

2023 Guide

Medicare Reference Guide

For Financial Advisors

What the Financial Advisor
Needs to Know about
Medicare.



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Who Can Get Medicare?

US Citizens & Legal Residents

Legal residents must live in the US for at least 5 years in a row, including the 5 years just before applying for Medicare.

You Must Also Meet One of the Following Requirements:

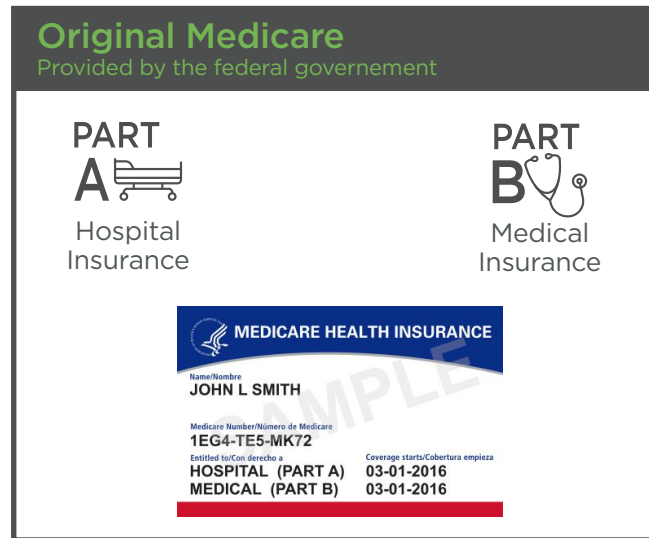
- ❖ Age 65 or older
- ❖ Younger than 65 with a qualifying disability
- ❖ Any age with a diagnosis of end-stage renal disease or ALS



Parts A&B: Original Medicare

Original Medicare Has Two Parts:

- ❖ Part A is hospital insurance
- ❖ Part B is medical insurance



PART A



Original Medicare (Parts A&B) Does NOT Cover:

- ❖ All of the cost of your care - you have out-of-pocket costs, with no limit
- ❖ Prescription drugs
- ❖ Routine dental, vision or hearing care
- ❖ Eyeglasses, contacts or hearing aids
- ❖ Long-term or custodial care (help bathing, eating, dressing)
- ❖ Excess charges for services by doctors who don't accept Medicare assignment
- ❖ Care received outside the US, except for certain circumstances

PART B



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Parts A&B: Costs

PART A

PREMIUM	DEDUCTIBLE	OTHER COSTS	NOTE
<p>\$0</p> <p>for most people</p>	<p>\$1,600</p> <p>per benefit period (up to 60 days)</p>	<p>\$400</p> <p>per day for days 61-90 in one benefit period</p> <p>\$800</p> <p>per lifetime reserve day (maximum of 60 days)</p>	<p>NO</p> <p>out-of-pocket limit</p>

PART B

PREMIUM	DEDUCTIBLE	OTHER COSTS	NOTE
<p>\$164⁹⁰</p> <p>per month for most people</p>	<p>\$226</p> <p>for the year</p>	<p>20%</p> <p>of approved amount for most covered services</p> <p>Excess Charges</p> <p>if any</p>	<p>NO</p> <p>out-of-pocket limit</p>

Two Main Options

Original Medicare

- ❖ Original Medicare includes Medicare Part A (Hospital Insurance) and Part B (Medical Insurance).
- ❖ If you want drug coverage, you can join a separate Part D plan.
- ❖ To help pay your out-of-pocket costs in Original Medicare (like your 20% coinsurance), you can also shop for and buy supplemental coverage.
- ❖ Can use any doctor or hospital that takes Medicare, anywhere in the US.

Part A



Part B



You can add:

Part D



You can also add:

Supplemental Coverage



Some examples include coverage from a Medicare Supplement Insurance (Medigap) policy, or coverage from a former employer or union.

Medicare Advantage (Part C)

- ❖ Medicare Advantage is an “all-in-one” alternative to Original Medicare. These “bundled” plans include Part A, Part B, and usually Part D.
- ❖ Plans may have lower out-of-pocket costs than Original Medicare.
- ❖ In most cases, you’ll need to use doctors who are in the plan’s network.
- ❖ Most plans offer extra benefits that Original Medicare doesn’t cover – like vision, hearing, dental, and more.

