



Getting Started with Medicare



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Session Objectives

At the end of this session, you'll be able to:

- Compare the parts of Medicare and coverage options
- Explain benefits and costs
- Compare Original Medicare and Medicare Advantage
- Discuss how Medicare Supplement Insurance (Medigap) policies and Medicare Advantage Plans are different
- Describe the Health Insurance Marketplace and what people nearing Medicare eligibility need to know
- Describe programs for people with limited income and resources



Lesson 1

What's Medicare?



Lesson 1 Objectives

At the end of this lesson, you'll be able to:

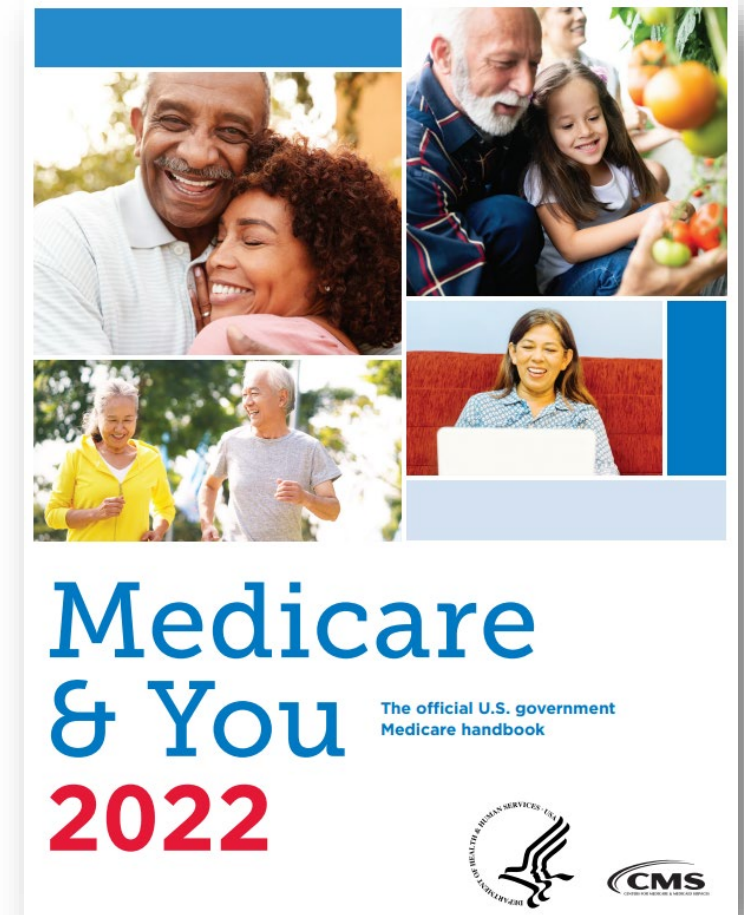
- Describe the Medicare Program and who it's for
- Explain the parts of Medicare and coverage options
- Explain automatic enrollment and how it works
- Describe various enrollment periods you may use to join or switch plans

Medicare

Health insurance for people:

- 65 and older
- Under 65 with certain disabilities, like ALS (Amyotrophic Lateral Sclerosis, also called Lou Gehrig's disease) without a waiting period
- Any age with End-Stage Renal Disease (ESRD)

★ **NOTE:** To get Medicare you must be a U.S. citizen or lawfully present in the U.S. Must reside in the U.S. for 5 continuous years.



CMS Product No. 10050

What Agencies Are Responsible for Medicare?



Social Security

Enrolls most people in Medicare



Railroad Retirement Board (RRB)

Enrolls both railroad retirees and active employees in Medicare



Office of Personnel Management (OPM)

Handles federal retirees' premiums



Centers for Medicare & Medicaid Services (CMS)

Forms Medicare policy and administers Medicare coverage, benefits, and payments

What Are the Parts of Medicare?



Part A
(Hospital Insurance)



Part B
(Medical Insurance)



Part D
(Drug coverage)

Your Medicare Options

Original Medicare

☒ Part A



☒ Part B



You can add:

☐ Part D



You can also add:

☐ **Supplemental coverage**



This includes Medicare Supplement Insurance ([Medigap](#)). Or, you can use coverage from a former employer or union, or [Medicaid](#).

Medicare Advantage (also known as Part C)

☒ Part A



☒ Part B



Most plans include:

☒ Part D



☒ **Some extra benefits**

Some plans also include:

☐ **Lower out-of-pocket costs**



Original Medicare vs. Medicare Advantage: Doctor & Hospital Choice

Original Medicare	Medicare Advantage (Part C)
You can go to any doctor or hospital that takes Medicare , anywhere in the U.S.	In many cases, you'll need to use doctors and other providers who are in the plan's network (for non-emergency care). Some plans offer non-emergency coverage out of network, but typically at a higher cost.
In most cases, you don't need a referral to see a specialist.	You may need to get a referral to see a specialist.



Original Medicare vs. Medicare Advantage: Cost

Original Medicare	Medicare Advantage
For Part B-covered services, you usually pay 20% of the Medicare-approved amount after you meet your deductible. This is called your coinsurance.	Out-of-pocket costs vary —plans may have different out-of-pocket costs for certain services.
You pay a premium (monthly payment) for Part B . If you choose to join a Medicare drug plan, you'll pay a separate premium for your Medicare drug coverage (Part D).	You pay the monthly Part B premium and may also have to pay the plan's premium . Plans may have a \$0 premium and may help pay all or part of your Part B premium. Most plans include Medicare drug coverage (Part D).
There's no yearly limit on what you pay out of pocket, unless you have supplemental coverage—like Medicare Supplement Insurance (Medigap).	Plans have a yearly limit on what you pay out of pocket for services Medicare Part A and Part B covers. Once you reach your plan's limit, you'll pay nothing for services Part A and Part B covers for the rest of the year.
You can get Medigap to help pay your remaining out-of-pocket costs (like your 20% coinsurance). Or, you can use coverage from a former employer or union, or Medicaid.	You can't buy and don't need Medigap .



Original Medicare vs. Medicare Advantage: Coverage

Original Medicare	Medicare Advantage (Part C)
Original Medicare covers most medically necessary services and supplies in hospitals, doctors' offices, and other health care facilities. Original Medicare doesn't cover some benefits like eye exams, most dental care, and routine exams.	Plans must cover all of the medically necessary services that Original Medicare covers. Most plans offer some extra benefits that Original Medicare doesn't cover —like some routine exams and vision, hearing, and dental.
You can join a separate Medicare drug plan to get Medicare drug coverage (Part D).	Medicare drug coverage (Part D) is included in most plans. In most types of Medicare Advantage Plans, you can't join a separate Medicare drug plan.
In most cases , you don't have to get a service or supply approved ahead of time for Original Medicare to cover it.	In some cases , you have to get a service or supply approved ahead of time for the plan to cover it.



Original Medicare vs. Medicare Advantage: Foreign Travel

Original Medicare	Medicare Advantage (Part C)
Original Medicare generally doesn't cover care outside the U.S. You may be able to buy a Medicare Supplement Insurance (Medigap) policy that covers care outside the U.S.	Plans generally don't cover care outside the U.S. Some plans may offer a supplemental benefit that covers emergency and urgently needed services when traveling outside the U.S.

