



Medicare101

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What is Medicare?

- ▶ Medicare is a federal health insurance program administered by the Centers for Medicare and Medicaid Services (CMS).
- ▶ CMS is an agency within the Department of Health and Human Services (HHS).
- ▶ The Social Security Offices process applications for Medicare and can also provide general information on the program. <https://www.ssa.gov/1-800-772-1213>

Enrollment Periods

- **Initial Enrollment Period (IEP)** begins three (3) months prior to the month of turning age 65 and continues through the end of the third month after
- **Special Enrollment Period (SEP)** allows enrollment for individuals who delayed enrolling in Part B because they were receiving benefits through an employer as an active employee (or dependent of someone who is); SEP runs eight months from the time of retirement or loss of coverage
- **General Enrollment Period (GEP)** allows individuals who did not enroll in Part B during the IEP to enroll between January 1 and March 31 of each year for a July 1 effective date





Medicare Overview

Medicare benefits are available under a number of different programs:



Part A



Part B



Part C

(Combines Part A & Part B)
Also known as Medicare
Advantage Plans -MAPD



Part D

+
Medicare Supplement





**Medicare
Eligibility
Part A**



Part A – Hospital Coverage

- ↘ No premiums are required for Part A coverage if the eligibility requirements below have been met:
 - ↘ An individual or his/her spouse has worked at least 10 years in Medicare-covered employment (paid Medicare taxes)
 - ↘ Aged 65 years or older
 - ↘ A U.S. citizen or permanent resident
- ↘ The federal government funds Part A costs through Social Security payroll tax deductions



If you don't qualify for premium-free Part A: You might be able to buy it. You'll pay either \$274 or \$499 each month for Part A (\$278 or \$506 in 2023), depending on how long you or your spouse worked and paid Medicare taxes.



Part A - Benefits:

Hospitalization; semi-private room and board; general nursing; miscellaneous services and supplies

Services	Medicare Pays
First 60 days	All but \$1600 benefit period
Days 61-90	All but \$400 per day
After 90 days, using 60 "lifetime reserve days"	All but \$800 per day
After lifetime reserve days are exhausted	\$0

**Benefit Period: Begins on the first day inpatient services are rendered and ends after no hospital or skilled care was received for 60 days after discharge from the hospital.*



Part A - Benefits:

Skilled Nursing Facility Care; after hospitalization for at least three days, in a Medicare-approved facility

Services	Medicare Pays
First 20 days	All approved amounts
Days 21-100	All but \$200.00 per day
After 100 days	\$0



**Medicare
Eligibility
Part B**



Medicare Part B

Medical Insurance

Outpatient physician services, lab, radiology (x-ray), durable medical equipment (DME), dialysis, some preventative care.

\$164.90 to \$560.50 monthly depending on income (enrollment is optional)

- Income Related Monthly Adjustment Amounts (IRMAA) – some individuals will pay a higher Part B premium based on their modified adjusted gross income filed in 2021.
- Premiums usually deducted from a social security



Part B - Monthly Premium

2023

The standard Part B premium amount in 2023 is \$164.90 your modified adjusted gross income as reported on your IRS tax return from 2 years ago is above a certain amount, you'll pay the standard premium amount and an Income Related Monthly Adjustment Amount (IRMAA). IRMAA is an extra charge added to your premium

If your yearly income in 2021 (for what you pay in 2023) was			You pay each month (in 2023)
File individual tax return	File joint tax return	File married & separate tax return	
\$97,000 or less	\$194,000 or less	\$97,000 or less	\$164.90
above \$97,000 up to \$123,000	above \$194,000 up to \$246,000	Not applicable	\$230.80
above \$123,000 up to \$153,000	above \$246,000 up to \$306,000	Not applicable	\$329.70
above \$153,000 up to \$183,000	above \$306,000 up to \$366,000	Not applicable	\$428.60
above \$183,000 and less than \$500,000	above \$366,000 and less than \$750,000	above \$97,000 and less than \$403,000	\$527.50
\$500,000 or above	\$750,000 and above	\$403,000 or above	\$560.50



Part B - Benefits

Physician services in office setting or outpatient, supplies, physical/speech therapy, diagnostic tests, durable medical equipment.

