

Medicare 101

Presented by:
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Meet the Presenter



Tim Walch

Advisor, Individual and Senior Products

Tim has worked in the health insurance industry for four years and was previously a Medicare Broker Manager for a major carrier in the Western Pennsylvania market. His primary focus is on Medicare coverage options and developing positive healthcare outcomes for his clients.

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Healthcare Terms to Know

- **Health Maintenance Organization (HMO)** - Uses a network of doctors and hospitals for your care. You must receive services from these doctors and hospitals, except for emergency care, urgent care, and out-of-area kidney dialysis.
- **Preferred Provider Organization (PPO)** - offers coverage for services received both in and out of the plan's provider network. You may pay a higher coinsurance, copay, or deductible for care outside of the network.
- **In-Network (IN)** - A doctor, hospital, facility, or other provider that participates in the plan's network.
- **Out-of-Network (OUT)** - A doctor, hospital, facility, or other provider that does not participate in the plan's network.
- **Deductible** - A set amount you pay for covered services before your plan begins to pay. Not all plans have a deductible, and not all services apply.
- **Maximum Out-of-Pocket** - The most you will have to pay for covered medical services in a year. This includes deductibles, coinsurance, and copays. It does not include your monthly premium, prescription drugs, or extra benefits like dental or vision. Once you reach this limit, your plan pays for all covered medical costs.
- **Coinsurance** - A percentage of the cost you pay for covered services. For example, 20%.
- **Copay** - A fixed amount you pay for a covered service, typically paid at the time you receive services. For example, you may pay a \$35 copay for a specialist visit.

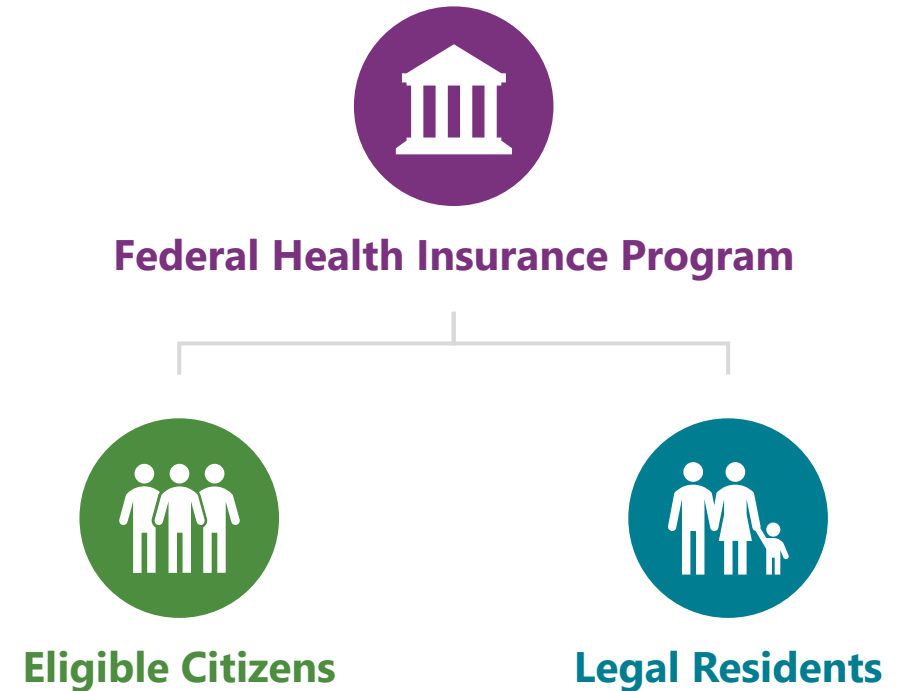
A woman with long dark hair, wearing a dark blazer over a light-colored shirt, is seated at a white table. She is gesturing with both hands while speaking to a man and a woman. The man, on the right, is older with grey hair and is wearing a patterned shirt. The woman, in the middle, has curly hair and is wearing a dark top. They are all looking at a document on the table. The background is a bright, modern office space with a plant and a lamp. The entire image is overlaid with a semi-transparent purple filter.

