

# Medicare



This guide will help you understand what Medicare is. This guide will also give you a brief explanation of the 4 Parts of Medicare. We have 2 Webinars for Medicare each year. Please check our website for details on the next available Webinar. If you are currently enrolled in one of our Pre-65 plans, our plan administrator (Benistar) will mail you a packet 120 prior to you turning 65.

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# Medicare



## What is Medicare and How Does it work?

What does it cover and is Medicare actually insurance?

These may seem like simple questions, the answers are a little more complex. However, you have come to the right place for your Medicare information.

This guide will help you understand what Medicare is. This guide will also give you a brief explanation of the 4 Parts of Medicare. We have Webinars twice a year for Medicare. Please check our website for details on the next available Webinar. If you are currently enrolled in one of our Pre-65 plans, our plan administrator (Benistar) will mail you a packet 120 days prior to you turning 65.



# New to Medicare?

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Feeling Lost?

You are **NOT** alone!

You have important decisions to make when you become eligible for Medicare. Our goal is to help you understand your options and feel confident about choosing coverage based on your needs.

We will help you understand the basics of Medicare. We will also help you:

- ① Understand the difference between Medicare parts
- ② Compare Plan types and choose the right one for you
- ③ Understand enrollment windows and timing
- ④ Find Medicare Resources

You are either coming into Medicare because you are turning 65 and you must do something because you are coming off your regular health insurance or you qualify for Medicare under 65 due to a disability.

Understanding Medicare is easier said than done. You get a Medicare & You Handbook in the mail, full of terms you've never heard before.

Many people confuse their Medicare Eligibility date with their Social Security retirement age. They are different.

# When can I first enroll in Medicare?



There is a 7-month window called the Initial Enrollment Period where you can enroll into Medicare

1

Medicare eligibility begins for most people at 65 years of age.

2

You can also qualify for Medicare under these circumstances when you are under age 65.

- If you are permanently disabled and you have been receiving Social Security income benefits for 24 months. You will automatically be enrolled on your 25<sup>th</sup> month.
- When you have end-stage renal disease, which is kidney failure that requires you to get dialysis, or you are waiting for a kidney transplant.
- If you have Amyotrophic Lateral Sclerosis (ALS), also called Lou Gehrig's disease.

## Original Medicare - - Part A, Part B and Part D

Original Medicare is provided by the federal government

It is easy to confuse Medicare **PARTS** A,B, C and D with Medicare Plans that also have **PLANS** designated by many Letters such as F, G and so on.

Once you are ready to enroll in Medicare. You must enroll in Part A, Part B and Part D in order to receive your healthcare benefits through Medicare.



If you are already drawing Social Security, Medicare will auto-enroll you in Part A and Part B. However, If you are not drawing Social Security you will not be automatically enrolled in Medicare

### **PART A - HOSPITAL**

#### **What does Medicare Part A cover?**

In addition to Medicare hospitalization coverage, Medicare Part A also covers post-hospital skilled nursing and short-term post-hospital home health care, if it is medically necessary. Part A covers hospice services which may include palliative care, DME, counseling, physical therapy and social services.

### **PART B - MEDICAL**

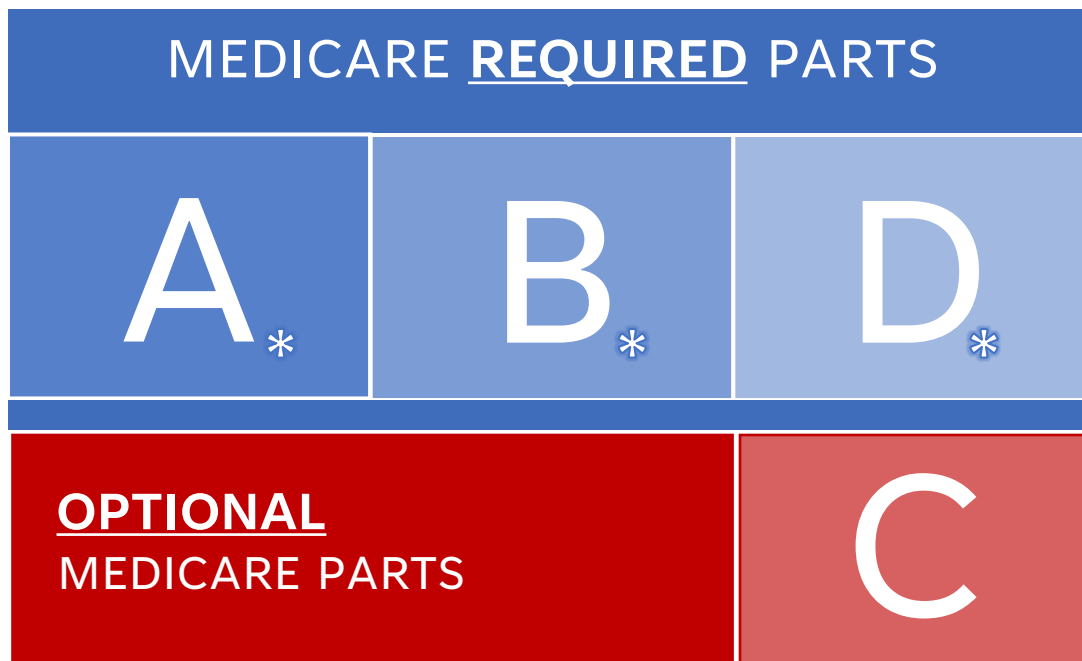
#### **What does Medicare Part B cover?**

