

Medicare Basics



What's inside:

- An overview of Medicare and options
- Prescription Drug, Medigap, Medicare Cost & Medicare Advantage plan choices
- When and how to enroll
- Plan a free personal consultation



PERNELL INSURANCE
AGENCY, INC

Medicare Overview

What is Medicare?

Medicare is the federal program for people 65 or older, under 65 with disabilities and for those with end stage renal disease or Lou Gehrig's Disease. The federal Medicare program consists of Original Medicare, Medicare Advantage and Prescription Drug plans. Medicare does not cover all medical expenses or the cost of long-term care.

Who Is Eligible?

In general, citizens 65 years or older and persons on disability are eligible for Medicare. For those who have worked for 10 years, there may be no premium for Part A.

How Do I Enroll in Original Medicare?

If you are claiming Social Security you may be auto-enrolled. If you are not claiming, you will need to enroll at a Social Security office or online at: www.SocialSecurity.gov.

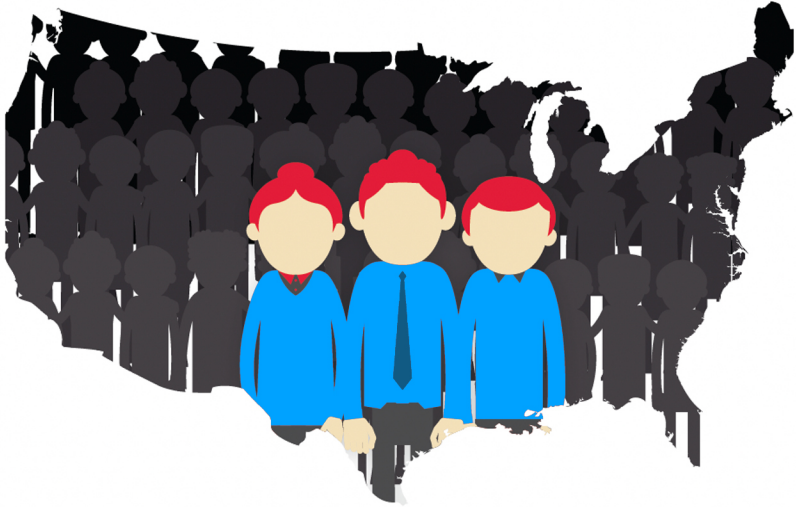
Why Is It Important to Enroll?

There are regulations that can result in financial penalties for late enrollment. If you are working, you may or may not need to enroll in Part A and/or Part B.

Other regulations involve COBRA, HSA contributions and whether your existing coverage is creditable or non-creditable. Your advisor can help with your decisions.

Fast Facts

63 Million Americans have Medicare



Member Profiles - Types of Medicare Coverage*



36[†] Have only Original Medicare



25[†] Receive Medicare through an employer or union



27[†] Have a Medicare Advantage



22[†] Have Medigap Plan



49[†] Have Prescription Drug coverage

*Sourced from Medicare.gov

† = millions

Medicare Overview

Medicare Part A

Hospital Coverage

Part A covers hospital inpatient and skilled nursing care. If you or your spouse have worked 10 years, there may be no premium for Part A.

2024 Deductible: \$1,632

Medicare Part B

Doctor & Outpatient

Part B covers medically necessary services and supplies, including outpatient, preventive services, ambulance and durable medical equipment. There is a premium for Part B, and patients may be responsible for 20% of costs.

Part A & B make up what is known as Original Medicare. Prescription Drugs are not included in Original Medicare.

2024 Part B Premium: \$174.70

2024 Part B Deductible: \$240

Medicare Part C

Medicare Advantage

Medicare Advantage is private insurance approved and regulated by Medicare and is offered as an alternative to Original Medicare, providing coverage that must be at least as good as Original Medicare.

Medicare Advantage Plans may have premiums, with cost reflecting factors such as the network and how much of the cost you share. Medicare Advantage limits your out-of-pocket costs and may include additional benefits, such as prescription drugs, physical exams, dental, vision and gym membership.

Medicare Overview, cont'd

Medicare Part D Drug Coverage

Part D is private drug coverage and is available as a standalone plan, or within a Medicare Advantage Plan. Plans vary in price, networks, preferred pharmacies and the drugs covered.

Medicare Cost Plan

A Cost Plan is a type of Medicare health plan available in certain areas and Counties of the United States. It's a hybrid option that combines features of both Original Medicare and Medicare Advantage.

If you have Part B and there are Plans accepting new members where you live; you may consider joining a Cost Plan. Cost Plans offer a great deal of flexibility with enrollment, enrollment changes, plan options and utilization in or out of network. The option to use in network providers can potentially mean lower costs. Like Medicare Advantage Plans, Cost Plans may provide additional benefits like dental, vision and gym memberships. Beneficiaries can choose a Plan which includes prescription drug coverage (Medicare Part D) or choose to enroll in a Part D plan separately (standalone).

Medicare Supplement Insurance Medigap plans

Medicare Supplements, which are also known as Medigap plans, were created to fill gaps in Original Medicare. These gaps include deductibles, copays and your liability for the 20% of part B costs. Medigap plans typically do not have a hospital network, which means any provider in the USA that accepts Medicare is an option.

