



# Medicare 101



# Who is a HICAP?

- Health Insurance Counseling and Advocacy Program
- Volunteer supported and administered by the Dept. of Aging
- We provide Medicare Education and one-on-one Counseling
- HICAP offices and counseling sites are available in every county
- Our Services are **free, unbiased, and confidential**

# Agenda

## **Original Medicare**

- Eligibility
- Initial Enrollment Period
- Coverage & Cost

## **Supplementing “Original Medicare”?**

- Medigap, Part D

## **Alternatives to “Original Medicare”?**

- Medicare Advantage, Employer Retirement

## **Special Topics**

- Other enrollment periods
- Income surcharge/ Life Events
- What is New in 2024

# Medicare Basics

- **Health insurance for people**

- ✓ 65 and older
- ✓ Under 65 with certain disabilities or ALS, ESRD
- ✓ US citizens or residents using their own work history account or the account of a spouse/ex-spouse ( 40 Quarters)



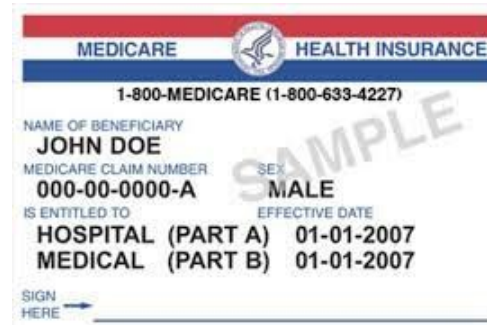
- **Coverage for Medically Necessary services only!**

# Original Medicare



## Part A

(Hospital Insurance)



## Part B

(Medical Insurance)

- Started in 1965 by Lynden Johnson
- Funded by payroll tax, general revenues & premiums
- Enrollment into Medicare is managed by Social Security Admin
- Medicare program rules are managed by CMS
- Medicare is fundamentally a Fee For Service (FFS) insurance

# Part A Coverage



## **Medically Necessary:**

- Inpatient care in a hospital
- Inpatient care in a skilled nursing facility (SNF)
- Blood (inpatient)
- Hospice care
- Inpatient care in a religious nonmedical health care institution

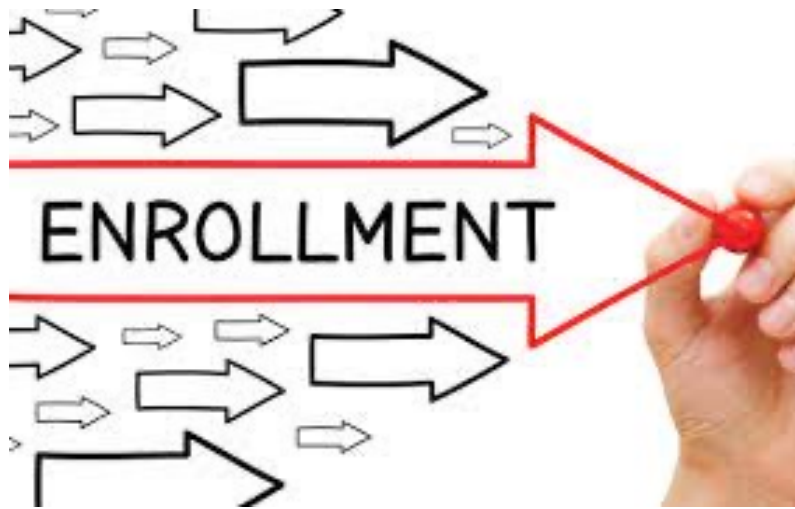
# Part B Coverage



## **Medically Necessary :**

- Doctors' services
- Outpatient medical and surgical services and supplies
- Clinical lab tests
- Durable medical equipment (DME)
- Diabetic testing equipment and supplies
- Preventive services Home health care
- Outpatient therapy
- Outpatient mental health care services

# How to Enroll in Original Medicare?



- **Automatic Enrollment :**
  - You currently receive Social Security, RR benefits or 24 months after disability
- **Active enrollment :**
  - Online [www.ssa.gov](http://www.ssa.gov)
  - Call 1-800-772-1213
  - In Person at any local SS office



# When to enroll?

## Original Medicare – Initial Enrollment Period

7 months



# Late Enrollment Penalty

<b>PART B</b>	<b>10%</b> of your monthly premium for each year not enrolled
<b>PART D</b>	<b>1%</b> of the national avg. premium for every month not enrolled

Penalty not applied if you are actively working and covered by an Employer Group Health Plan.

# What Does Original Medicare Cost (sample)?

	Premium (2024)
<b>Part A</b>	\$0 for most people who worked 40 Quarters
<b>Part B</b>	\$174.70 for Most people

# What Does Original Medicare Cost (sample)?

	Premium (2024)	Deductible (2024)
<b>Part A</b>	\$0 for most people who worked 40 Quarters	\$1,632 per benefit period
<b>Part B</b>	\$174.70 for Most people	\$240 per year

# What Does Original Medicare Cost (sample)?

	Premium (2024)	Deductible (2024)	Co-Pay
<b>Part A</b>	\$0 for most people who worked 40 Quarters	\$1632** per benefit period	\$0 for first 60 days in hospital
<b>Part B</b>	\$174.70 for Most people	\$240** per year	20% of assigned bill**

