



Part A,B,C and D.
Supplement Plans A-N
Medicare Advantage
Part D Prescription plans

THE BASICS OF MEDICARE 2022

MEDICARE HEALTH INSURANCE

Name/Nombre
JOHN L SMITH

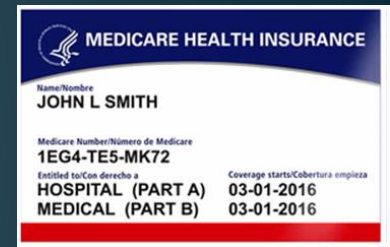
Medicare Number/Número de Medicare
1EG4-TE5-MK72

| | |
|---------------------------|-----------------------------------|
| Entitled to/Con derecho a | Coverage starts/Cobertura empieza |
| HOSPITAL (PART A) | 03-01-2016 |
| MEDICAL (PART B) | 03-01-2016 |

Introduction:

Parts A & B are considered
“Original Medicare”

- Part A (Hospital Coverage)
- Part B (Outpatient Coverage)



- Part C (Medicare Advantage)
- Part D (Prescription Coverage)

Part A Basics (Hospital Expenses)

- Covers most Inpatient Hospital charges
- Normally No premium - \$0 cost
- Has a \$1556 per 60 day benefit period deductible
- \$389 per day for days 61-90
- \$778 per day for days 91 +
- Coverage generally applies only while in the U.S.

Part B Medical Basics (Outpatient Expenses)

- Office visits, Lab, Xray, Emergency or urgent care, outpatient surgery, CT or MRI, most any medical service performed not tied to an inpatient hospital stay.
- Part B -Generally has a premium due \$170.10 monthly
 - If not taking SSI will be billed quarterly
 - May cost more (could be as high as \$578.30) under IRMAA (Income Related Monthly Adjustment Amounts) guidelines.
 - IRMAA based on 2 year prior income over approximately \$91,000 single and \$182,000 couple

•

Part B Basics (Outpatient Expenses)

continued

How Part B generally pays claims

- Has a \$233 annual deductible for 2022
- Charges are paid at 80% after the deductible with no cap
 - You are responsible for 20% and unlimited exposure
- Outpatient Prescription Drugs are generally not covered under part B
 - Will cover Rx under Part D
 - Coverage generally applies only while in the U.S

Part C

Part C are called Advantage Plans

Are offered by private insurance companies

And must cover at a minimum everything covered by Original Medicare

Often add many benefits not covered by Medicare

(We will come back to these later)

Part D (Prescription Coverage)

- **Enacted by the Medicare Modernization Act in 2003 becoming effective 1/1/2006**
- **Medicare does NOT provide Part D Rx coverage**
 - **Medicare regulates it**
 - **Medicare subsidizes it**
- **These plans are offered through private insurers with many plans available**
 - **Picking a plan can be based on one's current drug list to search formulary, benefits and plan cost**

Part D

(Prescription Coverage) continued

- Coverage can be purchased stand alone with a Medicare Supplement or integrated with a part C (Medicare Advantage) plan
- Premiums vary by insurer and benefits
 - can be paid in a variety of ways, through billing, EFT or SSI deduction
- Persons not enrolling when first eligible may be subject to a 1% per month cumulative penalty for their entire life
 - Exceptions can be creditable coverage with no more than a 63 gap without part D or creditable coverage

Part D Prescription Drugs Continued...

BENEFITS:

- Annual deductible permitted
- After the deductible the Initial coverage phase begins in which cost is shared, generally co-pays or co-insurance until total Rx expense = \$4430 for 2022
- Coverage Gap 70% Mfgr discount mandated, Co-insurance of 25% continue through this phase to TROOP of \$7050.
- If one has Rx expenses that take them through the deductible and cost share phases, they move to the Catastrophic Coverage in which the plan generally covers 95% or the drug cost, you pay 5% .

Now we've covered the basics of **Medicare**, how do we fill the gaps?

- There is a no “One Size Fits All” solution .
- People's needs differ based on Health needs, prescriptions, place of residence, travel...
- Take some pressure off yourself. People fear they are making a “lifetime” decision and that is not the case.

Options to consider

- Medicare Supplements
- also commonly referred to as *Medi-Gap* plans

- Purchased to cover the deductibles and the gaps not covered by Medicare Parts A and B.

- Does not cover Outpatient prescription drugs

Medicare Supplement Coverage

- Part A Deductible
- Part B deductible not covered (\$233 for 2022)
- Part B co-insurance
- Part B excess charges
- Foreign Travel Emergency Coverage
- Go to any doctor or hospital that accepts Medicare

Plans available are A thru N

Plan G is the most comprehensive and most popular

Plan F used to be the most comprehensive but was eliminated for most new sales
1/1/2020

Insurance Corporation of Ohio

Benefit Chart of Medicare Supplement Plans Sold on or after January 1, 2020

This chart shows the benefits included in each of the standard Medicare supplement plans. Some plans may not be available. Only applicants **first** eligible for Medicare before 2020 may purchase Plans C, F, and high deductible F.

