

Introduction to Medicare



Dan Calabrese, Insurance Consultant

845.223.7924 | www.sunriseadvgrp.com | dan@sunriseadvgrp.com

Introduction to Medicare

Workshop Agenda:

- ◆ Medicare Coverage & Costs
 - ◆ How & When to enroll
 - ◆ What are the “holes” in Medicare coverage & how to fill them
 - ◆ How a Medicare Supplement works
 - ◆ How a Medicare Advantage Plan works
 - ◆ Differences between Supplements & Advantage plans
 - ◆ How Medicare drug plans work & why you must choose to enroll
-and much more!

Thanks for coming!

Daniel Calabrese



Medicare 2022 Part B Costs

The standard Part B premium amount in 2022 is \$170.10. Most people pay the standard Part B premium amount. If your modified adjusted gross income as reported on your IRS tax return from 2 years ago is above a certain amount, you'll pay the standard premium amount and an Income Related Monthly Adjustment Amount (IRMAA). IRMAA is an extra charge added to your premium.

If your yearly income in 2020 (for what you pay in 2022) was			You pay each month (in 2022)
File individual tax return	File joint tax return	File married & separate tax return	
\$91,000 or less	\$182,000 or less	\$91,000 or less	\$170.10
above \$91,000 up to \$114,000	above \$182,000 up to \$228,000	Not applicable	\$238.10
above \$114,000 up to \$142,000	above \$228,000 up to \$284,000	Not applicable	\$340.20
above \$142,000 up to \$170,000	above \$284,000 up to \$340,000	Not applicable	\$442.30
above \$170,000 and less than \$500,000	above \$340,000 and less than \$750,000	above \$91,000 and less than \$409,000	\$544.30
\$500,000 or above	\$750,000 or above	\$409,000 or above	\$578.30

Medicare 2022 Part D Costs

If your filing status and yearly income in 2020 was			
File individual tax return	File joint tax return	File married & separate tax return	You pay each month (in 2022)
\$91,000 or less	\$182,000 or less	\$91,000 or less	your plan premium
above \$91,000 up to \$114,000	above \$182,000 up to \$228,000	not applicable	\$12.40 + your plan premium
above \$114,000 up to \$142,000	above \$228,000 up to \$284,000	not applicable	\$32.10 + your plan premium
above \$142,000 up to \$170,000	above \$284,000 up to \$340,000	not applicable	\$51.70 + your plan premium
above \$170,000 and less than \$500,000	above \$340,000 and less than \$750,000	above \$91,000 and less than \$409,000	\$71.30 + your plan premium
\$500,000 or above	\$750,000 or above	\$409,000 or above	\$77.90 + your plan premium

Medicare Coverage Choices

**STEP
1**

Enroll in Original Medicare.

**STEP
2**

**Decide if you need additional coverage.
There are two ways to get it.**

OPTION 1

OR

OPTION 2

Original Medicare

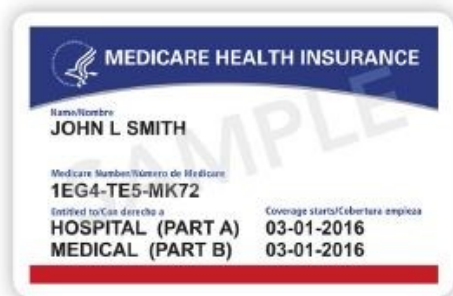
Provided by the federal government



Helps pay for hospital stays and inpatient care



Helps pay for doctor visits and inpatient care



Medicare Supplement Insurance Plan

Offered by Private Companies



Helps pay some of the out-of-pocket costs that come with Original Medicare

Medicare Part D Plan

Offered by Private Companies



Helps pay for prescription drugs

**Choose a
Medicare Advantage Plan**

Medicare Advantage Plan

Offered by Private Companies



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



Usually includes prescription drug coverage



May offer additional benefits not provided by Original Medicare

2022 MEDICARE PART A

Part A is Hospital Insurance for confinement in a hospital or skilled nursing facility per benefit period.