Services	Medicare Pays
First \$226 of Medicare – approved amounts (Part B Deductible)	\$0
Remainder of Medicare-approved amount	80%
Part B Excess Charges*	\$0

** Excess Charges: Original Medicare does not cover these excess charges. Physicians who do not accept Medicare assignment can charge an additional 15% of Medicare-approved amounts. Excess charges or physician limiting charges are the Medicare beneficiary's responsibility (in the states where these charges apply).*

Medicare Assignment:

Providers who accept “Medicare Assignment,” agree to:

- Receive payment from Medicare for covered services; and
- Accept Medicare rates for covered services

Those providers that do NOT accept Medicare assignment but still accept Medicare can bill the beneficiary for “excess charges,” or up to 15% of the Medicare allowed amount

Medicare requires that the “limiting charge” is 15% (may be lower in some states)





Part B - Benefits

Part B also covers preventive services:

One-time "Welcome to Medicare" physical exam	Glaucoma tests
Physical Exam - (Yearly "Wellness exam")	Hepatitis B shots
Abdominal aortic aneurysm screening*	HIV screening
Bone mass measurement	Mammograms (screening)
Cardiovascular disease screenings	Pap test / pelvic exam / clinical breast exam
Colorectal cancer screenings	Prostate cancer screening
Diabetes screenings	Pneumococcal Shots
EKG screening*	Smoking cessation
Flu shots	

** Excess Charges: Original Medicare does not cover these excess charges. Physicians who do not accept Medicare assignment can charge an additional 15% of Medicare-approved amounts. Excess charges or physician limiting charges are the Medicare beneficiary's responsibility (in the states where these charges apply).*



Medicare Parts A and B: Covered Services



Part A

Inpatient hospital care
Care in critical access hospitals
Skilled nursing care
Hospice care
Home health care



Part B

Physician services
Outpatient hospital care
Physical therapy
Ambulance
Durable medical equipment
Prosthetics
Part B covered drugs

Medicare Parts A and B do NOT cover:

- Part A & B coinsurance and deductibles
- Routine hearing exams, screenings and hearing aids
- Routine eye exams, eyewear and contacts not associated with cataract surgery
- Custodial care (unskilled) in a nursing home
- Cosmetic surgery
- Most outpatient prescription drugs
- Most dental care
- Most healthcare while traveling outside the United States



Signing up for Medicare

Collecting Social Security

Enrollment is automatic. Beneficiaries will receive an initial Enrollment Package during their IEP

The Initial Enrollment Period (IEP) is 3 months before their 65th birthday, continues through your birth month and lasts for 3 months after, or the 25th month of disability benefits.

Not Collecting Social Security

Apply 3 months before you turn 65 (don't have to be retired)

Call Social Security 1-800-772-1213

Visit local Social Security office <https://secure.ssa.gov/ICON/main.jsp>

Enroll online www.ssa.gov/forms/apply-for-benefits.html





**Medicare
Eligibility
Part C**

Medicare Advantage Eligibility Requirements:

Entitled to Part A and enrolled in Part B
Resides in the MA plan's service area
Enrolls during required time frames

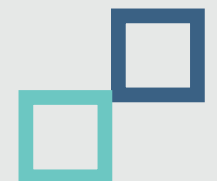
**Individuals who develop ESRD while enrolled in a health plan (e.g., a commercial or group health plan, or a Medicaid plan) offered by the MA organization, are eligible to enroll during ICEP in an MA plan offered by that organization.*





Part C - Medicare Advantage:

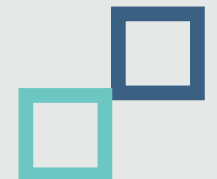
- ▶ The Medicare Advantage (MA) Program combines coverage for Parts A & B benefits and is administered by private health plans.
- ▶ Private health plans contract with CMS to administer benefits on behalf of CMS.
- ▶ Medicare pays a fixed amount for the beneficiary's care every month to the companies offering MA plans.





