



Medicare 101

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What We'll Cover

1

What is Medicare?

2

Who is eligible for Medicare?

3

Do I need Medicare if I work past 65?

4

What does Medicare cover?

5

Where can I get more coverage?

6

What does Medicare cost?

7

How do I choose Medicare coverage?

8

When can I enroll?

9

When can I change my coverage?

10

How can I save money?



What is Medicare?

What is Medicare?

- Federal health insurance for anyone age 65 and older, and some people under 65 with certain disabilities or conditions
- Individual health insurance
- It is funded in part by federal payroll taxes that are paid while you are employed


Medicare is **not**:

- Free
- A family health plan
- Social Security
- Medicaid




What about Medicaid?

- A joint federal and state government program that helps health care costs for individuals, families, and children with limited income and resources
- Medicaid programs and eligibility varies from state-to-state but still follows federal guidelines for benefits



Medicaid & Medicare
can work together! This
is called **Dual Eligibility**





Who is eligible for Medicare?

Who is eligible for Medicare?

- U.S. citizens and legal residents
- A lawfully admitted noncitizen who has lived in the United States for at least 5 years.
- 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





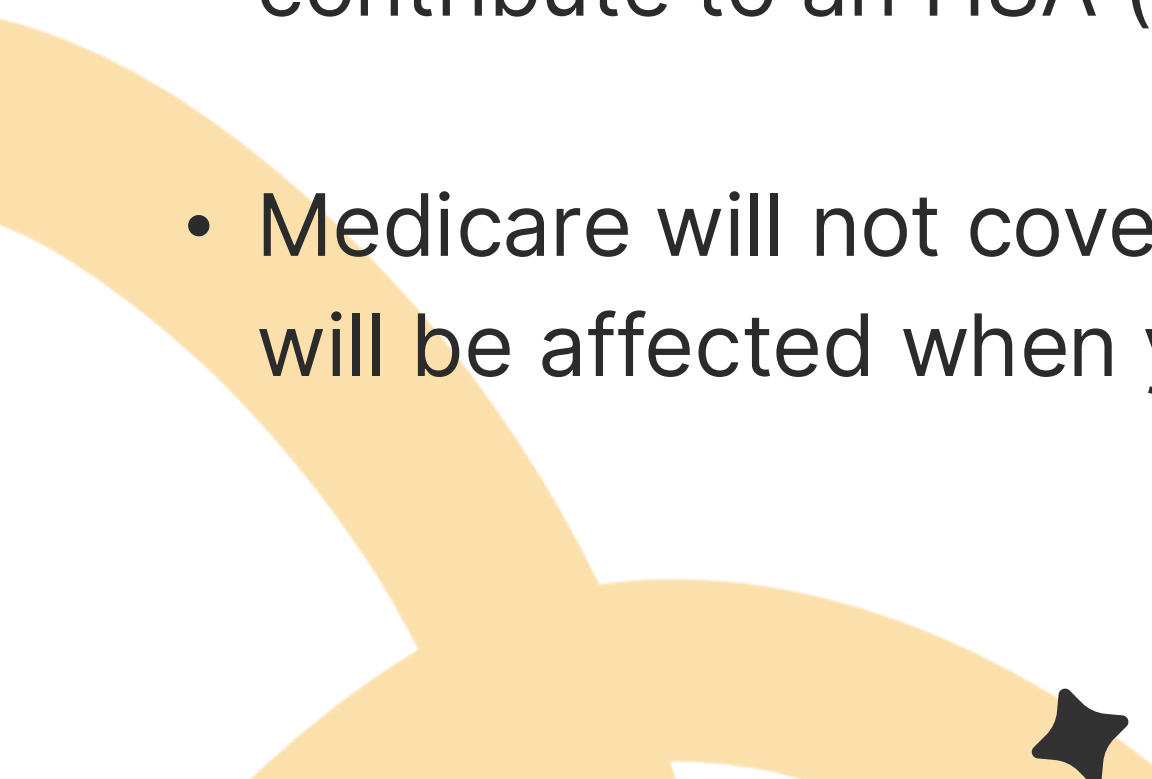
**Do I need Medicare if
I work past age 65?**

Do I need Medicare if I work past age 65?