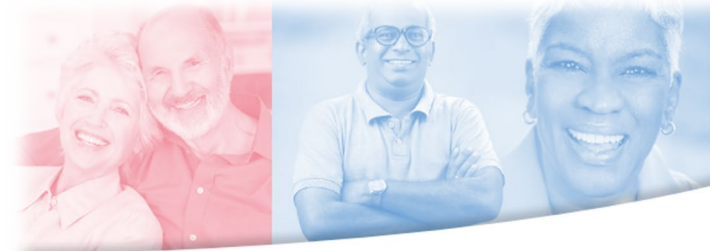
Automatic Enrollment: Medicare Part A & Part B

Enrollment is automatic for people who get:

- Social Security Benefits
- RRB Benefits

Look for your “Get Ready for Medicare Package”

- Mailed 3 months before:
 - You turn 65
 - 25th month of disability benefits
- Includes your Medicare card



**Get Ready
for Medicare**

Important decisions about your Medicare coverage

2022



Some People Must Take Action to Enroll in Medicare

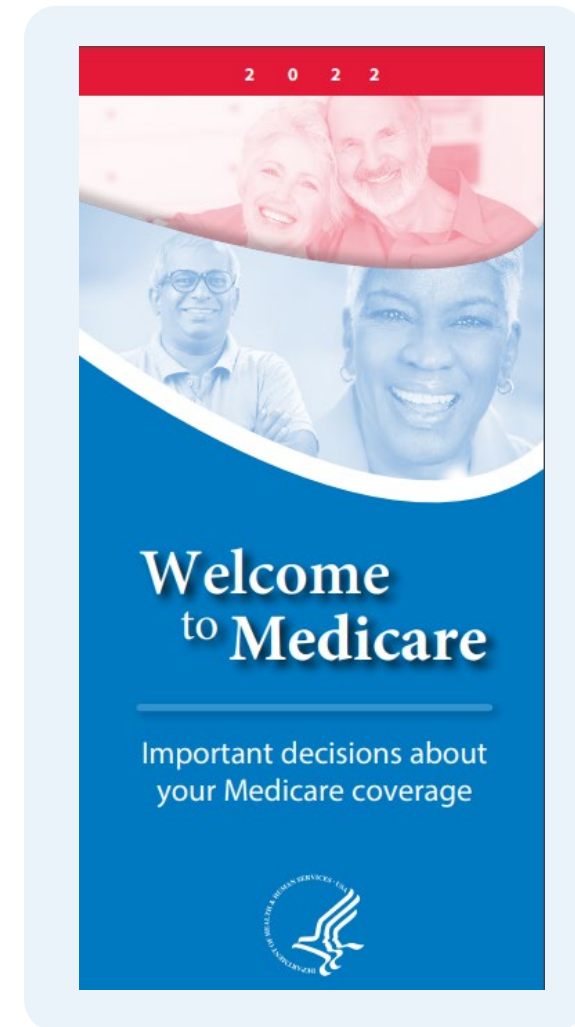


To apply for Medicare 3 months before you turn 65, contact Social Security at [ssa.gov](https://www.ssa.gov) or 1-800-772-1213; TTY: 1-800-325-0778



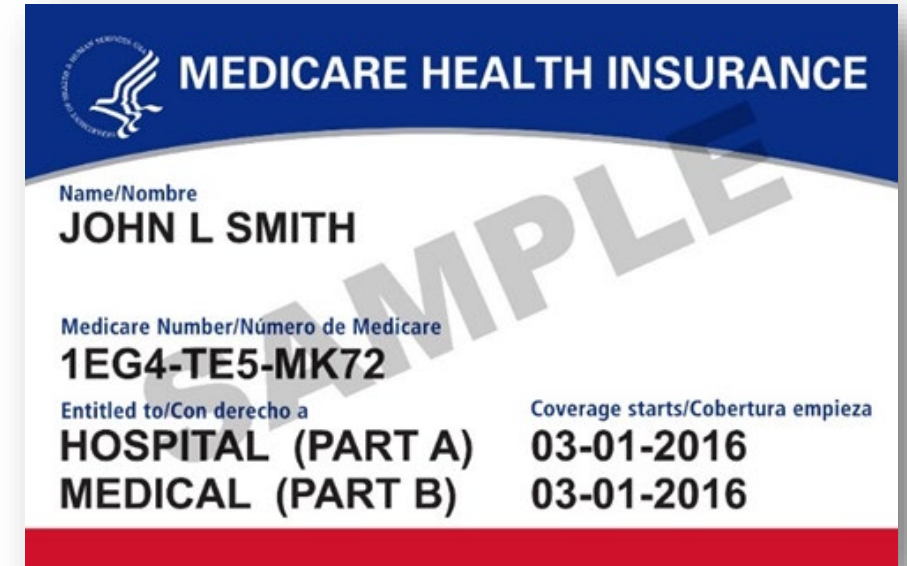
If you retired from a railroad, contact your local Railroad Retirement Board at 1-877-772-5772; TTY: 1-312-751-4701

★ **NOTE:** The age for full Social Security retirement benefits is increasing. Medicare eligibility age is still 65.



Your Medicare Card

- Shows the type of Medicare coverage (Part A and/or Part B) you have and the date your coverage started
- To accept Part B, keep your card (and carry it when you're away from home)
- To refuse Part B, follow the instructions in the "Get Ready for Medicare" package



Need a replacement card?

- Visit [Medicare.gov/account](https://www.medicare.gov/account) to log into your secure Medicare account and print an official copy
- Call **1-800-MEDICARE** (1-800-633-4227); TTY 1-877-486-2048



When to Sign Up or Make Changes to Your Medicare Coverage

If you don't already have Medicare:

- Initial Enrollment Period (IEP)
- Special Enrollment Period (SEP) (in certain circumstances)
- General Enrollment Period (GEP)

If you already have Medicare and want to change how you get your coverage:

- Open Enrollment Period (OEP)
- Medicare Advantage OEP
- 5-Star Enrollment Period
- Special Enrollment Period (SEP) (in certain circumstances)

Initial Enrollment Period (IEP) 2022

7-Month Period



If you apply **before** you turn 65, your coverage starts the month you turn 65.

If you apply **during** the month you turn 65, your coverage starts the next month.

If you apply **after** the month you turn 65, your coverage begins 2 or 3 months after you turn 65.



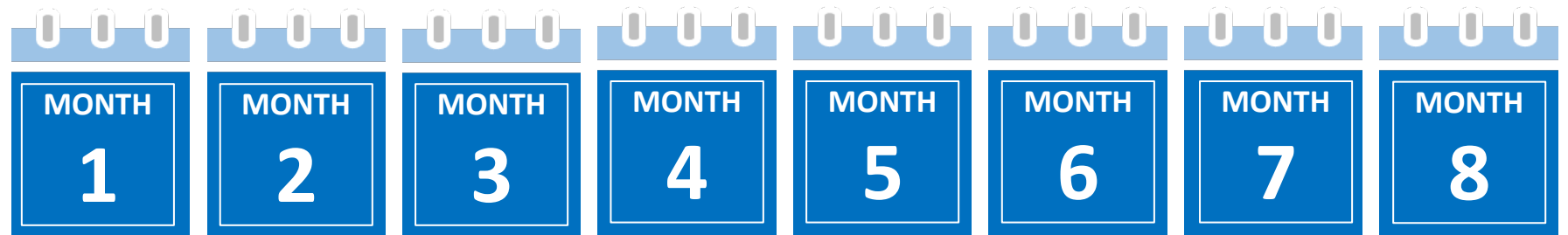
If you enroll after your IEP, you may pay a late enrollment penalty

★ **NOTE:** Your 6-month Medigap OEP starts when you're both 65 and have Part B.

Special Enrollment Period (SEP) 2022

Starts after Medicare IEP
and having GHP
coverage based on
current employment

**Continues for 8 Months after GHP Coverage
Based on Current Employment Ends**



You can sign up for Part A (if you have to pay for it) and/or Part B:

- ✓ Anytime you're still covered by the GHP
- ✓ During the 8-month period that begins the month after the employment ends or the coverage ends

Usually no late
enrollment penalties



★ NOTE: You have 6 months from the Part B effective date to buy a Medigap policy (must have Part A and Part B).

