

Welcome to:

New Agent Training Session 1: Intro to Medicare Sales

May 1, 2023

Presented by:

Courtney, Agent Success Team

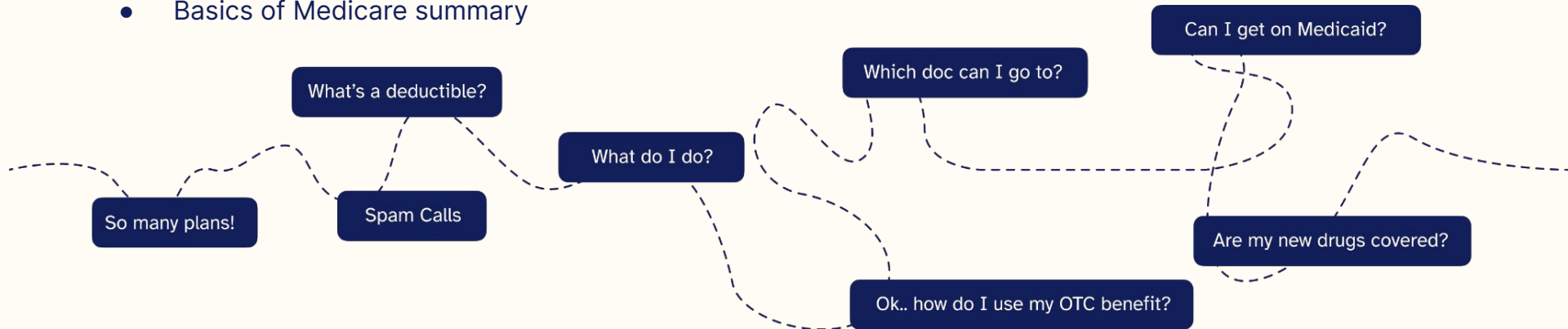


Topics to cover:

- Medicare ABCs & D
 - Parts of Medicare
 - Costs of Medicare
- Medicare and other insurance
 - Medicare and employee coverage
 - Medicare and Veterans coverage
- Eligibility and enrollment periods
 - When to enroll
- Medicare Case Studies
- Basics of Medicare summary

Takeaways:

- ★ Tool & Resources
- ★ Medicare 101 presentation



The ABCs (and D) of Medicare



What is Medicare?

Medicare is a federal health insurance program.

The U.S. government's largest health insurance program serving more than 62 million people.

Medicare Is

- A federal health insurance program
- For U.S. citizens and legal residents
- Individual health insurance

Medicare Is Not

- Medicaid
- Social security
- Family health plans
- ACA (Affordable Care Act)

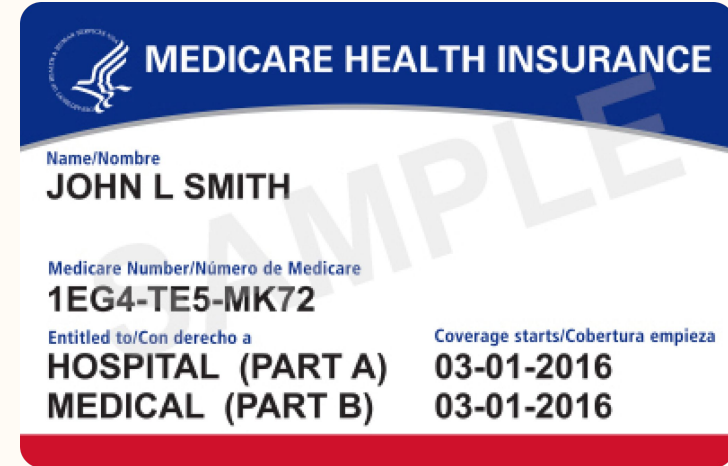


Who Can Get Medicare

You can qualify for Medicare if you meet one of the following requirements:

- Within three months of turning 65 or older, even if you still work
- Younger than 65 with a qualifying disability
- Have end-stage renal disease (ESRD)

