

# Welcome to Understanding Medicare



Senior Preferred

- **Joe Craney Jr. & Joe Craney III**
- **Our company is Senior Preferred LLC**
- **Licensed by the Arizona Department of Insurance**
- **We are insurance brokers – We don't work for the government or a specific insurance company...we work for our clients!**
- **Medicare Workshops allow us to educate the community and meet potential new clients!**



**This is not a sales event**

**This workshop is only for  
educational purposes**

**Medicare does not  
allow us to discuss company  
specific benefits**



# What Will Be Covered?

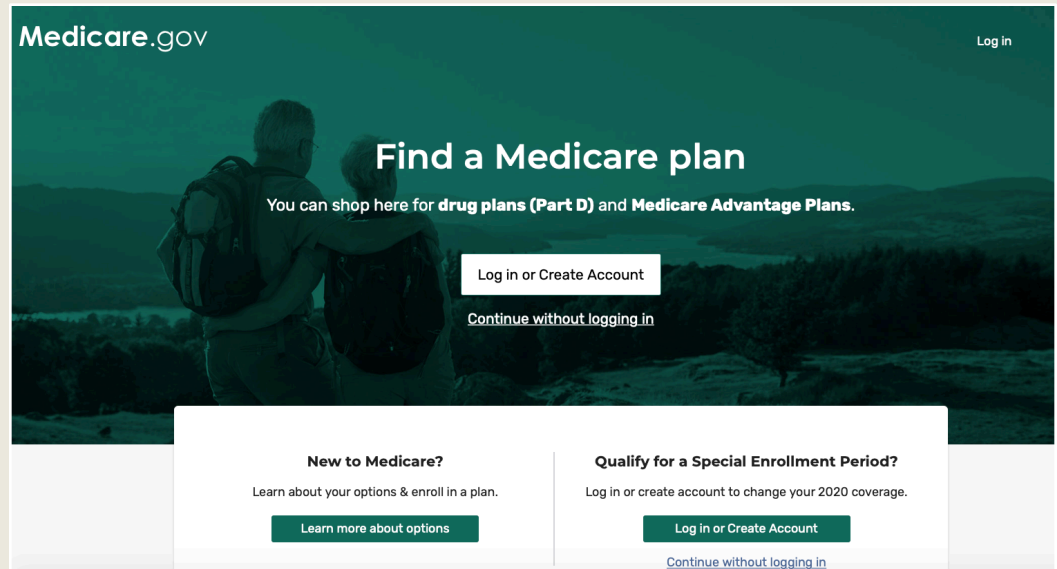
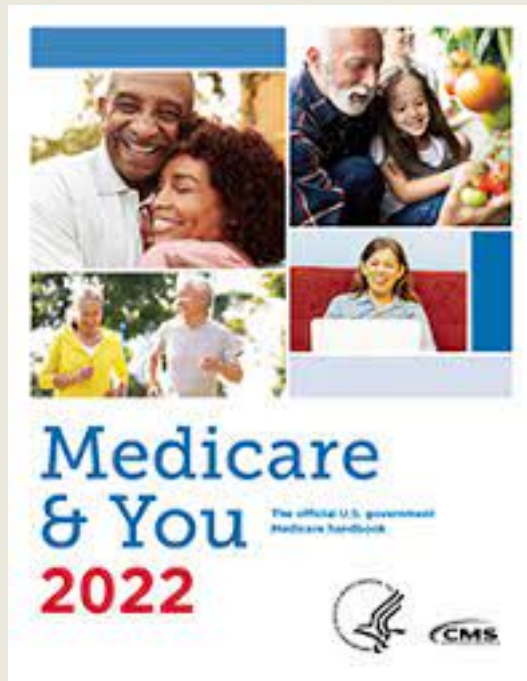
- **What is Medicare & who is eligible**
- **Medicare enrollment periods**
- **The parts of Medicare & how they work together**
- **How much does it cost**
- **What are my coverage options and benefit options**
- **Avoiding late enrollment penalties**
- **What Medicare doesn't cover**



# Medicare & You 2022

The Official U.S. Government Medicare Handbook

[www.medicare.gov](http://www.medicare.gov)



Information sources:

- Medicare & You, 2021, Centers for Medicare & Medicaid, 2021
- Choosing a Medigap Policy: A Guide to Health Insurance for People With Medicare, Centers for Medicare & Medicaid Services (CMS) and the National Association of Insurance Commissioners (NAIC), 2021
- Medicare.gov



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# What is Medicare?

