

Presentation #1

Introduction to Medicare

Presented by SourcePoint



*Resources: Ohio Senior Health Insurance Information Program (OSHIIP)
from the Ohio Department of Insurance.*

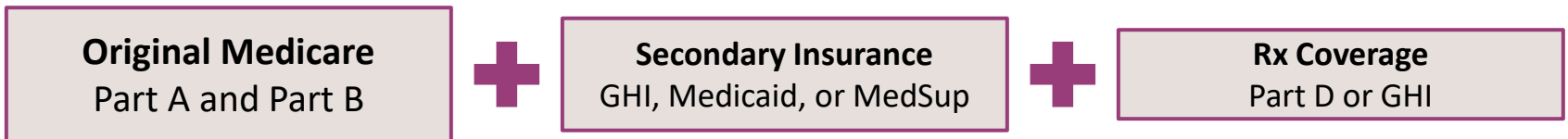


What is Medicare?

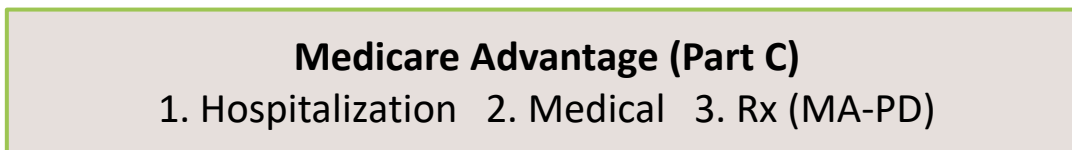
Federal health insurance program administered by the Centers for Medicare and Medicaid Services (CMS) for those who are:

- 65 and older
- Any age with a qualifying disability
- Diagnosed with end-stage renal disease (ESRD)
- Diagnosed with Amyotrophic lateral sclerosis (ALS)

Option 1:



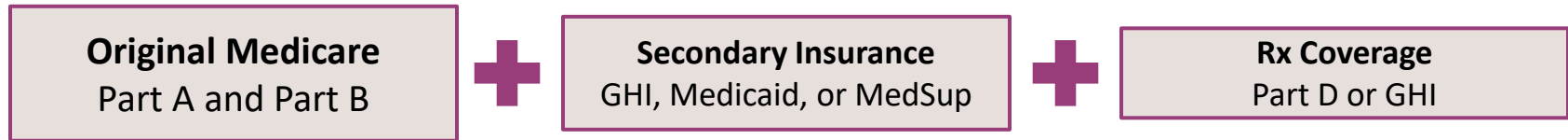
Option 2:



Medicare

- Medicare should not be confused with Medicaid. Medicaid is a local and state assistance program for individuals who have lower incomes and resources.
- Medicare should also not be confused with the Social Security Administration.
- The Exchange **won't** have any effect on your Medicare coverage. Your Medicare benefits are not changing.
- It's against the law for someone who knows that you have Medicare to sell you an Exchange plan.
- The Medicare open enrollment period is a time when there's a higher risk for fraudulent activities. **Do not** share your Medicare number or other personal information with anyone who knocks on your door or contacts you uninvited to sell you a health plan.

Option 1



- Three insurance cards and three premiums
- Medicare Supplements have NO network and NO referrals
 - Accepted nationwide by any provider that accepts Medicare
- Typically, higher monthly costs but fewer out-of-pocket costs for services
- Does not cover routine dental or vision services, or hearing aids or services

Option 2

Medicare Advantage (Part C)

1. Hospitalization 2. Medical 3. Rx (MA-PD)

- Offered by private insurance companies
- Must cover the same services as Original Medicare
- Plans have a network of providers and sometimes require referrals
- Premiums are typically lower, but out-of-pocket costs are higher
- Many plans cover routine dental and vision services as well as hearing aids

Option 2 (cont.)

HMO (Health Maintenance Organization)

Requires the use of a network of doctors, specialists, and hospitals

- A referral is typically needed to see a specialist
- Services received outside of the network will not be covered

PPO (Preferred Provider Organization)

Uses a network of doctors, specialists, and hospitals but **provides coverage out-of-network**

- Services received out-of-network will typically cost more

Option 1 vs. Option 2

Option 1 – Med Supp & Part D

- Pay Part B premium
- Typically, higher monthly premium, lower out-of-pocket costs
- No network, no referrals
- Three ID cards

Option 2 – Medicare Advantage

- Pay Part B premium
- Typically, lower monthly premium, higher out-of-pocket costs
- Network of doctors, specialists, and hospitals
- One ID card

Applying for Medicare

When to Enroll:

- 7-month window around 65th birthday (3 months before, the month of, and 3 months after)
- If you are still working, you may choose to delay Part B enrollment depending on your current benefits

How to Enroll:

- If collecting Social Security or Railroad Retirement benefits, you will be automatically enrolled in Part A and B
- If not collecting Social Security go to www.SSA.gov or a local Social Security office



Enrollment Effective Dates

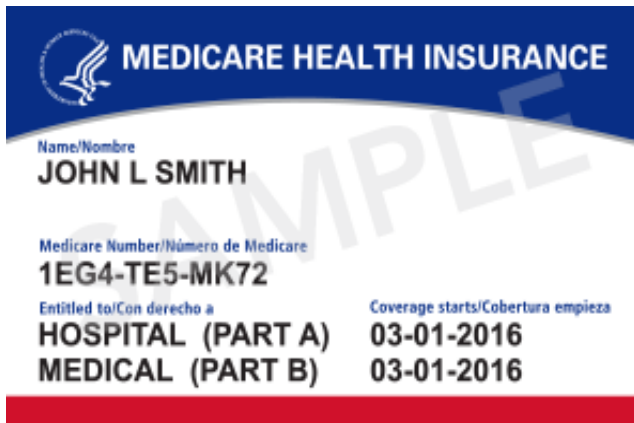
- Medicare will always start on the 1st, the month depends on when you enroll (note: if you turn 65 on the 1st of the month, Medicare can start the 1st of the month before your birthday)

| If you sign up: | Coverage starts: |
|---------------------------------|----------------------------------|
| Before the month you turn 65 | The month you turn 65 |
| The month you turn 65 | The next month |
| 1 month after you turn 65 | The next month after you sign up |
| 2 or 3 months after you turn 65 | The next month after you sign up |

- If you miss your 7-month IEP, you will have to wait for the General Enrollment Period which runs 1/1-3/31 each year. Your effective date will be 7/1 of that year and penalties will apply.