Medigap plans do not cover Prescription Drugs, so a separate drug plan is required. Beneficiaries choose Medigap for nationwide coverage along with a guarantee that the plan can never be taken away. Medigap plans may be guaranteed issue during your first six months of eligibility, after which you may need to provide health history to be accepted for coverage.

Is your 65th birthday coming up? Do you have coverage through work or your spouse's employer? You may need to sign up for Medicare!

We can help you determine when you should enroll in Medicare to avoid financial penalties.



If you're turning 65 and you're... Then...

Covered by an employer plan at an organization with **more** than 20 employees

You can remain on your employer-sponsored health plan. When you lose your group insurance, you can sign up for Medicare Parts A and B without facing a late enrollment penalty.

Covered by an employer plan at an organization with **fewer** than 20 employees

Some experts recommend that people with job-based coverage enroll in Medicare Part A when they turn 65, as it can help cover expenses primary insurance doesn't cover.

Covered by COBRA

Enroll in Medicare Parts A and B as soon as you're eligible. You won't be entitled to a special enrollment period when your COBRA coverage ends, so you may face financial penalties if you sign up for Medicare late.

Covered by a high-deductible health plan at an employer with **more** than 20 employees and would like to continue contributing to a Health Savings Account

You may want to delay enrollment in Medicare, since you won't be able to contribute to your HSA after you enroll. Plan on making your financial contribution to your HSA at least six months before you enroll in Medicare to avoid a tax penalty.

Covered by a high-deductible health plan at an employer with **fewer** than 20 employees and would like to continue contributing to a Health Savings Account

You'll probably enroll in Medicare as soon as you're eligible, given that your employer-sponsored coverage may not cover all your medical expenses after you turn 65. After you enroll in Medicare, you'll no longer be able to contribute to your HSA.

Covered by a group plan that is not "creditable coverage," such as TRICARE, the VA, COBRA, or the FEHB

You'll probably want to sign up for Medicare Parts A and B to avoid late enrollment fees. You may be able to delay enrolling in Medicare Part D without penalty.

Review your choices every year

Your needs are bound to change, so it is recommended you review your Medicare options annually with an advisor. If you decide to make a change, you can do so during the Annual Election Period (AEP) from October 15 through December 7. New coverage begins on January 1st.

Enrollment Periods

Initial Enrollment Period (IEP): The Initial Enrollment Period is a seven month time frame that includes the 3 months before and after your birth month when you can sign up for Medicare.

Medicare Annual Enrollment Period (AEP): The Medicare Annual Enrollment Period is the annually designated period during which changes can be made to your Medicare coverage. AEP runs from October 15 to December 7.

Special Enrollment Period (SEP): Under special circumstances outside AEP, (such as moving home or retiring), the Special Enrollment Period, or SEP, is the time period in which you may be eligible to enroll in or change your Medicare options.

Medicare Advantage Open Enrollment Period (OEP): The Medicare Advantage Open Enrollment Period, or OEP, occurs January 1 thru March 31. During this time, there is a one-time opportunity to change your existing plan. Medigap, MSA plans and standalone Drug plans are not eligible for change during OEP.

Contact your advisor to learn more about each enrollment period, when you can enroll or make changes to your Medicare coverage.

Suitability is key. Take into consideration your health, lifestyle, desired benefits, pharmacy, network and costs when choosing the right Medicare coverage for you.



Medicare Terms

Medicare Assignment – Agreement from a doctor, hospital or supplier that they accept Medicare as full payment for covered services.

Co-insurance – You and your health insurance pay a percentage.

Co-pay – Fixed amount users pay towards the cost of care.

Cost sharing – The portion of the total cost that you are responsible for.

Deductible – The amount before health insurance pays.

Health Risk Assessment (HRA) – is a screening tool that helps individuals identify and understand their health risks. A health risk assessment includes a questionnaire, an assessment of health status, and feedback on actions to maintain health, and prevent disease.

Network – The facilities and physicians contracted by your health insurance. Networks are common with Medicare Advantage. Generally, care must be received within your network. In an emergency, Urgent Care or Dialysis may be covered outside your network.

Max Out-of-Pocket – The maximum amount that must be paid during a policy period. After reaching the maximum, your plan pays 100% of covered services.

Premium – The amount paid to Medicare or your insurance company for coverage. The Medicare Part B premium must always be paid by the insured.

Scope of Appointment Form – Before discussing your insurance needs with an Advisor, you will be asked to complete an SOA. This form identifies what types of coverage you wish to discuss.

Guaranteed Issue (GI) – A situation where a policy is offered to all applicants without regard to health status.

Medicare FAQ's

Can I keep my doctor if I enroll in Medicare?

If you have a Medicare Supplement Plan, check if your doctor accepts Medicare payments. With a Medicare Advantage Plan, you must check that your provider is in-network.

What if I am taking prescription drugs?

Standalone Part D's and Medicare Advantage have a list of covered drugs, which can change each year. Reviewing drug coverage is important, and we recommend showing the labels or photos of your medications when meeting with an advisor.

