MEDICARE 101

STARTER KIT

Medicare Made Simple.

WELCOME

Introduction

We hope this guide proves very valuable to you as you navigate the moving parts and decisions you have for your Medicare benefits. We begin by breaking down the fundamental parts of Medicare coverage. Important timelines are spelled out. A format for making pro-con decisions is offered as well as highlighting considerations for different situations like Veterans, income impacts, Medicaid and more. We spell out transition considerations for they coverage scenario you might be coming from. Helpful grids are included for easy reference. Don't forget to check out the prescription discount information near the end if you think it might help.

For further assistance, ask for help! We are available with an easy phone call, or you can schedule an appointment online with us. We're available in person in office or at your home, by phone or even video conference.

Our Mission

We’re Legacy Insurance & Financial Services. Our agents are all full-time insurance and financial professionals that specialize in retirement planning. We care deeply about our clients. Legacy agents enroll new or ongoing beneficiaries and serve individual clients and families with claims, adjustments, and more. Agents provide ongoing public education through library’s and community groups through workshops, seminars, and published content. Your agent is also around for the long haul. We’re local and will be available to you and your family for years to come. Our contact information is included, and you can refer to our full list of services in the back of this guide. We hope this guide proves valuable to you and look forward to any more help we can be to you!

We're Here to Help!

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CLIENT TESTIMONIALS

★★★★★

“Justin was very experienced in helping my boss navigate his health issues right up to the end. Justin was very kind and caring through this process. He was knowledgable in the insurance products and informed on the correct filing procedures. I was happy he was there to help.”

-Connie

“Ben Taylor has been a great representative. He is very helpful, caring and willing to explain things over and over. I would highly recommend him for your rep.”

- Nancy

“Our agent Jerry Olsen has saved us a ton of money on our insurance. One of his biggest assets is that he comes to our house every year to see we are covered by the right insurance plan for medicare. If there is a better plan that year, he will change us to that plan to optimize our benefits. Our medication plan is saving us lots of money. Glad we are with Legacy.”

- John

“Tammy Stoner that works for Legacy was awesome in helping me sign up for Medicare!!! She worked with me through some problems and stayed on it every day till all the kinks were worked out!!! I would highly recommend her and Legacy for all Senior benefits!!!!”

- Brayan

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Definitions & Acronyms

Beneficiaries – People who receive Medicare benefits are called Beneficiaries.

Co-insurance – A percentage you pay for the cost of care, like 20% for hospitalization.

Co-pays – A set dollar amount you pay for specific services, like $25 for lab work or $10 for a generic drug.

Deductible – An amount you pay in billed expenses before your insurance begins paying some of the costs.

Network – The doctors and hospitals that will accept your insurance coverage.

Premium – The monthly, or sometimes annual, payment you make for insurance coverage. For example, Part B coverage requires a monthly premium payment.

Provider – The medical community, to include doctors, hospitals, clinics, nurses, physical therapists, etc.

Underwriting – The term used when an insurance carrier uses varying criteria to determine whether or not they will insure you. This is usually through health questions.

IRMAA – Income-Related Monthly Adjustment Amount – increased premium for higher earners

LTC – Long-term Care

PCP – Primary Care Physician

SNF – Skilled Nursing Facility

The Parts of

MEDICARE

A Hospital Insurance. Basically “room and board.” Skilled Nursing & Hospice care are also covered by Part A.

B Medical Insurance. Most other medical services both in and out of the hospital are provided under Part B.

C Alternative plans to Original Medicare. Private insurers contracted with Medicare aim to provide enhanced coverage and benefits.

D Prescription Drug Coverage through Medicare contracted private insurers. Medicare Supplement Plans

E Medicare Supplement Plans

Part A
Hospital, Nursing, & Hospice Care

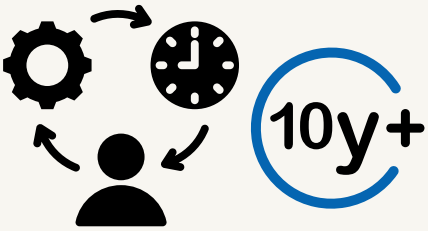
- Part A is one of the two primary forms of coverage provided under Original Medicare for US residents aged 65 or older and special populations under age 65.
- The other coverage is called Part B.
- There is no underwriting (health questions asked) to determine eligibility for Original Medicare A&B coverage.
- Original Medicare is administered by the Social Security Administration.
- Medicare eligibility is typically based on individuals or their spouses having worked for at least 40 quarters, which is equivalent to ten years.
- Medicare is primarily funded through FICA (Federal Insurance Contributions Act) employment taxes.

***Note that all Medicare coverage is individual. There are no family coverage plans.**

Part A

Part A Premium-Free Coverage:

- Most people qualify for premium-free Part A if they or their spouse meet the 40 quarters requirement.



- Additional qualifying conditions include End-Stage Renal Disease (ESRD), ALS (Lou Gehrig's disease), receiving disability benefits from Social Security, certain disability benefits from the Railroad Retirement Board, and those on disability for at least 24 months.

Monthly Premium for Non-Qualifiers:

- Individuals with less than **30 quarters** of paid employment taxes: **$505 per month.**

- Individuals with **30-39 quarters** of paid employment taxes: **$278 per month.**

Late Enrollment Penalty:

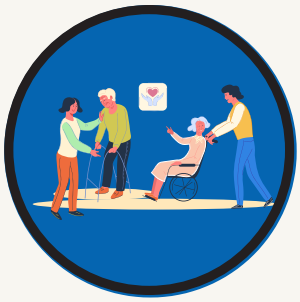
- If you don't sign up for Part A when eligible, you may face a **late penalty of up to 10%** when you enroll later, unless you do so during a special enrollment period.

