

# Welcome to Medicare 101

*Hosted by*



**Retirement  
Understood**

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**Retirement  
Understood**

**– *Who Are We?***

## **So Many Pieces To Retirement, *Are They All Understood?***

As our name hints, we are a Retirement Planning Firm. We focus on Medicare, Social Security Planning, and handle everything else that goes along with making that life changing move.

We strive to help people achieve the retirement they deserve.

### **As Certified Professionals we provide the following services:**

- Health Insurance Coverage
- Life Insurance Options
- Long Term Care Planning

Our team members at RETIREMENT UNDERSTOOD are here to help you ensure your retirement plan is pieced together carefully for today, tomorrow, and *always!*

**[www.retirementunderstood.com](http://www.retirementunderstood.com)**



# Agenda

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- What is Medicare?
- Enrollment Periods - Avoid Penalties
- Different Parts and Benefits of Medicare
- When and How to Sign-Up
- Coverage Gaps and Costs
- How to Fill the Gaps of Medicare
- Medicare Supplement vs. Medicare Advantage Plans

# What is Medicare

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- Federally funded **health** insurance program
- Medicare coverage is based on age, gender and zip-code
- Employees pay into Medicare throughout their working years
- Medicare can be confused with Medicaid

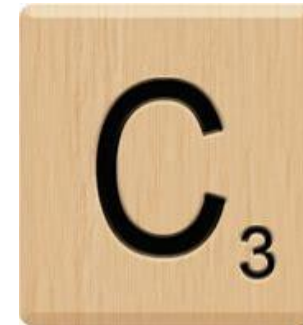
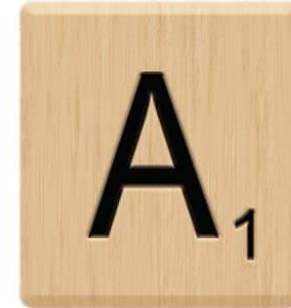
# The Basics of Medicare

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- **Signed into law in 1965 (considered Original Medicare)**
- **Administered by CMS**  
**Centers for Medicare & Medicaid Services**
- **Provides financial assistance for paying medical bills**
- **Significant modifications made in 2003 and 2010**

# Parts of Medicare Coverage

- **Part A** - Hospitalization
- **Part B** - Medical Coverage
- **Part C** – Medicare Advantage Plans (MA or MAPD)
- **Part D** - Prescription Drugs



# Original Medicare

- PART A and PART B = Original Medicare
- No network restrictions
- Can see any doctor who accepts Medicare



# 2023 Part A Benefits - Hospitalization

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- Inpatient Hospital Care

- Medicare pays 100% of the first 60 days
- From **61-90 days** - Medicare pays hospital stay (less **\$400** per day)
- From **91-150** days - Medicare pays hospital stay (less **\$800** a day)
- **Medicare pays \$0 beyond the 151<sup>st</sup> day**
- Your responsibility - Part A deductible of **\$1,600** (60 day / not annual)



# 2023 Part A Benefits – Skilled Nursing Care

- Medicare pays 100% of the first 20 days
- Days 21-100 - Medicare pays for everything except **\$200** per day
- **After 100 days, they pay \$0**
- Qualification requirements



# Part A - Additional Benefits

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## *Medicare will also cover*

- Blood transfusions (except the first 3 pints)
- Home Health Care
- Hospice

# Part B Benefits – Medical Coverage

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## Medical Benefits

- Welcome to Medicare Visit
- Ambulance Services
- Diagnostic Tests / Laboratory Services
- Durable Medical Equipment
- **Hearing and Balance Test (NEW)**
- In-patient and/or out-patient Doctor Visits
- Surgical services and supplies
- Speech and physical therapy
- Varying Preventive Services

# Part B – Preventive Services

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- Medicare does **NOT** pay for annual physicals
- First 12 months – Receive a free ‘Welcome to Medicare’ visit
- Receive a ‘Wellness Visit’ every year thereafter
- Screenings
- Vaccines
- Flu Shots