**\*\* GAPS!!**

# Agenda

## Original Medicare

- Eligibility
- Initial Enrollment Period
- Coverage & Cost

## Supplementing “Original Medicare”?

- Medigap, Part D

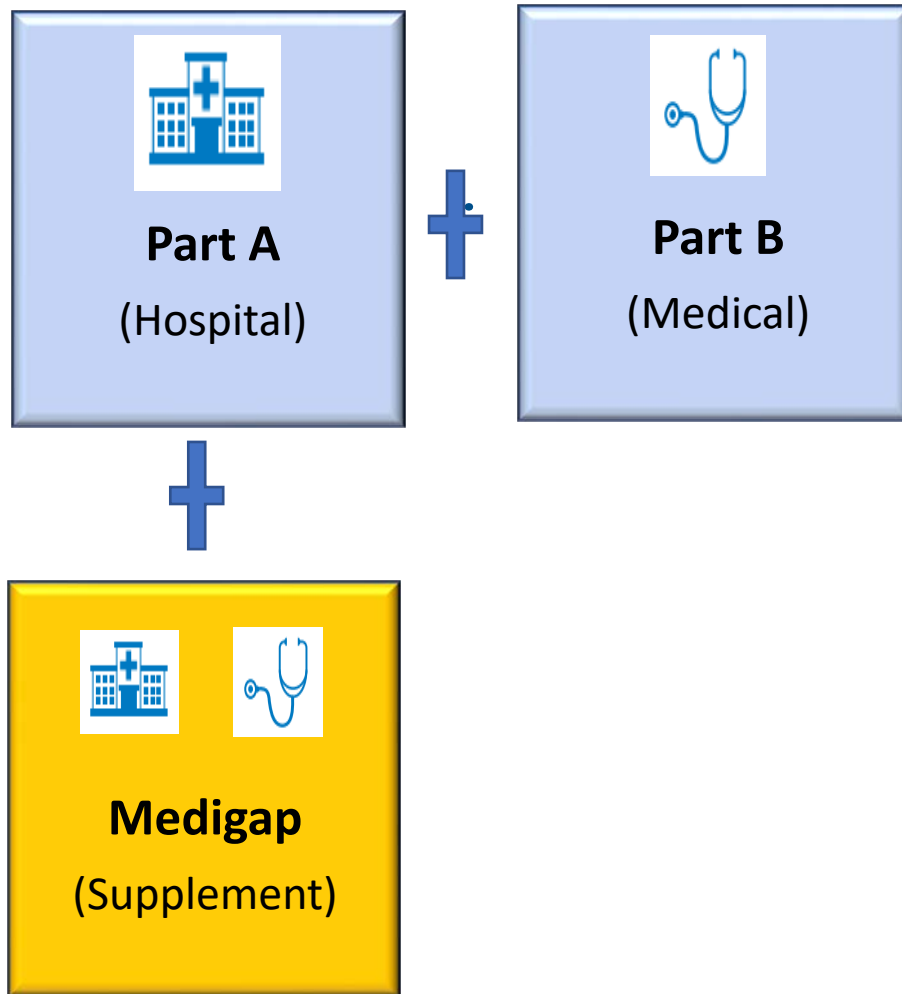
## Alternatives to “Original Medicare”?

- Medicare Advantage, Employer Retirement

## Special Topics

- Other enrollment periods
- Income surcharge/ Life Events
- What is New in 2024

# How to supplement Original Medicare ?



- **Medigap** is :  
Medicare Supplement for Parts A & B
- **Medigap** is :  
insurance sold by private companies to supplement original Medicare
- **Medigap** guarantee :  
You have guaranteed right to enroll in a Medigap plan within 6 months from your Part B effective date

# Medigap Plans vs Benefits

Medigap Benefit	Plan A	Plan B	Plan C	Plan D	Plan F*	Plan G*	Plan K	Plan L	Plan M	Plan N
	Part A coinsurance and hospital costs up to an additional 365 days after Medicare benefits are used up	✓	✓	✓	✓	✓	✓	✓	✓	✓
Part B coinsurance or copayment	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓***
Blood (first 3 pints)	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Part A hospice care coinsurance or copayment	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Skilled nursing facility care coinsurance	✗	✗	✓	✓	✓	✓	50%	75%	✓	✓
Part A deductible	✗	✓	✓	✓	✓	✓	50%	75%	50%	✓
Part B deductible	✗	✗	✓	✗	✓	✗	✗	✗	✗	✗
Part B <u>excess charge</u>	✗	✗	✗	✗	✓	✓	✗	✗	✗	✗
Foreign travel exchange (up to plan limits)	✗	✗	80%	80%	80%	80%	✗	✗	80%	80%
Out-of-pocket limit**	N/A	N/A	N/A	N/A	N/A	N/A	\$6,940 in 2023 (\$7,060 in 2024)	\$3,470 in 2023 (\$3,530 in 2024)	N/A	N/A