- If you choose to work past age 65, your Medicare enrollment options may be different.
- You can delay your Medicare enrollment without a penalty if...
 - Your employer has 20 or more employees
 - Your employer group plan is considered “credible coverage”



Medicare coverage while still employed

- Medicare and your employer insurance can work together
 - If you enroll in any part of Medicare, you will no longer be able to contribute to an HSA (health savings account)
 - Medicare will not cover anyone but you, so consider how any dependents will be affected when you enroll
- 



What does Medicare cover?

What is covered by Medicare?

Original Medicare has **two** parts:



Part A: Hospital Insurance

Helps pay for hospital and inpatient care



Part B: Medical Insurance

Helps pay for doctor and outpatient care





Part A: Hospital Insurance

Helps pay for hospital and inpatient care, including:

- Your hospital rooms and meals
- Intensive care units
- Prescription drugs & medical supplies used **during** an inpatient stay
- Lab tests, X-rays, and medical equipment as an inpatient
- Operating room & recovery room services
- Skilled nursing services
- Some blood transfusions
- Hospice care, including medications to manage symptoms and pain
- Part-time, skilled care for the homebound after a qualified inpatient stay
- Rehabilitation services after a qualified inpatient stay





Part A: Hospital Insurance

Fast Facts:

- Premium-free if you or your spouse worked and paid taxes for 10 years or longer
- Can't be denied coverage
- Coverage is nationwide, including qualified hospitals in the US
- Coverage and costs are per "benefit period"
- Must be admitted as an inpatient (not on "observation status")
- Provides 60 "lifetime reserve" days



What does Medicare cover?

Original Medicare has **two** parts:



Part A: Hospital Insurance

Helps pay for hospital and inpatient care



Part B: Medical Insurance

Helps pay for doctor and outpatient care





Part B: Medical Insurance

Medicare Part B covers two types of services:

- **Medically necessary services:** Services or supplies that are needed to diagnose or treat your medical condition
- **Preventive services:** Health care to prevent illness (like the flu) or detect it at an early stage, when treatment is most likely to work best.





Part B: Medical Insurance

Medicare Part B covers things like:

- Annual Wellness Visit
- Ambulance services
- Durable medical equipment (DME)
- Limited outpatient prescription drugs—such as drugs administered in the doctor's office
- Mental health services:
 - Inpatient care
 - Outpatient
 - Partial hospitalization
 - Intensive outpatient program services





Part B: Medical Insurance

Fast Facts:

- Monthly premium, adjusted for income
- Can't be denied coverage
- Coverage is nationwide, including any provider who accepts Medicare
- Premium penalty for late enrollment, unless you qualify for a Special Enrollment Period





Medicare does **not** cover everything

Original Medicare (Parts A & B) does not cover:

- All out-of-pocket costs 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 with bathing, eating, dressing)
- Excess charges for services by doctors who don't accept Medicare
- Care received outside the US, except for certain circumstances





**Where can I get
more coverage?**

Where can I get more coverage?

Option 1: _____

OR _____

Option 2: _____

Add on to Original Medicare

Medicare Advantage Plan

Medicare Part D Plan



Helps pay for prescription drugs.

Medicare Supplement Insurance (Medigap)



Helps pay some or all of the out-of-pocket costs not paid by Original Medicare.

Medicare Advantage (Part C) Plan



Part C: Combines Part A (hospital insurance) and Part B (medical insurance) in one plan



Part D: Usually includes prescription drug coverage



May also offer additional benefits like vision and dental coverage



Part C: Medicare Advantage

- Upheaval in Stanislaus County (United Healthcare has exited)
- Another option to get your Medicare benefits
- Alternative to Original Medicare (Part A & Part B)
- Benefits are administered by the health plan
- Prescription drug coverage is built into most plans
- Plans offer additional health benefits such as dental, vision, and fitness





Part C: Medicare Advantage

- **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





Part C: Medicare Advantage

- Medicare Advantage plans may also offer additional benefits and features, such as:
 - Dental preventative services: exams, cleanings, and X-Rays
 - Routine eye exams, eyeglasses and contact lenses
 - Routine Hearing tests and hearing aids
 - Fitness programs and memberships, such as Silver Sneakers