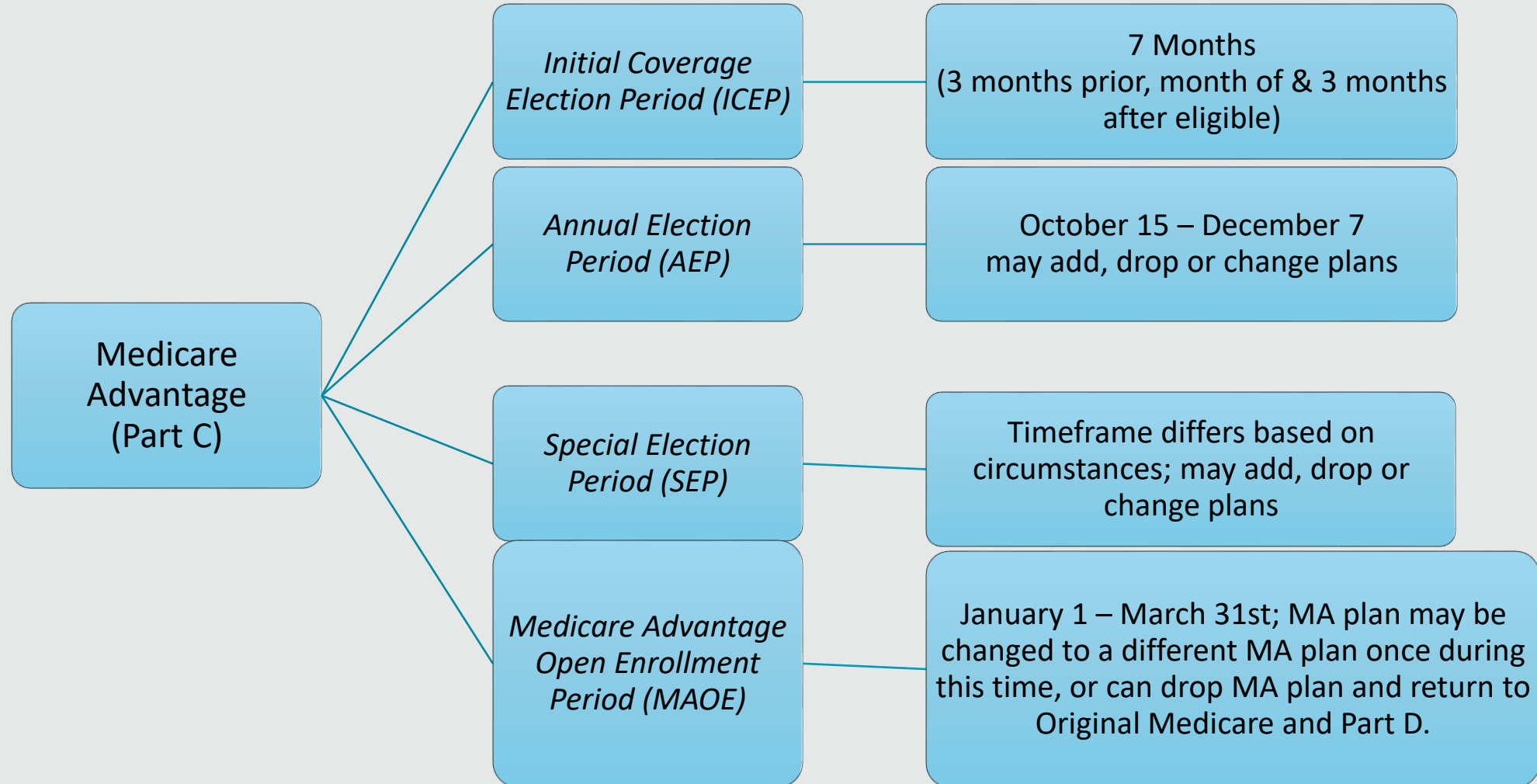
Part C - Medicare Advantage:

