



MEDICARE

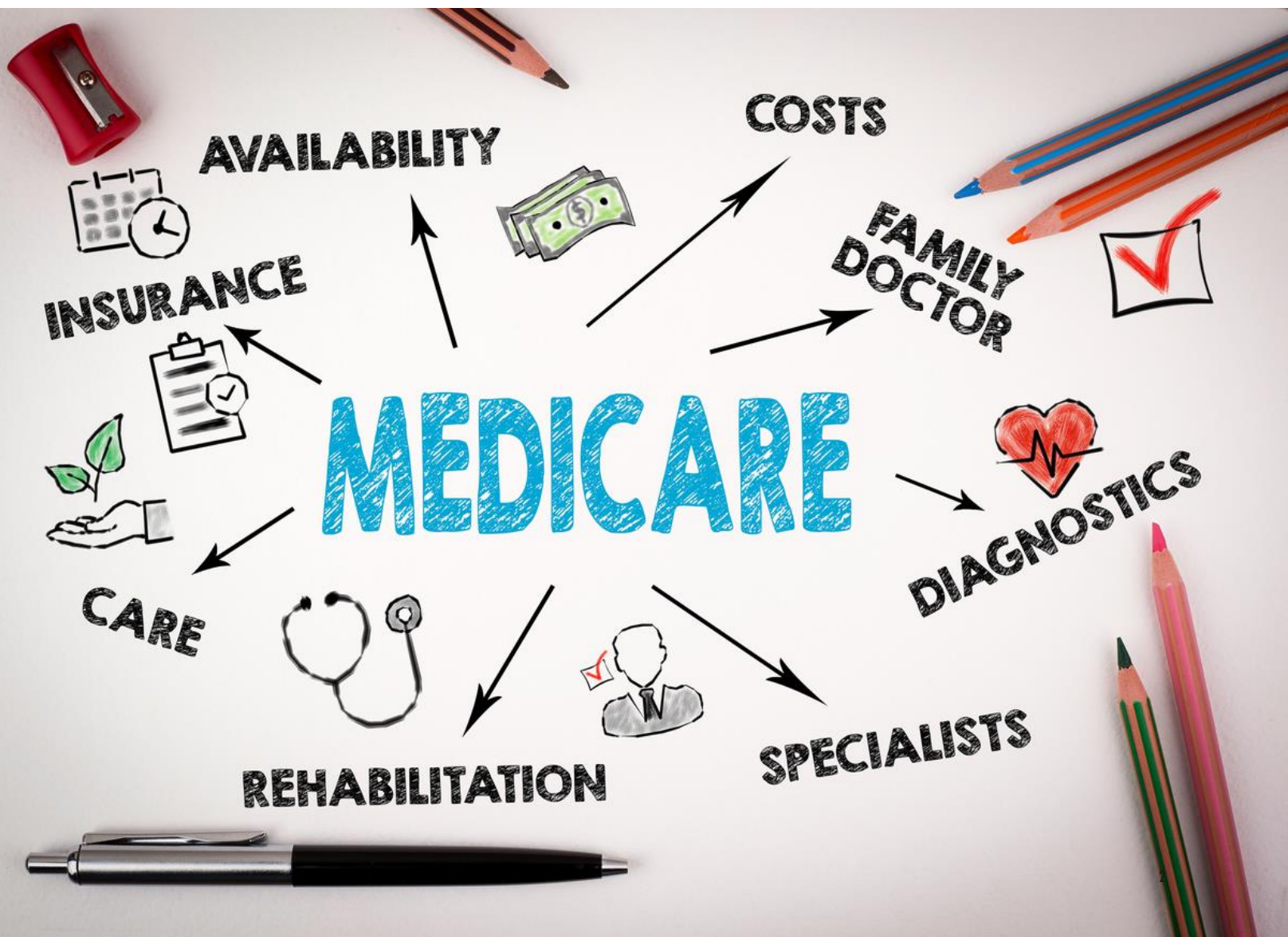
**5 Steps to
Making
Medicare a
Success**

BREAKING MEDICARE DOWN TO 5 SIMPLE TOPICS

If you have received the gigantic Medicare and You Handbook and are being bombarded with insurance company marketing, you're not alone.