Part C: Medicare Advantage

- There are different Medicare Advantage plan types. Some coordinated care plans include:
 - Health Maintenance Organization plans (HMO)
 - Preferred Provider Organization plans (PPO)
 - Special Needs Plans (SNP)
 - Dual Special Needs Plan (DSNP)
 - Chronic Special Needs Plan (CSNP)
 - Institutional Special Needs Plan (ISNP)





Part C: Medicare Advantage

Fast Facts:

- Must be enrolled in both Medicare
- Part A and Part B and live in plan service area
- Can't be denied coverage based on current financial or health status, including pre-existing conditions
- May be required to use provider and pharmacy networks (for example: out of network coverage is not available on HMO plans)
- Coverage and costs vary by plan and may change each year
- Annual limit on out-of-pocket costs for covered services
- May charge a monthly plan premium
- Must continue to pay Part B premium to Medicare



Where can I get more coverage?

Option 1: _____
Add on to Original Medicare

OR _____ **Option 2:**
Medicare Advantage Plan

Medicare Part D Plan



Helps pay for prescription drugs.

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Medicare Advantage (Part C) Plan



Part C: Combines Part A (hospital insurance) and Part B (medical insurance) in one plan



Part D: Usually includes prescription drug coverage



May also offer additional benefits like vision and dental coverage



Part D: Prescription Drug Plans

- Medicare Part D insurance provides coverage for prescription drugs and some vaccines
- There are two ways to get Prescription Drug coverage:
 - A stand-alone Part D Plan through an insurance carrier
 - A Medicare Advantage plan that includes prescription drug coverage





Part D: Prescription Drug Plans

What is covered by Prescription Drug Plans?

- Drugs that are most common for Medicare beneficiaries
- Specific brand name and generic drugs that are included in the drug list, also known as the formulary
- Vaccines that are not covered by Part B





Part D: Prescription Drug Plans

Fast Facts

- Must be enrolled in Medicare Part A, Part B, or both
- May be required to use a pharmacy network
- Coverage and costs vary by plan, and may change each year
- Part D premium penalty for late enrollment, unless you qualify for a Special Enrollment Period



Where can I get more coverage?

Option 1: _____
Add on to Original Medicare

OR _____ **Option 2:**
Medicare Advantage Plan

Medicare Part D Plan



Helps pay for prescription drugs.

Medicare Supplement Insurance (Medigap)



Helps pay some or all of the out-of-pocket costs not paid by Original Medicare.

Medicare Advantage (Part C) Plan



Part C: Combines Part A (hospital insurance) and Part B (medical insurance) in one plan



Part D: Usually includes prescription drug coverage



May also offer additional benefits like vision and dental coverage



Medicare Supplement Insurance (Medigap)

Helps pay some of the out-of-pocket costs not paid by Medicare Parts A & B

- Compatible with Original Medicare (Parts A & B) and Part D
- Cannot be used with Medicare Advantage plans
- Includes 10 plans standardized by federal and state regulations
- Plans are designated by letters (e.g., Plan A, Plan G), with coverage and costs varying by plan.
- Provided by private insurance companies in your state



Medicare Supplement Insurance (Medigap)

Coverage includes assistance with payments for:

- Coinsurance for hospital stays under Part A
- Coinsurance for skilled nursing facility care under Part A
- Coinsurance or copayments for services under Part B
- The first 3 pints of blood transfusions
- Expenses for up to 365 additional hospital days
- Coinsurance for hospice care
- Deductibles for both Part B and Part A
- Emergency medical care during foreign travel, subject to plan limits
- Charges from healthcare providers exceeding Medicare's approved rates

Plans do not help cover:

- Prescriptions
- Regular dental, vision, or hearing check-ups
- Eyeglasses, contact lenses, or hearing aids
- Assistance with daily activities such as bathing, eating, or dressing
- Long-term care needs





Medicare Supplement Insurance (Medigap)


Fast Facts:

- Must be enrolled in Medicare Part A and Part B and reside in the state where the plan is offered
- No medical underwriting for up to 6 months after enrolling in Part B at age 65 or older
- Nationwide coverage with no provider network restrictions
- Guaranteed renewable if premiums are paid
- Plan premiums may vary for the same coverage
- Plans with more coverage typically have higher premiums
- Must continue paying the Part B premium to Medicare



What does Medicare cost?