General Enrollment Period (GEP) 2022

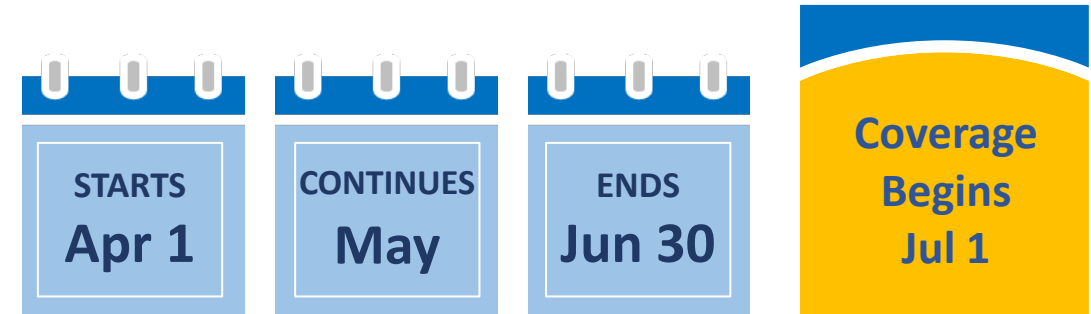
3-Month GEP each year



You can sign up for:

- Part A (if you have to buy it)
- Part B

If you enroll in Medicare during the GEP



You can enroll in:

- Medicare Advantage Plan (if you have Part A and Part B)
- Part D (if you have Part A and/or Part B)



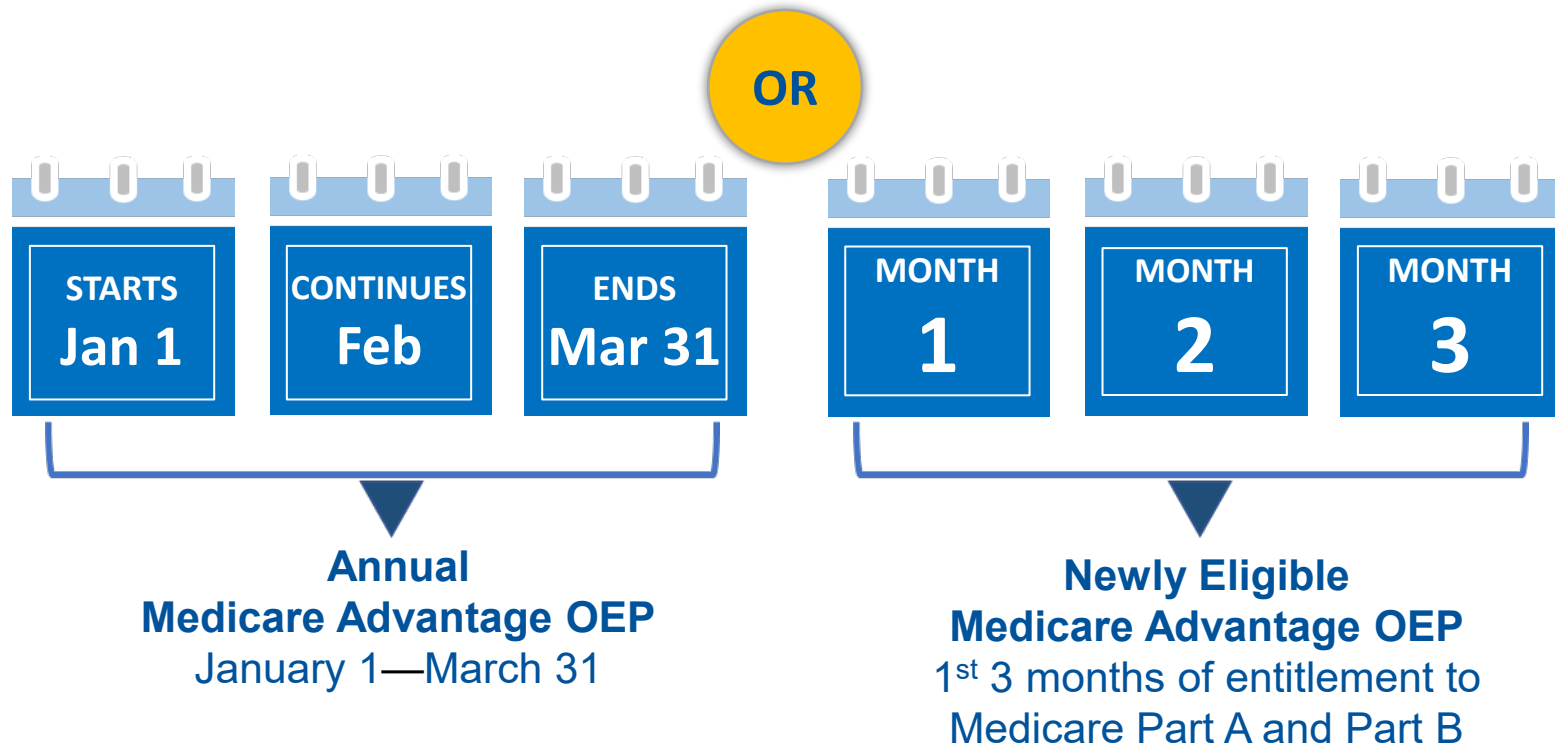
Yearly Open Enrollment Period (OEP) for People with Medicare

7-Week Period



- 7-week period each year where you can enroll in, disenroll, or switch Medicare Advantage Plans or Medicare drug plans
- This is a time to review health and drug plan choices

Medicare Advantage Open Enrollment Period



You can:

- Switch to another Medicare Advantage Plan, with or without drug coverage
- Drop your Medicare Advantage Plan and return to Original Medicare. If you do:
 - You can enroll in a Medicare drug plan
 - Coverage begins the 1st of the month after you enroll in the plan

★ **NOTE:** You need to be in a Medicare Advantage Plan to use this enrollment period.

5-Star Special Enrollment Period (SEP)



You can:

- Switch to 5-star Medicare Advantage Plan (with or without drug coverage), or a drug plan
- Enroll once per year from December 8–November 30

Keep in mind:

- New plan starts 1st day of month after enrolled
- Star ratings assigned in October and effective January 1

Other Medicare Special Enrollment Periods (SEPs)

You may have an SEP if you:



Move out of your plan's service area



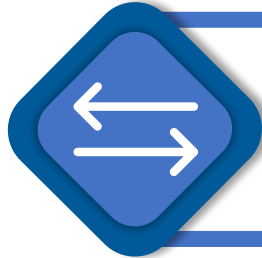
Enter, live at, or leave a long-term care facility (like a nursing home)



Are in a plan that leaves Medicare or reduces its service area



Have Medicaid and Medicare or qualify for a low-income subsidy



Get, lose, or have a change in dual/LIS-eligibility status



Leave or lose employer or union coverage



Are sent a retroactive notice of Medicare entitlement



Check Your Knowledge: Question 1



Why is your Initial Enrollment Period (IEP) important?

- a. Missed enrollment deadlines could result in penalties
- b. It's your first opportunity to enroll in Medicare
- c. When you enroll impacts when your coverage begins
- d. All of the above**

Countdown timer: Answer the question before the bar disappears!



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Lesson 2

Original Medicare Part A (Hospital Insurance) & Part B (Medical Insurance)



Lesson 2 Objectives

At the end of this lesson, you'll be able to:

- Describe coverage and costs for Medicare Part A (Hospital Insurance)
- Describe coverage and costs for Medicare Part B (Medical Insurance)
- Explain who gets Part A automatically
- Discuss what to consider when deciding to sign up for Part A
- Discuss what to consider when deciding to keep or sign up for Part B

Part A (Hospital Insurance) Covers

- **Inpatient care in a hospital, including:**
 - ✓ Semi-private room
 - ✓ Meals
 - ✓ General nursing
 - ✓ Drugs (including methadone to treat an opioid use disorder)
 - ✓ Other hospital services and supplies
- **Inpatient care in a skilled nursing facility (SNF) after a related 3-day inpatient hospital stay**



Part A
Hospital Insurance

Part A (Hospital Insurance) Covers (continued)

Part A helps cover:

- ✓ Blood (inpatient)
- ✓ Hospice care
- ✓ Home health care
- ✓ Inpatient care in a religious nonmedical health care institution (RNHCI)



Part A
Hospital Insurance

Paying for Part A 2022/2023

Most people don't pay a premium for Part A, but:

- If you or your spouse paid FICA taxes for at least 10 years, you get Part A without paying a **premium**
- You may have a **penalty** if you don't enroll when first eligible for Part A (if you have to buy it)
 - Your monthly premium may go up 10%
 - You'll have to pay the higher premium for twice the number of years you could've had Part A, but didn't sign up