Note: A ✓ means 100% of the benefit is paid.

| Benefits | Plans Available to All Applicants | | | | | | | | Medicare first eligible before 2020 only | |
|--|-----------------------------------|---|---|----|-----------|-----------|-----|----------------------|--|----|
| | A | B | D | G* | K | L | M | N | C | F* |
| Medicare Part A coinsurance and hospital coverage (up to an additional 365 days after Medicare benefits are used up) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Medicare Part B coinsurance or copayment | ✓ | ✓ | ✓ | ✓ | 50% | 75% | ✓ | ✓ Copays apply*** | ✓ | ✓ |
| Blood (first three pints) | ✓ | ✓ | ✓ | ✓ | 50% | 75% | ✓ | ✓ | ✓ | ✓ |
| Part A hospice care coinsurance or copayment | ✓ | ✓ | ✓ | ✓ | 50% | 75% | ✓ | ✓ | ✓ | ✓ |
| Skilled nursing facility coinsurance | | | ✓ | ✓ | 50% | 75% | ✓ | ✓ | ✓ | ✓ |
| Medicare Part A deductible | | ✓ | ✓ | ✓ | 50% | 75% | 50% | ✓ | ✓ | ✓ |
| Medicare Part B deductible | | | | | | | | | ✓ | ✓ |
| Medicare Part B excess charges | | | | ✓ | | | | | | ✓ |
| Foreign travel emergency (up to plan limits) | | | ✓ | ✓ | | | ✓ | ✓ | ✓ | ✓ |
| Out-of-pocket limit in 2020 | | | | | \$5,880** | \$2,940** | | | | |

* Plans F and G also have a high deductible options which require first paying a plan deductible of \$2,340 before the plan begins to pay. Once the plan deductible is met, the plan pays 100% of covered services for the rest of the calendar year. High deductible plan G does not cover the Medicare Part B deductible. However, high deductible plans F and G count your payment of the Medicare Part B deductible toward meeting the plan deductible.

** Plans K and L pay 100% of covered services for the rest of the calendar year once you meet the out-of-pocket yearly limit.

***Plan N pays 100% of the Part B coinsurance, except for a co-payment of up to \$20 for some office visits and up to a \$50 co-payment for emergency room visits that do not result in an inpatient admission.

Medicare Supplement premium costs

- Must continue to pay Part B premium, likely at
\$170.10

- Medicare Supplement Plan _____ \$ _____

- Part D Prescription Plan _____ \$ _____

- Total Supplementary Plan costs \$ _____

Total Plans and Medicare part B \$ _____

Understanding how a Part C Medicare Advantage plan works

- These plans range in cost starting as low as \$0 per month
- They often include more benefits than what are covered by original Medicare.
- It has to raise the question of HOW ?
 - Is it too good to be true
 - There's no free lunch
 - One can't get something for nothing...
 - Or can you????

Understanding how a Part C Medicare Advantage plan works

- One has the legal right to Select an Advantage plan to replace Medicare A & B
- In doing so, Medicare no longer pays claims under Parts A & B
 - Instead they begin paying premium on your behalf to your selected insurance plan

It really is that simple, someone else is paying the premium on your behalf. This is how many people get significant benefits for as little as \$0 per month in premium besides the Part B premium.

Part C Medicare Advantage Plans

- Must reside in the plans service area.
- The **cost** can be as little as **\$0**
- You must still pay Medicare Part B premium
- Plans must cover at a minimum everything Original Medicare covers.
 - They usually provide **more coverages** to draw people to their plans. **dental, vision, Hearing benefits, health clubs, Over the counter items...**

Part C Medicare Advantage Plans

Must use providers that are in network with the plan to get the best level of benefits or in some cases to be covered except for emergency or urgent care needs.

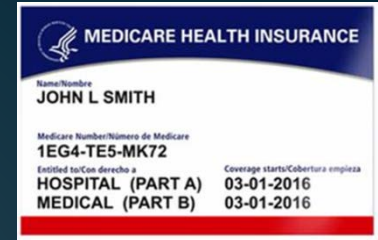
Plans will have copayments for almost all services.

Some exceptions where there is no cost share.

- Plans have an overall maximum out of pocket for your cost share to protect you.
- Most plans include Part D prescription coverage.
- Plans generally offer a significant number of other benefits

Part C Advantage Plans

- How to pick a plan. Benefits will vary from company to company and plan to plan.
- Provider Networks
 - Your access to care
- Let's take a look at a plan now



In Summary

Original Medicare Only

- Exposure is deductibles and 20% with no cap and no Foreign travel coverage
- No Outpatient Rx without a Part D Rx plan

Original Medicare + Medicare Supplement + Part D Rx plan

- A Monthly cost whether you use it or not \$150 or more
- Will need to use three different ID cards

Part C Medicare Advantage

- \$0 premium or low cost more of a pay as you go
- Covers more than just Medicare and Drugs