Medicare Part B is doctor's services and many other medical services and supplies and is required if Medicare is your primary insurance at the age of 65 or medically disabled. You can't buy any Supplemental or Medicare Advantage plan unless you first have **BOTH** Medicare Part A & Part B.

### **PART D - PRESCRIPTION DRUG COVERAGE**

#### **What does Medicare Part D cover?**

Medicare Part D Helps pay for covered prescription medications.



\* Required PARTS of Medicare

## Understanding Medicare Costs Part - (A, B, C & D)

You are eligible for the 4 parts of Medicare at age 65 or medically disabled. Now you'll need to know what you can expect to pay for each part.

Medicare Part A is free for most people, as long as you or a spouse have worked 40 quarters in the United States.

### Part B

Medicare Part B cost depends on your income. People new to Medicare in 2024 have a base rate of \$174.70/month. However, people in higher income brackets will pay an "Income Adjustment." Really that's just a nifty term for explaining that people who earn higher incomes pay higher costs for their Medicare Part B coverage.

# MEDICARE 2024 Part B Premiums by Income

If your filing status and yearly income was:

FILE INDIVIDUAL TAX RETURN	FILE JOINT TAX RETURN	(IN 2024) EACH MONTH YOU PAY
\$103,000 or Less	\$206,000 or Less	\$174.70
Above \$103,000 up to \$129,000	Above \$206,000 up to \$258,000	\$244.60
Above \$129,000 up to \$161,000	Above \$258,000 up to \$322,000	\$349.40
Above \$161,000 up to \$193,000	Above \$322,000 up to \$386,000	\$454.20
Above \$193,000 but less than \$500,000	Above \$386,000 but less than \$750,000	\$559.00
\$500,000 or above	\$750,000 and above	\$594.00

Understanding Medicare Costs: Your Part B premium is based on your income from 2 years prior.

## Part C

Includes Part A, Part B and most of the time Part D. This is referred to as Medicare Part C- Medicare Advantage. If you enroll in a Part C plan through your Trust Plan, the prescription plan is included and satisfies the Part D enrollment requirement. Also, **in many of the Part C plans, there is no premium.**

## Costs for Part D – Prescription Drug

Understanding Medicare Part D costs is a bit tricky because plans have varying premiums. Beneficiaries also might pay more due to their income, just as mentioned above in the Part B costs section.

Part D plans have different drug formularies, so it is important to always review the formulary prior to choosing a prescription drug plan. This will avoid enrolling in a plan that may not meet your health needs.

Social Security bases your income adjustment on your income as reported on your tax returns. They are usually looking at your income tax return from two years prior to now.

If your income has decreased since then, you can file a reconsideration request. You'll present proof of your lower income and ask Social Security to lower your Part B premium. They will reconsider your premium and notify you if it can be lowered.

Once Social Security has determined what you'll pay based on your income, they will deduct your Part B premiums from your monthly Social Security income benefits or bill you monthly if you are not yet drawing Social Security.

Understanding Medicare Parts – What's Covered and What's Not

By this time you are wondering: exactly what am I paying for? What are my benefits?

Medicare will cover 80% of your Part A and Part B of your health care costs, but you will be responsible for 20% of your approved Medicare services. A Supplemental Plan can reduce your copays and coinsurance.

Part A includes your hospital stay and skilled nursing.

Part B coverage includes things like doctor visits, lab-work, imaging tests, surgeries, durable medical equipment, and even things like chemotherapy, radiation, and dialysis. For the majority of people, a small deductible that you pay once per year (\$240 in 2024). Higher income earners may be required to pay more.

Part D helps to pay for retail prescription medications.



# PART D

Part D – Retail prescriptions from Pharmacy or Mail Order.



