

Medicare Playbook

UI

A Step-by-Step Guide on
How to Make Important
Medicare Decisions

2024



University
of Idaho

90 DAYS
FROM RETIREMENT



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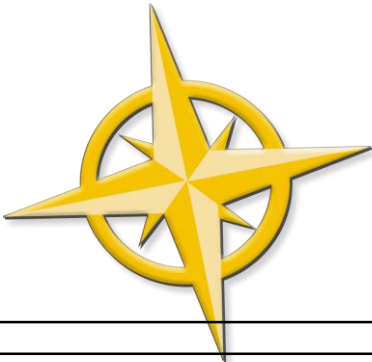
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If you remember only one thing...

THE most important thing for you to do that will make your life dramatically easier is to begin your Medicare enrollment process 90 days before you are ready to start taking Medicare benefits.



Qualifying for Medicare

Who may qualify for Medicare?

There are 4 ways to qualify for Medicare

Turning 65

The most common way for an individual to qualify for Medicare is to turn 65 years old.

Disability

Individuals of any age who have a disability may qualify for Medicare.

End-Stage Renal Disease

Individuals with End-Stage Renal Disease may qualify for Medicare.

Lou Gehrig's Disease

Individuals with Lou Gehrig's Disease may qualify for Medicare.



Medicare ABC(D)s

4 Parts created to cover four different medical needs.

When Congress put Medicare into law, they labeled each section of the law with "Parts."

They could have just as easily labeled them 'chapters' or 'sections', but they chose parts, which is why Medicare has Parts A, B, C, and D.

Original Medicare

Government



Part A
Hospital
Coverage



Part B
Medical
Coverage

Private Insurers

Insurance companies



Part C
Medicare
Advantage



Part D
Prescription
Drugs



Medicare Part A Hospital Coverage

Medicare Part A provides partial coverage for inpatient hospital stays (meaning you are admitted to the hospital), skilled nursing facilities, and some additional skilled care.

Costs

Premium: \$0*

*This may be adjusted if you worked fewer than 40 quarters throughout your lifetime.

Deductible: \$1,632*

*This is per person and benefit period (every 60 days).

Co-Pays

Days 61 - 90 : \$408 per day

Days 91 - 150 : \$816 per 'lifetime reserved day'

Figures reflect 2024 plan year only; co-pays may change annually



Covers



Semi-private room



Rehabilitation services



Inpatient lab tests, x-rays & radiation



Special unit care (i.e. ICU)



In-home skilled health care



Hospital meals



Inpatient drugs, supplies & equipment



Skilled nursing



Operating & recovery room services



Select blood transfusions

Medicare Part B Medical Coverage

Medicare Part B helps cover doctor visits as well as other medically necessary care and services.

Costs

Premium: \$174.70/month*

*This may be adjusted up for high-income individuals (>\$103,000 single, >\$206,000 joint).

Deductible: \$240 per year*

*Plus 20% of Medicare fee schedule with NO LIMIT on your 20% cost sharing per person.

Figures reflect 2024 plan year only; co-pays may change annually



Covers



Doctor's visits



X-rays, MRIs, CT scans, EKGs



Ambulatory
Surgery Center
Services



Some
Diagnostic
Screenings



Outpatient
Medical
services



Durable home-
use Medical
Equipment



Some
Preventive
Care



Emergency
Room
Services



Clinical lab
services



Doctor visits
while
hospitalized

Enrolling in Medicare

Is Medicare automatic?

Yes... and no...

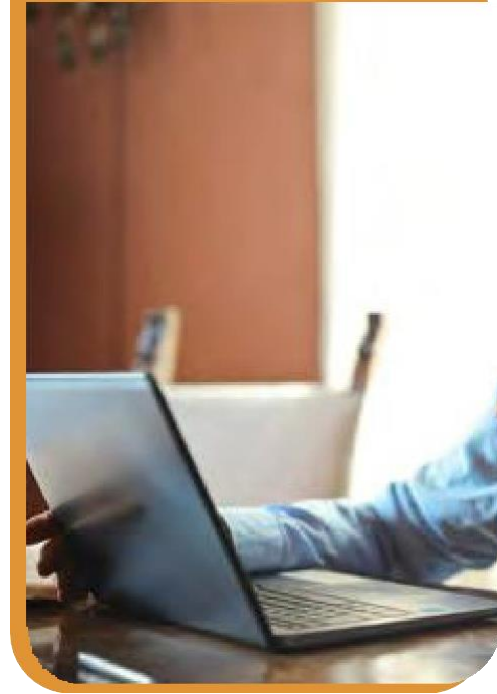
If you are receiving Social Security benefits prior to age 65, you will be automatically enrolled in Medicare Parts A and B, and your Medicare card will arrive in the mail about 90 days before your 65th birthday.