Medicare Eligibility and Basics

What is Medicare?

Who is Eligible?

- U.S. Citizen or legal resident for at least 5 consecutive years, and one of the following:
 - Age 65 or older
 - Younger than 65 with a qualifying disability
 - Any age with a diagnosis of end-stage renal disease (ESRD) or ALS



Medicare Eligibility

Enrollment is not always automatic;
just because an individual is 65 does not mean
Medicare automatically begins.

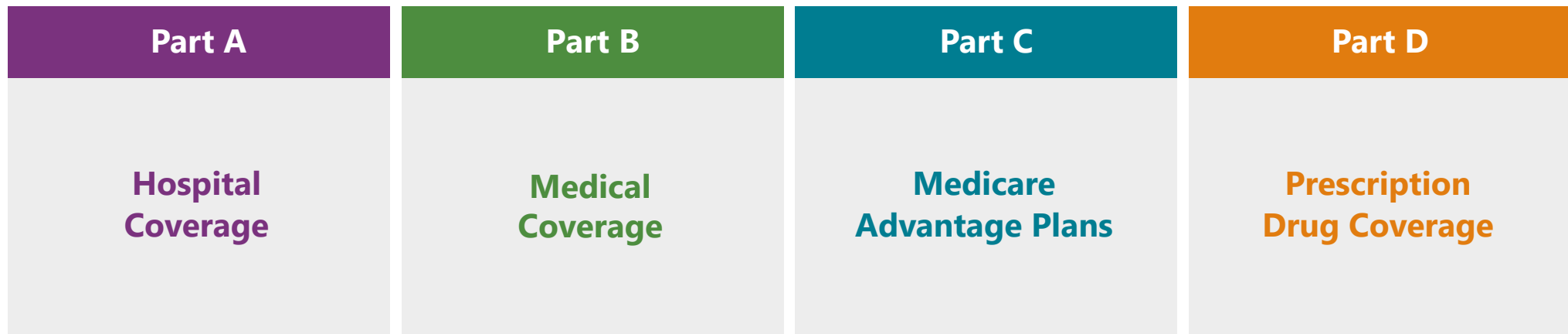
- **Automatic if receiving Social Security benefits or Railroad Retirement benefits already**
 - Medicare Part B premium deducted from monthly SS/RRB check
- **If not receiving Social Security benefits at 65, will have to apply for Medicare A and B through Social Security**
 - Would be billed quarterly by SS for Part B premiums`

Medicare Automatic Eligibility

- 65 and receiving Social Security or Railroad Retirement Benefits
- Under 65 and Receiving Social Security Disability Income (SSDI) after 24 months
- ALS (Lou Gehrig's Disease)
- End-Stage Renal Disease (ESRD)
- *Can delay enrollment in Part B, an option when covered under an active employer plan*



The Parts of Medicare



“Original Medicare”

Offered by private/contracted insurance companies

Medicare Part A (Hospital Insurance)

Covers

- Inpatient hospital care
- Skilled nursing facility care
- Hospice care
- Home health care
- Psychiatric hospital care (also falls under Part A)



Premium Costs

\$0/month for most individuals

(because they or a spouse paid Medicare taxes long enough while working - generally, at least 10 years)

Medicare Part B (Medical Insurance)

Covers

- Outpatient medical services
- Doctor visits
- Preventive care
- Some medical equipment
- Some home health services
- Durable medical equipment
- Other medical services not covered by Medicare Part A