Medicare is confusing. The terms are confusing, the coverage is confusing and it's hard to know where to begin. Most of our life, we have had our insurance chosen through an employer.

Now that you're nearing 65, all of that changes. You have a lot of decisions to make regarding Medicare. Perhaps you are working and unsure whether you need Medicare? The following 5 topics will help you understand what you need to know about Medicare and a little more.





TOPIC #1: MEDICARE

Who can get Medicare?

Anyone age 65 in the U.S. and older, even permanent residents who have lived within the U.S. at least 5 years qualify. Also, if you have qualified for 24 months of Social Security disability, you're also eligible. It doesn't matter if you are taking Social Security benefits and are aging to 65, you qualify.

Once you've confirmed you qualify for Medicare, it's important to understand the basics. Your original Medicare consists of **Part A and Part B**. These are provided to you by the federal government. You are entitled to Part A, but need to enroll into Part B. Enrollment occurs through the social security office or online.

Remember to keep anything that the Social Security office or the Centers for Medicare & Medicaid Services sends you in the mail. It's important documentation you will need to apply for Medicare.



TOPIC #1: MEDICARE

What is Medicare - Part A?

Part A is your hospital coverage. The coverage pays for your (qualifying) hospital stays or senior living.

What is Medicare - Part B?

Part B is your Outpatient coverage. This includes things like doctors visits, equipment, lab-work, surgeries, diagnostic tests, etc.

What is Part D?

Part D is your drug coverage. This is a pharmacy card you will use to purchase prescriptions at a lower cost. It is insurance you buy for present and future medication needs. Medications can be vital to your care, so it's very important to have this coverage.

You'll need to Address Medicare's A, B & D

You are eligible for these 3 parts of Medicare on the first day of the month of your 65th birthday or earlier if you qualify due to disability.



TOPIC #2: UNDERSTANDING COSTS FOR PARTS A, B & D*

A Cost Breakdown

It's important to decide whether to stay employed past 65 with an employer that offers health benefits or determine whether you will retire and make Medicare your primary insurance.

Cost for Part A

Medicare Part A is free for most people, as long as you or your spouse has worked in the U.S. for at least 10 years.

Cost for Part B

People new to Medicare (2019) have a base rate of \$135/month. However, people in a higher tax bracket income pay an income adjustment. Basically, people with higher incomes pay more for their coverage.

How is your rate calculated?

Social Security will base your income on your income as reported on your tax returns. They typically look at the income of the past two years.



TOPIC #2: UNDERSTANDING COSTS FOR PARTS A, B & D*

Disputing the Premium

If your income has decreased since then, you can file a reconsideration request. You'll present proof of a lower income to Social Security to lower your Part B premium. They will look at your documentation and reconsider the premium and notify you of their decision.

Once Social Security has determined what your premium is, they will deduct Part B from your monthly income benefits. If you have delayed social security enrollment, they will invoice you for Part B on a quarterly basis. When you switch to receiving social security, they will then start the monthly deductions.

Do you need Part B?

Part B is necessary, as it will be your primary insurance at age 65. Also, you can't buy supplemental insurance unless you have both A and B. If you work for a large employer (over 20 employees), that will continue to be your primary insurance, Medicare will be your secondary. You could consider delaying Part B since your group insurance probably includes outpatient benefits already without penalties.



TOPIC #2: UNDERSTANDING COSTS FOR PART D

Costs for D

There are multiple options, based on your prescription needs, so you'll choose one that offers the lowest cost for your needs. Part D premiums are paid directly to the insurance carrier. You can request that Social Security deducts this monthly premium from your check.

Part B and D – Just to Recap.

Both Part B and D have a base premium and are an income-related additional cost for higher tax brackets.