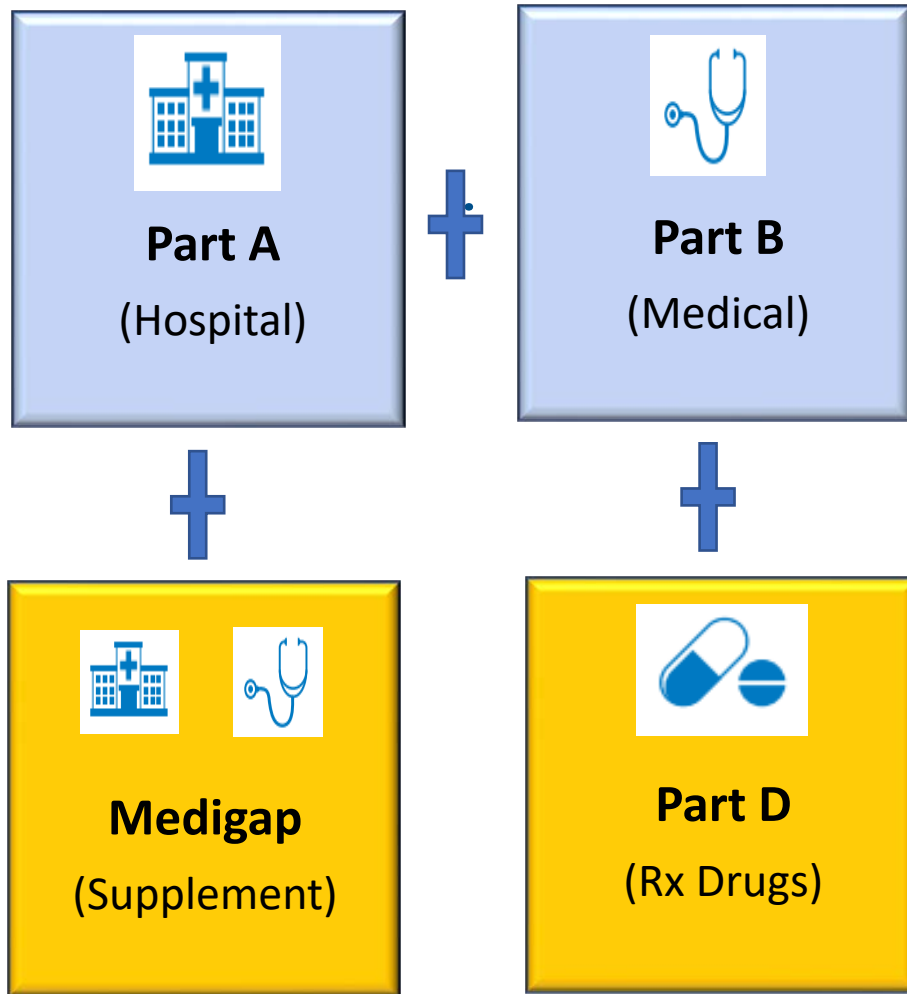
# Medicare Supplement (Medigap)

- Guaranteed enrollment within 6 month of Part B
- Medigap is secondary to Medicare ( only pays if Medicare pays)
- Basic benefits are the same across all provider for a given plan
- Not all Medigap providers offer all plans
- You can change providers every year within 60 days of your birthday “CA Birthday Rule”
- You can change to a lower plan benefit but not up (ex G to A but not A to G)

# Cost of Original Medicare with Part D & Medigap

	Premium	Deductible (2024)	Co-Pay
<b>Part A</b>	\$0 for most people who worked 40 Quarters	\$0*	\$0 for first 60 days
<b>Part B</b>	\$174.70 in 2023 for Most people	\$0* Or \$240 per year	\$0*
<b>Medigap</b>	~depending on plan and age \$100-\$300	Active after Part B deductible is met	Depends on plan

# How to supplement Original Medicare ?



- **Part D** is :  
Prescription Drug Plan (Rx)
- **Part D** is :  
insurance is sold by private companies  
to add Rx coverage to original Medicare
- To buy **Part D** :  
You must have Original Medicare Part A  
and/or Part B

# Cost of Original Medicare with Part D & Medigap

	Premium	Deductible (2024)	Co-Pay
<b>Part A</b>	\$0 for most people who worked 40 Quarters	\$0*	\$0 for first 60 days
<b>Part B</b>	\$174.70 in 2024 for Most people	\$0* Or \$240 per year	\$0*
<b>Medigap</b>	~depending on plan and age \$100-\$300	Active after Part B deductible is met	Depends on plan
<b>Part D</b>	From <\$.40 - \$180 depending on the plan	\$0 - \$545 depending on plan	Depending Rx tier

# Part D – Insurance Plan Phases

	You	Your Plan	Manufacturer	Medicare
Phase 1 Deductible	<b>100% (deductible)</b>	0%	0%	0%
Max \$545 in 2024 = End of phase 1				
Phase 2 Initial Coverage	<b>Co-pay \$/ Coinsurance %</b>	<b>Rest</b>	0%	0%
\$5,030 max in 2024 = End of phase 2				
Phase 3 Coverage Gap	<b>25%</b>	<b>5%</b>	<b>70%</b>	0%
*\$8,000 max in 2024 = End of phase 3				
Phase 4 Catastrophic Coverage	<b>0% 2024</b>	<b>15%</b>	0%	<b>85%</b>

\*\$8,000 is called True out of pocket "TrOOP"

