

# 2023 Medicare Basics

Medicare is health insurance for people age 65 or older and people under age 65 who have been determined disabled by the Social Security Administration. Coverage options vary in cost depending on the plan, coverage, and the services used.

Option #1

Original Medicare Plan	
Together these parts are traditional Medicare	
<b>Part A: covers Hospital</b> <i>Has a \$1,600 deductible per benefit period</i>  ► Premium: free for most people. (Otherwise, \$278/mo if 30-39 qtrs of work, \$506/mo if under 30 qtrs of work)	<b>Part B: covers Medical</b> <i>Basically covers 80% of costs after deductible of \$226/yr</i>  ► Premium: \$164.90/mo taken out of Social Security benefit. (Can be higher based on taxable income)
You have your choice of doctors, hospitals, or clinics that accept Medicare.	

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Prescription Drug Plan	
Choose one – can have both	
<b>Medicare Part D</b> The federal Medicare-approved drug plans provided by private insurance companies. Plans differ in coverage, formularies, & co-pays. ► Cost: monthly prem. plus plan co-pays (may have deductible up to \$505).	<b>SeniorCare</b> Tiered prescription drug program available only in Wisconsin. Funded by state and federal dollars. SeniorCare coverage is based on income level. ► Cost: \$30/yr plus co-pays and possible deductible

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Medigap / Supplement Policy
All Supplements work where Medicare does
<b>Traditional Medigap policies</b> are offered by private insurance companies to cover payment of the 20% Medicare does not cover. Optional riders are available to cover additional costs such as excess charges, foreign travel emergencies, and additional home health care visits. ► Cost: Varies by policy and company. The cost of a basic policy for a 65-year-old is between \$150-\$450 (average approx. \$230) per month.

Option #2

OR	Part C: Medicare Advantage Plans
	Medicare Advantage plans are private companies that provide the same benefits as Medicare Part A and B. Using Medicare monies, private companies make arrangements with hospitals/doctors/clinics to provide care for their clients at reduced rates. <b>Co-pays</b> are assigned to most medical procedures and need to be paid by insured client. The out-of-pocket maximum (co-pays + coinsurance) is typically between \$3,000 - \$6,700/yr. ► Cost: Medicare and Plan premiums + Co-pays + Coinsurance
	<b>3 basic types of Advantage Plans</b> <b>HMO:</b> Health Maintenance Organization; must use medical providers who are in plan's network. <b>PPO:</b> Preferred Provider Organization; pay less if using providers in network, more if out of network. With the above plans, you must get your prescription coverage either from the plan, Senior Care, or the Veteran's Administration. <b>PFPS:</b> Private Fee for Service; you can use any provider that accepts the plan, and you can get your prescription coverage with a separate Part D plan. With Advantage plans: → Doctors/Hospitals/Clinics <b>MUST</b> accept terms and conditions of plan or you <u>do not</u> have coverage → Referrals <u>do not</u> guarantee insurance payment → <b>Doctors/Hospitals, and other providers can terminate their coverage arrangements with each other at any time</b> → Often plans <u>do not</u> offer coverage outside regional area, except for emergencies/urgent care → Plans <u>can not</u> drop insured clients for any reason other than non-payment of premium, but plans can leave an area → Client no longer uses Original Medicare
	<b>Medicare Cost Plans</b> Cost plans are offered by some HMOs who agree to provide Medicare benefits. Cost plans will only pay supplemental benefits if you use network providers. If you use a non-network provider, Medicare will still pay its share of covered charges, but you will pay the deductibles and co-pays. Prescription coverage can either be with the cost plan, a separate Part D plan, Senior Care or the Veteran's Administration.

## The Parts of Medicare

### Part A Services:

- Inpatient Hospitalization
- Skilled Nursing Facility Care
- Home Health Care
- Blood
- Hospice Care
- Inpatient Mental Health Services

### Part B Services:

- Outpatient Hospital Services
- Doctor's visits
- Flu shots, pneumonia shots, Hepatitis B shots, COVID-19 vaccine, tetanus shot (if exposed to dangerous virus or disease)
- Durable Medical Equipment, including Oxygen
- Lab work
- X-Rays, Scans, and MRIs
- Physical, Occupational, Speech, and Cardiac Rehabilitation therapies
- Chemotherapy and injectable drugs
- Ambulance
- Emergency room and urgent care
- Diabetes supplies (except insulin and syringes → Part D)
- Mental Health Services (outpatient)

### Part C Services:

- Another name for Medicare Advantage plans.

### Part D Services:

- Prescription medications, insulin, syringes, and commercially available vaccines on Part D plan's formulary not covered under Medicare Part B

### Some Things to Remember:

- Each year individuals have a chance to review and change their Medicare Part D or Medicare Advantage (Part C) plan during Medicare's Open Enrollment Period, which runs from **October 15-December 7**. Plan changes made during this time become effective January 1st of the following year. There is also a Medicare Advantage (MA) Open Enrollment Period, which runs annually from **January 1-March 31**. During this period individuals can dis-enroll from an MA plan or enroll in a different MA plan. Changes are effective the first day of the following month.
- You cannot have an HMO or PPO Advantage plan and a separate Part D Plan together. You can have SeniorCare with either plan.
- You can change supplement policies any time if you can find another company who will accept you (subject to medical underwriting).
- Under specific circumstances you may have guaranteed issue into a Medicare supplement plan and not be required to undergo medical underwriting.