- The penalty is paid for twice the number of years you could have had Part A.

***All the listed costs may change slightly from year to year.**

Part A Covers

Inpatient Hospital Care



Skilled Nursing and Rehabilitation Care

up to 100 days, but only after a three-day hospital stay (Medicare Advantage plans may waive the 3-day stay requirement)

Blood

Hospice care

Up to 100 days of Home Health Care after an individual is in a hospital or skilled nursing facility (SNF)

Inpatient Psychiatric Care
(up to 190 lifetime days)

You'll pay the following amounts for inpatient hospital care covered under Original Medicare:

- **$1,632 deductible** for each benefit period
    - A benefit period begins the day you are admitted to a hospital or SNF and ends when you have not received hospital or SNF care for 60 days in a row.
- **Days 1–60:** $0 after you pay your Part A deductible
- **Days 61–90**: $408 copayment per day of each benefit period
- **Days 91 and beyond:** $816 copayment per each "lifetime reserve day" after day 90 for each benefit period
    - Lifetime reserve days are days you may use after you have been in an inpatient hospital for 90 days. A beneficiary has 60 such days to use in their lifetime.

You are responsible for all costs after the reserve days are used.

Your Original Medicare costs for Skilled Nursing and Rehabilitative Care

- Days 1-20: $0 for each benefit period (as defined by Medicare)
- Days 21-100: $204 copayment per day of each benefit period
- Days 101 and beyond: *all costs*

Part B
Medical

Monthly Premium:

- Depends on stated income from tax returns two years prior.
- Majority pay $174.70 per month.
- Higher incomes use a grid to determine premium.

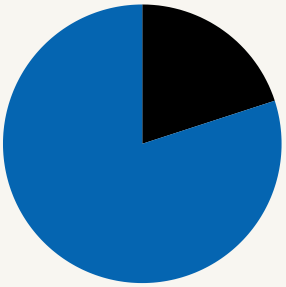
Coverage Eligibility:

- Going without Part B coverage may lead to a premium penalty if you have no other 'creditable coverage' by Medicare's standards.

Annual Deductible:

- $226 deductible before coverage kicks in for medical billing charges.

Cost Sharing:



- After meeting the deductible, Part B covers 80% of future medical expenses.
- Beneficiaries are responsible for paying the remaining 20%
- Costs can add up significantly, especially for serious health conditions like stroke, heart attack, cancer, diabetes, etc.

No Maximum Out-of-Pocket:

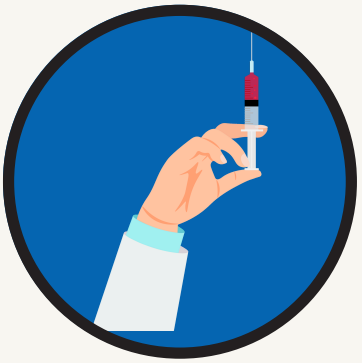
- Neither Part A nor Part B have a maximum out-of-pocket cost, exposing beneficiaries to potentially high hospitalization and medical expenses.

Part B
Covers

- Physician and other health care professional services
- Outpatient hospital services
- Clinical lab and diagnostic tests, such as X-rays, MRIs, CT scans
- Durable medical equipment to include CPAP, wheelchair, etc.
- Home health care that is not covered under Part A (because you were not in a hospital or SNF or has exceeded 100 days)
- Physical and occupational therapy
- Ambulatory surgical center services
- Chemotherapy provided on an outpatient basis
- Ambulance services
- Chiropractic services – for very limited situations
- Opioid use disorder treatment
- Diabetic supplies
- Kidney dialysis
- Limited outpatient mental health care

Part B (and Medicare Advantage Plans which are discussed under Part C) also covers many preventive screenings. Here are some of them.

- One-time “Welcome to Medicare” physical
- Annual wellness visit after 12 months enrolled
- Vaccines – pneumococcal, hepatitis B, annual flu shot, COVID (including boosters) (Note: certain vaccines, such as shingles shots are covered under Part D, not Part B)
- Bone mass measurement – every 24 months for certain conditions or meets certain criteria
- Pap test and pelvic exam - every 24 months for all women; every 12 months for those at risk
- Diabetes self-management training – for persons with diabetes
- Smoking and tobacco-use cessation counseling – for any illness related to tobacco use
- Glaucoma testing – once per year for those at high risk
- Mammogram (Breast Cancer Screening) – annual screening for most women
- Depression Screening – every 12 months
- Colorectal cancer screening
- Diabetes screenings – up to two per year for those with risk factors
- Prostate cancer screening – every 12 months for men over age 50



WARNING

Part B is most often the coverage that applies when prescription drugs are administered to you by a medical professional. Keep this in mind when receiving prescriptions and infusions in a facility or even at home from a medical practitioner. The amount of coverage – and what you pay – can vary drastically from to your Part D coverage.

Part C

Medicare Advantage Plans:

- Governed and mostly funded through Medicare.
- Designed by private health insurers.
- Required to offer coverage as good as or better than Medicare.

Enrolling in Medicare Advantage:

- Involves leaving Original Medicare and choosing a private insurance company to manage your Medicare benefits.
- Introduced in 2006 to provide a more affordable option for protecting against significant medical expenses.
- Highly competitive market in most areas of the US.

