Medicare Guide



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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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?



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?



3 Months Before Your 65th Birthday

The month of Your 65th Birthday

3 Months After Your 65th Birthday

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 25th 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

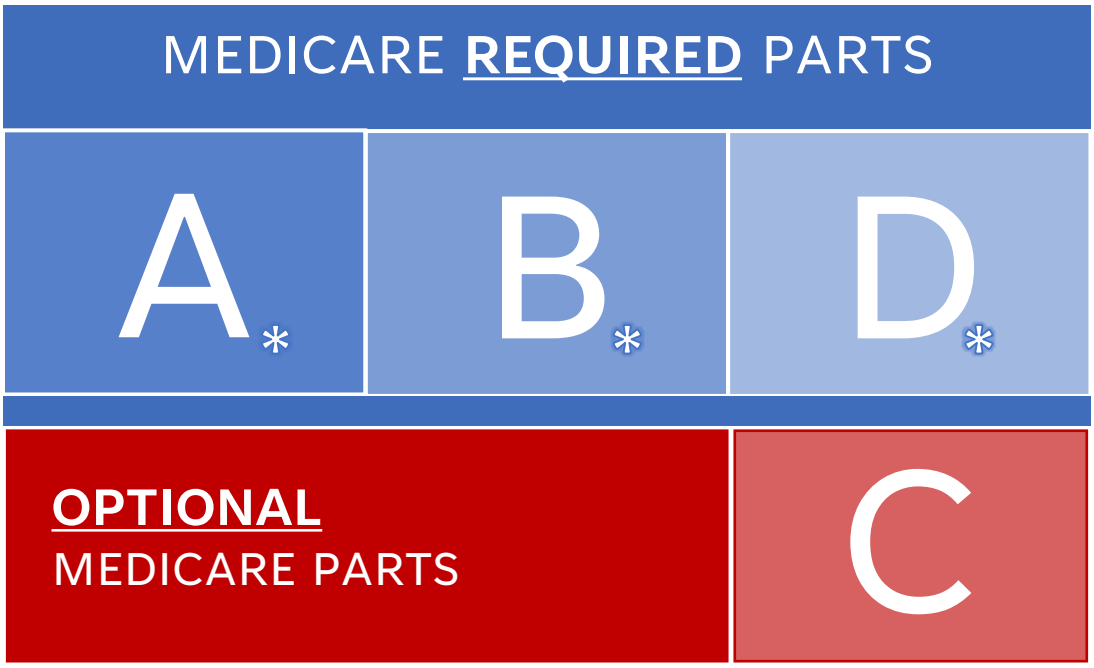
What does Medicare Part B cover?

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 2027 have a base rate of $209.50/month, with an annual deductible of $292. 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 2026 Part B Premiums by Income

If your filing status and yearly income was:

FILE INDIVIDUAL TAX RETURN	FILE JOINT TAX RETURN	(IN 2027) EACH MONTH YOU PAY
$112,000 or Less	$224,000 or Less	$218.60
Above $112,000 up to $142,000	Above $224,000 up to $284,000	$306.00
Above $142,000 up to $177,000	Above $284,000 up to $344,000	$437.20
Above $177,000 up to $212,000	Above $344,000 up to $424,000	$568.40
Above $212,000 but less than $499,000	Above $424,000 but less than $750,000	$699.50
$499,000 or above	$750,000 and above	$743.20

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 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 ($292 in 2027). 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 –