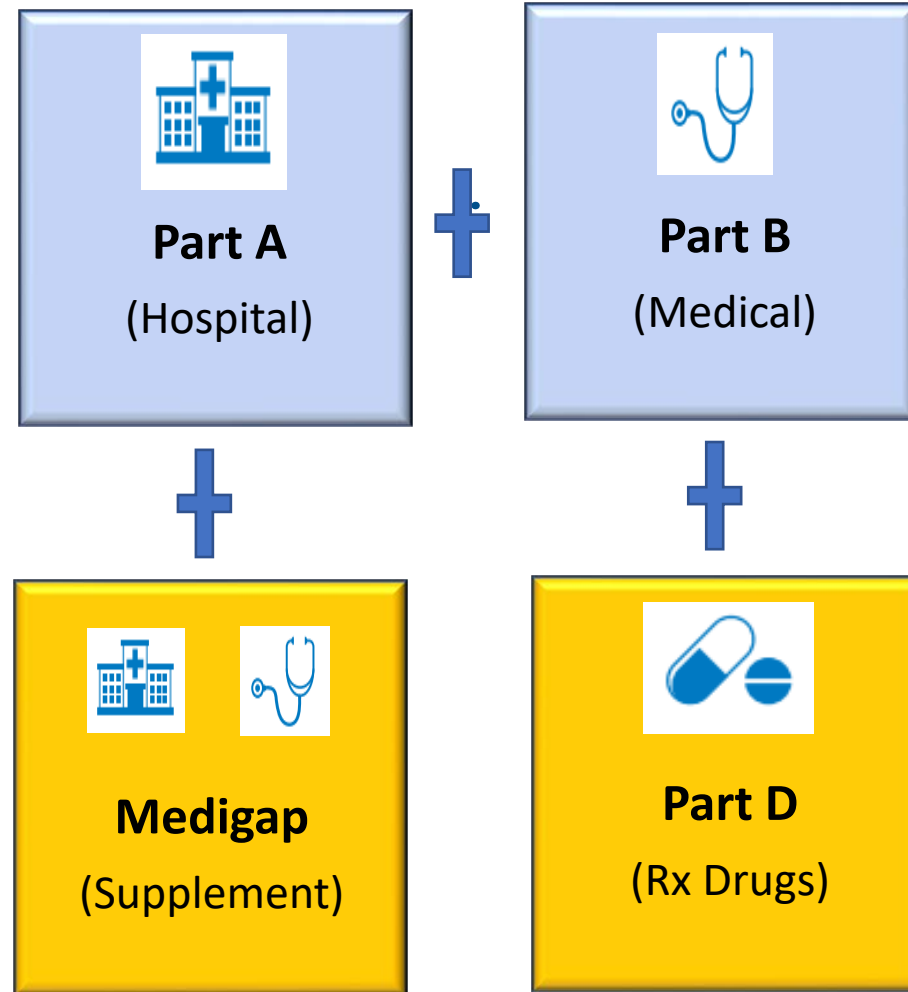
TrOOP = deductible + Phase 2 & 3 copay + Manufacturer payment ( not Premium)

# Part D Plans Providers

- Have their own Pharmacy pricing“ Preferred , in-network, out-of-network”
- Have their own Formularies (within Medicare rules)
- Have their own Plan coverage restrictions ( I.e. quantity limit, pre authorization, step therapy)
- All Plans and pricing are zip code specific
- Limited benefits of using the same provider for Medigap & Part D



# Original Medicare with Supplements



 Sold by private companies

# Questions





# Agenda

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## Supplementing “Original Medicare”?

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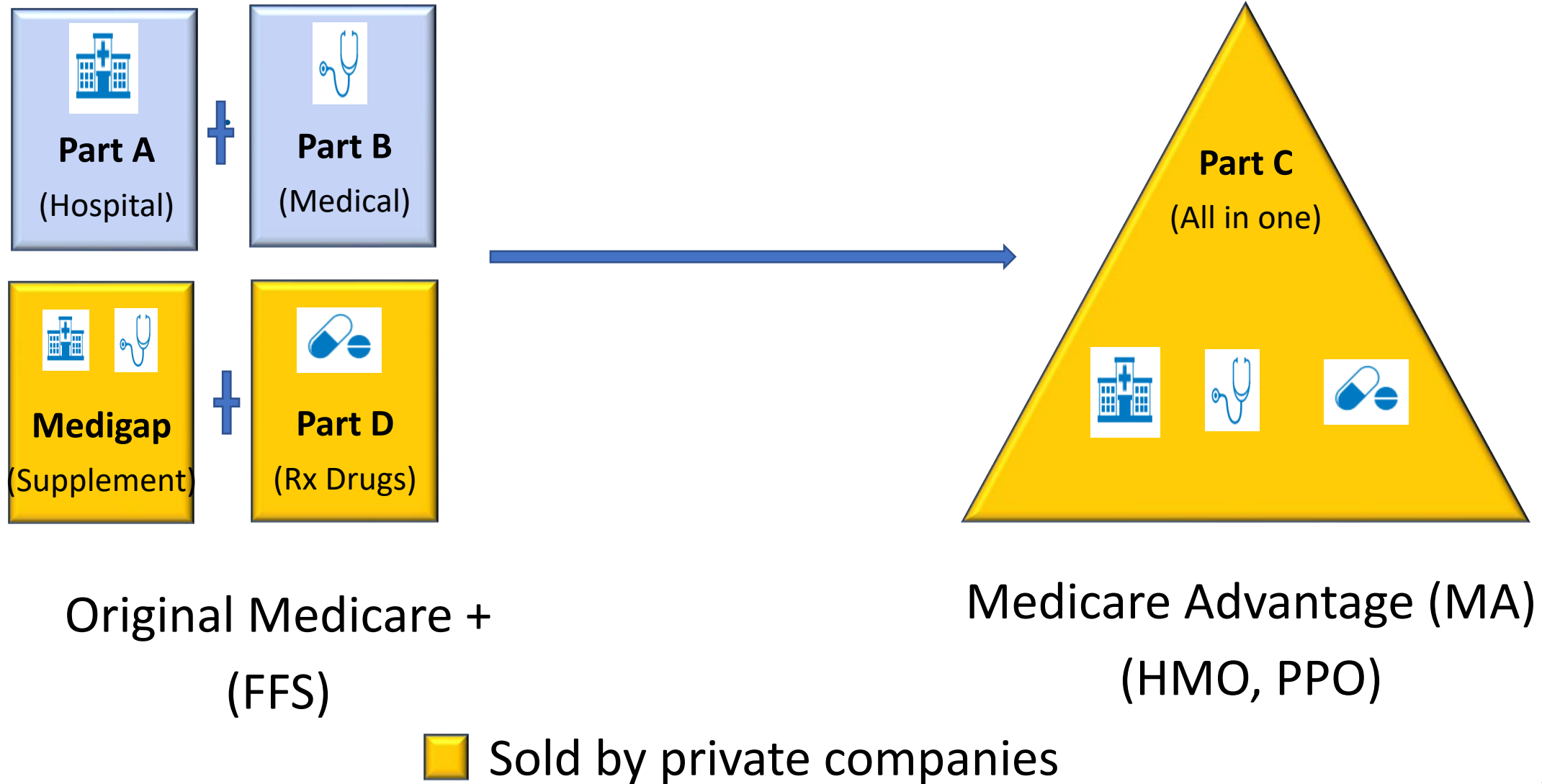
## Alternatives to “Original Medicare”?