Note: you also may be eligible for Medicare Part A through your spouse, though you must meet the age or disability requirement



Original Medicare

Original Medicare consists of Part A and Part B

Part A

Hospital Insurance

- Hospital room & meals
- Intensive care
- Skilled nursing facility care
- Operating room services
- Hospice care
- Rehabilitation services
- Some home health care
- Some drugs & medical supplies for inpatient stays

Part B

Medical Insurance

- Doctor visits
- Annual wellness visits & preventive services
- Outpatient care
- Mental health care
- Clinical lab services
- Durable medical equipment
- Ambulance services
- Occupational/physical therapy

Cannot be denied coverage • Coverage nationwide

What does it cost?

Original Medicare consists of Part A and part B

	Premium	Deductible	Other costs
Part A Hospital Insurance	\$0*	\$1,600 per benefit period	\$400 per day (days 61 - 90) \$800 per day (after 90)
Part B Medical Insurance	\$164.90 per month**	\$226 per year	20% of costs, plus any excess charges → NO out of pocket maximum

*Note: premium free if you or your spouse worked and paid taxes for 10+ years. If you don't get premium-free Part A, you pay up to \$506 each month. **If you are an above average income earner, you will have to pay a higher Part B premium.

Part B: Detailed costs by income bracket

If your yearly income in 2021 was:

File individual tax return*	File joint tax return*	File married & separate tax return*	You pay (monthly) in 2023
\$97k or less	\$194k or less	\$97k or less	\$164.90
\$97k to \$123k	\$194k to \$246k	N/A	\$230.80
\$123k to \$153k	\$246k to \$306k	N/A	\$329.70
\$153k to \$183k	\$306k to \$366k	N/A	\$428.60
\$183k to \$500k	\$366k to \$750k	\$97k to \$403k	\$527.50
\$500k or above	\$750k or above	\$403k or above	\$560.50

**Larger number is inclusive. For example, \$97k to \$123k means that the return must be above \$97k up to \$123k (inclusive).*

What's not covered by Original Medicare

Parts A and B do not cover the following:

- ❌ All of the costs of your care (on the prior slide!)
- ❌ Prescription drugs
- ❌ Annual physical*
- ❌ Dental, vision, and hearing care
- ❌ Hearing aids
- ❌ Eyeglasses or contacts
- ❌ Long-term care
- ❌ Most care outside the U.S.

*Note: Original Medicare covers an annual “Wellness” visit 1x every 12 months, but that visit is not a physical exam. It includes a Health Risk Assessment questionnaire and a cognitive assessment.

Knowledge Check...

- Who can be eligible for Medicare?
- Does Medicare Part A cover Hospital or Medical insurance?
- Which of the following services is not typically covered by Medicare?
 - Preventive services
 - Hospice care
 - Annual physical
 - Durable medical equipment



Getting more coverage



To cover these coverage gaps and costs, beneficiaries have two options!

1 Set-and-forget

Enroll in Original Medicare and
add 1 or both

— OR —

2 Pay-as-you-go

Enroll in Original Medicare and
select an Advantage plan

Medicare Supplement or “Medigap” Plan

Covers out-of-pocket costs

AND / OR

Medicare Part D Plan

Helps pay for prescription drugs

Part C

Combines Part A and B in 1 plan

Part D

Helps pay for prescription drugs

+ may offer additional benefits,
such as dental, vision, hearing

About Medicare Supplement Plans

- You pay a monthly fee in addition to the Part B premium, and the private plan covers the costs in Original Medicare.
- There are 8 plans (each has its own letter) standardized by the Federal Government, but offered by private insurance companies.*
- The monthly fee can generally range from \$50 - 350, depending on the plan type and your home state.
- No drug coverage, or dental, hearing and vision benefits.
- No medical underwriting up to 6 months after enrolling in Part B
- at age 65 or older
- Guaranteed renewable
- Coverage nationwide; no provider network



**Note: MA, MN, and WI have plans different from the standard*

Medicare Supplement Plan Options

Note: a Plan A with one carrier offers the same benefits as Plan A with another carrier! The most common today is Plan G since it offers the most coverage.* The main difference between carriers is price.