What You Pay in Original Medicare in 2022/2023: Part A

Hospital Inpatient Stay	<ul style="list-style-type: none">▪ \$1,556 (\$1,600 in 2023) deductible for each benefit period.▪ Days 1–60: \$0 coinsurance for each benefit period.▪ Days 61–90: \$389 (\$400 in 2023) coinsurance per day of each benefit period.▪ Days 91 and beyond: \$778 (\$800 in 2023) coinsurance per each “lifetime reserve day” after day 90 for each benefit period (up to 60 days over your lifetime).▪ Beyond lifetime reserve days: all costs. <p>NOTE: You pay for private-duty nursing, a television, or a phone in your room. You pay for a private room unless it’s medically necessary.</p>
Mental Health Inpatient Stay	<ul style="list-style-type: none">▪ \$1,556 (\$1,600 in 2023) deductible for each benefit period.▪ Days 1–60: \$0 coinsurance per day of each benefit period.▪ Days 61–90: \$389 (\$400 in 2023) coinsurance per day of each benefit period.▪ Days 91 and beyond: \$778 (\$800 in 2023) coinsurance per each "lifetime reserve day" after day 90 for each benefit period (up to 60 days over your lifetime).▪ Beyond lifetime reserve days: all costs.▪ 20% of the Medicare-approved amount for mental health services you get from doctors and other providers while you're a hospital inpatient. <p>NOTE: There's no limit to the number of benefit periods you can have when you get mental health care in a general hospital. You can also have multiple benefit periods when you get care in a psychiatric hospital. Remember, there's a lifetime limit of 190 days.</p>

What You Pay in Original Medicare in 2022/2023: Part A (continued)

Skilled Nursing Facility (SNF) Stay	<ul style="list-style-type: none">▪ Days 1–20: \$0 for each benefit period.▪ Days 21–100: \$194.50 (\$200 in 2023) coinsurance per day for each benefit period.▪ Days 101 and beyond: all costs.
Home Health Care	<ul style="list-style-type: none">▪ \$0 for home health care services.▪ 20% of the Medicare-approved amount for durable medical equipment (DME).
Hospice Care	<ul style="list-style-type: none">▪ \$0 for hospice care.▪ You may need to pay a copayment of no more than \$5 for each drug and other similar products for pain relief and symptom control while you're at home. In the rare case your drug isn't covered by the hospice benefit, your hospice provider should contact your Medicare drug plan to see if it's covered under Medicare drug coverage (Part D).▪ You may need to pay 5% of the Medicare-approved amount for inpatient respite care.▪ Medicare doesn't cover room and board when you get hospice care in your home or another facility where you live (like a nursing home).
Blood	<ul style="list-style-type: none">▪ If hospital gets it from a blood bank at no charge, you have no charge.▪ If the hospital has to buy blood for you, you must either pay the hospital costs for the first 3 units of blood you get in a calendar year or have the blood donated by you or someone else.

Benefit Periods in Original Medicare

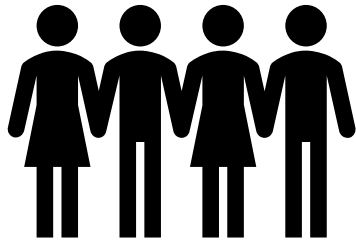


Benefit periods can span across calendar years

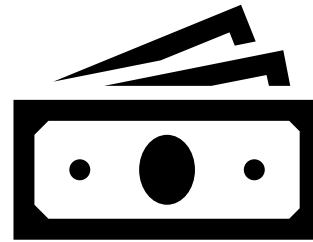
- **Each benefit period:**
 - Begins the day you first get inpatient care in hospital or SNF
 - Ends after being home for 60 days in a row (not in a hospital or skilled care in a SNF)
- You pay Part A deductible for each benefit period
- No limit to number of benefit periods you can have

Decision: Do I Need to Sign Up for Part A?

Consider:



It's free for most people



You can pay for it if your work history isn't sufficient (there may be a penalty if you delay)



Talk to your benefits administrator if you (or your spouse) are actively working and covered by an employer plan

★ **NOTE:** To avoid Internal Revenue Service (IRS) tax penalties, stop contributions to your Health Savings Account (HSA) before Medicare starts.

Medicare Part B (Medical Insurance) Covers



- Doctors' services
- Outpatient medical and surgical services and supplies
- Clinical lab tests
- Durable medical equipment (DME) (like walkers and wheelchairs)
- Diabetic testing equipment and supplies
- Preventive services (like flu shots and a yearly wellness visit)
- Home health care
- Medically necessary outpatient physical and occupational therapy, and speech-language pathology services
- Outpatient mental health care services

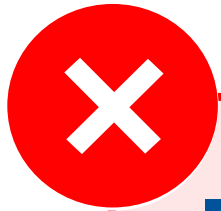


Part B: Preventive Services

- Abdominal aortic aneurysm screening
- Alcohol misuse screenings and counseling
- Bone mass measurements
- Cardiovascular behavioral therapy
- Cardiovascular disease screenings
- Cervical and vaginal cancer screenings
- Colorectal cancer screenings
- Counseling to prevent tobacco use and tobacco-caused disease
- Depression screening
- Diabetes screenings
- Diabetes self-management training
- Flu shots
- Glaucoma tests
- Hepatitis B shots
- Hepatitis B Virus infection screening
- Hepatitis C screening tests
- HIV (Human Immunodeficiency Virus) screenings
- Lung cancer screenings
- Mammograms
- Medicare Diabetes Prevention Program
- Nutrition therapy services
- Obesity behavioral therapy
- Pneumococcal shots
- Prostate cancer screenings
- Sexually transmitted infection (STI) screenings & counseling
- “Welcome to Medicare” preventive visit
- Yearly “Wellness” visit

What's Not Covered by Part A & Part B?

Some of the items and services that Part A and Part B don't cover include:



- Most dental care
- Vision (for prescription glasses)
- Dentures
- Cosmetic surgery
- Massage therapy
- Routine physical exams
- Hearing aids and exams for fitting them
- Long-term care
- Concierge care
- Covered items or services you get from an opt out doctor or other provider

They may be covered if you have other coverage, like Medicaid or a Medicare Advantage Plan that covers these services.

What You Pay in 2022/2023: Part B Monthly Premiums

Standard premium is \$170.10 (\$164.90 in 2023)



Some people who get Social Security benefits pay less due to the statutory hold harmless provision



Your premium may be higher if you didn't choose Part B when you first became eligible or if your income exceeds a certain threshold



Monthly Part B Standard Premium—Income-Related Monthly Adjustment Amount (IRMAA) for 2022

If your yearly income in 2020 (for what you pay in 2022) was:

File Individual Tax Return	File Joint Tax Return	File Married & Separate Tax Return	You pay each month (in 2022)
\$91,000 or less	\$182,000 or less	\$91,000 or less	\$170.10
Above \$91,000 up to \$114,000	Above \$182,000 up to \$228,000	Not applicable	\$238.10
Above \$114,000 up to \$142,000	Above \$228,000 up to \$284,000	Not applicable	\$340.20
Above \$142,000 up to \$170,000	Above \$284,000 up to \$340,000	Not applicable	\$442.30
Above \$170,000 and less than \$500,000	Above \$340,000 and less than \$750,000	Above \$91,000 and less than \$409,000	\$544.30
\$500,000 or above	\$750,000 and above	\$409,000 and above	\$578.30



Monthly Part B Standard Premium—Income-Related Monthly Adjustment Amount (IRMAA) for 2023

If your yearly income in 2021 (for what you pay in 2023) was:

File Individual Tax Return	File Joint Tax Return	File Married & Separate Tax Return	You pay each month (in 2023)
\$97,000 or less	\$194,000 or less	\$97,000 or less	\$164.90
Above \$97,000 up to \$123,000	Above \$194,000 up to \$246,000	Not applicable	\$230.80
Above \$123,000 up to \$153,000	Above \$246,000 up to \$306,000	Not applicable	\$329.70
Above \$153,000 up to \$183,000	Above \$306,000 up to \$366,000	Not applicable	\$428.60
Above \$183,000 and less than \$500,000	Above \$366,000 and less than \$750,000	Above \$97,000 and less than \$403,000	\$527.50
\$500,000 or above	\$750,000 or above	\$403,000 or above	\$560.50



What You Pay in Original Medicare in 2022/2023: Part B

Yearly Deductible	\$233 (\$226 in 2023)
Coinsurance for Part B Services	<ul style="list-style-type: none">▪ 20% for most covered services, like doctor's services and some preventive services, if provider accepts assignment▪ \$0 for most preventive services▪ 20% for outpatient mental health services, and copayments for hospital outpatient services

★ **NOTE:** If you can't afford to pay these costs, there are programs that may help. These programs are discussed later in Lesson 7.