Part A



Part B



Most plans include::

Part D



Extra benefits

Some plans also include:

Lower out-of-pocket costs



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Understanding Part C: Medicare Advantage



Another way to get your Medicare benefits

- ❖ An alternative to Original Medicare (Parts A & B)
- ❖ Plan members are still in the Medicare program
- ❖ Benefits are administered by the plan
- ❖ Plans offered by private insurance plans

All Medicare Advantage plans cover:

- ❖ All the benefits of Part A (except hospice care, which is still covered by Part A)
- ❖ All the benefits of Part B

Most Medicare Advantage plans cover:

- ❖ Prescription drugs

Medicare Advantage plans may offer additional benefits and features, such as:

- ❖ Dental exams, cleanings and X-rays
- ❖ Eye exams, eyeglasses and corrective lenses
- ❖ Hearing tests and hearing aids
- ❖ Wellness programs and fitness memberships

Medicare Advantage plans have an annual out-of-pocket maximum to help protect against costs.

Medicare Supplement or Medicare Advantage?

CONSIDERATIONS	MEDICARE SUPPLEMENT	MEDICARE ADVANTAGE
Coverage	<ul style="list-style-type: none"> ❖ Pays some costs not paid by Original Medicare ❖ Does not help with drug costs ❖ Nationwide coverage 	<ul style="list-style-type: none"> ❖ Provides benefits of Original Medicare and beyond ❖ Often includes drug coverage ❖ May have provider network
Cost	<ul style="list-style-type: none"> ❖ Monthly plan premium ❖ Drug plan premium and other costs if coverage added ❖ Out-of-pocket costs depend on plan chosen 	<ul style="list-style-type: none"> ❖ May charge plan premium ❖ Often no additional premium for drug coverage ❖ Copays or coinsurance for most covered services ❖ Annual out-of-pocket maximum
Convenience	<ul style="list-style-type: none"> ❖ Multiple plans (when added to Original Medicare along with a Part D plan) 	<ul style="list-style-type: none"> ❖ All-in-one plan

Part D: Prescription Drugs



Helps with the cost of prescription drugs

Two ways to get coverage:

- ❖ Add a standalone Part D plan to Original Medicare
- ❖ Choose a Medicare Advantage plan that includes prescription drug coverage

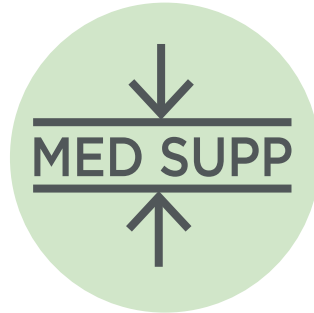
Plans offered by private insurance companies

Coverage Stages

Annual Deductible	Initial Coverage	Coverage Gap (Donut Hole)	Catastrophic Coverage
Up to plan deductible	Up to \$4,660 total drug costs	Up to \$7,400 out-of-pocket costs	\$3.95 (generics) \$9.85 (brand) or 5% coinsurance

- ❖ Amount paid for prescriptions depends on stage
- ❖ Dollar limits can change each year
- ❖ Not all plans have a deductible
- ❖ Many people never reach the coverage gap
- ❖ Cycle starts over on January 1 each year

Medicare Supplement Insurance: Medigap



Helps pay some costs not paid by Medicare

- ❖ Supplements Original Medicare (Part A & Part B)
- ❖ Can't be used with Medicare Advantage
- ❖ 8 plans with benefits standardized by the federal government
- ❖ MA, MN and WI plans are different from standardized plans in other states
- ❖ Plans offered by private insurance companies in your state

Standardized Medical Supplement Plans

This chart shows the basic information about the different benefits that Medigapp policies cover. If a percentage appears, the Medigap plan covers that percentage of the benefit, and you must pay the rest.

Medicare Supplement Insurance (Medigap) Plans										
Benefits	A	B	C	D	F*	G*	K	L	M	N
Medicare Part B coinsurance and hospital costs (up to an additional 365 days after Medicare benefits are used)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Medicare Part B coinsurance or copayment	100%	100%	100%	100%	100%	100%	50%	75%	100%	100% ***
Blood (first 3 pints)	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
Part A hospice care coinsurance or copayment	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
Skilled nursing facility care coinsurance			100%	100%	100%	100%	50%	75%	100%	100%
Part A deductible		100%	100%	100%	100%	100%	50%	75%	50%	100%
Part B deductible			100%		100%					
Part B excess charges					100%	100%				
Foreign travel emergency (up to plan limits)			80%	80%	80%	80%			80%	80%
							Out-of-pocket limit in 2023**			
							\$6,940	\$3,470		