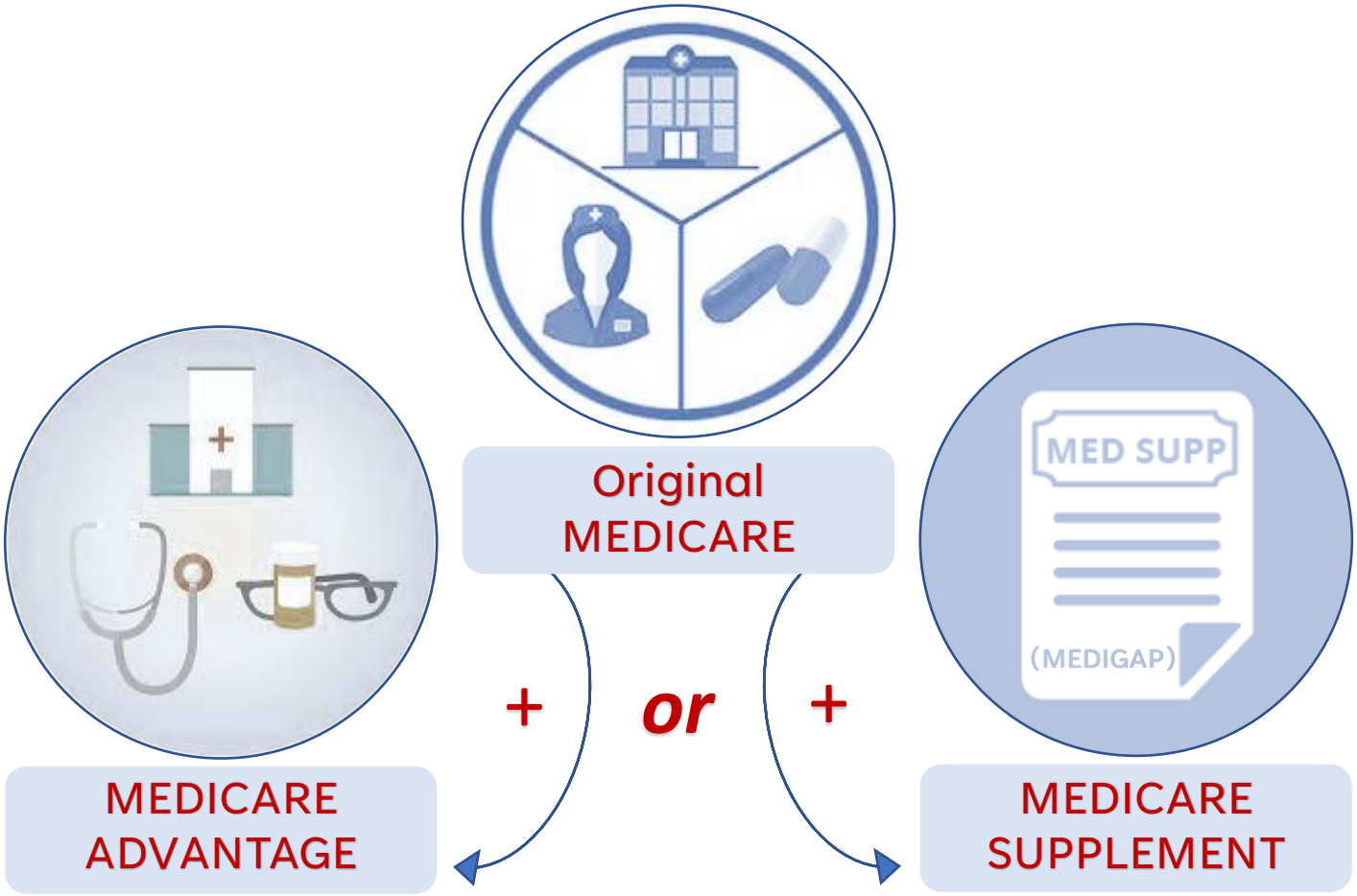
How Is the Medicare Part D Benefit Changing in 2027?

Key Medicare changes from 2026 to 2027 include higher Part B and Part D costs (e.g., Part B premium projected at $209.50 and Part D deductible rising to $700), a higher Part D out-of-pocket cap ($2,400), shifts in Medicare Advantage premiums (falling to about $12), expanded drug price negotiations, and new eligibility and plan management rules effective January 1, 2027.

