses when on Original Medicare. One of the more popular plans, **Plan G, reduces annual out of pocket expense for 2023 to \$226 per year for all Medicare approved services!** The cost for a good Medicare Supplement or Medigap Policy at age 65, ranges from approximately \$84-\$150 per month depending upon your zip code, gender, tobacco use, and the company you choose for coverage. We represent several and work to find our clients the best coverage for the money. Medigap premiums do increase with age and changing plans later does require medical underwriting, but we represent several reputable carriers and work with our clients on a regular basis to shop for them to keep costs manageable as they get older. **Also it’s important to understand that if you get on Medicare Advantage and later want to switch back to Original Medicare, you may not qualify for Medigap if you have or later develop a medical condition that won’t pass underwriting. We recommend enrolling in Original Medicare with Medigap as soon as possible before this happens. If you are not sure if you qualify, give us a call and we will review your situation in detail.**

Prescription Drug Coverage – is available for both Medicare Advantage and Original Medicare plans. If you don’t enroll in a drug plan when you first qualify, you will be penalized 1% per month when you do enroll for every month you didn’t have coverage in place, unless you had credible drug coverage through another source, like an employer or VA.

To Get Drug coverage through a Medicare Advantage plan the drug coverage must be included with your plan.

To Get Drug Coverage when on Original Medicare and Medigap, you can enroll in stand alone Part D Prescription Drug Plan.

We suggest shopping Part D Coverage each year during Annual Enrollment Period (Oct 15 thru Dec 7th) to make sure you are on the most cost effective plan based upon your geography and prescription list. We can show you how to do this and are here to make it easy for you. Coverage changes made during Annual Enrollment take affect January 1 of the following year.

We almost always recommend Original Medicare for our clients as best option for medical care, and recommend a good Medicare Supplement or Medigap policy to cover the costs Medicare doesn’t pay. We also recommend a stand alone Part D Drug Plan for cost effective Drug coverage unless credible cost effective coverage is available from another source.

Two times each year Medicare allows those enrolled in Medicare Advantage to switch to Original Medicare. Those times are Jan. 1 thru Mar. 31 (Medicare Open Enrollment Period), and Oct. 15 thru Dec 7th (Medicare Annual Enrollment Period). We offer a no obligation consultation for anyone needing a review to see if changing coverage is right for them. So if you or anyone you know needs help with this, please let us know!

- Helping clients in Texas Since 2005 with Medicare, Life & Health Insurance, Long Term Care, and Secure Financial Products Offering Tax Deferred Growth, Long Term Income Solutions, and a No Loss Guarantee!
- We Value Your Business and Welcome Your Referrals to Friends and Family!
- Your Confidence and Trust is Our Highest Priority!