Basic Benefits	A	B	D	G*	K	L	M	N	C*	F*
Part A: Hospital Coinsurance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Part A: Hospice Care Coinsurance	✓	✓	✓	✓	50%	75%	✓	✓	✓	✓
Part B: Medical Coinsurance	✓	✓	✓	✓	50%	75%	✓	✓	✓	✓
Part B: Medical Preventive Care Coinsurance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Parts A & B: Blood (first 3 pints)	✓	✓	✓	✓	50%	75%	✓	✓	✓	✓
Additional Benefits	A	B	D	G*	K	L	M	N	C*	F*
Skilled Nursing Care Coinsurance			✓	✓	50%	75%	✓	✓	✓	✓
Part A Deductible \$1,600		✓	✓	✓	50%	75%	50%	✓	✓	✓
Part B Deductible \$226									✓	✓
Part B Excess Charges				✓						✓
Foreign Travel Emergency (lifetime limit \$50k)			80%	80%			80%	80%	80%	80%
Out-of-pocket Yearly Limit					\$6,620	\$3,310				

**Note: F and G may also have high deductible options. However, Plans C and F are no longer available to people new to Medicare on or after January 1, 2020 as plans can no longer cover the Part B deductible.*

About Part C: “Medicare Advantage”

Medicare Advantage

All the benefits of Part A and Part B

You're still in the Medicare program, but plans are offered by private companies



Most plans include prescription drugs

Many plans offer additional benefits:



Routine dental



Routine eye exams and eyeglasses



Hearing tests & aids



Wellness programs

Costs

Continue to pay the Part B plan premium



Many plans are \$0 premium



You may have out-of-pocket co-pays and co-insurance when you use services



Typically have annual out-of-pocket maximum

Other factors



You may need a referral to see a specialist



Coordinated care support with provider network

About Part D: Medicare Prescription Drug Coverage

Private Plans that help cover the cost of prescription drugs

Plans Cover:

- Most common medications
- Specific brand name & generic drugs according to the plan's formulary (drug list)
- Vaccines not covered by Part B

How it works:

- You pay a monthly premium. The average premium is ~\$32.
- You have a co-pay for each medication, based on its tier. There are 4 or 5 tiers, from lowest to highest priced.
- You may also have a deductible
- You may have to use a specific pharmacy network

→ You can get Part D via a stand-alone Part D plan OR via a Medicare Advantage plan that includes prescription drug coverage (MAPD)

Part D: Detailed premiums by income bracket

If your yearly income in 2021 was:

File individual tax return*	File joint tax return*	File married & separate tax return*	You pay (monthly) in 2023
\$97k or less	\$194k or less	\$97k or less	your plan premium
\$97k to \$123k	\$194k to \$246k	N/A	\$12.20 + your plan premium
\$123k to \$153k	\$246k to \$306k	N/A	\$31.50 + your plan premium
\$153k to \$183k	\$306k to \$366k	N/A	\$50.70 + your plan premium
\$183k to \$500k	\$366k to \$750k	\$97k to \$403k	\$70.00 + your plan premium
\$500k or above	\$750k or above	\$404k or above	\$76.40 + your plan premium

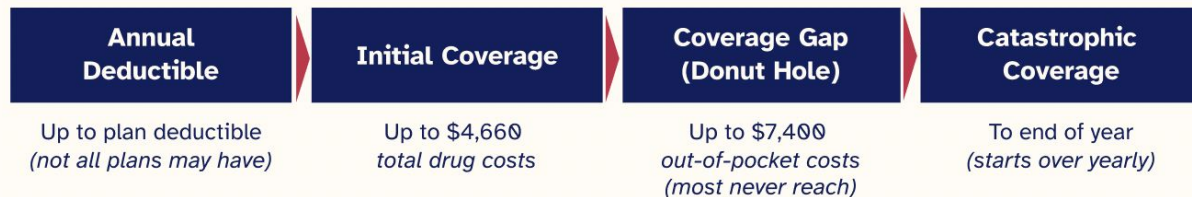
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Part D: Coverage stage & formulary