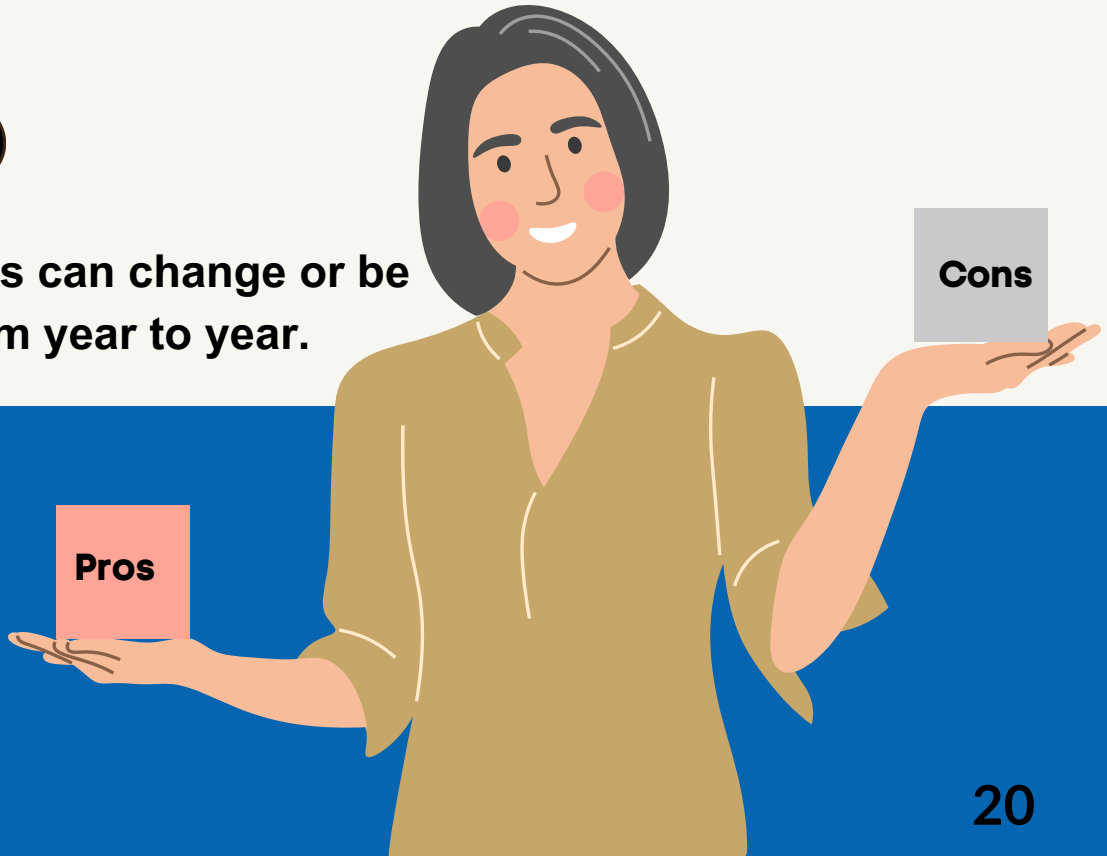
Pros and Cons of Medicare Advantage:

Pros:

- Lower monthly premiums, with many plans offering $0 monthly premiums.
- Cost-sharing through co-pays and co-insurance amounts, which may change annually.
- Maximum Out-of-Pocket (MOOP) limits to cap cost-sharing expenses.
- Additional benefits like dental, vision, hearing, gym memberships, groceries, transportation, and over-the-counter cards are often included.
- Some plans may contribute to Part B premium payments.

Cons:

- Extra benefits can change or be canceled from year to year.



Medicare Advantage Plan Details:

- Contracts with Medicare are renewed annually.
- Plans change from year to year, akin to employer HMO or PPO plans.
- Coverage can vary by county and begins and ends on a calendar year basis.

Types of Medicare Advantage Plans:

- HMO (Health Maintenance Organization):
- Requires care within the contracted network for coverage.
- Some plans may necessitate a primary care physician referral to see a specialist.
- PPO (Preferred Provider Organization):
- Allows some coverage outside the contracted network.
- POS (Point of Service):
- Similar to PPO but generally lower cost with less flexibility.
- PFFS (Private Fee For Service):
- Offers flexibility for providers to accept or deny insurer terms at the point of service.
- Coverage can vary, even within the same physician's office.
- This approach aligns with the Original Medicare framework, but few Medicare Advantage plans operate this way now.

You can only get an Advantage Plan using the correct 'Election Period,' similar to employer plans. Election periods include:

- The three months just before through the three months after initially beginning Medicare A or B coverage
- Upon loss of employer coverage
- The Annual Enrollment Period (AEP) October 15th through December 7th
- "Open Enrollment Period – Medicare Advantage" is January through March. You can make a one-time change to your coverage with some limitations.
- Other Special Election Periods apply for special populations or in the event of regional catastrophe or loss of your current Advantage Plan. We cover some special populations later.

Medicare Advantage plans more often do include prescription drug coverage (Part D), but not always.

WARNING

Medicare Advantage plans are probably most of the advertisements you've seen on tv or heard about on the radio for Medicare coverage. These national ads have often been misleading. Large numbers of people have incurred all sorts of problems calling in to these advertisements and having damaging changes made to their coverage. It is important to speak to a local representative who is accountable and can speak to your situation and the coverage options in your area.

Medicare Savings Plans

Medicare Savings Plans (MSAs) - Part C with Differences:

- MSAs operate under Part C regulations but have distinct characteristics.

Government-Funded Savings Account:

- The federal government deposits several thousand dollars annually into your Medicare Savings Account.
- Similar to a Medical Savings Account but without contributions from you; the government funds it.
- Unused money in the account accumulates over the years without "use it or lose it" restrictions.

Tax Benefits and Qualified Expenses:

- Money from the savings account, if used for qualified medical expenses, is tax-free and doesn't count against your MSA Plan deductible.
- Some other qualified expenses may not be tax-free but still don't count against the deductible.
- You can also spend the money on taxable, deductible qualifying items.
- Interesting qualifying items include over-the-counter prescriptions and some long-term care insurance premiums.