Medicare Costs

- **Premium:** A fixed amount that you pay for coverage, usually monthly
 - **Deductible:** A set amount that you pay for covered services before your plan begins to pay
 - **Copay:** A fixed amount you pay at the time you receive a covered service
 - **Coinsurance:** An amount you pay when the plan splits the cost of a covered service with you by percentage, such as 80/20
- 

What does Medicare cost?

Plans will vary in the costs they choose to include and how much.

Costs you could pay may include:



Medicare Advantage (Part C)

- Low to \$0 monthly premium
- Deductible
- Copay
- Coinsurance



Part D Prescription Drug Plans

- Monthly premium
- Deductible
- Copay
- Coinsurance



Medicare Supplement (Medigap)

- Monthly premium
- Deductible
- Copay



Medicare Advantage plans have an annual out-of-pocket maximum for covered services





When can I enroll?

Initial Enrollment Period



- Starts three months before your 65th birthday, includes your birthday month, and ends three months after your birthday
- Enroll early to avoid gaps in coverage and late enrollment penalties



If you sign up...	Your Medicare coverage will start
1-3 months before 65 th birthday	1 st day of birthday month
Birthday month	1 month after sign-up date
1 month after 65 th birthday	2 months after sign-up date
2 months after 65 th birthday	3 months after sign-up date
3 months after 65 th birthday	3 months after sign-up date

General Enrollment Period

If you miss the Initial Enrollment Period:

- You can sign up for Part A, Part B, or both.
- You have the option to join a Medicare Advantage plan (Part C) or a prescription drug plan (Part D).
- Penalties for enrolling late and premium charges may apply.

January

February

March

April

May

June

General Enrollment Period
for Parts A & B

January 1st to March 31st

General Enrollment Period
for Parts C & D

April 1st to June 30th



Medicare Supplement Open Enrollment Period

Month 1

Month 2

Month 3

Month 4

Month 5

Month 6

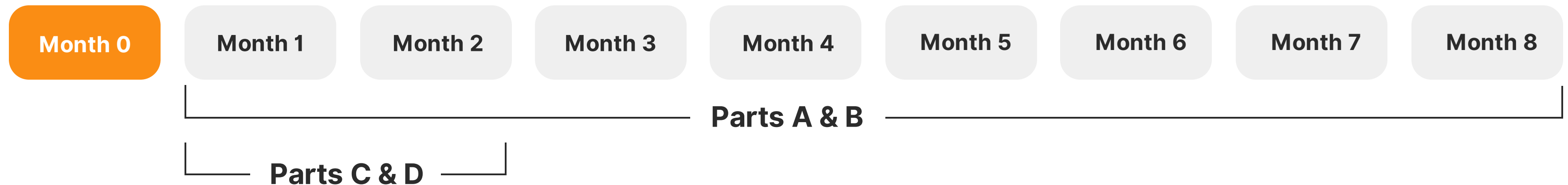


*You are 65 or older and starting Part B
for the first time*

- Lasts for 6 months, beginning with the month in which you are 65 or older and enrolled in both Medicare Part A and Part B
- No medical underwriting if you enroll during this time
- You may apply at other times, but you could be denied coverage or charged a higher premium based on your health history
- Some states may have additional Open Enrollment rights under state law

Special Enrollment Period: Working Past 65

↙ *The last month of employment or employee health coverage*



- For those who delayed enrollment with creditable employer health coverage, you will have 8 months to enroll in Part A, Part B or both
- You will have only the first 2 months to enroll in a Medicare Advantage (Part C) or Part D prescription drug plan
- You have exactly 63 days to get a stand-alone Part D plan or Medicare Advantage plan with prescription drug coverage without penalty