- Medicare Advantage, Employer Retirement

## Special Topics

- Other enrollment periods
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- What is New in 2024

# Original Medicare Alternative 1 - MA




# Cost of Medicare Advantage

	Premium (2024)	Deductible (2024)	Co-Pay
<b>Part A Services</b>	\$0 for most people who worked 40 Quarters	\$0	Depends on the plan
<b>Part B Services</b>	\$174.70 for Most people	\$0	Depends on the plan
<b>Medicare Advantage</b>	~depending on plan and age \$0-\$120	\$0	Depends on service and Rx tier

# Sample Medicare Advantage List

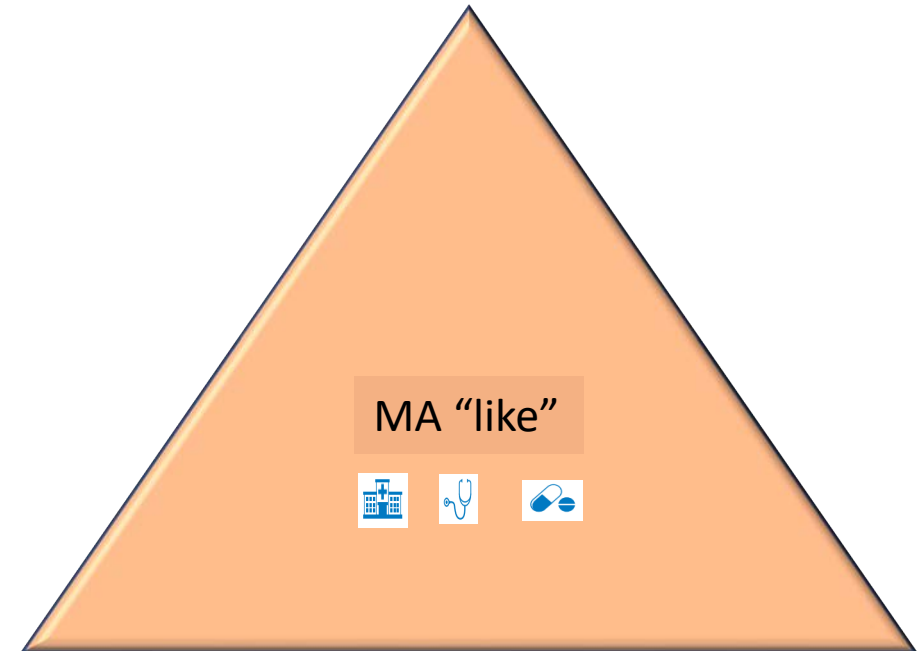
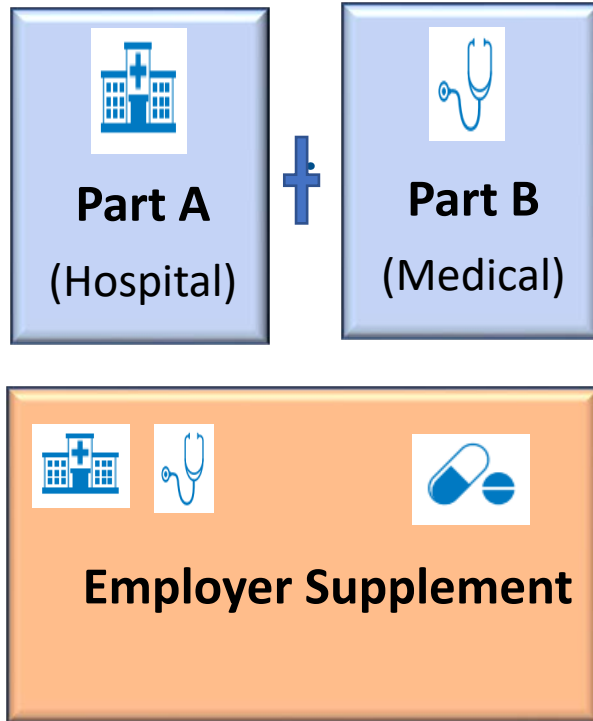