*A benefit period begins on the first day you receive service as an inpatient and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

WHEN YOU ARE HOSPITALIZED* FOR:	MEDICARE COVERS	YOU PAY
1-60 DAYS	Most confinement costs <u>after</u> the required Medicare deductible	\$1,556 DEDUCTIBLE
61-90 DAYS	All eligible expenses <u>after</u> patient pays a per-day coinsurance	\$389 A DAY COINSURANCE as much as: \$11,670
91-150 DAYS	All eligible expenses <u>after</u> patient pays a per-day coinsurance (These are Lifetime Reserve Days that may never be used again)	\$778 A DAY COINSURANCE as much as: \$46,680
151 DAYS OR MORE	NOTHING	YOU PAY ALL COSTS
*SKILLED NURSING CONFINEMENT: Following an inpatient hospital stay of at least 3 days and enter a Medicare-approved skilled nursing facility within 30 days after hospital discharge and receive skilled nursing care	All eligible expenses for the first 20 days; then all eligible expenses for days 21-100 <u>after</u> patient pays a per-day coinsurance	After 20 days \$194.50 A DAY COINSURANCE as much as: \$15,560
HOSPICE CARE: Must meet Medicare's requirements, including a doctor's certification of terminal illness	All but very limited copayment for outpatient drugs and inpatient respite care	Medicare CO-PAYMENT
BLOOD	100% of approved amount <u>after</u> first 3 pints of blood.	First 3 pints

2022 MEDICARE PART B

Part B is Medical Insurance and covers physician services, outpatient care, tests, and supplies - per calendar year.

ON EXPENSES INCURRED FOR:	MEDICARE COVERS	YOU PAY
ANNUAL DEDUCTIBLE	Incurred Expenses after the required Medicare deductible	\$233 ANNUAL DEDUCTIBLE
MEDICAL EXPENSES Physicians' services for inpatient and outpatient medical/surgical services; physical/speech therapy; and diagnostic tests	80% of approved amount	20% of approved amount*
EXCESS DOCTOR CHARGES** <i>(Above Medicare Approved Amounts)</i>	0% above approved amount	ALL COSTS
CLINICAL LABORATORY SERVICES	Generally 100% of approved amount	Nothing for services
HOME HEALTHCARE	100% of approved amount; 80% of approved amount for durable medical equipment	Nothing for services; 20% of approved amount* for durable medical equipment
OUTPATIENT HOSPITAL TREATMENT	Medicare payment to hospital, based on outpatient procedure payment rates	Coinsurance based on outpatient payment rates
BLOOD	80% of approved amount <u>after</u> first 3 pints of blood.	First 3 pints plus 20% of approved amount for additional pints

*On all Medicare-covered expenses, a doctor or other healthcare provider may agree to accept Medicare assignment. This means the patient will not be required to pay any expense in excess of Medicare's approved charge. The patient pays only 20% of the approved charge not paid by Medicare.

**Physicians who do not accept assignment of a Medicare claim are limited as to the amount they can charge for a covered service. In 2022, the most a physician can charge for a service covered by Medicare is 115% of the approved amount for nonparticipating physicians (may vary by state). *Note: In New York, the most a physician can charge for services covered by Medicare is 105% of the approved amount for nonparticipating physicians. For routine office visits covered by Medicare, a nonparticipating physician can charge up to 115% of the fee schedule amount.*

Outline of Coverage

Overview of Available Plans

Medicare Supplement Plans A, B, C, F, G, K, L and N

Benefit Chart of Medicare Supplement Plans Sold on or after June 1, 2010 Including Revisions Effective January 1, 2020

This chart shows the benefits included in each of the standard Medicare supplement plans. Every company must make available Plans "A" & "B" and either "D" or "G". Only applicants' first eligible for Medicare before January 1, 2020 may purchase Plans C, F, and high deductible F+. Some plans may not be available in your state.

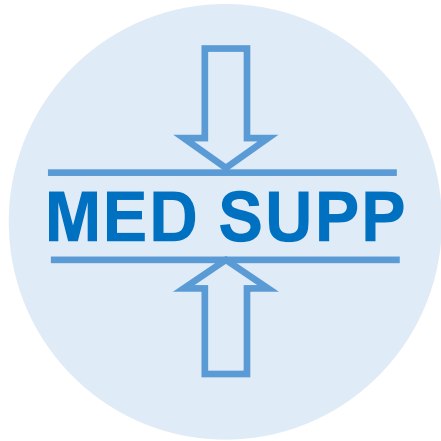
Note: A ✓ means 100% of this benefit is paid.