Medicare Savings Plans

Higher Deductibles for Out-of-Pocket Costs:

- MSA plans often have higher deductibles, e.g., $6,000 to $8,000, suitable for those who can afford out-of-pocket costs.

Eligibility and Restrictions:

- You cannot have an MSA plan if you have any other form of creditable insurance coverage besides Medicare A&B. This includes VA coverage and employer plans.
- MSAs use the new-to-Medicare or once-per-year Annual Election Period (AEP) to obtain new coverage.

Uncommon Plans:

- MSA plans remain uncommon, with some appearing and disappearing.
- Hopeful for more stable and lasting options in the future.

Part D

Prescription Drug Plans (PDP)

Medicare Prescription Drug Plans (PDPs):

- Introduced alongside Part C Medicare Advantage plans in 2006.
- Most Medicare Advantage plans include Part D coverage.
- Stand-alone PDPs are available for purchase.
- Typically paired with Medicare Supplement plans.

Optional but Important Part D Coverage:

- Part D coverage is optional but important.
- Going without "creditable coverage" results in a penalty on your monthly premium when you later enroll.
- Penalty calculation: 1% of the average PDP cost multiplied by the months without creditable coverage.

Creditable Coverage Certification:

- Many employer and government plans are creditable, but not all.
- Certify your coverage as creditable with Medicare to avoid future penalties.

Part D

Prescription Drug Plans (PDP)

Importance of Addressing Prescription Coverage:

- Prescription coverage is a critical aspect of medical insurance.
- Prescriptions often form a significant part of healthcare costs and insurance plans.

Election Periods:

- Similar election period options as Part C plans.

Formulary and Tier System:

- Formulary: The list of drugs a PDP covers and their coverage categories.
- Formularies can change during the year, with options to manage the change.
- PDPs use 3-5 tiers for prescription coverage, with lower tiers charging co-pays and higher tiers charging co-insurance.

Four Stages of Coverage:

Medicare-like model with four coverage stages.

- **Deductible:** Covered prescription costs before the plan contributes.
- **Standard drug coverage**.
- **Coverage Gap (Donut Hole)**: Reduced coverage, not as severe as before.
- **Catastrophic Coverage**: No-cost prescriptions after reaching a certain threshold.

Stages reset at the beginning of each calendar year.

Here is an illustration of the PDP coverage stages with the total drug costs required to reach each stage in a year.

Stage 1

Deductible $545

Enrollee pays 100%

Stage 2

Initial Coverage $5030

Enrollee pays 25% of prescription drug costs

Stage 3

Coverage Gap $8000

(out of pocket threshold)

Enrollee pays 25% of prescription drug costs for generic and 25% of undiscounted cost for brand name

Stage 4

Catastrophic Coverage

Enrollee pays $0

Medicare Supplements
(Medigap)

Medicare Supplements (Medigap):

- Designed and mandated by the federal government.
- Sold by private insurance companies.
- Fill in the gaps where Original Medicare coverage ends.
- Have been in existence as long as Medicare.
- Also known as Medigap, the terms are used interchangeably.
- Designed to complement Original Medicare as secondary insurance.
- Fills most hospitalization and medical coverage gaps in Original Medicare.

Important Notes on Medicare Supplement Plans:

- **Prescription Drug Coverage:** Medicare Supplements do not cover prescription drugs. You need a stand-alone Part D plan for prescription coverage.

- **Monthly Premium:** Medicare Supplements have their own monthly premium, typically ranging from $90 to $200 per month depending on various factors.

- **Incompatibility with Advantage Plans:** You can have either a Medicare Supplement or a Medicare Advantage Plan, but not both at the same time.

- **Requirements:** To benefit from a Supplement Plan, you must have both Medicare Parts A & B.

- **Coverage Alignment:** Medicare Supplement plans cover what Medicare covers, and vice versa. They work together to provide comprehensive coverage.

Part D

As part of the Inflation Reduction Act, Congress made several changes to the Part D program. The Act imposed requirements on drug manufacturers to reduce drug costs. Changes also include:

- Capping beneficiary cost sharing for covered insulin at $35 per month for 30-day supplies beginning in 2023
- Eliminating cost sharing for certain Part D covered adult vaccinations beginning in 2023
- Eliminating the 5% coinsurance requirement in the catastrophic coverage phase beginning in 2024
- Expanding eligibility for full low-income subsidies to beneficiaries with incomes up to 150% of the Federal poverty level beginning in 2023

Benefits of a Medicare Supplement include:

- There is no provider network. Any doctor or medical facility that accepts Medicare as payment must accept the Medicare Supplement payment.

- The coverage does not change over time. New plans or changes have so far historically (for over 40 years) grandfathered all existing plans to stay the same.

- If you need to change your prescription coverage, you don't have to change your entire medical coverage plan – leave everything alone and just get the prescription coverage updated on Part D.

- Medicare Supplements require light health underwriting. They will ask questions about your health to see if you qualify. There are exceptions to this when you can get a plan without any health questions. These include:

- Open Enrollment when you are first getting your Original Medicare coverage.

- A 60-day window for Guaranteed Issue when you lose employer coverage and have or are starting Original Medicare.

- You can return to a plan you left as part of a 'trial right' Special Election when you left a Supplement Plan to try Medicare Advantage for the first time for a year or less.

- Some states require Supplement insurers to accept you without underwriting in the month of your birthday.

- Once you qualify for a Medicare Supplement and have the policy issued, the carrier cannot withdraw coverage because of future health conditions. The policy is guaranteed renewable.