 <b>Medicare Advantage Plans for 2024</b> <b>HICAP of San Mateo County</b> DRAFT - For Complete plan information please contact the company directly Revised 10/15/2023				
Name of Plans	Alignment Sutter Advantage H3815-023-0 Non Members: 1-888-979-2247 Members: 1-866-634-2247 www.alignmenthealthplan.com 4 stars (3.5 Medical   4.5 Rx)	Alignment My Choice H4961-003-0 Non Members: 1-888-979-2247 Members: 1-866-634-2247 www.alignmenthealthplan.com 3 stars (2.5 Medical   3.5 Rx)	Anthem Blue Cross Medicare Advantage H0544-096-0 Members: 1-800-499-2793 Non-Members: 1-855-593-0898 www.shop.anthem.com/medicare 3 stars (2.5 Medical   3.5 Rx)	Anthem Blue Cross Prime H4161-005-0 Members: 1-833-707-3129 Non Members: 1-855-593-0898 www.shop.anthem.com/medicare no stars (plan is too new)
TYPE OF NETWORK	HMO	xxx PPO xxx	HMO	HMO
Monthly Premium (additional to part B)	\$48	\$97	\$0	\$0
Maximum Out-Of-Pocket (Excludes part D, Extra, Optional)	\$3,900 (Only In-Network)	\$4,200 (In-Network) (IN) \$6,000 (Out-of-Network) (OUT)	\$4,900 (Only In-Network)	\$5,200 (Only In-Network)
<b>INPATIENT SERVICES (Part A)</b>				
Hospitals In-Network Contracted	CA Pacific Medical Center (SF), Mills Health Center (San Mateo), Mills-Peninsula Medical Center (Burlingame), Sequoia Hospital (Redwood City), Sutter Bay Hospitals (SF)	Mills Health Center (San Mateo), Mills-Peninsula Medical Center (Burlingame), Sequoia Hospital (Redwood City)	CA Pacific Medical Center (SF), Chinese Community Hospital (SF), Mills-Peninsula Medical Center (Burlingame), Sequoia Hospital (Redwood City), Seton Medical Center - AHMC (Daly City), St Francis Memorial Hospital (SF), St Luke's Hospital (SF), St Mary's Medical Center (SF), St Rose Hospital (Hayward), Sutter Valley Hospitals (SF)	CA Pacific Medical Center (SF), Chinese Community Hospital (SF), Mills-Peninsula Medical Center (Burlingame), Sequoia Hospital (Redwood City), Seton Medical Center - AHMC (Daly City), St Francis Memorial Hospital (SF), St Luke's Hospital (SF), St Mary's Medical Center (SF), St Rose Hospital (Hayward), Sutter Valley Hospitals (SF)
Inpatient Hospital Care (Copay/day)	Days 1-5: \$225 Days 6-90: \$0	Days 1-5: \$225 Days 6-90: \$0 OUT: 30% coinsurance / stay	Days 1-5: \$225 Days 6-90: \$0	Days 1-5: \$250 Days 6-90: \$0
Skilled Nursing Facility (Copay/day)	Days 1-20: \$0 Days 21-51: \$160 Days 52-100: \$0	Days 1-20: \$0 Days 21-51: \$160 Days 52-100: \$0 OUT: 30% coinsurance / stay	Days 1-20: \$0 Days 21-100: \$196	Days 1-20: \$0 Days 21-100: \$188
<b>OUTPATIENT SERVICES (Part B)</b>				
Medical Groups In-Network Contracted	Alignment Health Plan Network, Mills-Peninsula Medical Group, Palo Alto Medical Foundation (PAMF), Sutter Pacific Medical Foundation	Alignment Health Plan Network, Mills-Peninsula Medical Group, Palo Alto Medical Foundation (PAMF)	AAMG (Asian American), Brown & Toland, Carbon Health Medical, Dignity Health, North East Medical Svcs, Physicians Medical Group of San Jose, Imperial Health, Wellness Care Medical Group	Brown & Toland, Imperial Health Physicians Group, Santa Clara IPA
Deductible (Medical)	\$0	\$0	\$0	\$0
Doctor Office Visits (copay/visit)	PCP: \$5 Specialist: \$25	PCP: \$5 Specialist: \$35 OUT: 25% coinsurance/visit (PCP or specialist)	PCP: \$0 Specialist: \$25	PCP: \$0 Specialist: \$30
Outpatient Hospital, Surgery, Procedure	Hospital Services: \$250	Hospital Services: \$250	Hospital Services: \$0 - \$250	Hospital Services: \$0 - \$250

# Original Medicare vs. Medicare Advantage

<b>Original Medicare +</b>	<b>Medicare Advantage</b>
You can go to <b>any doctor or hospital that accepts Original Medicare, anywhere in the U.S.</b>	In many cases, you'll need to use <b>doctors and other providers who are in the plan's network and service.</b>
In most cases, you <b>don't need</b> a referral to see a specialist.	In most cases, you <b>need</b> to get a referral to see a specialist.

# Original Medicare Alternatives 2 – Employer Retirement Plans



Original Medicare – Employer retirement plan (FFS)

Employer Retirement Plans (HMO, PPO, Private)

 Employer Retirement Plans

# Which Medicare Option is best for you?

- Original Medicare A & B only ( big financial exposure and penalties)
- Original Medicare + Medigap + Part D
- Medicare Advantage (MA)
- Employer Retirement Plan
- VA plan or Federal Plan



# Questions





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# Medicare Enrollment Periods

	INITIAL ENROLLMENT PERIOD (IEP)	GENERAL ENROLLMENT PERIOD (GEP)	SPECIAL ENROLLMENT PERIOD (SEP)	ANNUAL ENROLLMENT PERIOD (AEP)	OPEN ENROLLMENT PERIOD (OEP)
<b>WHO NEEDS</b>	Turning 65	Missed IEP	Previous Employer-based coverage	Medicare Plan Enrollees	Medicare Advantage (MA) Enrollees
<b>PURPOSE</b>	Enroll in Original Medicare	Enroll in Medicare Part A or Part B	Enroll in Medicare Part A or Part B	Reevaluate coverage & Make Changes	One-time change to MA Plan
<b>WHEN</b>	3 months before 65th birthday through 3 months after	January 1 - March 31	8 months from termination of employer coverage	October 15 - December 7	January 1 - March 31