# Part B Costs – Medical Coverage

- Medicare generally pays 80% of medical costs
- Your responsibility is the 20% NOT covered
- Annual Part B Deductible is \$226 (born on or after 1/1/1955)
- Part B monthly premium (Minimum of \$164.90)  
<https://www.medicare.gov/basics/costs/medicare-costs>
- Premium is deducted from social security benefit check

(May defer Part B if you have creditable coverage)



# What Does Original Medicare NOT Cover?

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- Dental
- Vision
- Hearing
- Custodial Care



# Part C – Medicare Advantage (MA) Plans

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- **Part A + Part B + Part D = Part C**
- Removed from 'Original Medicare'
- Privatized, with approval from Medicare
- Network based – HMO, PPO, PFFS
- Annual Contract January 1st through December 31st
- Co-Pay/Coinsurance Plan
- Some MA plans offer extra benefits

# Part C - Advantage Plan Costs

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- No to Low Monthly Premiums
- *Copay/Coinsurance*
  - Primary doctors- generally are \$0 cost to you
  - Co-pays for in-patient hospital stay and outpatient services
  - Co-pays for Specialists, OT, PT and Chiropractic care
- Annual Max-Out-Of-Pocket costs (\$8,300)\*

(Part B premiums still apply)

*\*Refer to resources on last slide*



# Part D – Prescription Drugs

- Brand and Generic Drugs
- One Year Benefit Period
  - January 1st through December 31st
- Formularies are unique to each Provider
- Review plan options annually!
- Not required, however penalty may be imposed later



# Part D - Costs

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- ORIGINAL MEDICARE + Part D **OR** Part C including Part D
  - Stand-Alone Drug Plans (monthly premium and co-pays/coinsurance)
  - Part C Plans embed the prescription drug plan (co-pays/coinsurance, but no premiums)
- Four (4) Different Stages with Different Co-Pays for Each
  - Annual Deductible
  - Initial Coverage
  - Coverage Gap
  - Catastrophic Coverage
- New Prescriptions and Co-Pays are based on Formulary Tiers
  - Tier 1 through Tier 5



# Medicare Eligibility

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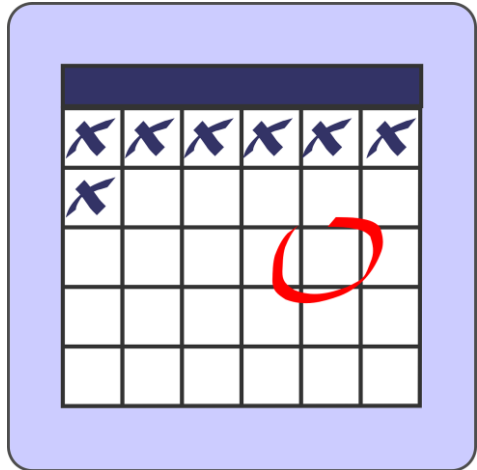
- **Must be a U.S. citizen or legal resident for at least 5 consecutive years**
- **Anyone turning the age of 65 or older**
- **Certain people under 65 with a qualifying disability**
- **Initial enrollment Guarantee Issue – no medical questions!**

# Should I Enroll in Medicare?



- **Begin EARLY (64)**
- **Review current situation**
- **Check with Employer's HR Department for proper protocol**
- **IF you collect Social Security Retirement Income or Social Security Disability Income, you will NOT need to enroll, as your Medicare card will be mailed to you**

# Enrollment Periods



- **Initial Enrollment Period for people turning 65**
  - State of Wisconsin has a 7 Month window (*Birthdays on the 1<sup>st</sup> of the month*)
- **Annual Election Period**
  - October 15 – December 7<sup>th</sup>
- **General Enrollment Period**
  - January 1 – March 31
- **Medigap (Medicare Supplement) Open Enrollment Period**
  - Part B sign-up / Birthday Month + 5 months after
- **Special Enrollment Period – Loss of (Group) Insurance / Residential Move**
  - 12 months of the year