If you are not receiving Social Security benefits, you must proactively sign up for Parts A and/or B. This can be done online at www.ssa.gov, over the phone (1-800-772-1213), or through the Social Security office.

Am I required to enroll in Medicare?

No, but...

you run the risk of incurring late enrollment penalties should you decide to enroll after your Initial Enrollment Period.



**Your Medicare Enrollment
Periods are on the next page...**

When to Enroll in Medicare

Medicare Parts A, B, C, and D

Initial Enrollment Period

There is a 7-month window that represents your Initial Enrollment Period.

This window begins 3 months before your 65th birthday, includes the month of your 65th birthday, and extends 3 months after your 65th birthday.

Supplement or “Medigap” Plans

Open Enrollment Period

Your Open Enrollment Period for Medicare Supplement plans begins on your Part B effective date and ends on the last day of the 6th month after your Part B effective date.



Penalties

Parts B and D are voluntary. However, if you decline to enroll in **Part B** when eligible without a valid exception, you may be subject to a lifetime 10% penalty for each year you did not apply. Valid exceptions include being covered by your or your spouse’s group health insurance. Being on COBRA while Medicare eligible is NOT an exception.

For **Part D**, you must have creditable drug coverage in place at age 65, otherwise you will pay a monthly 1% penalty of the national average premium, for life.

Important:

Start the process **90 Days** before you need your Medicare coverage to begin.

**Other Enrollment Periods
are on the next page...**

Other Enrollment Periods

Annual Enrollment Period

October 15- December 7 each year

This is your opportunity to join or switch plans. Enrollments during this period go into effect on Jan 1 of the upcoming year.

Special Election Period

There are several qualifying events

Deadlines and enrollment windows vary based on qualifying events.

Qualifying events:

You change where you live

You lose your current coverage

You have a chance to get other coverage

Your plan changes its contract with Medicare

Other situations found through medicare.gov (or call us)



OPTION 1

OR

OPTION 2

Medicare Supplement Plan



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

Medicare Part D Plan



Helps pay for prescription drugs

OPTION 3

** available only if offered by your employer*

Group Retiree Plan

Offers hospital and medical in one plan. May have option to include prescription drugs. If you opt out of prescription coverage, need Medicare Part D plan to avoid penalties

Medicare Advantage Plan

Part C



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

Part D



Usually includes prescription drug coverage



May offer additional benefits not provided by Original Medicare

Other Options to fill
Gaps in Medicare



Medicare Part C Medicare Advantage

Medicare Part C is commonly referred to as Medicare Advantage. These are Medicare-approved plans offered by commercial insurance companies.

You must be enrolled in Part A and Part B to qualify, and typically these plans come with added benefits listed to the right.

Costs

Premium: \$0 - Low*

*Premiums vary based on carrier and plan design, but most plans sit between \$0 - \$49/month.

Copays/Coinsurance: Plan Specific

You pay co-pays and co-insurance for services. The co-pays and co-insurance amounts depend on the Medicare Advantage plan you select.

Network

Medicare Advantage plans confine you to that carrier's network, which are typically county specific. This means that if you travel outside this area, services may not be covered.

Always includes



Hospital
Coverage



Medical
Coverage

Often includes



Part D
Prescription Drug Program

Can include



Basic Dental
Coverage



Vision
Coverage



Hearing
Coverage



Gym
Membership

Medicare Supplement Medigap Plans

Medicare Supplement plans help fill the gaps left by original Medicare, which is why these plans are often referred to as “Medigap” plans.

Medigap plans help cover part or all of the 20% that Medicare does not cover and would be your responsibility. Medigap plans are sold by private insurance companies.

Costs

Premium: Varies

Premium costs vary widely by plan and the insurance company providing the plan, but you can expect the cost to be between \$67 - \$345 per month.

Network

A major reason for Medigap popularity is the fact that you don't have a restricting network. Medigap plans pay secondary to Medicare and any facility or provider that participates in Medicare, must also participate with Medigap coverage.



Medigap Plans

There are **10 Medigap plans**, each designated with a letter of the alphabet. These plans each have different coverage levels and benefits, meaning Plan G is different than Plan N.

Plans: A, B, C, D, F, G, K, L, M, N

It is important to note that plan coverages are standardized, regardless of the insurance company you choose. For example, a Plan G with one insurance company has the exact same coverage as a Plan G from a different insurance company.

The only difference in Medigap plans with the same letter between insurance companies is the monthly premium cost, the speed and accuracy of claims payments, features, and customer service the insurance company offers.