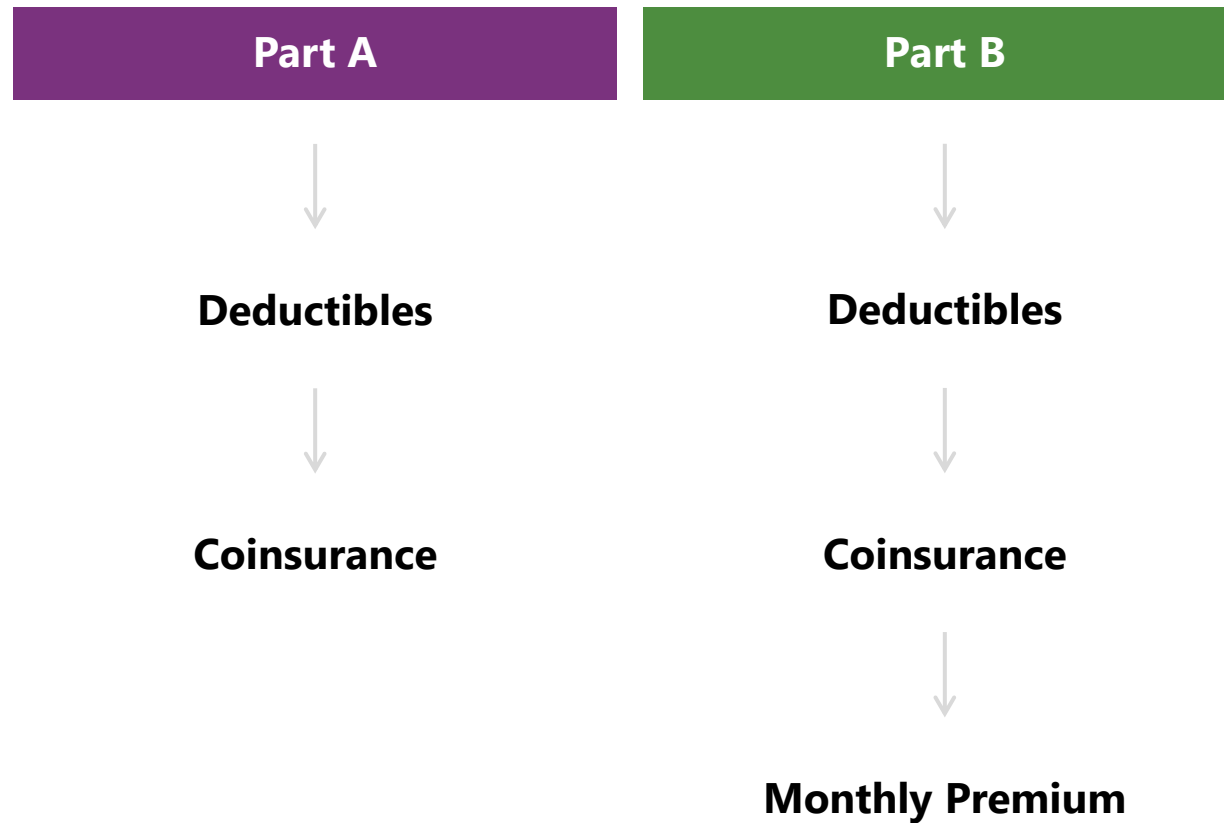


Premium Costs

The standard monthly premium for Medicare Part B enrollees is \$185.00/month for 2025

Since 2007, a beneficiary's Part B monthly premium has been based on his or her income. These income-related monthly adjustment amounts (IRMAA) affect roughly 8% of people with Medicare Part B.