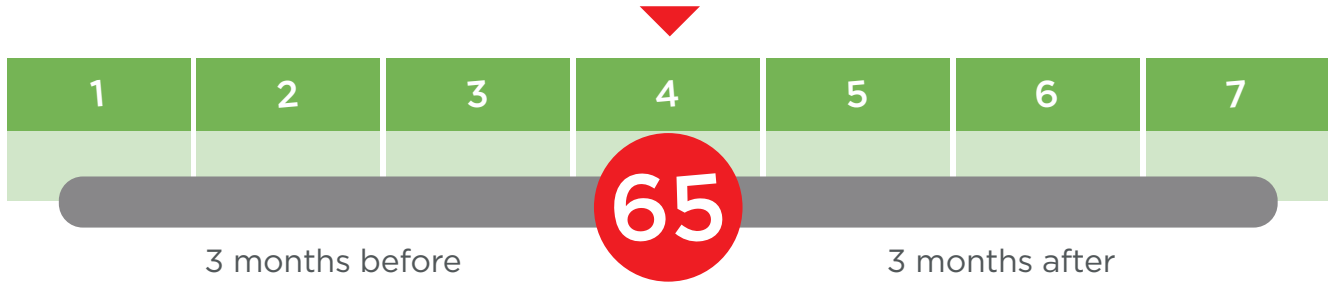
*Plans F and G also offer a high-deductible plan in some states. With this option, you must pay for Medicare-covered costs (coinsurance, copayments, and deductibles) up to the deductible amount of \$2,700 in 2023 before your policy pays anything. (Plans C and F won't be available to people who are newly eligible for Medicare on or after January 1, 2020)

**For Plans K and L, after you meet your out-of-pocket yearly limit and your yearly Part B deductible (\$226 in 2023), the Medigap plan pays 100% of covered services for the rest of the calendar year.

***Plan N pays 100% of the Part B coinsurance, except for a copayment of up to \$20 for some office visits and up to a \$50 copayment for emergency room visits that don't result in an inpatient admission.

When to Enroll

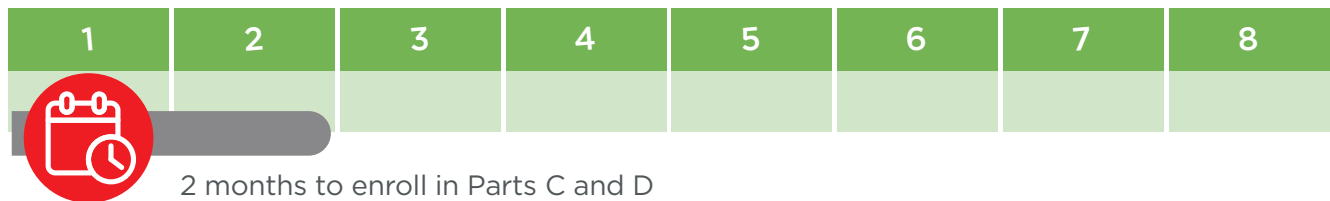
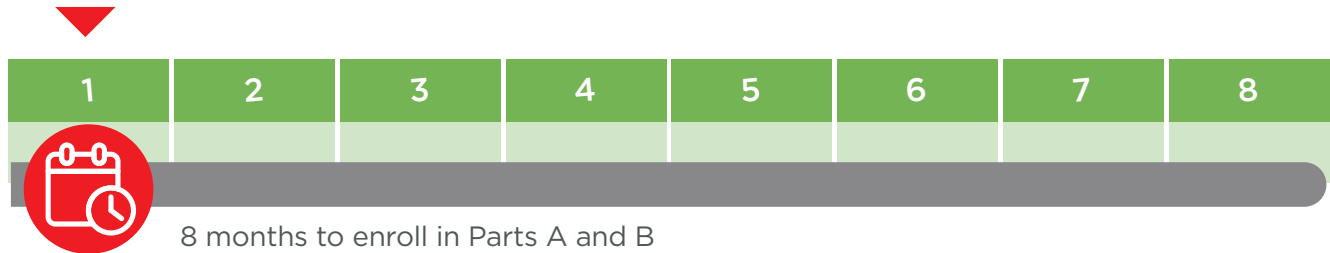
The month you turn 65 years old



- ❖ Enrolled in Part A and Part B automatically if receiving Social Security or Railroad Retirement Board (RRB) benefits at age 65, or after receiving Social Security disability benefits for 24 months
- ❖ Enroll yourself if not receiving benefits (go to SSA.gov or local office)
- ❖ Enroll early to avoid gaps in coverage and late enrollment
- ❖ May refuse or delay enrollment in Part B
- ❖ May enroll in a Medicare Advantage or a prescription drug plan