- **CMS - Center for Medicare & Medicaid Services**
  
- **Provides healthcare coverage for**
  - *Age 65 and Older*
  - *Under 65 with certain disabilities*
  - *At any age with ESRD - End-Stage Renal Disease*
  - *At any age with ALS - Lou Gehrig's Disease*
  
- **You should be eligible for Medicare at age 65 if:**
  - *You are a U.S. citizen or legal resident*
  - *You have resided in the United States for a minimum of five years*
  - *You or your spouse worked at least 10 years and paid FICA*



# Do I have to take Medicare at 65?



**No – everyone's situation is unique**

## *Common Situations*

### *I plan to continue working...*

- *Should I keep my (or my Spouse's) current employer healthcare plan (Including or enroll in Medicare?)*
  - **Which costs and benefits are better? (including ASRS)**
  
- *We will assist you in completing a side by side analysis of your current healthcare plan versus Medicare and consider:*
  - **Monthly premium**
  - **Co-pays and Co-insurance**
  - **Deductibles**
  - **Network restrictions**
  - **Maximum out of pocket costs**



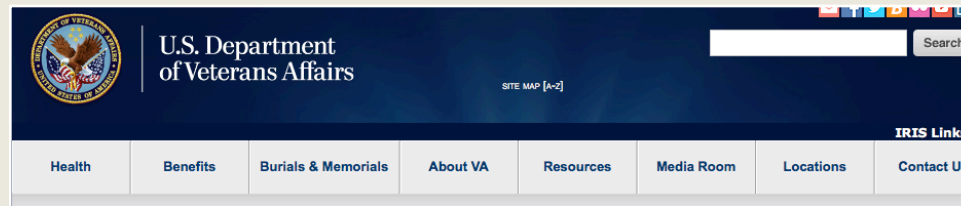
# Am I automatically enrolled in Medicare?

- If you are drawing Social Security at age 65, you will be automatically enrolled in Medicare Part A and Part B
  - Your Medicare card will arrive in the mail three months prior to your 65<sup>th</sup> birthday
- If you are not drawing Social Security but intend on starting your Medicare benefits, you must self enroll
  - You can enroll in Medicare Part A and Part B three months prior to your 65<sup>th</sup> birthday
  - Following your enrollment, your Medicare card will arrive in the mail approximately 2 – 4 weeks later



# VA Coverage

- *Are you a veteran with VA Coverage or Tricare for Life*
- *Is VA coverage enough or should I enroll in Medicare also?*



VA does not recommend Veterans cancel or decline coverage in Medicare (or other health care or insurance programs) solely because they are enrolled in VA health care. Unlike Medicare, which offers the same benefits for all enrollees, VA assigns enrollees to enrollment priority groups, based on a variety of eligibility factors, such as service-connection and income. **There is no guarantee that in subsequent years Congress will appropriate sufficient medical care funds for VA to provide care for all enrollment priority groups. This could leave veterans, especially those enrolled in one of the lower-priority groups, with no access to VA health care coverage. For this reason, having a secondary source of coverage may be in the Veteran's best interest.**

Find the answer to your question

### Medicare Part D Prescription Drug Coverage/Creditable Coverage

Published 04/10/2013 11:26 AM | Updated 04/10/2013 11:29 AM

Medicare Part D Prescription Drug Coverage/Creditable Coverage

Medicare Part D Prescription Drug Coverage/Creditable Coverage as cited in [http://www.va.gov/healthbenefits/resources/publications/B10-185-health\\_care\\_benefits\\_overview\\_2012\\_eng.pdf](http://www.va.gov/healthbenefits/resources/publications/B10-185-health_care_benefits_overview_2012_eng.pdf)

If you are eligible for Medicare Part D prescription drug coverage, you need to know that enrollment in the VA health care system is considered creditable coverage for Medicare Part D purposes. This means that VA prescription drug coverage is at least as good as the Medicare Part D coverage. Since only Veterans may enroll in the VA health care system, dependents and family members do not receive creditable coverage under the Veteran's enrollment.