1. Cost Changes (Part B, Part D, Premiums, Deductibles)
Part B premium: Projected to rise to $209.50 in 2027 (up from $202.90 in 2026). U.S. News & World Report
Part D standard deductible: Increases from $615 (2026) to $700 (2027). americanseniorchoices.com
Part D out-of-pocket cap: Rises from $2,100 to $2,400.
Average stand-alone Part D premium: Slight increase from $35.09 (2026) to $36 (2027).
Medicare Advantage (MA) premiums: Weighted average premium falls 16%, from $14.37 (2026) to $12 (2027).
MA plans with drug coverage (MAPD): Average Part D premium drops from $11.32 to $7 due to rebates.
2. Prescription Drug Policy Changes
Part D redesign under the Inflation Reduction Act:
Adjustments to deductible, initial coverage limit, coverage gap, and catastrophic threshold.
Structural changes to specialty tier rules and manufacturer discount programs.
Drug price negotiations: 15 additional high-cost drugs (e.g., Ozempic, Rybelsus, Wegovy) added to the negotiation list for 2027.
3. Eligibility and IRMAA Changes
IRMAA thresholds rise 2.7%–3.7%, increasing surcharges for higher-income beneficiaries.
Noncitizen eligibility tightened: Medicare ends for noncitizens without qualifying permanent resident status or specific humanitarian categories, affecting ~100,000 enrollees.
4. Medicare Advantage (MA) and Special Needs Plans (SNPs)
MA plan availability: Slight decline from 5,553 (2026) to ~5,532 (2027).
5. Administrative, Quality, and Operational Changes
Prior authorization modernization: Standardized electronic tools required for faster decisions.
Star Ratings updates: Greater emphasis on health outcomes for MA and Part D plans. U.S. News & World Report
Marketing & communications rules: Updated for contract year 2027, including relaxed language restrictions and revised TPMO oversight.
Risk adjustment and quality bonus payment reforms: CMS seeking input on future MA directions.

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.



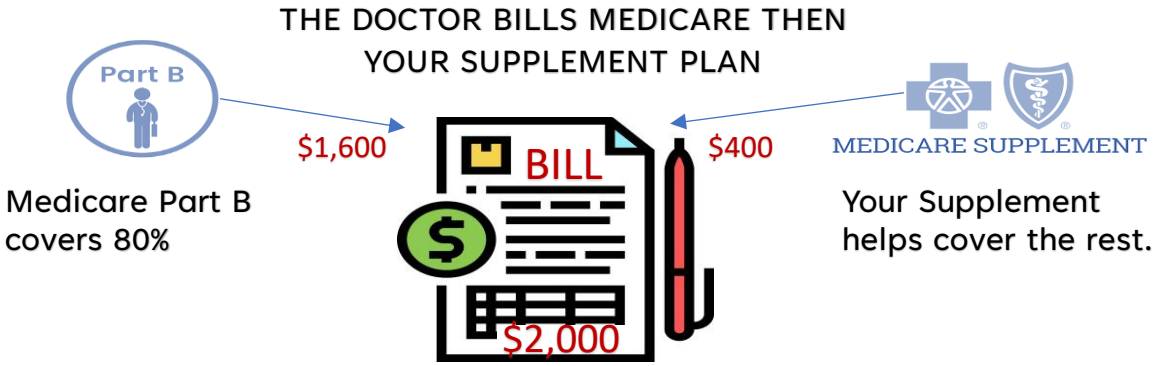
Part C
Medicare Advantage benefits come from a private insurance company instead of Original Medicare. They are sometimes referred to as Medicare replacement plans.

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?

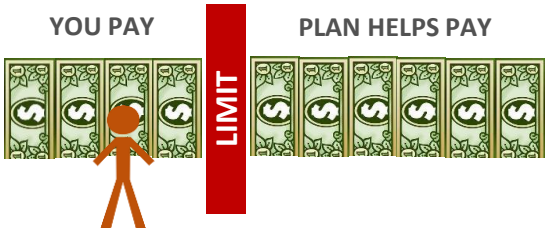
Understanding how Medicare shares costs is a big part of choosing the right Medicare benefits for you. You need to understand these terms: **premium, deductible, co-pay, co-insurance**. These words have special meaning in Medicare, and mastering them will pay off. The words are names for different methods 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.

Cost-Sharing Methods

1 Premium



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



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.

Medicare Guide

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

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



Contact us! We would love to help you!