Late Enrollment Penalties

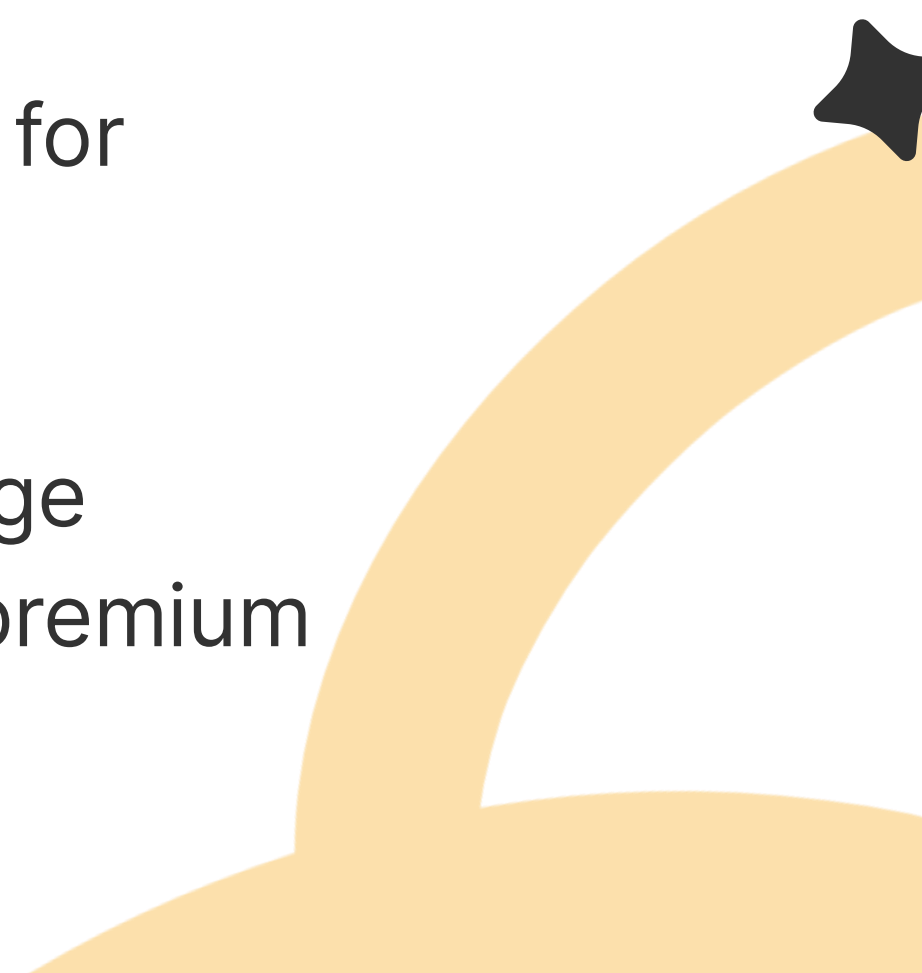
Medicare Part A

- No penalty if you qualify for premium free
- If you have to pay for Part A, the penalty is 10% of the Part A premium

Medicare Part B

- No penalty if you qualify for a Special Enrollment Period (SEP)
- You'll pay an extra 10% for each year you could have signed up for
- Part B, but didn't

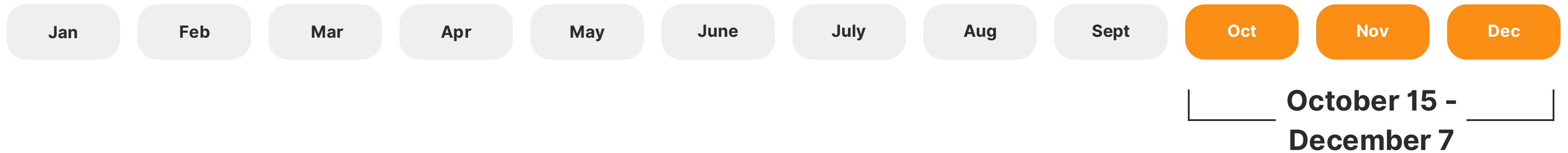
Medicare Part D

- No penalty if you go less than 63 days without credible coverage
 - The penalty is an additional 1% of the national average Part D premium each month that you didn't have creditable coverage.
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When can I change coverage?