However, there is one significant area in which VA health care is NOT creditable coverage: Medicare Part B (outpatient health care, including doctors' fees). Creditable coverage for Medicare Part B can only be provided through an employer. As a result, VA health care benefits to Veterans are not creditable coverage for the Part B program. So although a Veteran may avoid the late enrollment penalty for Medicare Part D by citing VA health care enrollment, that enrollment would not help the Veteran avoid the late enrollment penalty for Part B.

VA does not recommend Veterans cancel or decline coverage in Medicare (or other health care or insurance programs) solely because they are enrolled in VA health care. Unlike Medicare, which offers the same benefits for all enrollees, VA assigns enrollees to enrollment priority groups, based on a variety of eligibility factors, such as service-connection and income. There is no guarantee that in subsequent years Congress will appropriate sufficient medical care funds for VA to provide care for all enrollment priority groups. This could leave Veterans, especially those enrolled in one of the lower-priority groups, with no access to VA health care coverage. For this reason, having a secondary source of coverage may be in the Veteran's best interest.





# Medicare Election Periods

## Initial Election Period (IEP)

- For individuals who are turning 65 and are now eligible for Medicare
- IEP begins 3 months before your 65<sup>th</sup> birthday, includes the month you turn 65 and ends 3 months after you turn 65
- Guaranteed Issue
  - *A company must sell you a plan regardless of;*
- Pre-existing conditions – they must be covered
- You can't be charged more for past or present health issues
- No medical underwriting
- Once your Initial Election Period expires you may not have guaranteed issue rights for certain plans



## If you are covered by an employer healthcare plan - Special Enrollment Period

- If you qualify for a Special Enrollment Period you retain guaranteed issue rights
- You must show proof of continuous coverage to avoid penalties

## Annual Enrollment Period (AEP)

- For individuals who are already enrolled in Medicare
- Can make changes to certain plans annually
- October 15<sup>th</sup> to December 7<sup>th</sup>



# The Parts of Medicare



- You can enroll in some or all parts of Medicare
- Your specific situation will determine which parts you want to enroll in
- Part A and Part B are ORIGINAL MEDICARE – These are services offered through the government (GAPS in coverage exist)
- Part C and Part D are offered through private healthcare companies (help cover GAPS in Original Medicare)



# Part A

## Medicare Part A (Hospital Insurance)

- Inpatient hospital stays
- Inpatient skilled nursing
- Hospice care and some home health care
- Cost for Part A = \$0

Part A (Hospital Insurance)	Patient Pays	Medicare Pays
First 60 Days	\$1,556	All but \$1,556
Days 61-90	\$389 a day	All but \$389 a day
Days 91-150	\$778 a day	All but \$778 a day
Days 151 & After	All	Nothing

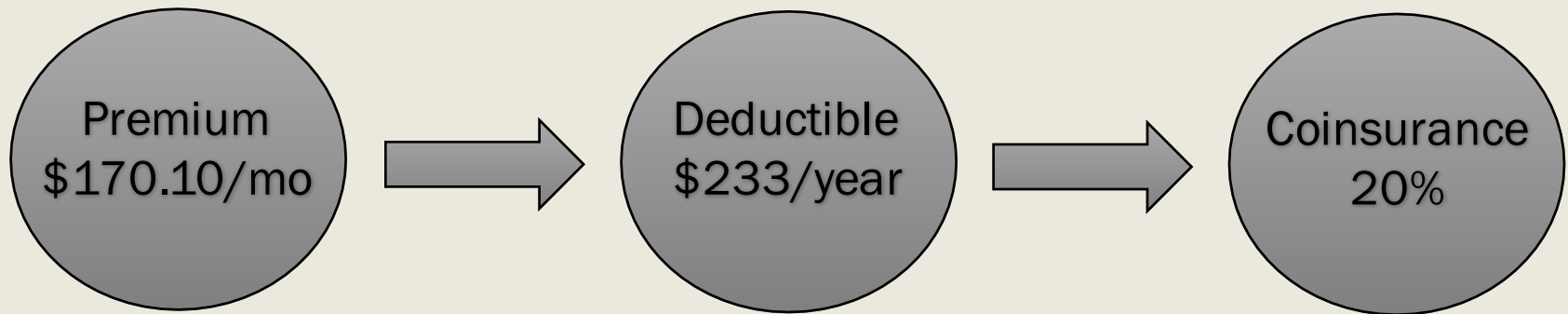
Part A (Nursing Home)	Patient Pays	Medicare Pays
First 20 Days	Nothing	All
Days 21-100	Up to \$194.50 a day	All but \$194.50 a day
Days 101 & After	All	Nothing