Benefits	Plans Available to All Applicants								Medicare first eligible before 2020 only	
	A	B	D	G ¹	K	L	M	N	C	F ¹
Medicare Part A coinsurance and hospital coverage (up to an additional 365 days after Medicare benefits are used up)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Medicare Part B coinsurance or Copayment	✓	✓	✓	✓	50%	75%	✓	✓ copays apply ³	✓	✓
Blood (first three pints)	✓	✓	✓	✓	50%	75%	✓	✓	✓	✓
Part A hospice care coinsurance or copayment	✓	✓	✓	✓	50%	75%	✓	✓	✓	✓
Skilled nursing facility coinsurance			✓	✓	50%	75%	✓	✓	✓	✓
Medicare Part A deductible		✓	✓	✓	50%	75%	50%	✓	✓	✓
Medicare Part B deductible									✓	✓
Medicare Part B excess charges				✓						✓
Foreign travel emergency (up to plan limits)			✓	✓			✓	✓	✓	✓
Out-of-pocket limit in 2020 ²					\$5880 ²	\$2940 ²				

¹Plans F and G also have a high deductible option which require first paying a plan deductible of \$2340 before the plan begins to pay. Once the plan deductible is met, the plan pays 100% of covered services for the rest of the calendar year. High deductible plan G is only available on or after January 1, 2020, and does not cover the Medicare Part B deductible. However, high deductible plans F and G count your payment of the Medicare Part B deductible toward meeting the plan deductible.

²Plans K and L pay 100% of covered services for the rest of the calendar year once you meet the out-of-pocket yearly limit.

³Plan N pays 100% of the Part B coinsurance, except for a co-payment of up to \$20 for some office visits and up to a \$50 co-payment for emergency room visits that do not result in an inpatient admission.



Medicare Supplement Insurance: Medigap

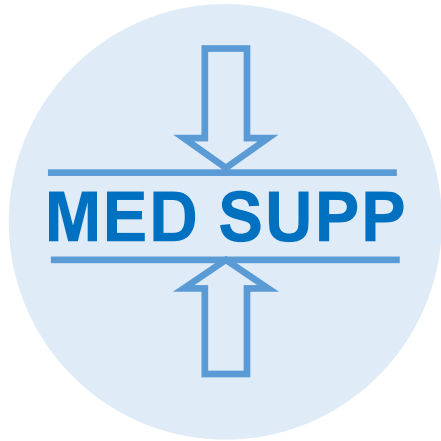
Plans may help pay:

- Part A and Part B deductibles
- Copays, coinsurance and provider excess charges
- Cost for extra 365 days of hospital care after lifetime reserve days used
- Cost of blood transfusions, first 3 pints
- Cost of foreign travel emergency, up to plan limit

Plans do not help with:

- Prescription drugs
- Routine dental, vision or hearing care*
- Eyeglasses, contacts or hearing aids*
- Extra days in a skilled nursing facility after Part A benefit
- Custodial care (help bathing, eating, dressing)
- Long-term care

*Some plans may offer special programs to members to help with some of these costs.



Medicare Supplement Insurance: Medigap

Helps pay some costs not paid by Medicare

- Supplements Original Medicare (Part A and Part B)
- Can't be used with Medicare Advantage
- 10 plans with benefits standardized by the federal Government
- MA, MN and WI plans are different from standardized plans in other states
- Plans offered by private insurance companies in your state

Medicare Supplement or Medicare Advantage?

CONSIDERATIONS	MEDICARE SUPPLEMENT	MEDICARE ADVANTAGE
Coverage	<ul style="list-style-type: none"> • Pays some costs not paid by Original Medicare • Does not help with drug costs • Nationwide coverage 	<ul style="list-style-type: none"> • Provides benefits of Original Medicare and beyond • Often includes drug coverage • May have provider network
Cost	<ul style="list-style-type: none"> • Monthly plan premium • Drug plan premium and other costs if coverage added • Out-of-pocket costs depend on plan chosen 	<ul style="list-style-type: none"> • May charge plan premium • Often no additional premium for drug coverage • Copays or coinsurance for most covered services • Annual out-of-pocket maximum
Convenience	<ul style="list-style-type: none"> • Multiple plans (when added to Original Medicare along with a Part D plan) 	<ul style="list-style-type: none"> • All-in-one plan