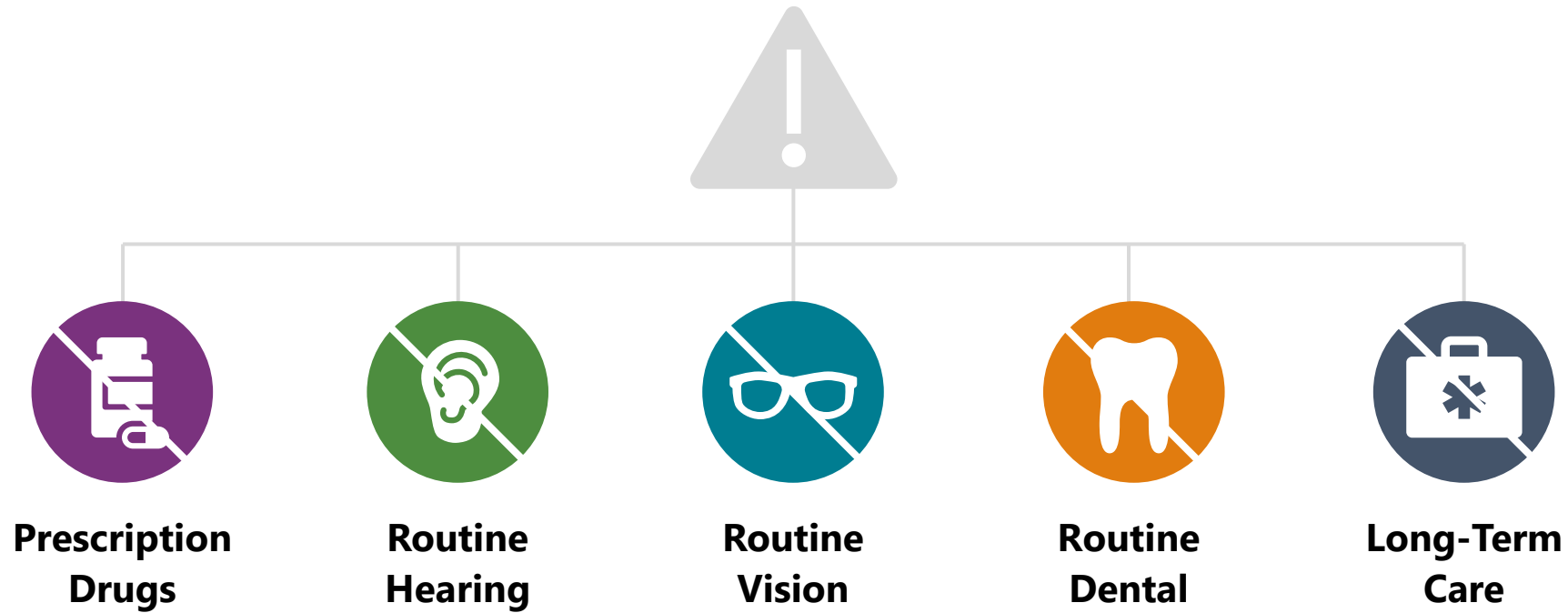
Original Medicare Costs



Part B Costs

If Your Yearly Income in 2023 (For What You Pay in 2025) Was:			You Pay Each Month (in 2025)
File Individual Tax Return	File Joint Tax Return	File Married & Separate Tax Return	
\$106,000 or less	\$212,000 or less	\$106,000 or less	\$185.00
above \$106,000 up to \$133,000	above \$212,000 up to \$266,000	Not applicable	\$259.00
above \$133,000 up to \$167,000	above \$266,000 up to \$334,000	Not applicable	\$370.00
above \$167,000 up to \$200,000	above \$334,000 up to \$400,000	Not applicable	\$480.90
above \$200,000 and less than \$500,000	above \$400,000 and less than \$750,000	above \$106,000 and less than \$394,000	\$591.90
\$500,000 and above	\$750,000 and above	\$394,000 and above	\$628.90

What Doesn't Original Medicare Cover?



Medicare Part D (Prescription Drug Coverage)

- **Covers brand name, generic, and specialty medications**
 - 3 Stages of Coverage: Deductible Stage, Initial Coverage Stage, and Catastrophic Coverage Stage
 - Covered insulins - \$35/mo
 - \$0 copay on many vaccines
 - \$2,000 annual out-of-pocket threshold
- **Must have either Part A or Part B, or both**
- **Medicare Part D Prescription Drug plans are available through private carriers contracted with Medicare to provide them**
 - Stand-alone Part D Prescription Drug Plan (PDP)
 - Medicare Advantage Prescription Drug Plan (MAPD)