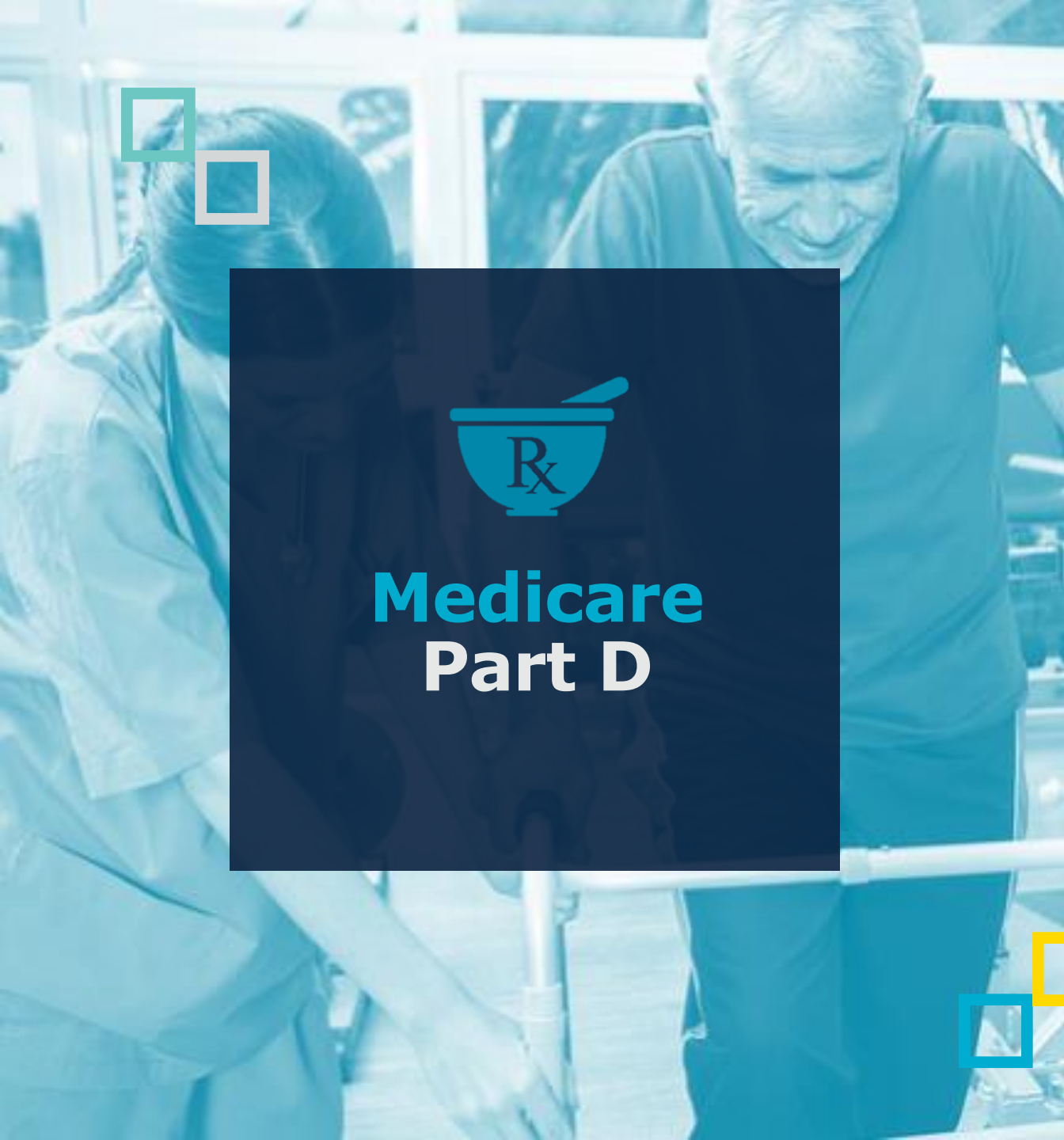
- ┆ MA plans structure original Medicare benefits to function like an HMO or PPO.
- ┆ MA plans are required to offer at least one option with integrated prescription drug benefits.
- ┆ At a minimum, plans must cover all services covered under Medicare, but can also provide extra benefits not covered by traditional Medicare:
 - ┆ Routine vision and hearing exams
 - ┆ Fitness benefits
 - ┆ Dental benefits