Formulary: List of Covered Drugs

Tiered formulary

- Drugs are grouped into tiers based on cost
- In general, the lower the tier, the lower the cost
- Deductibles may be charged by tier

Formulary Tiers
Tier 1 \$
Tier 2 \$\$
Tier 3 \$\$\$
Tier 4 \$\$\$\$\$
Tier 5 \$\$\$\$\$\$



Medicare Prescription Drug Coverage

Medicare Part D plans cover:

Types of drugs most commonly prescribed for Medicare beneficiaries as determined by federal standards

Specific brand name drugs and generic drugs included in the plan's formulary, or list of drugs

Commercially available vaccines not covered by Part B



Medicare Prescription Drug Coverage

- All prescription drug plans have a monthly premium and most have an annual **deductible** up to \$480
- Prescription drug benefits work off a calendar year: January 1st-December 31st
- Plans use a **Formulary** that lists the individual drugs covered by the plan
- **Tiers** – Most plans place drugs into tiers or levels, with each tier having a different cost share
- **Prior Authorization:** Some drugs require that your prescriber contact the drug plan before you can fill certain prescriptions. Your prescriber may need to show that the drug is medically necessary for the plan to cover it.



Medicare Prescription Drug Coverage

- **Quantity Limits:** Limit how much of a medication you can get at a time
- **Step Therapy:** Requires you try one or more similar, lower cost drugs before the plan will cover the prescribed drug
- **Medicare Penalty** if you do not take an RX plan of 1% monthly





Medicare Prescription Drug Coverage: Closing the Donut Hole by 2019

Under the **Affordable Care Act** (also referred to as the ACA or Obamacare), Medicare Part D's coverage gap was expected to close by the year 2020. But a bill signed early in 2018 moved this initiative to 2019.

The reform has phased out the donut hole by decreasing the beneficiary's share of drug costs during the donut hole until it reached 25 percent in 2019 for both brand-name and generic drugs. However, the phase-out works differently for brand-name and generic drugs.

The chart below helps illustrate how the plan reduced the donut hole cost for prescription drugs:

Year	Percent You Pay for Brand-Name Drugs	Percent You Pay for Generic Drugs
2016	45%	58%
2017	40%	51%
2018	35%	44%
2019	25%	25%
2020	25%	25%

MIS-LEADING MEDICARE COMMERCIALS

We all see Medicare commercials on television today talking about “extra benefits” and especially during The Annual Enrollment Period I get asked “what are they talking about?”. The commercials may make you feel like you are “missing out” on something or seem too good to be true (which is usually the case). I want to clear up what type of insurance these “mysterious” plans are and all of the “extra benefits” they are talking about.



- ⇒ First of all, these commercials with people like Joe Namath, are nationwide so they do not focus on specific areas of the country. Benefits that they mention may or *may not be available in your area.*
- ⇒ Secondly, these insurance plans with “extra benefits” *are nothing more than Medicare Advantage Plans*, not some mysterious plan you have never heard of before.

Some of you reading this have a Medicare Advantage Plan so you know about these additional benefits, which vary from plan to plan. There is no plan that has everything promised in the commercials and usually not to the extent of coverage that Joe Namath makes it seem like.

MIS-LEADING MEDICARE COMMERCIALS

For example, the commercials may talk about dental benefits while failing to mention that, in most cases, the dental benefit is not going to cover major work, just perhaps a cleaning, x-ray and exam once or twice a year. Some benefits, like free trips to doctors' offices, are currently not available in our area at all (unless if you are on both Medicare and Medicaid). And, of course, there is never a mention that these plans are provider network-based plans.



For those of you who have Medicare Supplements, companies like AARP/United Health Care and Empire Blue Cross Blue Shield, include extra benefits like discounts on eyewear, free gym membership, etc. similar to the Medicare Advantage Plans.

I hope this clears up the mystery of these commercials and that you will remember this the next time you see one. Sadly, but not surprisingly, like most advertising in commercials, the reality is usually different than the benefits promised.