Will I have Medical coverage during international travels?

Medicare does not provide health insurance outside of the United States. Some Supplements and Medicare Advantage Plans may have limited coverage worldwide. We recommend speaking to your advisor about travel medical to ensure healthcare and repatriation are covered abroad.

Will I have Medicare coverage during domestic travels?

Whether a snowbird or simply traveling, we recommend you discuss portability with your advisor. Some Medicare Advantage plans have broad networks and some narrow networks. Medicare Supplements may provide coverage across the country, but always check that a provider accepts your plan.

How do Social Security benefits impact Medicare?

If you are not receiving Social Security, you must enroll into Medicare Parts A & B to receive benefits. If you are receiving Social Security, you may be auto enrolled into Medicare. If you are 65 or older, you may decide whether to receive or delay Social Security. Your Medicare Part B premium may be deducted from your Social Security check.

Medicare FAQ's, cont'd

How am I impacted if I am over 65 and still on my employer's health insurance plan?

If your employer offers health insurance, speak to HR and/or an insurance advisor to discuss how Medicare impacts you. By remaining on your employer plan, you may be able to delay enrolling in Medicare.

Qualifying for Extra Help/Medicaid?

People with limited income may qualify for Extra Help or Medicaid programs that could pay the Part B premium and/or lower the cost of prescription drug coverage. For more information, visit:

www.SocialSecurity.gov or speak to an advisor.

Hospital Observation periods?

Original Medicare covers the cost of Skilled Nursing Facilities (SNF) after you have been admitted to the hospital for 3 days. Always confirm you have been admitted sometimes you may be classified as 'under observation' and may not qualify for SNF coverage.

COBRA coverage?

Clients may consider accepting COBRA from their former employer when they retire after 65. It is important to know that COBRA does not exempt you from signing up for Medicare Part A & B.

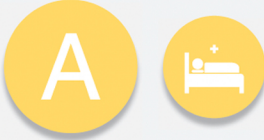
Additional questions?

If you have questions regarding your Medicare options, reach out to a licensed advisor or visit **Medicare.gov** for helpful resources.

Medicare Plans

Original Medicare

Includes Parts A and B



Part A: Covers hospital visits and prolonged stays

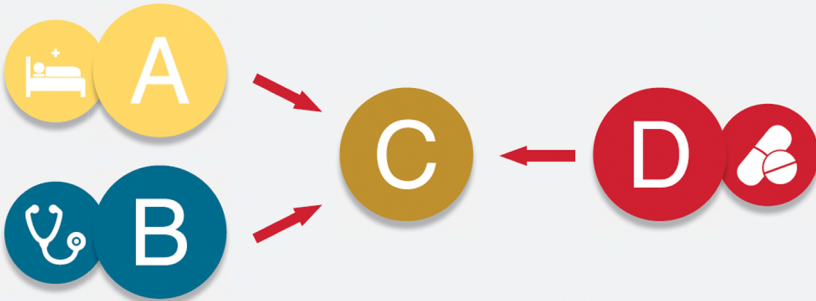


Part B: Covers doctors' visits and outpatient care

Medicare Advantage

Medicare Part C:

Combines Parts A and B and usually D



May include additional coverage for cost not covered by Parts A & B

**Medicare Advantage plans vary and may or may not include prescription drug, supplemental coverage and additional benefits.*

Medicare Plans, cont.

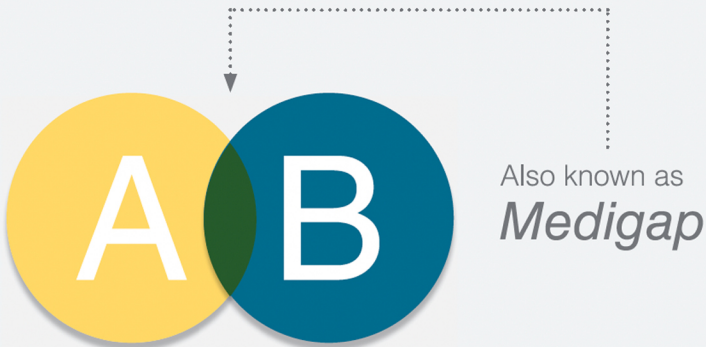
Prescription Drug Coverage



Part D: Helps cover the cost of prescription drugs

Medicare Supplement Insurance

Helps pay for cost not covered by Parts A & B



Also known as
Medigap

The information in this pamphlet was developed by Pernell Insurance Agency for educational purposes and does not offer coverage nor medical advice.

This pamphlet is designed to provide an overview of Medicare and your options. It is not a comprehensive guide to Medicare. For more information about Medicare or how to apply for coverage, contact your advisor or the agency listed on this pamphlet.

Medicare has neither reviewed nor endorsed this information.

© 2024 Pernell Insurance Agency. All rights reserved.



PERNELL INSURANCE
— AGENCY, INC —

www.pernellinsurance.com | 605.271.7595
528 N. Sycamore Avenue Ste. 2 | Sioux Falls, SD 57110