# Coordination of Coverage

<b>Case</b>	<b>Primary</b>	<b>Secondary</b>
<b>Original Medicare + Medigap</b>	<b>Medicare</b>	<b>Medigap</b>
<b>Medicare Advantage</b>	<b>Medicare Advantage</b>	<b>NA</b>
<b>Employer Retirement Plan FFS</b>	<b>Medicare</b>	<b>Employer</b>
<b>COBRA **</b>	<b>Medicare</b>	<b>COBRA</b>

# Coordination of Coverage

Case	Primary	Secondary
Original Medicare + Medigap	Medicare	Medigap
Medicare Advantage	Medicare Advantage	NA
Employer Retirement Plan FFS	Medicare	Employer
COBRA **	Medicare	COBRA

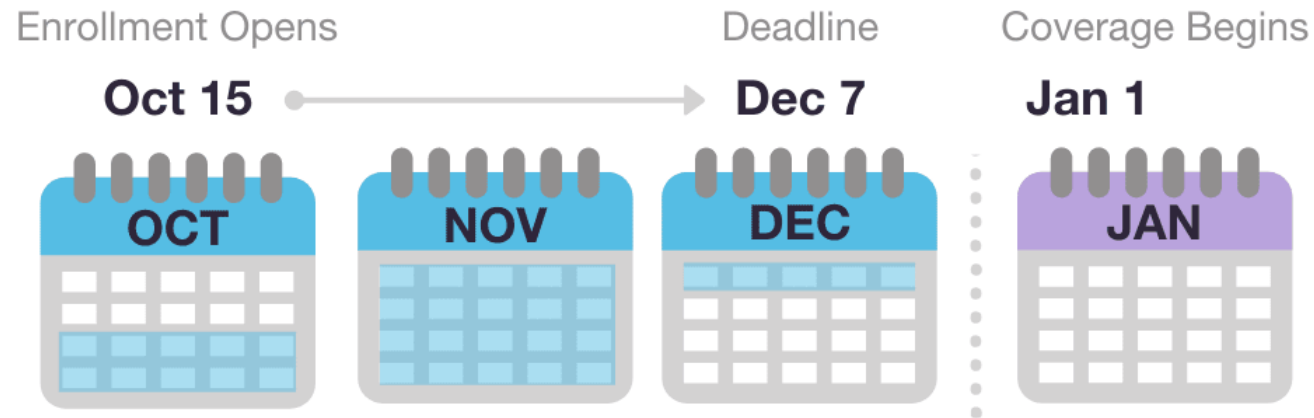
\*\* If you were eligible for Medicare **BEFORE** COBRA, you can keep both (COBRA is Secondary)

\*\* If you were become eligible for Medicare **AFTER** COBRA, COBRA converge will end

# Annual Enrollment Period (AEP)

## Medicare Annual Enrollment Period

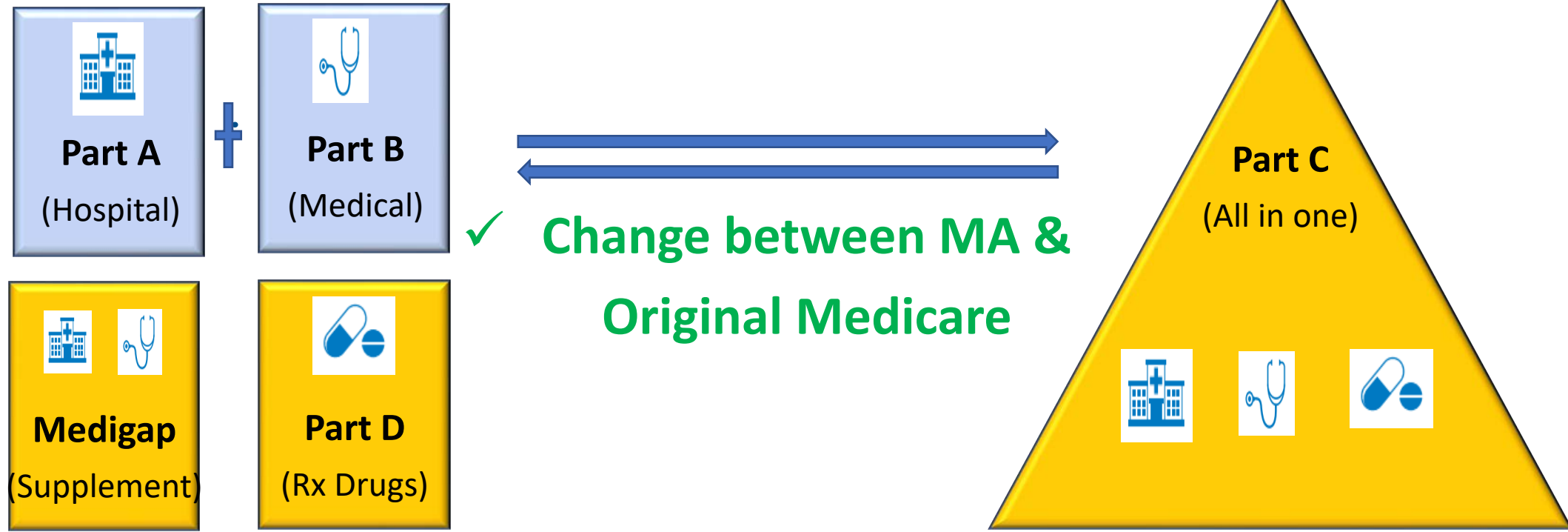
Annual Election Period (AEP)