# Part B

## Medicare Part B (Medical Insurance)

- Doctors' services, outpatient care, emergency care, medical supplies, preventive and screening services...



**Table 1. Part B – 2022 IRMAA**

Individual	Joint	Monthly Premium
\$91,000 or less	\$182,000 or less	\$170.10
> \$91,000 – \$114,000	> \$182,000 – \$228,000	\$238.10
> \$114,000 – \$142,000	> \$228,000 – \$284,000	\$340.20
> \$142,000 – \$170,000	> \$284,000 – \$340,000	\$442.30
> \$170,000 – \$500,000	> \$340,000 – \$750,000	\$544.30
Greater than \$500,000	Greater than \$750,000	\$578.30



# Part C

## Medicare Part C (Advantage Plan)

- Medicare health plan offered by a private company that provide you with all your Part A and Part B benefits
- Most Medicare Advantage Plans offer prescription drug coverage



# Part D

## Medicare Part D (Prescription Drug Coverage)

- Part D covers Prescription Drugs
- Offered by private healthcare companies approved by Medicare

Table 2. Part D – 2021 IRMAA

Individual	Joint	Monthly Premium
\$91,000 or less	\$182,000 or less	Your Premium
> \$91,000 – \$114,000	> \$182,000 – \$228,000	\$12.40 + Plan Premium
> \$114,000 – \$142,000	> \$228,000 – \$284,000	\$32.10 + Plan Premium
> \$142,000 – \$170,000	> \$284,000 – \$340,000	\$51.70 + Plan Premium
> \$170,000 – \$500,000	> \$340,000 – \$750,000	\$71.30 + Plan Premium
Greater than \$500,000	Greater than \$750,000	\$77.90 + Plan Premium



# Which Plan Do I Choose?



- Additional coverage is available to cover some or all of these out of pocket costs
- There are two main choices to get your Medicare coverage and benefits - Medicare Advantage Plans or Original Medicare plus a Medicare Supplement

## Medicare Advantage Plan

**A + B + C + D\***

- **Substitute for Original Medicare – you are agreeing to the terms and conditions of the company you select**
- **Provided by private companies and approved by Medicare**
- **Most include Part D Prescription Drug Plan**

## Original Medicare

**A (Hospital) + B (Medical)  
+ Medicare Supplement (Medigap)  
+ Prescription Drug Plan**

- **Covers some or all of the GAPS not covered by Original Medicare**
- **Provided by private companies and approved by Medicare**
- **Do not include Part D Prescription Drug Plan**

**\*\*Individuals must have Medicare Part A and Part B in order to be eligible to sign up for a Medicare Advantage Plan or a Medicare Supplement Plan\*\*\***