Part D helps to pay for retail prescription medications. By that, we mean medications that you yourself pick up at a local pharmacy or mail order.

Part D is a federally created program to help you lower the cost of your retail prescription drugs. Unlike Medicare Part A & B, you will not enroll in Part D through the Social Security office. Instead, you will select one of the Part D plans we have available or you can find another private insurance carrier if you wish. By signing up for our plan, you will have enrolled in Part D. Medicare drug plans are optional. You'll have a monthly premium that you will pay. In return, they give you significantly lower copays on your medicines than you would pay if you had no Part D insurance.

The federal government has created guidelines for the types of drugs that must be covered by drug plans and set minimum standards of benefits. Insurance companies that offer Medicare Part D plans must meet these standards. But all plans are not the same. They vary by cost and by their formulary, or list of specific drugs covered. You must be enrolled in Part A or Part B to be eligible for a Part D plan. As mentioned earlier, If you enroll in a Part C plan through your Trust Plan, the prescription plan is included and satisfies the Part D enrollment requirement. Also, **in many of the Part C plans, there is no premium.**

**\*Regardless if you take prescription drugs, you will be subject to a lifetime penalty if you are not enrolled in Part D.**

## The Part D – Changes in 2024

### How Is the Medicare Part D Benefit Changing in 2024?

In 2024, costs in the catastrophic phase will change: the 5% coinsurance requirement for Part D enrollees will be eliminated and Part D plans will pay 20% of total drug costs in this phase instead of 15%.

### **The 5% coinsurance requirement for Part D enrollees in the catastrophic phase will be eliminated**

In 2024, once Part D enrollees without low-income subsidies (LIS) have drug spending high enough to qualify for catastrophic coverage, they will no longer be required to pay 5% of their drug costs, which in effect means that out-of-pocket spending for Part D enrollees will be capped. In 2024,

the catastrophic threshold will be set at \$8,000. This amount includes what Part D enrollees spend out of pocket plus the value of the manufacturer price discount on brands in the coverage gap phase. At this amount, Part D enrollees who take only brand-name drugs in 2024 will have spent about \$3,300 out of their own pockets and will then face no additional costs for their medications.

To understand the impact of this change, it helps to consider what Part D enrollees without LIS currently pay for high-cost medications. For example, for the five drugs with the highest per capita Part D expenditures in 2021 used by more than 10,000 Part D enrollees – Revlimid, Pomalyst, Imbruvica, Jakafi, and Ibrance, all cancer treatments – annual out-of-pocket costs per drug in 2023 range from over \$11,000 to nearly \$15,000, and out-of-pocket costs for each drug in the catastrophic phase alone range from around \$8,000 to nearly \$12,000 (see methods for details) (Figure 2). (These estimates exclude the cost of other drugs that users of these drugs might be taking.) Eliminating the 5% coinsurance requirement in the catastrophic phase in 2024 means that Part D enrollees without LIS who use these or other high-cost medications covered by Part D will see thousands of dollars in savings.

### **Part D plans will pay a somewhat larger share of total drug costs above the catastrophic threshold**

With the elimination of the 5% coinsurance requirement for Part D enrollees in the catastrophic coverage phase, Part D plans will be required to pay 20% of total drug costs in this phase in 2024, up from 15% in 2023 and prior years.