Medicare Supplements & Health Underwriting

Health Underwriting for Medicare Supplements

- Medicare Supplements typically require light health underwriting.
- Insurers will ask health-related questions to determine eligibility.

Exceptions to Health Underwriting

There are exceptions to health underwriting when you can get a Medicare Supplement plan without answering health questions. These exceptions include:

- Open Enrollment Period
- Available when you are first getting your Original Medicare coverage.
- Guaranteed Issue Period
- A 60-day window for Guaranteed Issue is granted when you lose employer coverage and have or are starting Original Medicare.
- 'Trial Right' Special Election
- You can return to a Medicare Supplement plan you left as part of a 'trial right' Special Election when you left a Supplement Plan to try Medicare Advantage for the first time for a year or less.
- State Birthday Month Requirement
- Some states require Supplement insurers to accept you without underwriting during the month of your birthday.

Once you qualify for a Medicare Supplement and have the policy issued, the carrier cannot withdraw coverage because of future health conditions. The policy is guaranteed renewable.

All Medicare Supplement plans pay for some or all of the following costs:

- Part A hospital co-insurance
- Part B co-insurance and co-payment
- An additional year of hospital days when Original Medicare coverage ends
- Hospice care costs
- First 3 pints of blood

The rest of each Supplement Plans' coverage varies based on the plan letter you choose. All Medicare Supplement plan options can be put on a single grid. Insurers cannot vary their coverage. They have to cover exactly what each federally designed coverage plan outlines. This makes it easy to shop by deciding which plan you like and then finding the carrier with the best price. Here is the grid all Medicare Supplement Plan insurers must work from.

Medicare Supplemements

(Medigap)

Your doctor or medical service provider bills Medicare for your service or procedure.

Medicare pays the approved portion and send the excess amount to your Medigap plan.

Your Medigap plan pays the excess amount according to the terms of the plan you chose.

Benefits	Plans available to all applicants									Medicare first eligible before 2020 only	
	A	B	D	G*	K**	L**	M	N***		C	F*
Medicare part A coinsurance and hospital coverage (up to an additional 365 days after Medicare benefits are used up)	100%	100%	100%	100%	100%	100%	100%	100%		100%	100%
Medicare part B coinsurance or copayment	100%	100%	100%	100%	50%	75%	100%	100%***		100%	100%
Blood (first three pints)	100%	100%	100%	100%	50%	75%	100%	100%		100%	100%
Part A hospice care coinsurance or copayment	100%	100%	100%	100%	50%	75%	100%	100%		100%	100%
Skilled nursing facility coinsurance			100%	100%	50%	75%	100%	100%		100%	100%
Medicare part A deductible		100%	100%	100%	50%	75%	50%	100%		100%	100%
Medicare part B deductible										100%	100%
Medicare part B excess charges				100%							100%
Foreign travel emergency (up to plan limits)			80%	80%			80%	80%		80%	80%
Out-of-pocket limit					$6,620	$3,310					

Original Medicare 2023

Part A: In-Patient Hospital & Skilled Nursing Care; You pay: $1,632 deductible for each benefit period, Days 1-60: $0 coinsurance for each benefit period, Days 61-90: $408 coinsurance per day of each benefit period, Days 91 and beyond: $816 coinsurance per each "lifetime reserve day" after day 90 for each benefit period (up to 60 days over your lifetime), Beyond lifetime reserve days: all costs.

Part B: Medical Care; $174.70 Monthly Premium, $240 Annual Deductible, 20% Coinsurance

How will you pay for the 20% and other gaps in original Medicare coverage?

Option 1
Medicare Supplement/Medigap
(Below is Plan G)

VS

Option 2
Advantage Plan
(Part C)

- Higher monthly premium
+ No co-pays
- $240 annual deductible
+ No co-insurance
+ No network of provider freedom to choose
+ Reliable - You may keep your plan without annual changes to your coverage

\+

Prescription Drug Coverage (Part D)

- Purchase separately
+ Freedom to change drug coverage without effecting health insurance

+ Lower monthly premium

+ Extra benefits such as vision, hearing, and gym memberships
- Includes co-pays, deductibles, & coinsurance

- Network- restricted list of providers
- Changes yearly- one year contracts

WITH

Prescription Drug Coverage (Part D)

+ Most often included in the same package
- Usually must change the entire plan to get different drug coverage

- Premiums, costs and other features can vary depending on income and other circumstances. Refer to Medicare, its publications, and a knowledgeable licensed agent to help with the details of your personal situation and available plans.

TAKING MEDICARE AT 65

PLEASE NOTE:
THIS TIMELINE IS IF ALL APPLICATIONS HAVE BEEN

- SUBMITTED CORRECTLY AND ON TIME
- IF YOU ARE ALREADY RECEIVING SOCIAL SECURITY YOU CAN SKIP TO STEP 2

STEP 1:
3 MONTHS BEFORE 65TH BIRTH MONTH

- You are eligible to apply for Medicare Part A and B
- Meet with advisor to determine secondary coverage options

STEP 2:
2 MONTHS BEFORE 65TH BIRTH MONTH

Coninue to meet with advisor for any follow up questions

STEP 3:
1 MONTH BEFORE 65TH BIRTH MONTH

- Have all Secondary Coverage option paperwork turned in no later than 1 week before 1st of birth month

STEP 4:
1ST DAY OF 65TH BIRTH MONTH

Medicare A and B will be effective Secondary coverage will also be effective

STEP 5:
65TH BIRTHDAY!

- Eat some cake!

STEP 6:
THE NEXT 3 MONTHS

Relax and enjoy. You have done everything correctly and will not have any penalties.