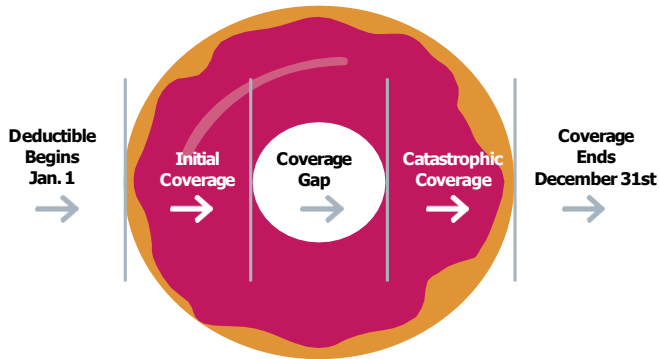
12 types in Latah county
\$67 - \$345 monthly premium

Medicare Part D Prescription Drug Plans

Medicare Part D provides partial coverage for prescription drugs not covered by Original Medicare.

Prescription Drug Plans are voluntary and provided and administered by private insurance companies.

The Donut Hole



Costs

Premium: \$0 - \$100/month*

*Premiums vary based on carrier and plan design. The 2024 national average for premiums is around \$55.50/month.

Copays/Coinsurance: Plan Specific

Copays and Coinsurance vary based on the plan you select as well as which tier the medications you use happen to fall in the plan's list of covered drugs or formulary.

Typical Drug Tiers

- Tier 1** - Preferred Generics
- Tier 2** - Non-Preferred Generics
- Tier 3** - Preferred Brands
- Tier 4** - Non-Preferred Brands
- Tier 5** - Specialty

*There are plans with as many as 6 tiers.

20 plans in Latah county
\$0.50 - \$108 monthly
premium

Things to Remember

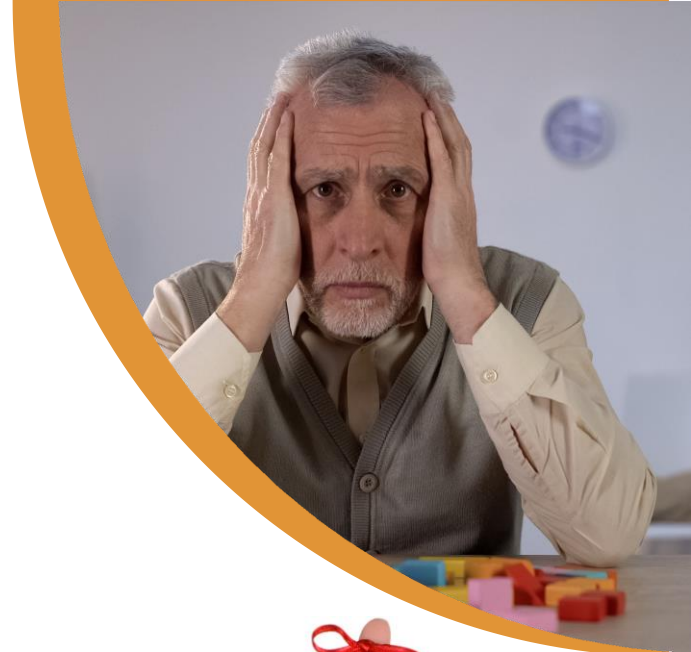
UI offers **2 Post-Retiree plan options**, PPO Plan) and High Deductible Health Plan. Once you make your selection, you are not able to change.

If you are considering putting your spouse on this plan too, we may want to consider a more cost effective option because your spouse is not getting the deeply subsidized rate UI offers it's retirees. You and your spouse do NOT have to be on the same plan.

Medicare is your primary insurer medical coverage and the University retiree plan is secondary

If you plan to elect UI retiree medical plan, you must be enrolled in the UI active employee health plan at time of retirement

This decision is not a one and done. As you age your health care insurance needs will change. The 90DFR Team will be there to help guide you in those future decisions.



Other Common Questions

What if I have an HSA?

You can keep it, but...

The IRS requires you and your employer to discontinue contributions to your HSA once you enroll in Parts A or B. If you enroll after your 65th birthday month, the IRS will look back to your 65th birthday month OR six months (whichever is closest) to see if contributions were discontinued. HSA funds previously accumulated may be used for future qualified expenses.

What is with all the Medicare Marketing?

Get ready for A LOT of mail

Medicare agents and Medicare plans compete heavily for your business. This means that as you approach your 65th birthday, your mailbox, email, and phone will be bombarded with Medicare marketing materials.

Be aware that responding to any mailer or phone call will significantly increase marketing efforts.



Your No-Cost Resource



What if You Have More Questions?

Use an Agent... It Doesn't Cost Anything

You do not need to tackle this alone. Licensed Insurance Agents who specialize in Medicare can help you through this process and ensure you have the plans that suit your financial and medical needs.

Medicare agent compensation is built into Medicare Advantage, Medicare Supplement, and Prescription Drug Plan premiums. Premiums are the same cost whether you use an agent or not.

What this means is that using an agent is free to you. You do not pay any more if you use an agent than if you decide to do this all by yourself.



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