# Medicare Supplement or Medicare Advantage Plan?

	Medicare Advantage Combines A + B + C + D	Medicare Supplement A + B + Medicare Supplement + D
• <b>Original Medicare (A-B)</b>	<b>No (Replacement or Substitute)</b>	<b>Yes</b>
• <b>Decision Making</b>	<b>Terms and Conditions</b>	<b>Freedom of Choice</b>
• <b>Doctors – Hospitals</b>	<b>Service Area (Network)</b>	<b>Any – Accepts Medicare</b>
• <b>Plan Type</b>	<b>HMO – PPO (Most Common)</b>	<b>A-N (G Most Common)</b>
• <b>Primary Care Physician</b>	<b>Yes – Required by most</b>	<b>No – Not required</b>
• <b>Referrals</b>	<b>Yes – Required by most</b>	<b>No – Not required</b>
• <b>Policy or Certificate</b>	<b>Certificate (1 Year Jan - Dec)</b>	<b>Policy – Benefits don't change</b>
• <b>Co-pays / Co-Insurance</b>	<b>Yes</b>	<b>No</b>
• <b>Includes Prescription Drug Plan</b>	<b>Included with most plans</b>	<b>Not included – Separate</b>
• <b>Monthly Premium</b>	<b>\$0 – Low/month</b>	<b>Low to Modest</b>
• <b>Yearly Max Out of Pocket</b>	<b>\$2,500 - \$11,300/year</b>	<b>(G)\$233/year</b>



\*\*\*Individuals must have Medicare Part A and Part B in order to be eligible to sign up for a Medicare Advantage Plan or a Medicare Supplement Plan\*\*\*



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# Part D – Prescription Drug Plan

## Advantage Plan

- *Prescription drug coverage is included with most Medicare Advantage plans*
- *Only 1 formulary – an official list giving details of medicines that may be prescribed*

## Medicare Supplement

- *27 Arizona specific plans to choose from in 2022*
- *Allows you to select a plan based upon the drugs you are taking*
- *You have the option to change your Prescription Drug Plan yearly during the Annual Enrollment Period*



# What's NOT covered by Medicare?

- **Long Term Care**
- **Most dental care**
- **Eye exams related to prescribing glasses**
- **Dentures**
- **Cosmetic surgery**
- **Acupuncture**
- **Hearing aids and exams for fitting them**
- **Routine foot care**



# Late Enrollment Penalties

## Part B Late Enrollment Penalty

- **If you don't sign up for Part B when you're first eligible, you'll have to pay a late enrollment penalty**
- **You'll have to pay this penalty for as long as you have Part B**

## Failing to Enroll in Part B Could Cost You

Your monthly Part B premium will go up **10%** for each year that you neglected to sign up




You pay the late enrollment penalty for as long as you have Medicare

## Part D Late Enrollment Penalty

- **The late enrollment penalty is an amount added to your Medicare Part D monthly premium.**
- **You'll have to pay this penalty for as long as you have Part D**

The national base beneficiary premium may increase each year, so your penalty amount may also increase each year.



### Calculating Part D Penalties

$$1\% \times \# = \$$$

One percent of the average monthly prescription drug premium	Number of months you were late	The amount of your penalty
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# What's Next?

- **Do I need to enroll in Medicare? Yes – No**
  - *If Yes – Which parts are right for you?*
  - *If No – Preserve guaranteed issue rights (Golden Ticket)*
- **Which agent/broker do you want to work with?**
- **Avoid paying life-long penalties – How-When-Where to enroll properly**
- **Medicare Supplement or Advantage Plan?**
  - *Which company is right for you?*
  - *Which plan is right for you?*
- **Which Part D Prescription Drug Plan?**



# About Us

- **How we get compensated - We will NEVER charge you a fee**
  - *We are contracted with multiple insurance companies that compensate us*
  - *This DOES NOT affect the rate you pay*
  
- **The services we provide to assist you in your decision**
  - *Additional 1 on 1 education*
  - *Start to finish Medicare enrollment assistance*
  - *Prepare multiple coverage options and price quotes*
  - *Provide important information that will assist you in selecting a company*
- **Financial stability - Customer service - Rate increase history – Risk management – Operational efficiency**
  - *Knowledge of additional benefits available*
  - *Review Part D prescription drug plan annually*
  - *Monthly newsletter to keep you up to date on changes to Medicare*
  - *You have our cell numbers*

What Our Clients Say About Us	
Three Year Survey Completed July 2017	
Customer service 4.5	★★★★★
Professionalism 4.6	★★★★★
Promptness in getting back to them 4.6	★★★★★
Understanding their needs 4.6	★★★★★
Knowledge of Medicare 4.7	★★★★★



# Contact Us



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