3 MONTHS AFTER 65TH BIRTHDAY MONTH

Initial Enrollment Period officially ends

TAKING MEDICARE AT 65

PLEASE NOTE:
THIS TIMELINE IS IF ALL APPLICATIONS HAVE BEEN SUBMITTED CORRECTLY AND ON TIME

STEP 1:
3 MONTHS BEFORE RETIREMENT MONTH

- Meet with advisor to learn about Medicare and your secondary coverage options
- Get an analysis of potential plans right for you

STEP 2:
2 MONTHS BEFORE RETIREMENT MONTH

- Get creditable coverage form filled out by HR department
- Apply for Medicare Part B (assuming you have Part A already) along with above form
- Get letter from HR department stating creditable coverage start and end date
- Continue to meet with advisor for plan options

STEP 3:
1 WEEK BEFORE RETIREMENT MONTH

Turn in application for secondary coverages NO LATER than 1 WEEK into retirement month

STEP 4: RETIREMENT DAY!

Tell the boss no because you can!

STEP 5:
28TH, 30TH, OR 31ST

Work coverage will end at the end of the month in which you retire (in most cases)

STEP 6:
1ST OF THE MONTH AFTER WORK COVERAGE ENDS

Medicare Part B and Secondary coverage starts on the 1st of the month after you lose work coverage.

STEP 7:
ENJOY RETIREMENT!

This is where the party begins!

Special Populations

Special Populations

Veterans

- Veterans have additional considerations and benefits to consider in their Medicare coverage decisions.
- If you have **TRICARE for Life**, you should have Part A & B coverage, but TRICARE is the primary payer, and Medicare is secondary. In this case, purchasing a Medicare Supplement is unnecessary.
- Some TRICARE for Life beneficiaries choose to pair it with a Medicare Advantage plan for additional benefits, but the value is limited and may vary year to year. Using a Medicare Advantage plan may involve adhering to the provider network and may result in extra paperwork or confusion at medical provider offices. Satisfaction with this pairing varies.
- If you have **VA benefits** but not TRICARE for Life, it's strongly encouraged to sign up for Medicare Parts A & B. The VA and Medicare do not coordinate benefits as most plan pairings do. Medicare covers Medicare-covered services or items, while the VA pays for VA-authorized services or items..

- Some areas offer Medicare Advantage plans specifically designed for veterans. VA beneficiaries may benefit significantly from a Medicare Advantage plan, as it can enhance coverage, benefits, and access to medical services outside the VA.
- Enrollment in the VA health care system is considered creditable coverage for Medicare Part D. This means you do not have to purchase a Part D plan to avoid a penalty.

Medicaid Recipients

Medicaid and Medicare Distinction

- Medicaid and Medicare, despite their similar names, are distinct programs.
- Medicaid is a collaborative effort between states and the federal government aimed at aiding low-income households in affording healthcare and providing long-term care options for the elderly.
- Benefits and eligibility criteria can vary from state to state.

Dual Eligible Medicaid Recipients

- Individuals who receive both Medicaid and Medicare benefits are known as Dual Eligible beneficiaries.
- Medicaid often covers the Part B premium and reduces out-of-pocket costs, including prescription drugs.
- Dual-Special Needs Plans (D-SNP), specialized Medicare Advantage Plans, are tailored for Dual Eligible individuals and offer significantly enhanced benefits compared to regular plans.

Understanding Your Dual Eligibility

- When assessing coverage options as a Dual Eligible beneficiary, it's important to determine whether you are fully or partially reliant on Medicaid, as eligibility tiers can differ by state.
- To ascertain your specific level of eligibility, consider consulting with your agent, carrier, or social worker.

Low-Income Subsidy (LIS)

- In some cases, you may not qualify for Medicaid but could meet the criteria for a Low-Income Subsidy (LIS) program, which has higher income requirements.
- LIS assists with prescription drug coverage, and you can seek professional assistance in applying for this program if you do not already have it.

Special Election Period (SEP) for Dual Eligible Beneficiaries

- Dual Eligible beneficiaries benefit from an ongoing Special Election Period (SEP).
- They can make changes to their Medicare Advantage plan selection during the 1st, 2nd, and 3rd quarters of the calendar year.
- Any modifications in coverage typically become effective on the first day of the following month after the application and approval.

Chronic Medical Needs

Some areas have Medicare Advantage plans specifically designed for people with a specific set of chronic medical conditions called Chronic-Special Needs Plans (C-SNP). They are designed to provide some enhanced coverage and benefits as well as more pro-active assistance with monitoring and maintenance of your health care.

Examples of conditions that some C-SNPs cover include:

- Autoimmune disorders
- Cancer
- Diabetes
- End-stage kidney disease
- HIV/AIDS
- Chronic Heart Failure
- Chronic lung disease.
- Dementia

Higher Income Households

- Smart planning for Social Security Income (SSI) and savings plan distributions is crucial for high net worth or high-income households.
- The way you receive income from SSI and savings plans can significantly impact Medicare costs, other benefits, and taxes.
- It's advisable to consult with our financial professionals for guidance on this matter.
- Managing the SSI provisional income formula for retirement planning is essential, although it's beyond the scope of this document.

Higher Premiums for Medicare

- Higher-income households are subject to higher premiums for certain parts of Medicare.
- For Part B, individuals with incomes exceeding $97,000 or joint filers with incomes exceeding $194,000 pay higher premiums, potentially up to $560.50 per month, based on the income-related monthly adjustment amount (IRMAA).
- It's important to note that Medicare determines your premium based on your income from two years prior to the current year.