Part D Costs

Part D plans will also have an adjustment for higher income earners

If Your Yearly Income in 2023 (For What You Pay in 2025) Was:			You Pay Additional Each Month (in 2025)
File Individual Tax Return	File Joint Tax Return	File Married & Separate Tax Return	
\$106,000 or less	\$212,000 or less	\$106,000 or less	your plan premium
above \$106,000 up to \$133,000	above \$212,000 up to \$266,000	Not applicable	\$13.70 + your plan premium
above \$133,000 up to \$167,000	above \$266,000 up to \$334,000	Not applicable	\$35.30 + your plan premium
above \$167,000 up to \$200,000	above \$334,000 up to \$400,000	Not applicable	\$57.00 + your plan premium
above \$200,000 and less than \$500,000	above \$400,000 and less than \$750,000	above \$106,000 and less than \$394,000	\$78.60 + your plan premium
\$500,000 and above	\$750,000 and above	\$394,000 and above	\$85.80 + your plan premium

A photograph of an elderly couple standing on a dirt path, each holding a bicycle. The man is on the left, wearing a light blue polo shirt and jeans, smiling. The woman is on the right, wearing a light blue button-down shirt and jeans, also smiling. The background is a blurred natural setting with trees. The entire image is covered with a semi-transparent blue gradient.

Enrollment Periods

Medicare Enrollment Periods

**Individuals can enroll in Part A at any time at/after age 65,
but there are different time periods in which someone may enroll in Part B:**

Initial Enrollment Period

- Right when you turn 65
- 7-month period starting 3 months before turning 65, the month of, and three months after

Special Enrollment Period

- More than 3 months after you turn 65
- Covered under group health coverage or losing group health coverage

General Enrollment Period

- If neither above enrollment periods apply, can apply for Part B January 1 - March 31 of every year

Late Enrollment Penalties

Individuals could face late enrollment penalties if they don't enroll in Part B or Part D when eligible, unless they have other creditable coverage. Late enrollment penalties are assessed by Social Security and tacked on to Part B and/or Part D for the rest of the individual's life (after age 65) while enrolled in Part B or Part D.

Part B Late Enrollment Penalty (LEP)

- **Creditable Coverage = Active employer coverage**
(you are *actively working* and receiving coverage through your employer, **or** your spouse is *actively working* and you are covered under their employer plan)
- *8 months to enroll in Part B after active employer coverage ends*

Part D Late Enrollment Penalty

- **Creditable Coverage = Coverage at least as good as Medicare Part D**
Employer issues Part D Creditable or Non-Creditable Coverage Notice to all employees indicating whether or not their plan is considered creditable. Creditable coverage would also include coverage through the Veterans Administration (VA) or State Pharmaceutical Assistance Programs.
- *63 days to enroll in a Part D plan*

Avoiding Part B Late Enrollment Penalty

Anyone eligible for Medicare should compare their active employer coverage to Medicare coverage options. *You may be pleasantly surprised!*

If staying on active employer health coverage without enrolling in Part B:

- Start applying for Medicare about 3 months before you need it to begin
- SEP to apply for Part B ends 8 months after active employer group health plan ends



Avoiding Late Enrollment Penalties - COBRA

- **COBRA coverage is NOT active employer coverage.**

It is not considered creditable to avoid Part B LEP

- **COBRA coverage is SECONDARY to Medicare.**

If an individual is not enrolled in Medicare A and B, they could be balance billed for the cost Medicare would have paid

- **It is generally not recommended for an individual who is eligible for Medicare to elect COBRA.**

- If an individual who is eligible for Medicare wants COBRA due to a dependent spouse or other reasons
- Should also enroll in Parts A and B to avoid balance billing

- **If an individual enrolls in both COBRA and Medicare, they are responsible for all premiums due.**

A background image of a business meeting with a blue overlay. It shows hands holding a pen and a clipboard, with a person in a suit and tie visible in the background.

Considerations

What if I want to stay on employer coverage?

CONSIDER....

1. Employer Size

Less than 20 employees

- Medicare is PRIMARY
- If you don't enroll in Medicare A/B, the hospital and doctor will bill you instead

20 or more employees

- Medicare is SECONDARY if enrolled along with group
- You can enroll for Part B at any time you're on the active coverage up to 8 months after it ends

(To ensure dependents remain enrolled, the employee must stay on the group employer health plan.)



What if I want to stay on employer coverage?



CONSIDER....