Dan Calabrese, CLTC
Dan@SunriseAdvGrp.com
www.SunriseAdvGrp.com



(845) 223-7924
Fax: 845-227-6425
3 McCann Drive
Lagrangeville, NY 12540

MEDICARE COMMERCIALS

You cannot watch TV today without seeing commercials for Medicare promising “extra benefits” you “may” be entitled to. Let’s clear this mystery up once and for all so that you are not fooled when you see them:

- **These commercials are really talking about nothing more than Medicare Advantage Plans. If you are in one you know exactly what they are. If you are not, these plans are network plans where Medicare is no longer your insurance (although you are still in the Medicare system) but the insurance company that you pick becomes the primary insurance.**
- **When you are in a Medicare Advantage Plan, Medicare is no longer responsible for any of your medical costs because Medicare is giving the insurance company you have selected a fee each month (this is the reason why Advantage plans can have a low premium). The commercials never address this.**
- **Because the commercials are nationwide, the benefits promised are not necessarily available in your area. In fact, the producers of these commercials make it seem like all the benefits they mention are in all the plans (they are not) and that each benefit is a “complete” benefit. An example would be making it seem that a dental benefit will cover all your dental needs, when most plans just cover basics like cleanings, x rays and exams.**
- **Some benefits they mention are only for people who have Medicare AND Medicaid (like getting back all of the premium you pay for Medicare Part B) but it seems like you are entitled to them.**
- **The commercials never mention that these plans are network plans and that you are responsible for medical copays that can be as high as 7,550.00 (in network) and 11,300.00 (out of network), depending on the plan, in 2021. Those of you in these plans are aware of this but notice that the commercials never mention it.**
- **The call centers that respond to incoming phone calls are usually in a central area so the “agents” answering the phones have no knowledge of the medical groups in a particular area that may be dominate and should be part of the network for the plan a person is being enrolled into (like CareMount in our area as an example).**

- **These call centers sell the plans in “blocks” meaning that if on a particular week, or month, the call center is trying to satisfy their contract with a particular insurance company to meet the number of enrollments requirements to satisfy the contract, the person calling will be enrolled in that companies’ plan no matter if it was the best plan for him/her or not.**
- **The disenrollment rate for people who call these centers is over 90% from year to year due to dissatisfaction in networks and medications not being properly checked, benefits not being what was promised, etc.**
- **There is no such thing as a plan with 0 premium and 0 co-pays for everything (unless you are on FULL Medicaid) but the commercials sometimes try to make it seem that way.**

These comments on the Medicare commercials is not a criticism of Medicare Advantage Plans but are criticisms of the exaggerated claims they make about these plans as well as the lack of call centers being in a position to do the due diligence regarding placing people in the plan best suited for them.

So, I hope that the next time you see one of these Medicare commercials you will view them the same way you would a commercial for a fast-food restaurant: what looks good on TV is not what you find to be what the product really is once you see it in person.

Trusted New York Senior Solutions Specialist

Dan Calabrese is an independent insurance professional dedicated to providing clients with the best insurance protection and service possible.

Benefits of Working with an independent insurance professional:

- ✓ ***I offer unbiased advice:*** I represent a number of carriers and products, so I will look at your unique individual situation and determine the best plan based on your needs. There is no “one size fits all” solution.
- ✓ ***I am your advisor:*** I can help answer questions or handle any problems you have about using your coverage. No need to call an 800 number and talk to a stranger, or be placed on hold for several minutes.
- ✓ ***I'll review your coverage every year:*** Medicare Prescription Drug Plans and Medicare Advantage Plans can change every year. I'll make sure we review your coverage and determine if any changes are needed, or if a better plan is available.
- ✓ ***My services are complimentary!*** I am paid by the insurance company that offers the plan you choose. Your premium will be the same regardless of whether you call the carrier directly, or if you work with me!
- ✓ ***Local Knowledge:*** I live and work in your area and know all the fine details of your plan options—unlike a national call center employee.



- *Medicare Supplements*
- *Life*
- *Long-Term Care*
- *Business Services*

Dan Calabrese
CLTC

(845) 223-7924

Fax: 845-227-6425

LaGrangeville, New York

Dan@SunriseAdvGrp.com

www.SunriseAdvGrp.com

*Please contact me for in-person, virtual, or phone appointments
to discuss your Medicare Plan Options.*