Determining Part B Premium

Income is counted 2 years prior to claiming Part B			You pay each month (in 2023)
File individual tax return	File joint tax return	File married and 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 then 500,000	above 366,000 and less then 750,000	above 97,000 and less then 403,000	$527.50
500,000 or above	750,000 and above	403,000 and above	$560.50

B

The same premium increase applies to high income individuals on Part D prescription drug insurance. Refer to the following grid to see if you would pay an additional tax on your Part D premium each month.

Determining Part D Premium

Income is counted 2 years prior to claiming Part B			You pay each month (in 2023)
File individual tax return	File joint tax return	File married and 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 + premium
above 123,000 up to 153,000	above 246,000 up to 306,000	Not applicable	$31.50 + premium
above 153,000 up to 183,000	above 306,000 up to 366,000	Not applicable	$50.70 + premium
above 183,000 and less then 500,000	above 366,000 and less then 750,000	above 97,000 and less then 403,000	$70.00 + premium
500,000 or above	750,000 and above	403,000 and above	$76.40 + premium

D

Medicare Before Age 65

Eligibility for Medicare before age 65 is possible if you meet specific conditions, including:

- Being eligible for Disability for 24 months.
- Having End-Stage Renal Disease (ESRD).
- Being diagnosed with ALS (Lou Gehrig's disease).

If you meet these conditions and are not assisted by a social worker, you can receive assistance through the state or Social Security Administration.

Medicare Options for Beneficiaries Under Age 65

- Beneficiaries under the age of 65 can generally purchase a Medicare Advantage plan.
- However, it's important to note that many states restrict the purchase of Medicare Supplement plans to individuals aged 65 or older.

THINGS TO

CONSIDER

Medicare Advantage vs. Medicare Supplement

You might want a Medicare Advantage Plan if:

- You want enhanced coverage over only Original Medicare A & B for a lower monthly cost than a Medicare Supplement.
- You are a Medicaid recipient (**Dual Eligible**).
- You can't qualify for a Medicare Supplement based on health and want the greater coverage over Original Medicare or can find a C-SNP.
- You like the extra benefits they have for that year.

A Medicare Advantage plan you find provides significant savings over a Medicare Supplement + stand-alone Part D.

You might want a Medicare Supplement Plan if:

- You do not want to worry about working within an insurance carriers' network of contracted doctors and hospitals.
- You want almost no co-pays or co-insurance amounts to worry about.
- You want to be able to adjust your prescription drug coverage with a stand-alone Part D without having to change your entire health insurance plan.
- You want a greater assurance that your coverage will remain the same year after year.

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

- Most dental care
- Cosmetic surgery
- Custodial/long-term care
- Health care while traveling outside the US

- Hearing aids
- Outpatient prescription drugs (this is covered under Part D)
- Massage Therapy
- Eye exams for glasses
- Concierge care

- Covered items or services provided by a doctor or other provider who has opted out of Medicare (except in the case of an emergency or urgent need)

It is a common joke that once you're on Medicare the government doesn't think you need to eat, see, or hear any more! Medicare does not generally cover dental, vision, or hearing care. Some Advantage Plans do have extra benefits to cover these areas. Just remember those benefits will likely fluctuate or even become discontinued from year to year. It may be beneficial to you to have your own Dental, Vision, & Hearing coverage.

Long-term Custodial Care and Medicare

- Medicare **does not** cover long-term custodial care.
- **Custodial care** involves assistance with basic daily activities such as mobility, dressing, bathroom use, personal hygiene, and may also include support due to mental deterioration.
- If you require this type of care for an extended period and it is expected to be a long-term need, it is referred to as **Long-term Care (LTC).**
- The costs of Long-term Care are substantial and can potentially deplete your own income and assets.

Financial Implications of Long-term Care

- Long-term Care expenses are more likely to deplete assets compared to regular healthcare costs in older individuals.
- While Medicaid assistance is available, it often requires you to deplete almost all of your assets and limits your options for care location and quality.
- State filial responsibility laws and Medicaid recapture regulations can lead to reimbursement for covered expenses being taken from your heirs and property by the state.

Planning for Long-term Care

- Planning in advance for potential Long-term Care needs is essential.
- Consult with a professional who is knowledgeable about various planning options.
- Planning resources and options include:
- Traditional LTC insurance policies.
- Specialized use of life and annuity contracts.
- Indemnity policies.
- The Aid & Attendance benefit for veterans and their spouses.
- Social Security planning.
- Trusts.

Visit with one of our experienced professionals to address your personal preferences, resources, and options. In the event you need custodial care this planning will help you get the best outcomes for your dignity, assets, family relationships, and quality of life.