Part C - Medicare Advantage:





Medicare Part D

Prescription Drug Plan (PDP)

Prescription Drugs

Dependent upon the plan that you enroll in and is carrier specific.

- Plans are administered by private companies
- Unlike Part A and B, you sign up for Part D directly with the private health plan.


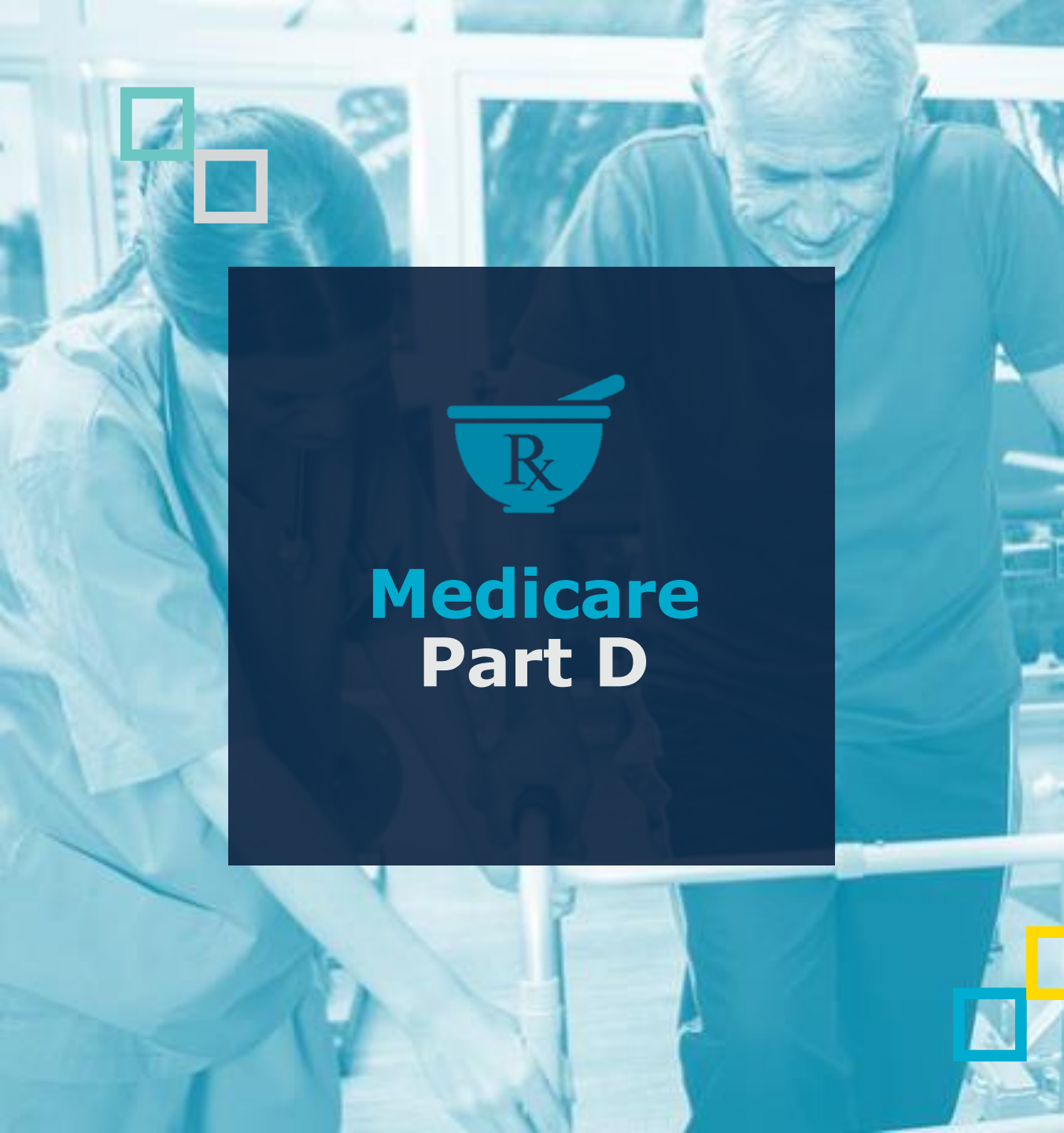


Part D - Premium

Part D premiums by income

The chart below shows your estimated prescription drug plan monthly premium based on your income as reported on your IRS tax return. If your income is above a certain limit, you'll pay an income-related monthly adjustment amount in addition to your plan premium.

If your filing status and yearly income in 2021 was			
File individual tax return	File joint tax return	File married & separate tax return	You pay each month (in 2023)