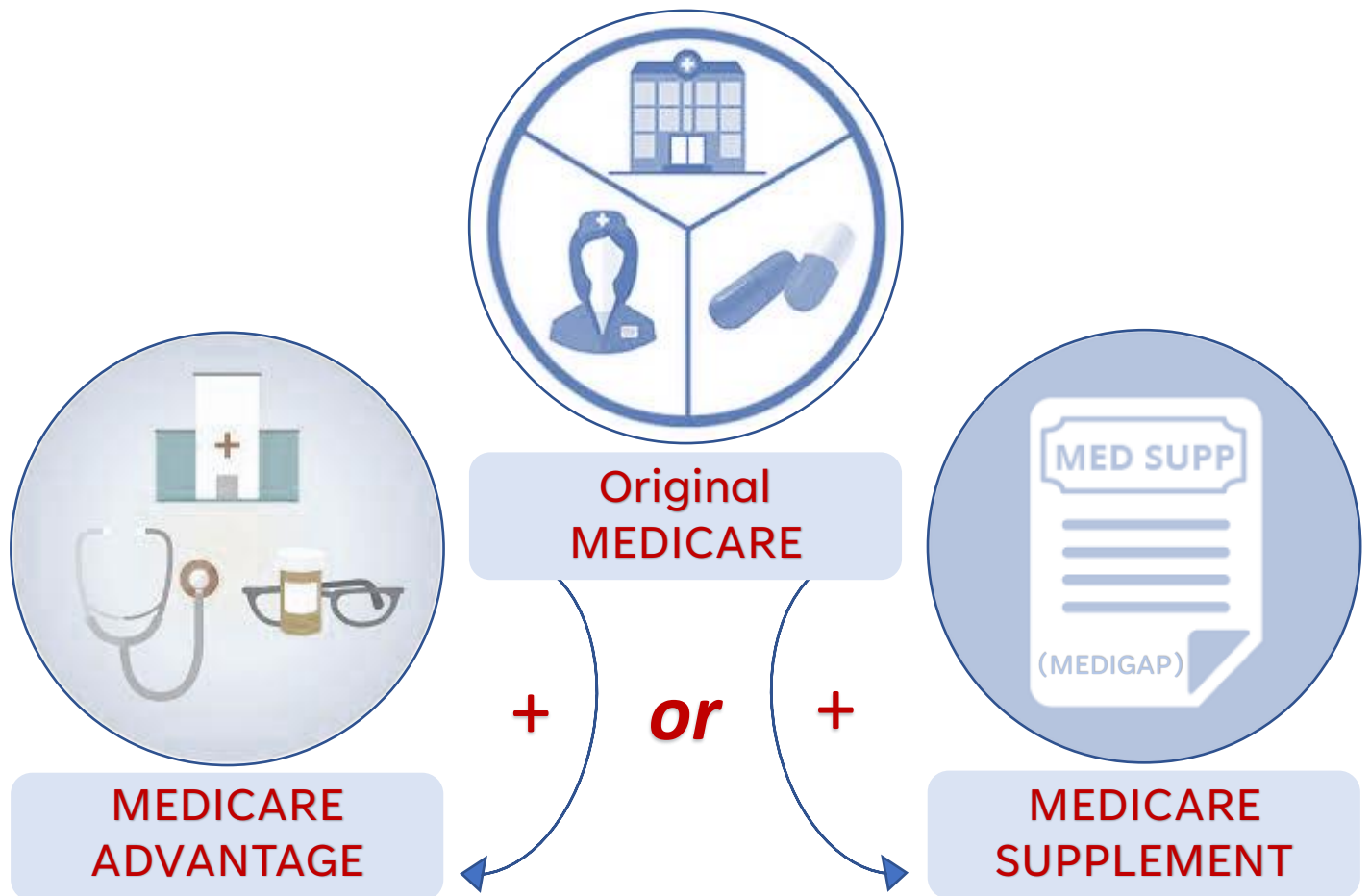
### **What Other Changes Are Being Made to Part D?**

Starting in 2024, people with Medicare who have incomes up to 150% of poverty and resources at or below the limits for partial low-income subsidy benefits will be eligible for full benefits under the Part D Low-Income Subsidy (LIS) Program. The law eliminates the partial LIS benefit currently in place for individuals with incomes between 135% and 150% of poverty.

Also starting in 2024, the calculation of the base beneficiary premium will be adjusted, as needed, to limit increases in the base premium to no more than 6% from the prior year. (Premiums for individual Part D plan premiums and annual plan-level premium increases will continue to vary, however.)

# Understand Your Supplemental and Medicare Advantage Coverage Options

You may be interested in additional insurance such as a Supplemental Plan or Medicare Advantage Plan after seeing what Original Medicare covers.



## Part C

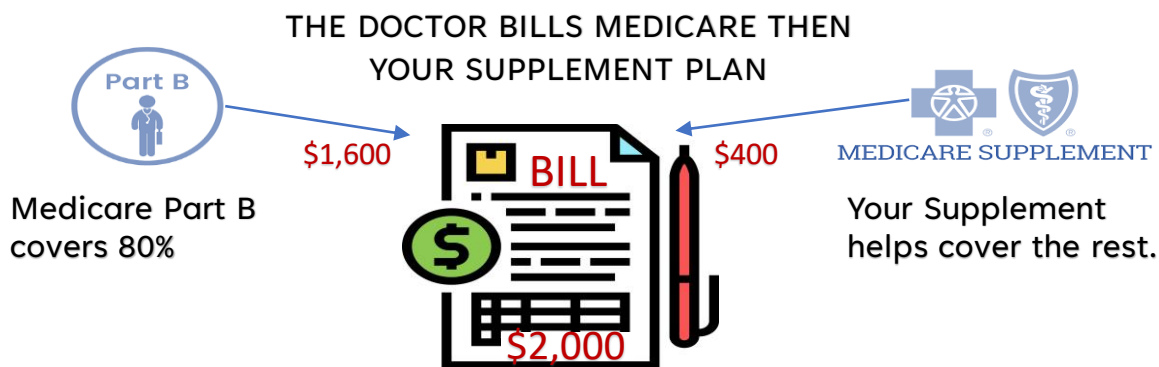
Medicare Advantage benefits come from a private insurance company instead of Original Medicare. They are sometimes referred to as Medicare replacement plans.