Decision: Should I Keep/Sign Up for Part B?

Consider:

- Most people pay a monthly premium
 - Usually deducted from Social Security/RRB benefits
 - Amount depends on income
- Part B may supplement employer coverage
 - Contact your benefits administrator to understand the impact to your employer plan
 - If you don't have other coverage, declining Part B will mean you don't have full coverage
- Sometimes, you must have Part B

When You Must Have Part A & Part B



To buy a Medicare Supplement Insurance (Medigap) policy



To join a Medicare Advantage Plan



Eligible for TRICARE for Life (TFL)



Eligible for Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA)



Employer coverage requires you to have it (has fewer than 20 employees)



Check Your Knowledge: Question 2



Part A helps pay for all of the following when medically necessary and requirements are met, EXCEPT for...

- a. Diabetic testing supplies
- b. An inpatient hospital stay
- c. An inpatient skilled nursing facility (SNF) stay
- d. Hospice care

Countdown timer: Answer the question before the bar disappears!



15



Check Your Knowledge: Question 3



For Part B, in most cases, you pay _____.

- a. A monthly premium
- b. A yearly deductible
- c. 20% coinsurance for most covered services
- d. All of the above

Countdown timer: Answer the question before the bar disappears!



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Lesson 3

Medicare Supplement Insurance (Medigap) Policies



Lesson 3 Objectives

At the end of this lesson, you'll be able to:

- Explain Medigap policies and who can buy them
- Describe what's similar and different in various types of Medigap plans
- Explain what to consider when deciding whether to buy a Medigap policy
- Explain when and how to buy a Medigap policy

Medigap Policies

- Are sold by **private insurance companies**
- Fill **gaps in Original Medicare** coverage, like copayments, coinsurance, and deductibles
- Each **standardized** Medigap policy under the same plan letter:
 - Must offer the same basic benefits, no matter who sells it
 - May vary in costs
- Plans are different in Minnesota, Massachusetts, and Wisconsin



Medicare Supplement
Insurance (Medigap)

Medigap Plan Coverage

Medicare Supplement Insurance (Medigap) plans

Benefits	A	B	C	D	F*	G*	K	L	M	N
Medicare Part A coinsurance and hospital costs (up to an additional 365 days after Medicare benefits are used)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Medicare Part B coinsurance or copayment	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%***
Blood (first 3 pints)	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
Part A hospice care coinsurance or copayment	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
Skilled nursing facility care coinsurance			100%	100%	100%	100%	50%	75%	100%	100%
Part A deductible		100%	100%	100%	100%	100%	50%	75%	50%	100%
Part B deductible			100%		100%					
Part B excess charges					100%	100%				
Foreign travel emergency (up to plan limits)			80%	80%	80%	80%			80%	80%
							Out-of-pocket limit in 2022**	Out-of-pocket limit in 2022**		
							\$6,620	\$3,310		

* Plans F and G also offer a high-deductible plan in some states. With this option, you must pay for Medicare-covered costs (coinsurance, copayments, and deductibles) up to the deductible amount of \$2,490 in 2022 before your policy pays anything. (Plans C and F aren't available to people who were newly eligible for Medicare on or after January 1, 2020.)

** For Plans K and L, after you meet your out-of-pocket yearly limit and your yearly Part B deductible, the Medigap plan pays 100% of covered services for the rest of the calendar year.

*** Plan N pays 100% of the Part B coinsurance, except for a copayment of up to \$20 for some office visits and up to a \$50 copayment for emergency room visits that don't result in inpatient admission.

Decision: Do I Need a Medigap Policy?

It only works with Original Medicare, right?

Yes.

What if I have other supplemental coverage, like from an employer?

You might not need Medigap.

Can I afford Medicare deductibles and copayments?

Weigh this against how much the monthly Medigap premium costs.

What does the monthly Medigap premium cost?

It can vary.

When's the Best Time to Buy a Medigap Policy?

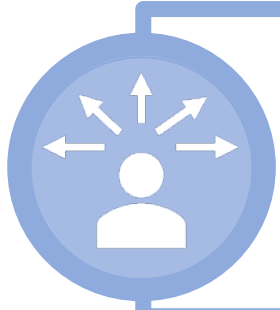
Usually, during your Medigap Open Enrollment Period (OEP):

- Begins the month you're 65 or older **and** enrolled in Part B (must have Part A)
- Lasts 6 months minimum; may be longer in your state
- During your Medigap OEP, companies can't:
 - Refuse to sell you any Medigap policy they offer
 - Make you wait for coverage
 - Charge more because of a past/present health problem



★ You can also buy a Medigap policy whenever a company agrees to sell you one.

How to Buy a Medigap Policy



Decide on a
Medigap plan (A–N)



Find **insurance companies** that sell
Medigap policies in
your state



Check on **Medigap protections** in your state



Shop around
(consider plan and price)



Choose the insurance
company and the
Medigap policy



Apply for the policy



Check Your Knowledge: Question 4



During your Medigap OEP, insurance companies can't:

- a. Refuse to sell you any Medigap policy they offer
- b. Make you wait for coverage
- c. Charge more because of a past/present health problem
- d. All of the above

Countdown timer: Answer the question before the bar disappears!



15



Lesson 4

Medicare Drug Coverage (Part D)



Lesson 4 Objectives

At the end of this lesson, you'll be able to:

- Explain Medicare drug coverage (Part D) and how it works
- Describe associated costs
- Discuss considerations when deciding how you'll get your drug coverage
- Explain the Part D late enrollment penalty and how to avoid it
- Explain how and when to enroll in a plan

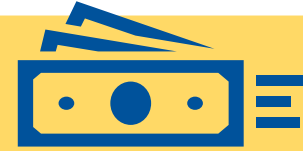


Medicare Drug Coverage (Part D)

- An optional benefit available to all people with Medicare
- Run by private companies that contract with Medicare
- Provided through:
 - Medicare drug plans (also known as PDPs) (work with Original Medicare)
 - Medicare Advantage Plans with drug coverage (also known as MA-PDs)
 - Some other Medicare health plans

How Part D Works

- It's optional
 - You can choose a plan and join
 - May pay a lifetime penalty if you join late
- Plans have formularies (lists of covered drugs), which:
 - Must include range of drugs in each category
 - Are subject to change—you'll be notified
- Your out-of-pocket costs may be less if you use a preferred pharmacy
- If you have limited income and resources, you may get Extra Help



If you join late, you may have a lifetime penalty.

Medicare Drug Plan Costs: What You Pay in 2022/2023

Most people will pay:

- A monthly **premium** (varies by plan and income)
- A yearly **deductible** (if applicable)
- **Copayments or coinsurance**
- **Out-of-pocket costs**
 - A **percentage** of the cost while in the coverage gap, which begins at \$4,430 for out-of-pocket spending in 2022 (\$4,660 in 2023)
 - **Very little** after spending \$7,050 out-of-pocket in 2022 (\$7,400 in 2023)--will automatically get catastrophic coverage



Income-Related Monthly Adjustment Amount (IRMAA): Part D Premium for 2022

If your filing status and yearly income in 2020 was:

File Individual Tax Return	File Joint Tax Return	File Married & Separate Tax Return	You pay each month
\$91,000 or less	\$182,000 or less	\$91,000 or less	Your plan premium (YPP)
Above \$91,000 up to \$114,000	Above \$182,000 up to \$228,000	Not applicable	\$12.40 + YPP
Above \$114,000 up to \$142,000	Above \$228,000 up to \$284,000	Not applicable	\$32.10 + YPP
Above \$142,000 up to \$170,000	Above \$284,000 up to \$340,000	Not applicable	\$51.70 + YPP
Above \$170,000 and less than \$500,000	Above \$340,000 and less than \$750,000	Above \$91,000 and less than \$409,000	\$71.30 + YPP
\$500,000 and above	\$750,000 and above	\$409,000 and above	\$77.90 + YPP