\$97,000 or less	\$194,000 or less	\$97,000 or less	your plan premium
above \$97,000 up to \$123,000	above \$194,000 up to \$246,000	not applicable	\$12.20 + your plan premium
above \$123,000 up to \$153,000	above \$246,000 up to \$306,000	not applicable	\$31.50 + your plan premium
above \$153,000 up to \$183,000	above \$306,000 up to \$366,000	not applicable	\$50.70 + your plan premium
above \$183,000 and less than \$500,000	above \$366,000 and less than \$750,000	above \$97,000 and less than \$403,000	\$70.00 + your plan premium
\$500,000 or above	\$750,000 and above	\$403,000 or above	\$76.40 + your plan premium



Medicare Part D

Medicare Part D

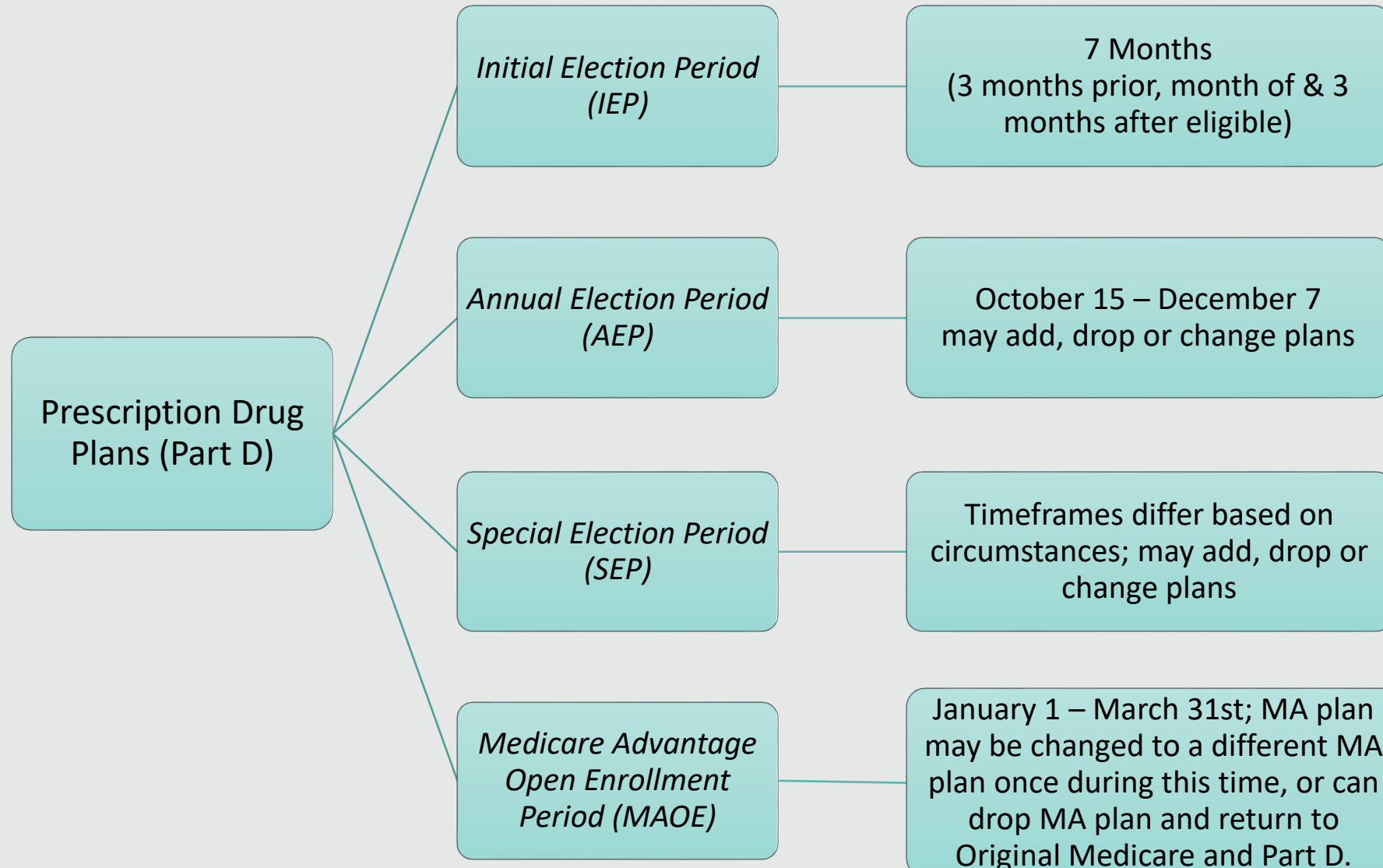
Must have Medicare Part A and/or Part B, and must live in the plans service area