Medicare Supplement is purchased from a private insurance companies to bridge the gaps in Original Medicare.

## Medicare Supplement Plans

Medicare will pay 80% of the cost of your Part A and Part B services. A supplement plan will pick up the additional 20% of Part A and Part B Medicare approved services. Our VEBA Trust plans include coverage up to 115% of Medicare approved services. Supplement Plans do NOT include a prescription drug plan. Drug Plan(s) must be purchased separately.

Medicare Supplement plans give you the freedom to see **ANY** doctor or hospital that accept Medicare and a Medicare approved facility.



## Medicare Advantage Plans (Part C)

*All Medicare Advantage Plans are referred to as Part C.*

Medicare Advantage plans are contracted by Medicare to provide Medicare services for a set amount of money each year. These plans are private insurance plans with networks of providers both PPO and HMO. Medicare Advantage plans allow you to go to any doctor or hospital that accepts Medicare and our Medicare Advantage Plan.

Depending on the plan you choose, you could have co-pays for doctor visits, hospital stays, and any other Medicare-approved services.

Most Medicare Advantage plans also **include** a Medicare Part D drug benefit.

Congress added Medicare Advantage plans to give Medicare participants more options about how they receive their health care. Medicare Advantage plans put a cap on out-of-pocket costs for Part A and B.

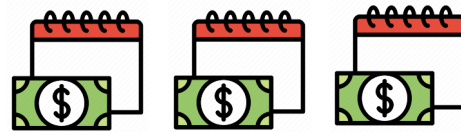
**IMPORTANT:** After familiarizing yourself with the details of the various plans available and their differences, you should carefully consider the right approach for you and your family.

# How does cost sharing work?

Understanding how Medicare shares costs is a big part of choosing the right Medicare benefits for you. You need to understand these terms: **premium, deductible, co-pay, co-insurance**. These words have special meaning in Medicare, and mastering them will pay off. The words are names for different methods that Medicare uses to share the cost of your care with you. Medicare's reasoning is simple. If you pay some of the cost of the health care you use, you will use it more carefully. And you will be encouraged to do things that help keep you healthy and that may reduce your need for medical care.

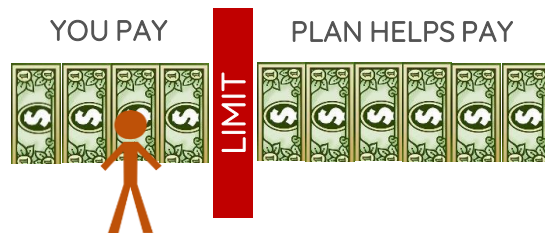
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## Premium



Premium is a fixed amount you have to pay to participate. Most Medicare premiums are charged by the month.

## Cost-Sharing Methods



2

## Deductible

Deductible is a preset amount that you have to pay first, before Medicare or a private insurance company begins to help with your costs.

3

## Co-Payment



Co-payment is a fixed amount that you pay, like \$10, for a service or product. Some people call this a “co-pay”.

4

## Co-insurance



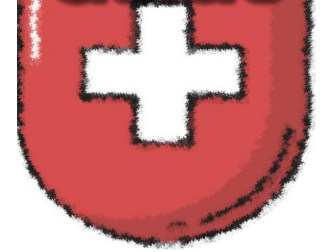
Co-insurance is splitting your health care costs with the plan on a percentage basis. For example, you pay 20% and the plan pays the remaining 80%.

It is easy to focus only on your premium amount when you shop for plans and policies, but you should also look at how much you will spend on cost sharing (deductibles, co-pays and co-insurance). Sometimes a plan with a lower premium could cost you more because it has higher cost sharing than the services you use. Remember that the Medicare premiums, deductibles and co-pays may change from year to year.



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## MEDICARE PLANS CONTACT INFORMATION

### Call Center and Plan Administrator:

#### Benistar Service Center

Toll Free Phone Number: 1-800-236-4782

Benistar...Fax: 1-860-408-7025

Benistar Email Address: [memelig@Benistar.com](mailto:memelig@Benistar.com)

Mailing Address: **Benistar DSRA-BT Service Center**  
10 Tower Lane, Suite 100  
Avon, CT 06001



*Contact us! We would love to help you!*