Income-Related Monthly Adjustment Amount (IRMAA): Part D Premium for 2023

If your filing status and yearly income in 2021 was:

File Individual Tax Return	File Joint Tax Return	File Married & Separate Tax Return	You pay each month (in 2023)
\$97,000 or less	\$194,000 or less	\$97,000 or less	Your plan premium (YPP)
Above \$97,000 up to \$123,000	Above \$194,000 up to \$246,000	Not applicable	\$12.20 + YPP
Above \$123,000 up to \$153,000	Above \$246,000 up to \$306,000	Not applicable	\$31.50 + YPP
Above \$153,000 up to \$183,000	Above \$306,000 up to \$366,000	Not applicable	\$50.70 + YPP
Above \$183,000 and less than \$500,000	Above \$366,000 and less than \$750,000	Above \$97,000 and less than \$403,000	\$70.00 + YPP
\$500,000 or above	\$750,000 or above	\$403,000 or above	\$76.40 + YPP



Part D Late Enrollment Penalty 2022/2023

- You may have to pay more if you wait to enroll, unless you have:
 - Creditable drug coverage
 - Extra Help
- You'll pay the penalty for as long as you have coverage
 - 1% for each full month eligible and without creditable drug coverage
 - Multiply percentage by base beneficiary premium (\$33.37 in 2022, \$32.74 in 2023)
 - Amount changes every year



Who Can Join Part D?

	To join a Medicare Drug Plan	To join a Medicare Advantage Plan with Drug Coverage
You must have	Medicare Part A (Hospital Insurance) and/or Medicare Part B (Medical Insurance)	Part A and Part B

★ **NOTE:** To join any Medicare health plan with drug coverage you must be a United States citizen or lawfully present in the U.S.

When Can I Enroll in a Part D Plan?

Can I join during my 7-month Initial Enrollment Period (IEP)?

Yes. It starts 3 months before the month you turn 65.

Can I sign up, switch, or join during the yearly Open Enrollment Period (OEP)?

Yes. It's from October 15–December 7. Coverage begins January 1.

What if I get Part B for the first time during a General Enrollment Period (GEP)?

You can sign up for a Medicare drug coverage from April 1–June 30. Coverage begins July 1.

When Can I Enroll in a Part D Plan? (continued)

What if I'm in a Medicare Advantage Plan on January 1 but switch to Original Medicare?

You may add Medicare drug coverage if you switch during the Medicare Advantage OEP (January 1–March 31).

Can I join, switch, or drop a drug plan if I qualify for a Special Enrollment Period (SEP)?

Yes.

What if I'm new to Medicare and enrolled in a Medicare Advantage Plan during my IEP?

You can make a change within the first 3 months you have Medicare.

When's the 5-star SEP?

December 8–November 30 each year, you can switch to Medicare drug coverage that has 5 stars for its overall rating.

Choosing a Part D Plan



Call Medicare at 1-800-MEDICARE
(1-800-633-4227; TTY: 1-877-486-2048)

- **Compare plans by computer or phone:**
 - Find health and drug plans at [Medicare.gov/plan-compare](https://www.Medicare.gov/plan-compare)
 - Call Medicare
 - Contact your SHIP at [shiphelp.org](https://www.shiphelp.org) for help comparing plans
- **To join a Medicare drug plan, you can:**
 - Enroll at [Medicare.gov/plan-compare](https://www.Medicare.gov/plan-compare) or on the plan's website
 - Call Medicare
 - Enroll on the plan's website or call the plan
 - Complete a paper enrollment form
- The plan will notify you whether it has accepted or denied your application

Decision: Should I Enroll in a Part D Plan?

If you have creditable drug coverage, consider costs and coverage:

- Will it pay at least as much as standard Medicare drug coverage?
- Will you or your spouse or dependents lose your health coverage if you join a Medicare drug plan?
- How do your out-of-pocket drug costs compare to out-of-pocket drug costs with a Medicare drug plan?
- How will your costs change if you get Extra Help with your Medicare drug plan costs?
- Is your current drug coverage comprehensive?

If you don't have creditable drug coverage, consider possible penalties:

- Will joining when you're first eligible help you avoid a likely lifetime late enrollment penalty if you join a plan later?
- Do you qualify for Extra Help? (If so, you may enroll in a plan without penalty.)



Check Your Knowledge: Question 5

Medicare drug coverage is also called _____.

- a. Part A
- b. Part B
- c. Part D
- d. All of the above

Countdown timer: Answer the question before the bar disappears!



15



Check Your Knowledge: Question 6



It's July. You enrolled in Medicare last year but didn't enroll in a Medicare drug plan. Generally, when is your next chance to enroll in Part D?

- a. Open Enrollment Period (OEP)
- b. Initial Enrollment Period (IEP)
- c. Your next birthday
- d. 12 months after your IEP

Countdown timer: Answer the question before the bar disappears!



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Lesson 5

Medicare Advantage & Other Medicare Health Plans



Lesson 5 Objectives

At the end of this lesson, you'll be able to:

- Explain Medicare Advantage Plans and how they work
- Discuss what to consider when deciding whether to enroll in a Medicare Advantage Plan, like coverage and costs
- Explain who can enroll in a plan, and when and how to enroll
- Explain the difference between Medicare Advantage Plans and Medicare Supplement Insurance (Medigap) policies
- Describe other types of Medicare health plans that may be available

Medicare Advantage Plans (Part C)

☒ Part A



☒ Part B



Most plans include:

☒ Part D



☒ Some extra benefits

Some plans also include:

☐ Lower out-of-pocket costs

- Another way to get your Medicare Part A (Hospital Insurance) and Part B (Medical Insurance) **coverage**
- Offered by Medicare-approved **private companies** that must follow rules set by Medicare
- Most Medicare Advantage Plans include drug coverage (Part D)
- coverage (Part D). In most cases, you'll need to use health care providers who participate in the **plan's network** (some plans offer out-of-network coverage)

How Medicare Advantage Plans Work

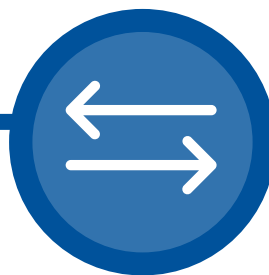
In a Medicare Advantage Plan, you:



Are still in
Medicare with all
**rights and
protections**



Still get **services**
covered by Part A and
Part B



Can't be **charged** more
than Original Medicare
for certain services, like
chemotherapy, dialysis,
and skilled nursing
facility (SNF) care



May choose a plan
that includes **drug
coverage** and/or
extra benefits like
vision, dental or
fitness and
wellness benefits



Can be charged
different **out-of-
pocket costs**

How Medicare Advantage Plans Work (continued)

In a Medicare Advantage Plan:



Each plan has a **service area** in which its enrollees must live



You (or a provider acting on your behalf) can request to see if an item or service will be covered by the plan in advance (called an **organization determination**)



Medicare pays a fixed amount for your coverage each month to the **companies** offering Medicare Advantage Plans



Each plan can charge different out-of-pocket costs and have different **rules** for how you get services (which can change each year)



Hospice care is covered, but by Original Medicare

When Can I Enroll in a Medicare Advantage Plan?

What if I have Part A and enroll in Part B during a General Enrollment Period (GEP)?

You can enroll in a Medicare Advantage Plan from April 1–June 30. Coverage begins July 1.

If I'm new to Medicare and enroll in a Medicare Advantage Plan, when can I make a change?

Within the first 3 months you have Medicare.

What if I enroll, then change my mind?

You can only make one change to another plan or to Original Medicare during the Medicare Advantage OEP, January 1–March 31. Coverage begins the 1st of the month after the plan gets your request.

When Can I Enroll in a Medicare Advantage Plan? (continued)

Can I enroll during Medicare's yearly Open Enrollment Period (OEP)?

Yes. You can join, switch, or drop your plan during the OEP, October 15–December 7. Coverage begins on January 1.

Will I have a Special Enrollment Period (SEP)?

You might if you move out of your plan's service area, have or lose Medicaid or Extra Help, or move in or out of an institution.

When's the 5-star SEP?