Special Enrollment: Working Past 65

Month after the last month of employment or employee health coverage



For those who delayed enrollment

- ❖ May enroll in Part A, Part B or both
- ❖ Part B enrollment triggers Medicare Supplement Open Enrollment
- ❖ May choose a Part C or Part D plan
- ❖ Enroll in Part D early to avoid penalty

New to Medicare Timeline

6 Months Prior

- ❖ Read about Medicare Part A, B, C, D and Medigap
- ❖ Find out if your work history qualifies you for coverage
- ❖ Learn how other coverage works with Medicare
- ❖ Make sense of the costs of Medicare

4 Months Prior

- ❖ Begin to compare plans
- ❖ Calculate costs per month for : Premiums, Deductibles, Co-Pays & Coinsurance
- ❖ Talk to your Expert about plan options
- ❖ Make your decision

3 Months Prior

- ❖ Enroll in Original Medicare with Social Security
- ❖ Confirm receipt of Medicare card
- ❖ Contact your Expert to confirm your plan enrollments

Know Your Dates

Acronym	Definition	Enrollment Dates	Effective Dates
IEP	Initial Enrollment Period	7 months surrounding your 65th birthday month	No sooner than your birthday month, or 25th month of disability benefit entitlement
GEP	General Enrollment Period	January 1st to March 31st	The following month
SEP	Special Enrollment Period for the Working Aged and Working Disabled	For Original Medicare Part A & Part B: 8 months, following the month you retire or lose creditable coverage; For Medicare Part C & Part D: 63 days after the loss of employer healthcare coverage	Can vary
Medigap OEP	Medigap Open Enrollment Period	6 months, starting the month you're 65 or older and enrolled in Medicare Part B	Can vary, but usually begins the first day of the month after you apply
ICEP	Initial Coverage Election Period	For turning 65, same as IEP; if Part B delayed, then 3 months prior to Part B effective	For turning 65, same as IEP; if Part B delayed, then effective first date Part B is effective
AEP	Annual Election Period	October 15th to December 7th	January 1st of the following year
MA OEP	Medicare Advantage Open Enrollment Period	January 1st to March 31st	The first day of the month after your enrollment form is received
SEP	Special Election Period	Used throughout the year and is intended for people going through certain circumstances, like a move to a new service area or qualify for low income subsidy	Coverage start date varies



2023 Medicare Costs

Medicare Part A (Hospital Insurance) Costs

Part A Monthly Premium

Most people don't pay a Part A premium because they paid Medicare taxes while working. If you don't get premium-free Part A, you pay up to \$506 each month.

Hospital Stay

In 2023, you pay

- ❖ \$1,600 deductible per benefit period
- ❖ \$0 for the first 60 days of each benefit period
- ❖ \$400 per day for days 61-90 of each benefit period
- ❖ \$800 per "lifetime reserve day" after day 90 of each benefit period (up to a maximum of 60 days over your lifetime)

Skilled Nursing Facility Stay

In 2023, you pay

- ❖ \$0 for the first 20 days of each benefit period
- ❖ \$200 per day for days 21-100 of each benefit period
- ❖ All costs for each day after day 100 of the benefit period

Medicare Part B (Medical Insurance) Costs

Part B Monthly Premium

The standard Part B premium amount in 2023 is \$164.90 or higher depending on your income. Social Security will tell you the exact amount you'll pay for Part B in 2023. The deductible in 2023 is \$226 per calendar year.

You pay the standard premium amount (or higher) depending upon your income.

Part B Monthly Premium

The chart below shows your estimated Part B premium based on your income. If your income is above a certain limit, you will pay an income-related monthly adjustment amount in addition to your plan premium.

If your yearly income in 2021 was			You pay 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 up to \$403,000	\$527.50
\$500,000 and above	\$750,000 and above	\$403,000 and above	\$560.50

If you have questions about your Part B premium, call Social Security at 1-800-772-1213. TTY users can call 1-800-325-0778. If you pay a late enrollment penalty, these amounts may be higher.

Part D Monthly Premium

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

If your yearly income in 2021 was			You pay 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	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 up to \$403,000	\$70.00 + your plan premium
\$500,000 and above	\$750,000 and above	\$403,000 and above	\$76.40 + your plan premium

2023 Part D National Base Beneficiary Premium — \$34.71

This figure is used to estimate the Part D late enrollment penalty and the income-related monthly adjustment amounts listed in the table above. The national base beneficiary premium amount can change each year.

Additional Questions?

It is important to know that signing up for Medicare can be inherently complicated, with strict deadlines. Having an experienced and knowledgeable guide can make a big difference.

Here at Four Oaks Medicare Planning we Make Medicare Easy!

All of our services and resources are FREE of charge.



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