- Medicare Advantage plan that includes RX drug coverage
- Stand alone Prescription Drug Plan
- Coverage through an employer or union

- Late enrollment penalty if not enrolled when first eligible and went 63 continuous days without.
- Penalty amount is 1% of the national base beneficiary premium (\$33.37 in 2022) times the number of full uncovered months.
- If you get extra help you will not pay the late enrollment penalty



Part D – Enrollment Periods



Common Medicare Coverage



Original Medicare Plan

Part A
(Hospital)

Part B
(Medical)

+

Medicare Supplement
(Medigap)

+

Part D
(Prescription Drug Coverage)

Medicare Advantage Plans

Formerly called Part C
(Combines Part A & Part B)

Medicare contracts with private insurance companies to provide this coverage. Medicare pays a demographically based capitated rate per member per month.

Plans Include:

HMO
PPO

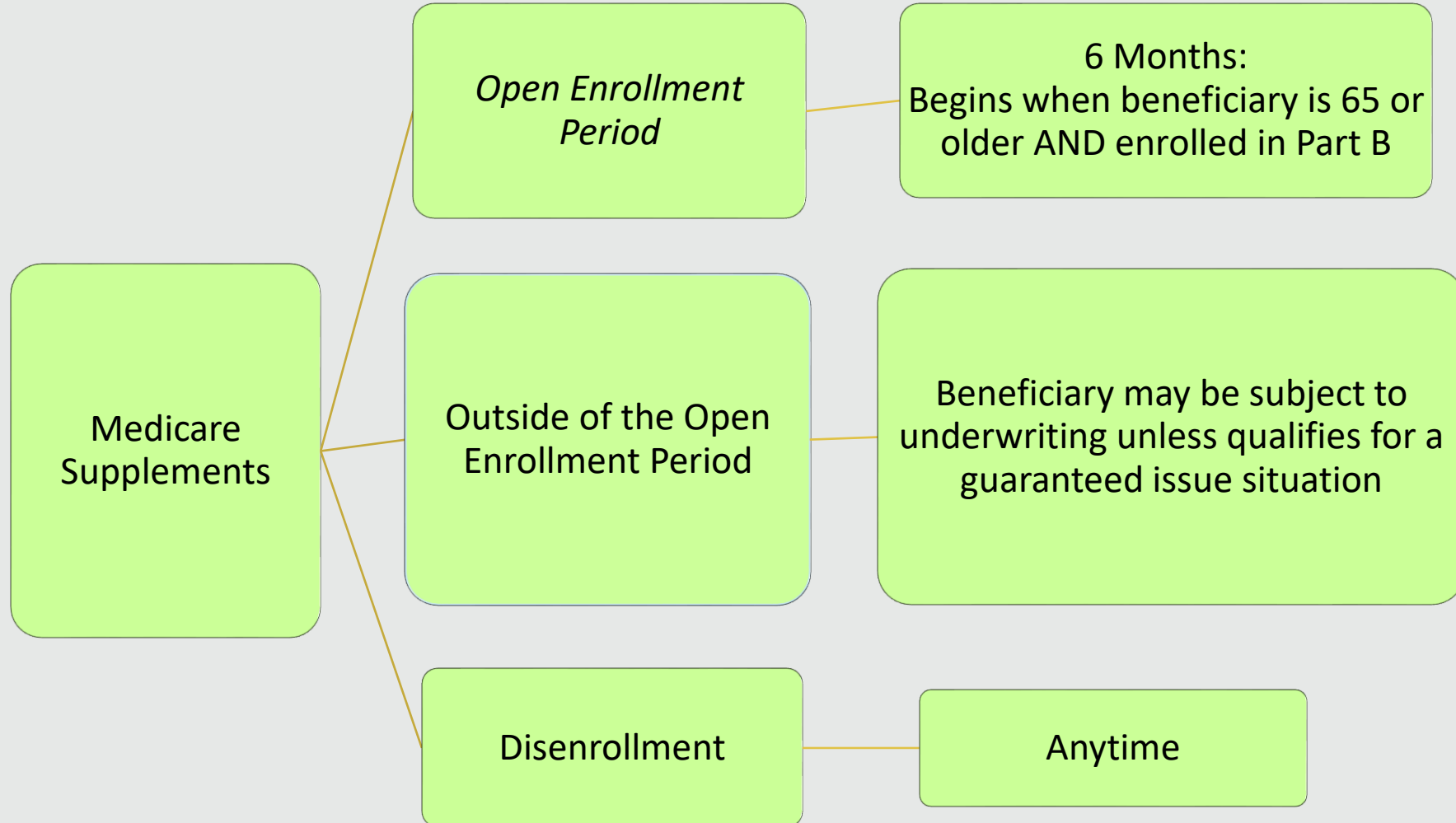
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Part D
(Prescription Drug Coverage)





Medicare Supplement:



Medicare Supplement vs Medicare Advantage Plan

Medicare Supplement

- Fills the gaps in Original Medicare
- No Rx coverage – can be paired with Medicare Part D Prescription Drug coverage
- Enrollment is year-round
- Typically accepted by any provider that accepts Medicare assignment
- Monthly premiums typically range from \$120-\$180, but vary by plan and geography
- Premiums can be affected by age and zip
- Health questions may be asked to determine eligibility
- Benefits are the same regardless of which company offers them
- Most plans do not cap out-of-pocket costs

Medicare Advantage

- Replaces Original Medicare
- Often includes Medicare Part D Prescription Drug Coverage
- Enrollment is limited to open enrollment and annual election periods; or special circumstances throughout the year called Special Election Periods
- Coverage is usually network-based, like an HMO or PPO
- Premiums can be as low as \$0 per month
- Premiums are the same. Age and gender do not impact premiums, but premiums vary by country
- Guaranteed acceptance, except for those with end-stage renal disease (ESRD)
- Benefits vary by company
- Out-of-pocket costs capped

Thank
you

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