December 8–November 30 each year, you can switch to a Medicare Advantage Plan or Medicare Cost Plan that has 5 stars for its overall rating.

★ **Note:** If you drop a Medicare Supplement Insurance (Medigap) policy to join a Medicare Advantage Plan, you might not be able to get it back.

How Do I Enroll in a Medicare Advantage Plan?



Call Medicare at 1-800-MEDICARE
(1-800-633-4227; TTY: 1-877-486-2048)

- Find health and drug plans at [Medicare.gov/plan-compare](https://www.medicare.gov/plan-compare)
- Once you understand the plan's rules and costs, here's how to join:
 - Visit the plan's website to see if you can join online
 - Fill out a paper enrollment form
 - Call the plan you want to join (visit [Medicare.gov/plan-compare](https://www.medicare.gov/plan-compare) to get your plan's contact information)
 - Call Medicare

Decision: Should I Join a Medicare Advantage Plan?

Consider:



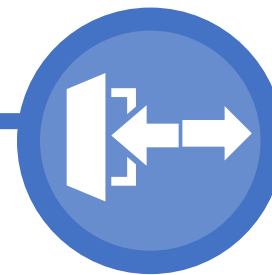
If the plan offers **extra benefits** (in addition to Original Medicare benefits) and if you need to pay extra to get them



Some plans may require you to use a **network**



You may need a **referral** to see a specialist



You can only **join/leave plan** during certain periods



It doesn't work with **Medigap** policies

★ **NOTE:** You must have Medicare Part A and Part B to join; and you must pay the Part B premium and usually a monthly plan premium.

Can I Join a Medicare Advantage Plan if I Have End-Stage Renal Disease (ESRD)?

Yes

You can enroll in a Medicare Advantage Plan

With or without drug coverage during Open Enrollment (October 15–December 7) for coverage starting January 1

If you join a Medicare Advantage Plan during Open Enrollment but change your mind,

You can switch back to Original Medicare or change to a different Medicare Advantage Plan during the Medicare Advantage Open Enrollment Period (OEP) (January 1–March 31)

How Are Medigap Policies & Medicare Advantage Plans Different?

	Medigap Policies	Medicare Advantage Plans
Offered by	Private companies	Private companies
Government oversight	State, but must also follow federal laws	Federal (plans must be approved by Medicare)
Works with	Original Medicare	N/A
Covers	Gaps in Original Medicare coverage, like deductibles, coinsurance, and copayments for Medicare-covered services.	All Part A and Part B covered services and supplies. May also cover things not covered by Original Medicare, like vision and dental coverage. Most Medicare Advantage Plans include Medicare drug coverage.
You must have	Part A and Part B	Part A and Part B
Do you pay a premium?	Yes. You pay a premium for the policy and you pay the Part B premium.	Yes. In most cases, you pay a premium for the plan and you pay the Part B premium.



Other Health Plans: Medicare Cost Plans

- You can join even if you only have Part B
- If you have Part A and Part B and go to a non-network provider:
 - Your services are covered under Original Medicare
 - You'll pay the Part A and Part B coinsurance and deductibles
- You can join anytime the plan accepts new members
- You can leave anytime and return to Original Medicare
- You can either get your Medicare drug coverage from the Cost Plan (if offered) or you can join a Medicare drug plan

Other Health Plans: Program of All-inclusive Care for the Elderly (PACE) Plans

To qualify, you must:



Be 55 or older



Live in the service area
of a PACE organization



Need a nursing home-
level of care (as
certified by your state)



Be able to live safely in
the community with
the PACE services

Other Health Plans: Programs of All-inclusive Care for the Elderly (PACE) (continued)

About PACE coverage and premiums:



If you have Medicare, but not Medicaid, you'll be charged a monthly premium to cover the long-term care portion of the benefit and a premium for Medicare Part D drugs.



If you have Medicaid, you won't have to pay a monthly premium for the long-term care portion of the benefit.



Check Your Knowledge: Question 7



Medicare Advantage Plans _____.

- a. Help pay for gaps in Original Medicare
- b. Must keep the same providers all year
- c. Are private plans approved by each state
- d. Must cover all Part A- and Part B-covered services**

Countdown timer: Answer the question before the bar disappears!



15



Lesson 6

Medicare & the Health Insurance Marketplace®



Lesson 6 Objectives

At the end of this lesson, you'll be able to:

- Explain what to do if you have Marketplace coverage and become eligible for Medicare
- Discuss what to consider when deciding whether to join or keep a Marketplace plan instead of Medicare
- Discuss Medicare and the Marketplace for people with disabilities

Medicare & the Marketplace

If you have Medicare:



It's against the law for someone to sell you a Marketplace plan



You may have a Marketplace plan through your employer, sold through the Small Business Health Options Program (SHOP) if you're an active worker or a dependent of one

★ **NOTE:** SHOP plans are available through issuers, agents, and brokers, not through [HealthCare.gov](https://www.healthcare.gov).

Marketplace & Becoming Eligible for Medicare



[HealthCare.gov](https://www.healthcare.gov) to connect to the Marketplace in your state.



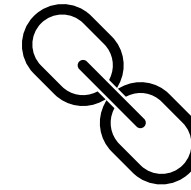
Once you're eligible for Medicare Part A (Hospital Insurance)

You won't be eligible for premium tax credits or other cost savings you may be getting for your Marketplace plan



Sign up for Medicare

During your Initial Enrollment Period (IEP) to avoid a possible lifetime late enrollment penalty



Connect with the Marketplace in your state

Before your Medicare enrollment begins to learn more

Choosing Marketplace Coverage Instead of Medicare

What if I have Medicare Part A and Part B, but I'm paying a premium for Part A?

You can drop your Part A and Part B coverage and get a Marketplace plan instead.

What if I only have Part B, and would have to pay a premium for Part A?

You can drop Part B and get a Marketplace plan instead.

What if I'm eligible for Medicare but haven't enrolled?

You can get a Marketplace plan if you haven't enrolled because you'd have to pay for Part A, have a medical condition that qualifies you for Medicare, or are in your 24-month disability waiting period.



Check Your Knowledge: Question 8

It's not against the law for someone to sell you a Marketplace plan.

a. True

b. False

Countdown timer: Answer the question before the bar disappears!



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Lesson 7

Help for People with Limited Income & Resources

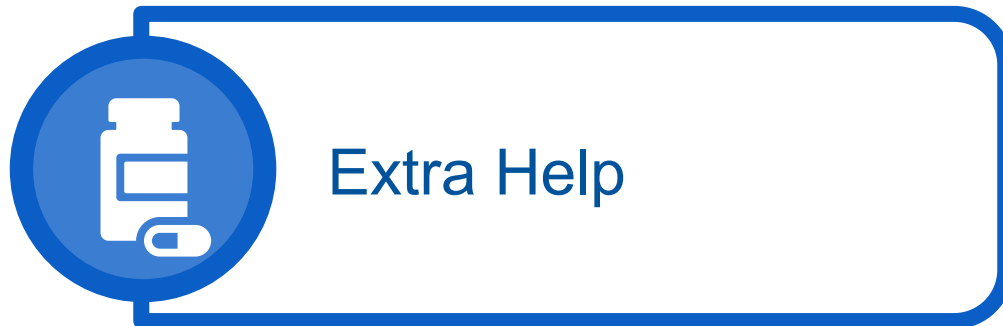


Lesson 7 Objectives

At the end of this lesson, you'll be able to:

- Describe programs for people with limited income and resources
- Explain Medicare Savings Programs and minimum federal eligibility requirements
- Explain other programs (Extra Help, Medicaid, and the Children's Health Insurance Program (CHIP)) and who qualifies

Help for People with Limited Income & Resources



Minimum Federal Eligibility Requirements for Medicare Savings Programs

Medicare Savings Programs	Individual Monthly Income Limits	Married Couple Income Limits	Helps Pay Your
Qualified Medicare Beneficiary (QMB)	\$1,153	\$1,546	Part A and Part B premiums, and other cost-sharing (like deductibles, coinsurance, and copayments)
Specified Low-Income Medicare Beneficiary (SLMB)	\$1,379	\$1,851	Part B premiums only
Qualifying Individual (QI)	\$1,549	\$2,080	Part B premiums only
Qualifying Disabled & Working Individuals (QDWI)	\$4,615	\$6,189	Part A premiums only

- **Resource limits** for QMB, SLMB, and QI are \$8,400 for an individual and \$12,600 for a married couple.
- **Resource limits** for QDWI are \$4,000 for an individual and \$6,000 for a married couple.