TOPIC #3: WHAT'S COVERED? WHAT'S NOT?

What are you paying for? What are you getting?

Medicare is very similar to employer coverage you have had in the past. You pay your share of premiums via paycheck deductions. When you used your company sponsored insurance, you had co-pays and deductibles. It works the same with Medicare.

What does Medicare (Part A) cover?

Part A pays for your first 60 days in the hospital. Your share would be a hospital deductible, which is \$1,364 in 2019. After 60 days in the hospital, Medicare pays a diminishing share of your benefits. You begin to pay a larger share of the daily hospital copay. This can add up to hundreds/thousands of dollars, so this is where you likely will want to obtain supplemental coverage to protect you.



TOPIC #3: WHAT'S COVERED? WHAT'S NOT?

What does Medicare (Part B) cover?

Part B pays for outpatient care like doctor visits, lab work, imaging, surgeries, medical equipment, chemo, radiation, etc. After your deductible is met, you pay once per year (2019 was \$185), Part B will cover 80% of these services for you.

What does Medicare (Part D) cover?

Part D pays for retail prescription medications. These are medications you would get from your local pharmacy or plan's mail order pharmacy. You may not need supplemental insurance for Part D. However, if you don't get your prescription drug coverage when you are first eligible, you may pay a late penalty.



MEDICARE SUPPLEMENTAL INSURANCE APPLICATION (Medigap) Personal Information/ Please Print

TOPIC #4: SUPPLEMENTAL COVERAGE OPTIONS

A Medicare Supplemental Insurance Application form (Medigap) is shown. The form includes fields for Date of Birth (Month, Day, Year), PERMANENT STREET ADDRESS, Address City, State, Zip code, Date/Time Phone, and Emergency Contact (optional). A silver pen and a pair of glasses are resting on the form.

What is supplemental Medicare Insurance Coverage?

There are two main types of plans. They cover costs Medicare doesn't and can provide more flexibility and customization to your healthcare needs. The great thing is that there are plans for all types of budgets. Let's review the two types of plans.

Option 1: Medigap Plans (aka Medicare Supplements)

Medigap plans pay after Medicare. They pay for things that you would normally cover. For example, all Medigap plans cover the 20% of your 80/20 Medicare coverage. Some plans also cover your Part A and B deductibles. You can also choose a Part D drug plan to supplement.

You will also be able to see any physician or healthcare provider that participates in Medicare. These plans cost more than the Advantage Plans because their coverage is more comprehensive.



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TOPIC #4: SUPPLEMENTAL COVERAGE OPTIONS

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Option 2: Medicare Advantage Plans (aka Part C)

Medicare Advantage Plans can seem confusing because they are also called Part C of Medicare. They pay instead of Medicare. They were created to give a lower-cost alternative to Medigap.

How do these plans work?

Advantage plans are private insurance plans with their own local network of providers, generally HMO or PPO based. When you join these plans, you'll see certain providers so that you can get the lowest co-pays.

You'll pay co-pays for hospital stays, doctor visits and other Medicare-approved services. Advantage plans have lower premiums than Medigap Plans. This is achieved because you share the costs in co-pays for services as you receive them. With Medigap Plans, you typically will not have a co-pay.

Most Medicare Advantage Plans have a Part D Drug Benefit

This can be both good and bad depending on the medications your lifestyle and health requires. It's important to base your decisions on your lifestyle, budget and projected health.



TOPIC #5: OUR GROUP CAN HELP

Navigating the Medicare Maze

The CRM Group of professionals can help you navigate the Medicare maze. There is no reason to try navigating the maze on your own. Because we work with a variety of insurance companies, we can find you the best plan at the lowest costs for your lifestyle.

How do we get compensated? Our commissions come directly from the insurance companies, not from you. They are not inflated or reduced based on the coverage we refer. The commissions are based on the product we collectively choose that fits your lifestyle and your budget.

Don't navigate this maze alone, call us today at (208) 488-4158.