# How to Sign-Up for Medicare Benefits

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- **Social Security Administration is an umbrella**
  - Apply for Medicare Benefits
  - Social Security Retirement Income (SSI)
  - Social Security Disability Income (SSDI)
- **Visit [www.ssa.gov](http://www.ssa.gov) or [www.socialsecurity.gov](http://www.socialsecurity.gov)**
- **Call Social Security Administration Office to set a phone appointment**
  - National Number 1.800.772.1213
  - Local Social Security Office 1.888.655.0843

SOCIAL  
SECURITY



# Signing up

## **Part A - Hospitalization**

- **Apply For Part A Benefits through Social Security Administration**
- **Consider signing up for part A if you continue to work**
  - Zero cost to sign-up
  - Will add additional benefit to your group coverage

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## **Part B – Medical Coverage**

- **Apply for Part B Benefits through Social Security Administration**
- **Automatic enrollment If you are receiving social security income**
- **Part B deferral may require forms to be completed and submitted**

# Avoid Penalties

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- **Part A** – Minimum 40 Quarters of Employment
- **Part B** – Very Important – Do NOT miss enrollment deadline
- **Part D** – Not required, however, *penalty may apply later*
- **HSA** (Health Savings Account)–
  - Employer & Employee contributions should end 6 months prior



# Is Medicare alone enough . . .

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- Good coverage, but gaps *DO* exist
- There is **NO** cap or ceiling
- Seek guidance
- Understand the gaps, timelines and options **BEFORE** making a decision



# Options to Consider

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- **Option 1:** Part A and Part B ONLY (Original Medicare)
- **Option 2:** Part A and Part B + Medicare Supplement + Part D
- **Option 3:** Medicare Advantage Plans  
With OR Without Prescription Coverage



# What is a Medicare Supplement?

- a/k/a Medigap
- Insurance Policy that Supplements Original Medicare
- No Networks
- Guaranteed Renewable every year
- Monthly premiums with Deductible / Cost Share Plans

# Medicare Supplement vs Medicare Advantage

- 1) Original Medicare coverage
  - 2) Guaranteed renewable
  - 3) Any assigned doctor
  - 4) May have medical underwriting
  - 5) No timeline restrictions to switch
  - 6) State-mandated benefits
  - 7) No referrals needed
  - 8) Permanent coverage
  - 9) No extra ancillary coverage
  - 10) Monthly Premium (age, zip, gender)
  - 11) Cost Share / Deductible \$2,700\*
- 1) Medicare contracts with Private Ins. Co.
  - 2) Twelve-month contract
  - 3) Based on networks
  - 4) No medical underwriting
  - 5) Timeline restrictions –  
(AEP & Open Enrollment)
  - 6) MA plans exclude State-mandated benefits
  - 7) May need referral to see a specialist
  - 8) Will need to re-enroll if you move
  - 9) NO to Low monthly premium
  - 10) May cover extra benefits
  - 11) Co-pay plan with max-out-of-pocket up to \$8,300\*

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# — Resources —

- FEDERAL RESOURCES

- 2023 Medicare & You Handbook  
<https://www.medicare.gov/publications/10050-Medicare-and-You.pdf>
- Centers for Medicare and Medicaid Services - [www.cms.gov](http://www.cms.gov)
- [www.medicare.gov](http://www.medicare.gov)
- [www.socialsecurity.gov](http://www.socialsecurity.gov) / [www.ssa.gov](http://www.ssa.gov)

- STATE RESOURCE

- 2023 WI Guide to Health Insurance for People with Medicare  
<https://oci.wi.gov/Documents/Consumers/PI-002.pdf>

- FREE LOCAL RESOURCE

- Retirement Understood  
[www.retirementunderstood.com](http://www.retirementunderstood.com)

*This is a solicitation for insurance. You may be contacted by an insurance agent.*

# Thank you for attending Medicare 101!

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