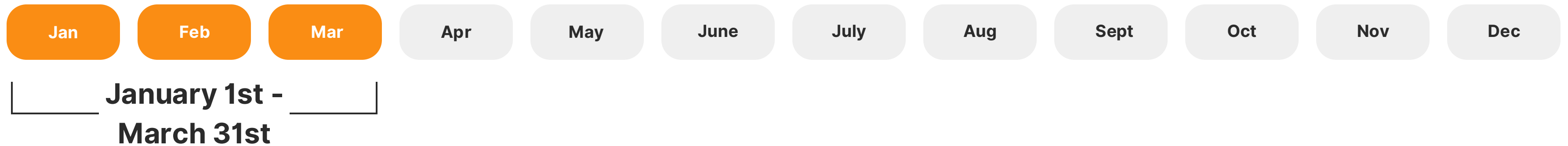
Medicare Annual Enrollment Period (AEP)



- October 15th to December 7th each year
- Enroll in, change, or cancel a Medicare Advantage (Part C) or Medicare Part D prescription drug plan
- Switch from Original Medicare (Parts A & B) to a Medicare Advantage plan, or vice versa
- Transfer from one Medicare Advantage plan to another



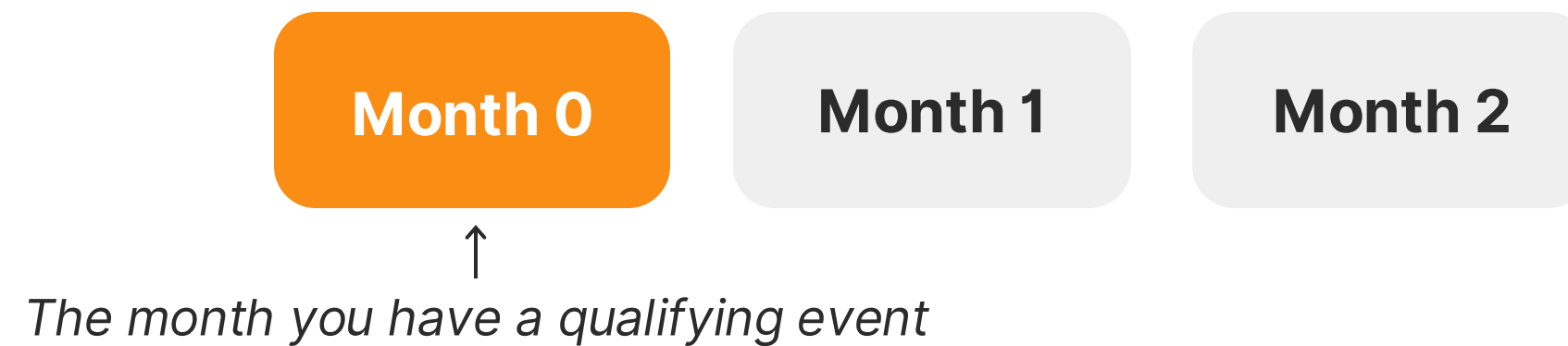
Medicare Advantage Open Enrollment Period (MA)



- Exclusively for Medicare Advantage plan members
- Switch to another Medicare Advantage plan or revert to Original Medicare (Parts A & B)
- Enroll in a standalone Part D prescription drug plan if switching back to Original Medicare
- Only one coverage change permitted