2. Is my coverage an HDHP with an HSA?

If enrolled in either Part A or Part B, you're no longer able to contribute to an HSA

- If you have Medicare and contributions continue, you could face tax penalties later
- HSA funds can continue to be used toward qualified out-of-pocket expenses, this includes Medicare premiums for A, B, C, D

Plan your Medicare accordingly....

- If turning 65 and collecting Social Security, you'll automatically be enrolled in Part A
- Cannot drop Part A without also ceasing Social Security benefits
- If you elect Social Security benefits after age 65, you'll be enrolled in Part A
- Part A is retroactive 6-months (or initial eligibility date, whichever is earlier)
 - you may need to amend HSA contributions to avoid tax incursions

An elderly couple stands on a wooden bridge, surrounded by dense foliage. The image is overlaid with a semi-transparent orange filter. The woman is on the left, wearing a light-colored jacket and pants, and the man is on the right, wearing a blue shirt and light-colored pants. They are both looking towards the right. The bridge has a wooden railing and a wooden deck. The background is filled with green trees and bushes.

Medicare Coverage Options Overview

Medicare Supplement

What are they?

- Private policies you can buy from insurance carriers to pay after Original Medicare
- Pays secondary to Medicare - pays all or some of the 20%
- Not a part of Medicare, they're private insurance plans
- Standardized plans in most states: Plan A, B, F, G, N
- Plan premiums based on region, age, sex, sometimes health - vary by carrier

When can I enroll?

- Guaranteed - 6-month period when first eligible, other special specific situations



Part C: Medicare Advantage Plans

What are they?

- Originally proposed as an affordable alternative to Medicare Supplement plans
- Plans that are contracted with CMS to provide you your Medicare coverage
 - Must cover everything that Medicare A/B does, but they often improve and lower costs
- Combines Part A + Part B + improvements, also can include Part D into one plan
- Plans available vary by region, but same cost no matter age/sex

When can I enroll?

- First eligible, special enrollment periods, every year during Annual Election Period



A green-tinted photograph of an elderly couple and a young woman sitting at a table, looking at a tablet together. The couple, an older man with a white beard and an older woman with glasses, are on the left. The young woman is on the right, pointing at the tablet. The background shows a window with vertical bars.

Our Services

How We Can Help



No-cost, no-obligation, unbiased personal consultations

- Review your enrollment timeline to ensure a smooth transition from employer group to Medicare; no lapse in coverage



Complete network and medication reviews

- Ensure provider retention
- Lowest out-of-pocket costs for prescriptions
- Work with a large competitive portfolio of regional and national Medicare Advantage and Supplement carriers
- Find financial help if needed
- Pharmaceutical savings programs through GoodRx or pharmaceutical manufacturer assistance
- Low-income subsidies/assistance

How We Can Help



Enrollment into the plan you choose

- Ensure your enrollment is processed accurately and efficiently
- ID cards are received in a timely manner



Ask questions and receive answers

- Knowledgeable team of Medicare Advisors who can offer expert opinions and find the right answers to your questions/concerns



Conduct annual reviews

- In the event your healthcare situation changes, we assist in re-evaluation to ensure you are getting the most out of your plan, or make necessary changes to ensure the highest quality healthcare options for our clients

Contact



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*Licensed in the following states:
PA, OH, IL, IN, and WI*



**Schedule an
introductory appointment**

Summary

When should I stay on my group health (Actively Working)

- I know that my employer plan is creditable for Part D and has over 20 employees
- Satisfied with current plan: Low deductible, cost share and premiums. Happy with the network.
- I need coverage for my dependents- leaving group for Medicare is not usually a Cobra event.

NO ACTION IS NEEDED IF YOU STAY ON GROUP COVERAGE

When should I consider Medicare

- My Group has less than 20 employees and Medicare would be primary on claims
- My Group Plan is not Part D creditable
- I am Dissatisfied with my Employer plan: High deductible/ high maximum out of pocket, high premiums, or my doctor is out of network.
- I am ready to retire and will lose my employer health plan

Questions?

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