# Why Evaluate your coverage ?

- **Confirm** that your coverage meets your health needs
- **Confirm** that your coverage meets your financial situation
- **Opportunity to correct** any enrollment mistakes
- **Avoid surprises** once the new coverage year starts


# What can I do during Annual enrollment



✓ Add or change Part D Plan


✓ Change your MA plan

X Can not add/change Medigap




## Welcome to Medicare


[Get Started](#)

 **Log in or create an account**  
Access your information anytime, anywhere


[Log in/Create Account](#)

 **Find health & drug plans**  
Find & compare plans in your area

[Find Plans Now](#)

 **Find care providers**  
Compare hospitals, nursing homes, & more

[Find Providers Near Me](#)


 **Talk to someone**  
Contact Medicare & other helpful resources


[Get Help](#)




## Explore your Medicare coverage options

Review your 2024 plan options now.



 [First time joining a Medicare health or drug plan?](#)

### Find Medicare health & drug plans


 Use your account

**Save time by logging in**

- Get a summary of your current coverage
- Use your saved drugs & pharmacies to compare plan costs

[Log In](#)

Don't have an account? [Create one.](#)

 Continue without logging in

Choose the year you need coverage and enter your ZIP code:

COVERAGE FOR

2024  2023

ZIP CODE



# Premium Surcharge ( IRMAA)

- Everyone pays a standard premium for Part B & D
- An added surcharge called IRMAA is added based on MAGI
  - Social Security bases your IRMAA on your federal MAGI from 2 years ago  
( example for 2024 premium, MAGI Tax year 2022 is used)
- There are “Life Events” that you can use to appeal using the prior 2 years  
MAGI for IRMAA Calculation

# Monthly Part B Standard Premium—Income-Related Monthly Adjustment Amount (IRMAA) for 2024

**Your Part B premium in 2024 based on your 2022 tax return:**

<b>Beneficiaries who file individual tax returns with modified adjusted gross income:</b>	<b>Beneficiaries who file joint tax returns with modified adjusted gross income:</b>	<b>Income-Related Monthly Adjustment Amount</b>	<b>Total Monthly Premium Amount</b>
<b>Less than or equal to \$103,000</b>	Less than or equal to \$206,000	\$0.00	\$174.70
<b>Greater than \$103,000 and less than or equal to \$129,000</b>	Greater than \$206,000 and less than or equal to \$258,000	\$69.90	\$244.60
<b>Greater than \$129,000 and less than or equal to \$161,000</b>	Greater than \$258,000 and less than or equal to \$322,000	\$174.70	\$349.40
<b>Greater than \$161,000 and less than or equal to \$193,000</b>	Greater than \$322,000 and less than or equal to \$386,000	\$279.50	\$454.20
<b>Greater than \$193,000 and less than \$500,000</b>	Greater than \$386,000 and less than \$750,000	\$384.30	\$559.00
<b>Greater than or equal to \$500,000</b>	Greater than or equal to \$750,000	\$419.30	\$594.00

# Monthly Part D Standard Premium—Income-Related Monthly Adjustment Amount (IRMAA) for 2024

Chart is based on your yearly income *in 2022*

Beneficiaries who file individual tax returns with modified adjusted gross income:	Beneficiaries who file joint tax returns with modified adjusted gross income:	Income-related monthly adjustment amount
Less than or equal to \$103,000	Less than or equal to \$206,000	\$0.00
Greater than \$103,000 and less than or equal to \$129,000	Greater than \$206,000 and less than or equal to \$258,000	\$12.90
Greater than \$129,000 and less than or equal to \$161,000	Greater than \$258,000 and less than or equal to \$322,000	\$33.30
Greater than \$161,000 and less than or equal to \$193,000	Greater than \$322,000 and less than or equal to \$386,000	\$53.80
Greater than \$193,000 and less than \$500,000	Greater than \$386,000 and less than \$750,000	\$74.20
Greater than or equal to \$500,000	Greater than or equal to \$750,000	\$81.00

# Key Medicare Updates

## **Inflation Reduction Act 2023 Medicare provisions:**

- Insulin co-pay will be capped at \$35/month for Medicare recipients
- All vaccine co-pays will be \$0 ( example: Shingrix)
- Coverage when enrolling in original Medicare is effective following month

## **Inflation Reduction Act 2024 Medicare provisions :**

- 5% catastrophic coverage copay has been eliminated

## **Inflation Reduction Act 2025 Medicare provisions :**

- Maximum out of Pocket for Medications will be capped at \$2000

# Presentation Take away

- “Original Medicare” is Part A & Part B with many “Gaps”
- You can supplement “Original Medicare” with Medigap & Part D
- You have a Medigap “Guarantee issue right” under fixed conditions
- You can elect to leave “Original Medicare” for Medicare Advantage or employer retirement plan ( you will likely lose Medigap guarantee)
- Review your plans every year **EVEN IF YOU LOVE THEM**

# HICAP Services

- 1 on 1 phone or in-person counseling
- Review your plan options (Part D, MA plans, Medigap)
- Highlight financial assistance programs ( not only low income assistance)
- Assist you in the enrollment process
- Contact Medicare to follow up or sort out issues on your behalf
- Assist you with Medicare or Insurance provider Appeal
- Provide you with county specific aggregated Medicare materials
- Educate, Inform and advocate on your behalf !
- But we can not pick a Medicare plan for you ....



# HICAP Medicare Counseling

650 627-9350

1-800-434-0222

[info@hicapsm.org](mailto:info@hicapsm.org)