In addition to your premium, you will pay an amount per prescription, which depends on your coverage stage and drug type

Coverage Stages

During the year, you may go through drug coverage stages, which impacts the amount paid per prescription



Formulary

- ♦ Drugs are grouped into cost tiers; the lower the tier, the lower the cost
- ♦ You may be able to reduce the cost by purchasing via mail or at a preferred pharmacy



Tier 1	Generics, preferred	\$
Tier 2	Generics	\$\$
Tier 3	Brands, preferred	\$\$\$
Tier 4	Brands	\$\$\$\$
Tier 5	Specialty	\$\$\$\$\$

Making a decision



What are the options?

Option 1 (Medicare Supplement + Prescription Drug Plan) vs. Option 2 (Medicare Advantage)

	Option 1	Option 2
Coverage	Everything Original Medicare covers	Everything Original Medicare covers, plus additional benefits
Cost	<div>✗ Medigap: ~\$200 per month</div> <div>Drug plan: ~\$33 per month</div> <div>Very low out-of-pocket expenses</div>	<div>✓ Typically \$0 premium</div> <div>Copays and co-insurance for services</div> <div>~\$7,550 out of pocket-maximum average (in-network)</div>
Choice	<div>✓ Any doctor, anywhere, who accepts Medicare. No referral required.</div>	<div>✗ May need a referral</div> <div>✗ May only see in-network doctors</div>
	Know what you'll pay each month	Pay as you go

Questions to ask beneficiaries...

It's a personal decision based on cost, convenience, and health history. Consider the following questions:



What am I willing/able to spend on premiums, deductibles, coinsurance, and copays?



Does the plan I'm considering have all the benefits I'm looking for?



How important is it to me to have vision, dental, and hearing services covered?



Am I okay with having a restricted list of providers and hospitals within a network?



Do I feel comfortable using this plan to manage any chronic health conditions I have?



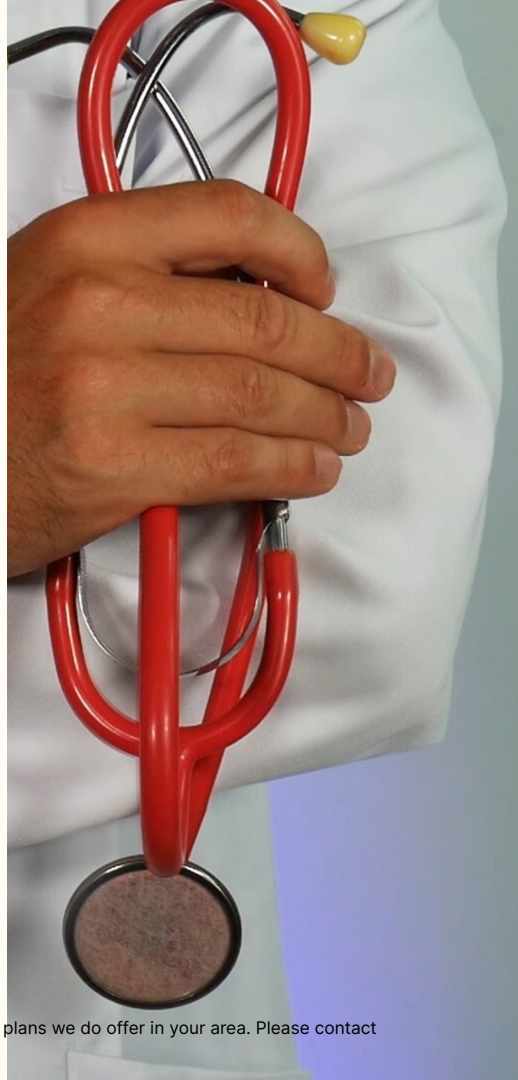
Additional considerations



Special needs plans

Medicare Special Needs Plans (SNPs) typically offer more benefits with specific care plans. You may qualify if:

- You have a chronic condition, like diabetes or a heart condition
- You receive Medicaid assistance from your state
- You live in a facility like a nursing home and need additional care



Financial Assistance

Depending on your income and assets, you may qualify for additional assistance through:

- Medicaid
- Medicare Savings Programs to reduce Part A and B costs
- Extra Help (Low Income Subsidy) to reduce medication costs
- Additional local assistance programs



Enrolling in Medicare

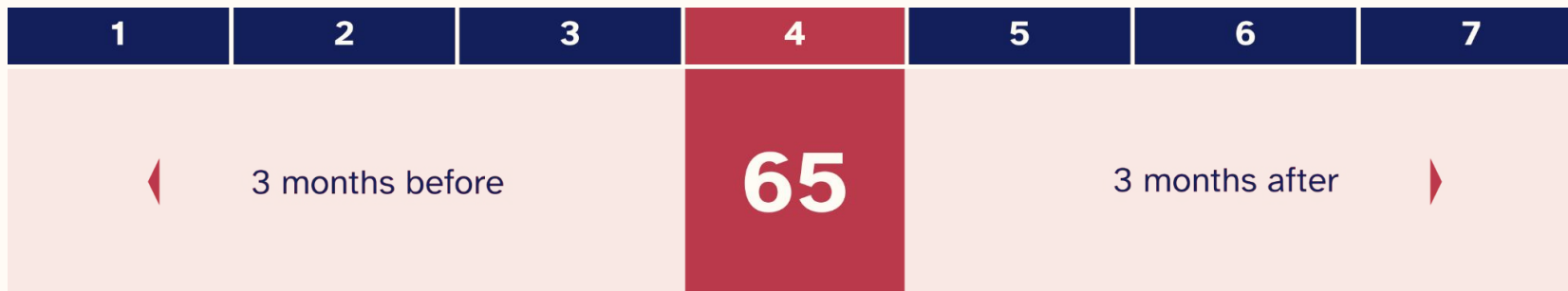


Enrolling in Original Medicare

Initial enrollment period:

3 months before and after the month you turn 65

- Enroll at SSA.gov for Original Medicare
- Enroll in Part A; you can delay Part B

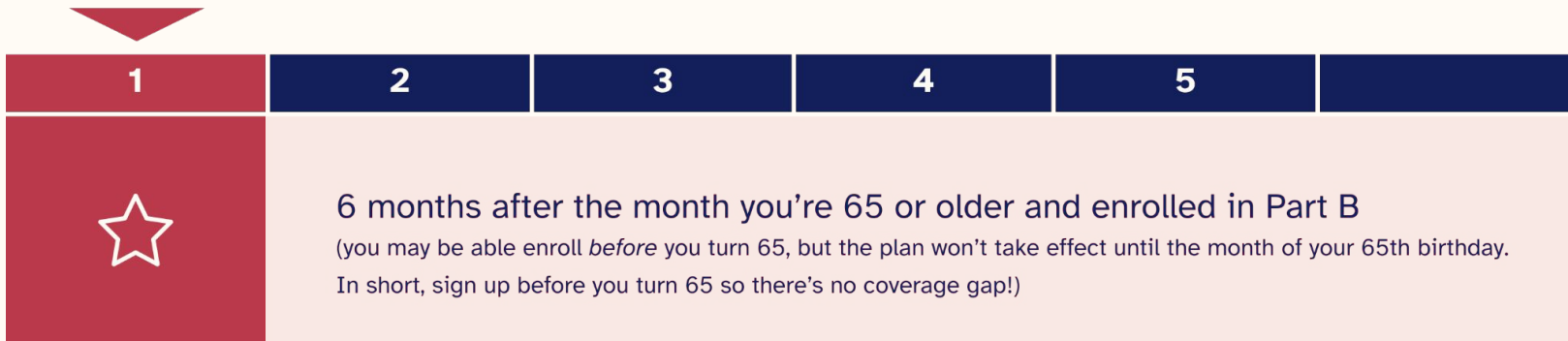


If you miss it, you can enroll during the General Enrollment Period (Jan - Mar for Parts A and B). Late enrollment premium penalties apply, so don't miss it!