Special Enrollment Period: Qualifying Life Events



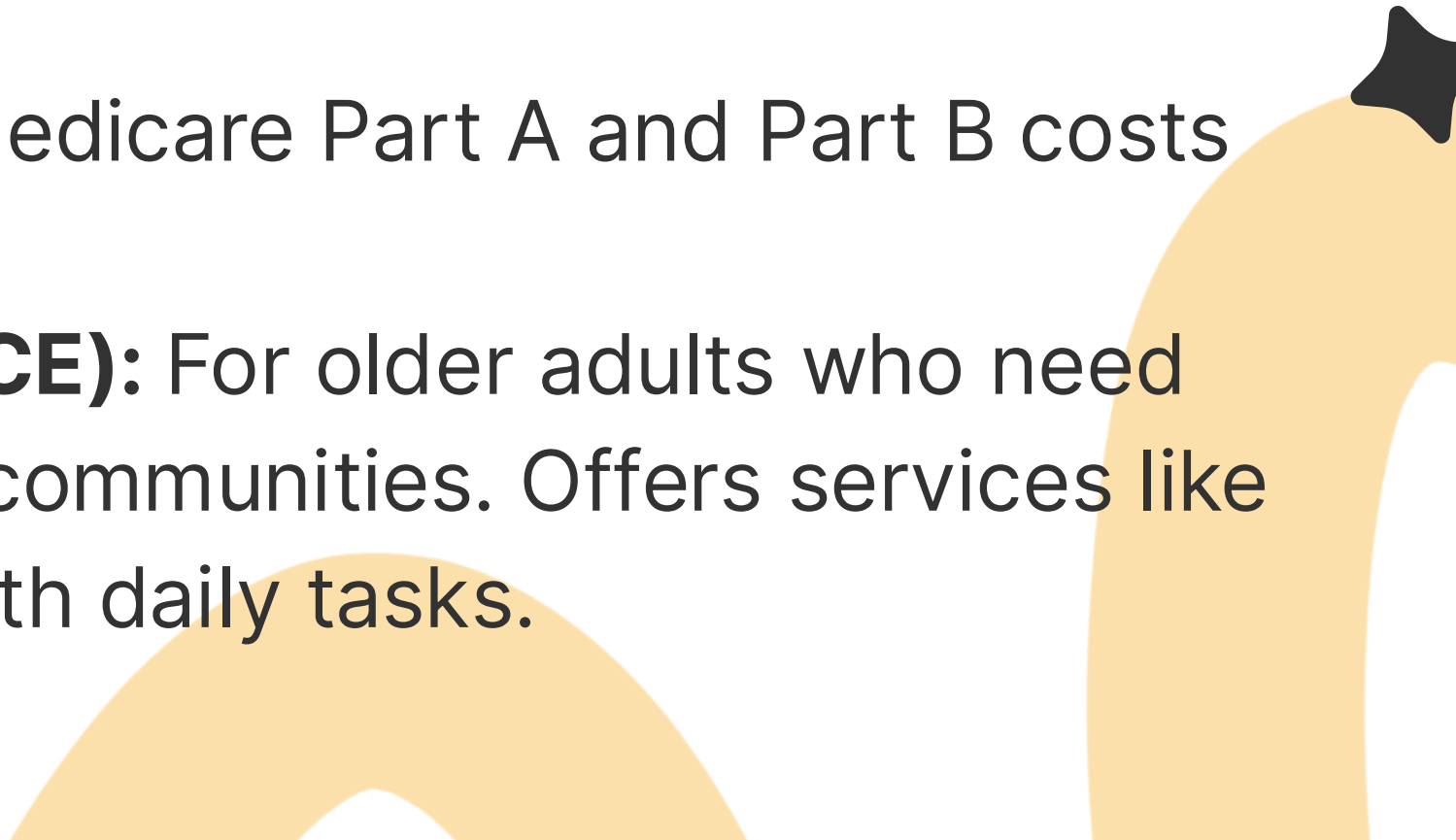
- Typically, following a qualifying event, you have a window of two full months starting from the month after the event to adjust your Medicare Advantage or prescription drug plan. Within this period, you can enroll in, switch, or discontinue a plan without incurring any penalties, even outside of the regular Medicare Annual Enrollment Period.
- **Common qualifying events include:**
 - Moving
 - Leaving retiree, union, or COBRA coverage





How can I save money?

Financial Assistance Programs

- **Medicaid:** Provides health coverage to eligible low-income individuals, including some Medicare beneficiaries.
 - **Extra Help (Low-Income Subsidy):** Helps people with limited income and resources pay for Part D prescription costs
 - **Medicare Savings Programs (MSPs):** Helps pay Medicare Part A and Part B costs
 - **Program of All-Inclusive Care for the Elderly (PACE):** For older adults who need nursing home-level care but prefer to stay in their communities. Offers services like medical care, therapy, social activities, and help with daily tasks.
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More Resources

- Visit [medicare.gov](https://www.medicare.gov)
- Call 1-800-MEDICARE
 - (1-800-633-4227), TTY 1-877-486-2048,
 - 24 hours a day, 7 days a week
- State Health Insurance Assistance Program (SHIP); get the number at shiphelp.org
- Your local Social Security or state Medicaid office