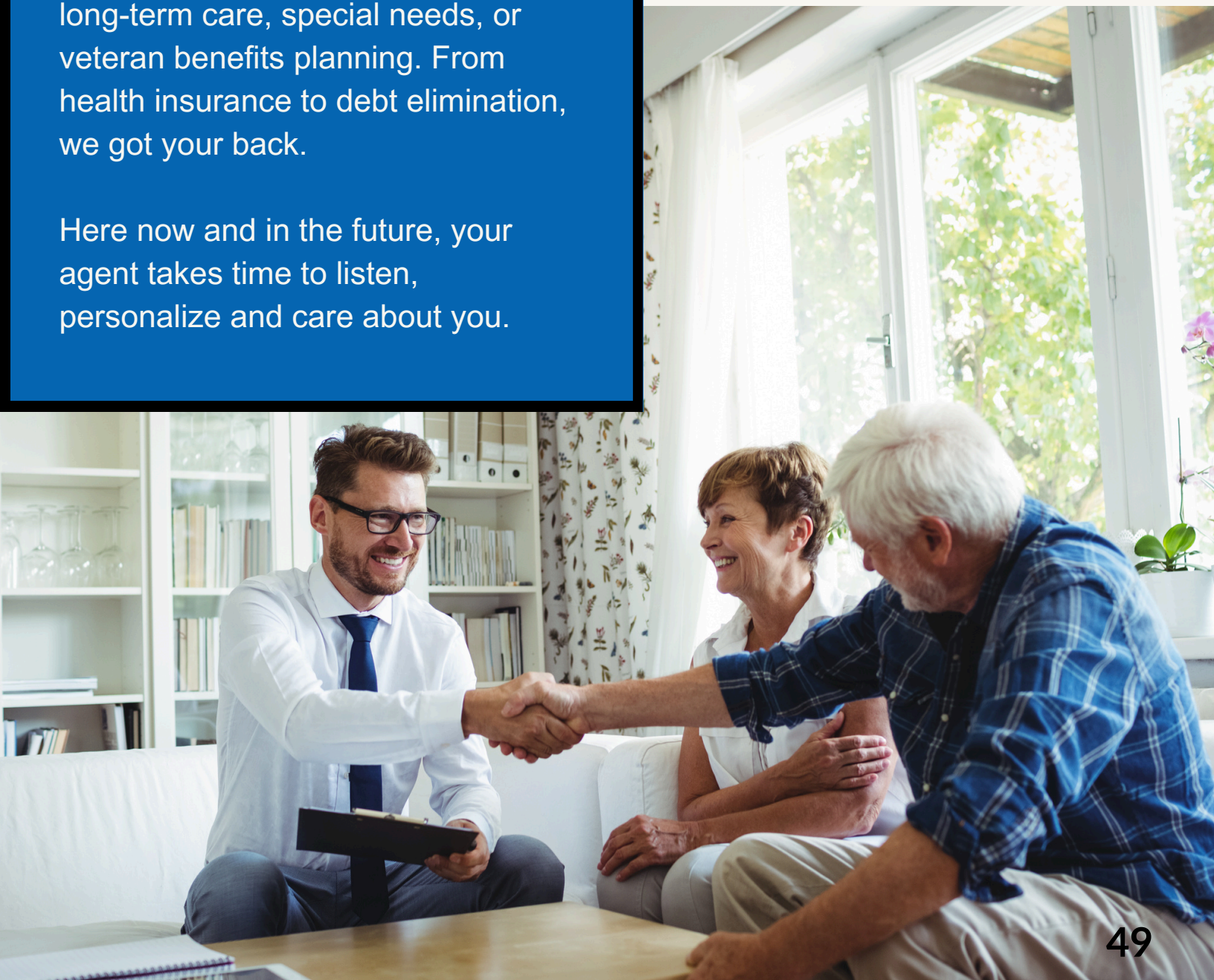
Local and personal. No robo-callers or brand representatives. Benefit from a professional who connects the dots and helps you get what's yours.

Our Master Brokerage accesses hundreds of companies for your perfect competitive advantage. Optimize retirement savings, Social Security and Medicare. Protect what you love with the best life insurance, long-term care, special needs, or veteran benefits planning. From health insurance to debt elimination, we got your back.

Here now and in the future, your agent takes time to listen, personalize and care about you.

Schedule Your Appointment

BOOK NOW



Expanded List of Agency Services

Here is an expanded list of the services Legacy Insurance & Financial Services and affiliates offer to our clients. We do most of this through personalized work in our clients' homes and at our offices. We also provide free educational workshops to the public and to the financial services industry.

Wealth & Income

Retirement Savings Income Protection & Maximization

Maximizing Retirement Tax Efficiency

Fundamental Savings Education

Social Security Choices

Pension Maximization

Veterans Benefits

Roth Conversion

Debt Elimination

Savings Growth

Estate Protection

Protect Loved Ones With Life Insurance

Property & Casualty Insurance

Tax Efficient Wealth Transfer

Income Replacement

Trust Use & Funding

Health Care

Individual/Family Health Insurance

Veterans Aid & Attendance Benefit

Alternative Health Coverage

Affordable Care Act (ACA)

Assisted Care Planning

Special Needs Trust

Medicare Coverage

Businesses, Group, and Self Employed

Small Group Property & Casualty Insurance

Buy/Sell Agreements

Business Planning

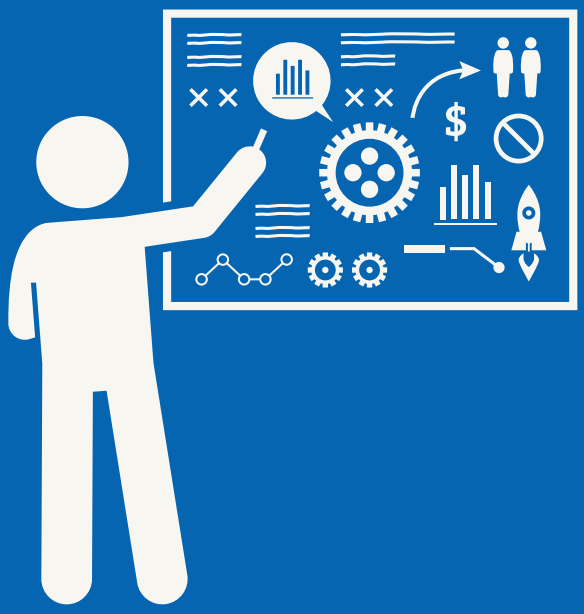
Key Man Funding

Exit Strategy

Group Health Insurance

Group Long-term Care

Group Life Insurance



SIMPLE IRA, 401(k), and other group or self-employed savings plan

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Specific to Medicare Advantage Plans and Medicare Part D Plans, we do not offer every plan available in your area. Any information we provide is limited to those plans we do offer in your area. Please contact Medicare.gov or 1-800-MEDICARE to get information on all your options.

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