Enrolling in Medicare Supplement

For 6 months after the month you're 65 and older, and enrolled in Part B, you may enroll in a Supplement plan

- No underwriting required*
- Guaranteed renewable



If you enroll later, you may be denied based on your health history or see higher premiums.

Note: You have guaranteed issue rights typically when you have other health coverage that changes in some way. Special situations will apply.

Working past 65

You may be able to delay, or you may have to enroll at age 65

Can delay without penalty if:		Cannot delay without penalty if:
Employer has...	20 or more employees	Fewer than 20 or more employees
Coverage is...	Considered “creditable”	Not considered “creditable”

What if I’m covered by my spouse’s employer?

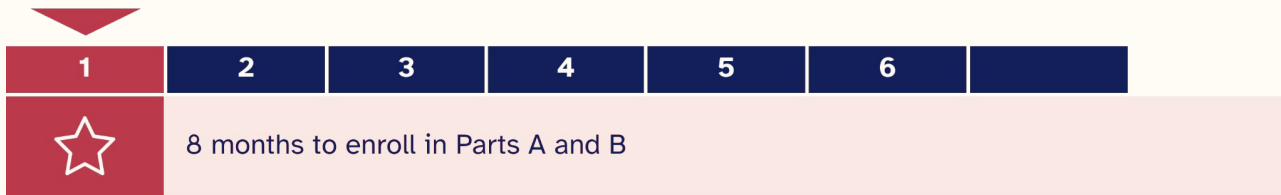
You may be able to delay if your employer-based health coverage is through your spouse. It depends on your spouse’s employer and any rules the employer has around covered dependents

Enrolling in Medicare, after 65

If you delayed enrollment, you can enroll the month after the last month of employment or health coverage. You may:

- Enroll in Part A and/or Part B
- Enroll in Part C or Part D stand-alone plan
- Enroll in a Medicare Supplement plan (within 6 months)

Month after the last month of employment or employee health coverage



Changing your plan

If you don't like your initial decision, you can always change it!*

Medicare Annual Enrollment [October 15 - December 7]

- Switch from or into a Medicare Advantage plan
- Join, switch, or drop a Prescription Drug Plan

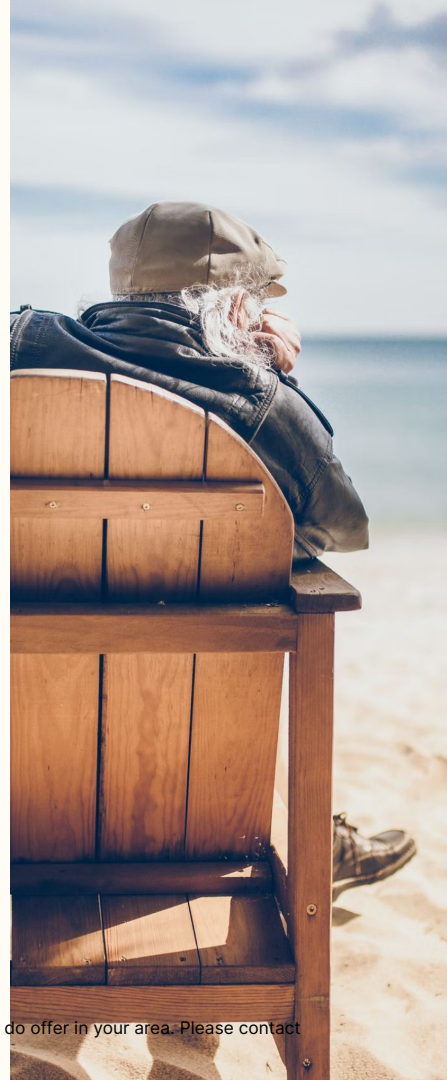
Medicare Advantage Open Enrollment [January 1 - March 31]