Medicare Parts A and B



Part A – Hospital

Inpatient hospitalization

Skilled nursing facilities

Home health care

Hospice

Part B – Medical

Doctors/providers

Preventive services

Outpatient services

*Durable medical
equipment*

- Medicare was never intended to pay 100 percent of health care costs.
- Medicare only covers medically necessary services within the U.S. in most cases.
- Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) must be obtained from a Medicare-contracted supplier.

Medicare Preventive Benefits

- “Welcome To Medicare” physical exam
- Bone mass measurement
- Annual wellness exam
- Cardiovascular screening
- Cardiovascular disease (behavioral therapy)
- Colorectal cancer screening
- Diabetes screening, services, and supplies
- Diabetes self-management training
- Obesity screening
- Depression screening
- Sexually transmitted infections screening and counseling
- Pelvic and breast exam
- Vaccinations
 - Flu, Pneumococcal, Shingles, and Hepatitis B
- Glaucoma screening
- Cervical and vaginal cancer screening
- Prostate cancer screening
- Screening mammogram
- Smoking cessation counseling
- Alcohol misuse screening
- Abdominal aortic aneurysm screening
- Hepatitis C screening test
- HIV screening
- Lung cancer screening
- Cologuard DNA Test

Part B Deductible and Coinsurance is waived for most preventive care services.



2025 Medicare Amounts

Part A – Hospital

- Hospital deductible
\$1,676 benefit period
- Hospital copays
\$419/day, days 61-90
\$838/lifetime reserve day
- Skilled nursing copay
\$209.50/day, days 21-100
- Monthly premiums
40 or more credits=\$0
30-39 credits=\$285
30 or less=\$518

Part B – Medical

- Monthly premium \$185
- Late enrollees may incur a 10% penalty for each year of delay
- Those with higher incomes may pay a higher premium
- Annual deductible \$257
- Co-insurance generally 20% of Medicare-approved amount

Use [Medicare.gov](https://www.Medicare.gov) to see your Medicare claims.



2025 Part B Premium

Revised 12/23/2024

May be higher based on income: (\$185/standard premium)

- Single: \$106,000 - \$133,000
Married: \$212,000 - \$266,000 = **\$259.00**
- Single: \$133,001 - \$167,000
Married: \$266,001 - \$334,000 = **\$370.00**
- Single: \$167,001 - \$200,000
Married: \$334,001 - \$400,000 = **\$480.90**
- Single: Above \$200,001 - \$500,000
Married: \$400,001 - \$750,000 = **\$591.90**
- Single: \$500,001 and above
Married: \$750,001 and above = **\$628.90**



2025 Part D Premium

Revised 12/23/2024

Amount payable in addition to plan premium:

- Single: \$106,000 - \$133,000
Married: \$212,001 - \$266,000 = **\$13.70**
- Single: \$133,001 - \$167,000
Married: \$266,001 - \$334,000 = **\$35.30**
- Single: \$167,001 - \$200,000
Married: \$334,001 - \$400,000 = **\$57.00**
- Single: \$200,001 - \$500,000
Married: \$400,001 - \$750,000 = **\$78.60**
- Single \$500,001 and above
Married: \$750,001 and above = **\$85.80**



Health Savings Account vs. Health Reimbursement Accounts

HSA

- Funds **pay** medical expenses (deductibles, copays, etc.)
- Employer and employee contribute funds
- Unused funds roll over
- Generally linked to high-deductible health plans
- **Cannot contribute** to HSA once on Medicare Part A/B (existing funds can be used for Medicare expenses)

HRA

- Funds **reimburse** paid health care expenses (premiums, copays, etc.)
- Employee cannot contribute their own funds into account
- Unused funds roll over
- Spouse can use account funds for health expenses
- Can use if on Medicare

Enrolled in Medicare. Beginning with the first month you are enrolled in Medicare, your contribution limit is zero. This rule applies to periods of retroactive Medicare coverage. So, if you delayed applying for Medicare and later your enrollment is back dated, any contributions to your HSA made during the period of retroactive coverage are considered excess. Generally, you must pay a 6% excise tax on excess contributions. The excise tax applies to each tax year the excess contribution remains in the account. You may withdraw some or all of the excess contributions and avoid paying the tax on the amount withdrawn if you meet the following conditions: Withdraw the excess contributions by the due date, including extensions, of your tax return for the year the contribution were made; Withdraw any income earned on the withdrawn contributions and include the earnings in "other income" on your tax return for the year you withdraw the contributions and earnings. Taken from IRS Publication 969.

Questions?

SourcePoint provides a variety of free insurance education classes and workshops. Learn more at [MySourcePoint.org/insurance](https://www.mysourcepoint.org/insurance) or call 740-363-6677.

Other Resources

- **OSHIIP** | 1-800-686-1578 | [insurance.ohio.gov](https://www.insurance.ohio.gov)
- **Medicare** | 1-800-MEDICARE | [medicare.gov](https://www.medicare.gov)
- **Social Security Administration** | 1-800-772-1213 | [ssa.gov](https://www.ssa.gov)