- Open only to Medicare Advantage Plan members to switch or drop plans

Special Enrollment Periods: Qualifying Events

- E.g. you move, lose coverage, qualify for a Special Needs Plan, start receiving State financial assistance, and other qualifying events
- Time frames vary depending on the Special Enrollment Period

*Note: while you have opportunities to change plans, if you elect to start on a Medicare Advantage plan and then later decide to switch to a Medigap plan, you may be subject to underwriting requirements as you will be outside the guaranteed issue period.



Don't be late!

If you're late enrolling in Parts A, B and D, you can face a penalty.

Part A

- 10%, if not qualified for premium free (pay the penalty for twice the number of years you didn't sign up.)

Part B

- 10% per full year, if not qualified for special enrollment period (e.g. loss of employer coverage)

Part D

- 1% of current average premium for each month, if more than 63 days without creditable coverage*

*Note: see the "Terminology" section for what qualifies as creditable coverage

Getting through the terminology

Benefit period

The length of time Original Medicare uses to assess your use of hospital and skilled nursing facilities. It begins the day you're admitted as an inpatient to a hospital or skilled nursing facility and ends when you haven't gotten any care from these facilities for 60 consecutive days.

Coinsurance

The amount of money (usually represented as a percentage of the total cost) that you may be required to pay for services once you hit your plan's deductible.

Copay

The amount of money you may be required to pay for medical services or supplies, like doctor's appointments and medications.

Deductible

The amount of money you will be required to pay out of pocket for healthcare services and supplies (including medications) before your insurance plan starts to cover any amount of the costs.

Lifetime reserve days

If you have Original Medicare and require hospitalization for more than 90 days in a single benefit period, a portion of your costs for 60 additional reserve days will be covered. You'll pay coinsurance for each one of these reserve days, and Medicare will cover whatever is left over.

Out-of-pocket limit

The maximum amount of money you have to pay for covered health care services in a plan year. Medicare Advantage plans are required by law to set annual dollar limits on out-of-pocket expenses but there's no annual dollar limit on your out-of-pocket expenses if you have Original Medicare.

Premium

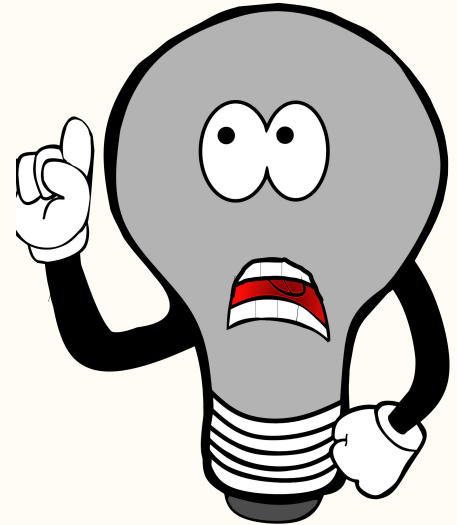
The monthly payment you make to Medicare to receive the benefits of your healthcare plan.

Creditable coverage

Coverage and plan benefits that are up to the same standards as Medicare are considered "creditable coverage". Beneficiaries with other sources of creditable coverage - for example, through an employer - may stay on that plan and avoid late enrollment penalties.

Knowledge Check...

- Who can be eligible for Medicare?
- Which plan type is known as “pay as you go”?
- Does Medicare Part A cover Hospital or Medical insurance?
- Which Medicare Supplement plan(s) is/are no longer available to people new to Medicare on or after January 1, 2020?
- True or False:
 - If you are an above average income earner, you will have to pay a higher Part B premium.
- True or False:
 - You can face a late penalty if you are late enrolling into Part A, B, and D.





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request your
Medicare 101
Packet:**



Thank you

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