What's Extra Help?

- Program to help people pay for Medicare drug costs (Part D) (also called the low-income subsidy (LIS))
- If you have the lowest income and resources, you pay no premiums or deductible, and small or no copayments
- If you have slightly higher income and resources, you pay reduced deductible and a little more out of pocket
- No coverage gap or late enrollment penalty if you qualify for Extra Help

★ **NOTE:** A Special Enrollment Period (SEP) allows you to change your Medicare drug plan (also known as a PDP) once per quarter in the first 3 quarters of the year

Qualifying for Extra Help

You automatically qualify for Extra Help if you get:

- Full Medicaid coverage
- Supplemental Security Income (SSI)
- Help from Medicaid paying your Medicare premiums (Medicare Savings Programs; sometimes called “partial dual”)

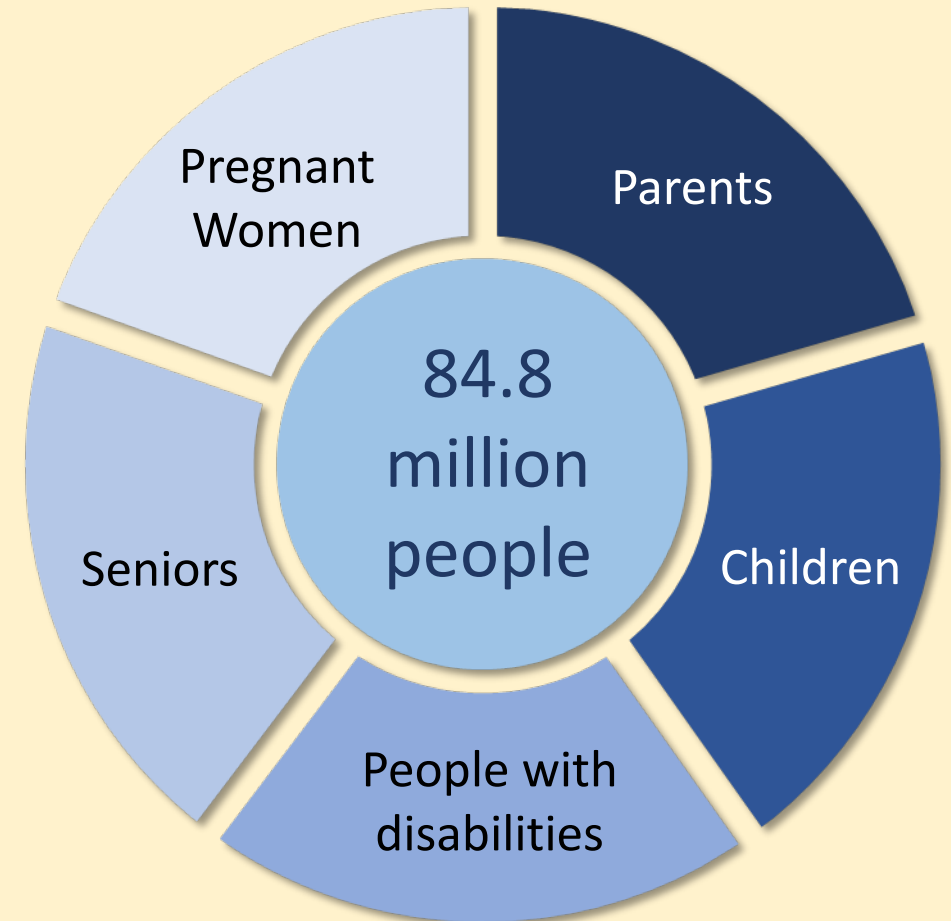
If you don't automatically qualify you must:

- Apply online at ssa.gov/benefits/medicare/prescriptionhelp.html
- Call Social Security at 1-800-772-1213; TTY: 1-800-325-0778, and ask for the “Application for Help with Medicare Prescription Drug Plan Costs” (SSA-1020)

What's Medicaid?

- Joint federal and state program
- Helps pay health care costs for people with limited income and resources, or whose medical expenses exceed their available income
- Some people qualify for Medicare and Medicaid
- May cover services that Medicare may not or may partially cover, like nursing home care, personal care, and home- and community-based services

In 2021,
Medicaid provided health coverage to:





How Are Medicare & Medicaid Different?

Medicare	Medicaid
National program that's consistent across the country	Statewide programs that vary among states
Administered by the federal government	Administered by state governments within broad federal rules (federal/state partnership)
Health insurance for people 65 and older, people under 65 with certain disabilities, or any age with End-Stage Renal Disease (ESRD)	Health insurance for people based on need—financial and non-financial requirements
Nation's primary payer of inpatient hospital services to the disabled, elderly, and people with ESRD	Nation's primary public payer of acute health care, mental health, and long-term care services

What's the Children's Health Insurance Program (CHIP)?



6.9 million children (2021)

- Health coverage for uninsured children in families earning too much to qualify for Medicaid, but too little for private insurance
- Jointly funded by federal and state governments
- Administered by states

For **CHIP** information by state:
Visit [Medicaid.gov/chip/state-program-information/chip-state-program-information.html](https://www.Medicaid.gov/chip/state-program-information/chip-state-program-information.html)

Helpful Websites

01

Medicare

[Medicare.gov](https://www.Medicare.gov)

02

Medicaid

[Medicaid.gov](https://www.Medicaid.gov)

03

Social Security

[ssa.gov](https://www.ssa.gov)

04

Health Insurance Marketplace®

[HealthCare.gov](https://www.HealthCare.gov)

05

Children's Health Insurance Program

[InsureKidsNow.gov](https://www.InsureKidsNow.gov)

06

CMS National Training Program

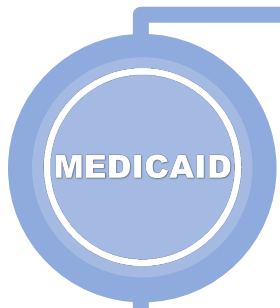
[CMSnationaltrainingprogram.cms.gov](https://www.CMSnationaltrainingprogram.cms.gov)

07

State Health Insurance Program (SHIP)

[shiphelp.org](https://www.shiphelp.org)

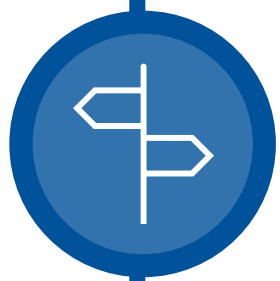
Key Points to Remember



Medicare is a health insurance program



Medicare doesn't cover all of your health care costs



You have choices in how you get coverage



Decisions affect the type of coverage you get



Certain decisions are time-sensitive



There are programs for people with limited income and resources



Acronyms (AB–IR)

ABN Advanced Beneficiary Notice

ADL Activities of Daily Living

ALS Amyotrophic Lateral Sclerosis

ANOC Annual Notice of Change

CHAMPVA Civilian Health and
Medical Program of the Department
of Veterans Affairs

CHIP Children's Health Insurance Program

CMS Centers for Medicare & Medicaid Services

COBRA Consolidated Omnibus Budget
Reconciliation Act

DME Durable Medical Equipment

EOC Evidence of Coverage

ESRD End-Stage Renal Disease

FEHB Federal Employees Health Benefits

FICA Federal Insurance Contributions Act

FMAP Federal Medical Assistance Percentage

FPL Federal Poverty Level

GEP General Enrollment Period

GHP Group Health Plan

HMO Health Maintenance Organization

HSA Health Savings Account

IADL Instrumental Activities of Daily Living

ICEP Initial Coverage Election Period

IEP Initial Enrollment Period

IRMAA Income-Related Monthly Adjustment Amount

IRS Internal Revenue Service

Acronyms (LI–RN)

LIS Low-income Subsidy

MAC Medicare Administrative Contractor

MA-PD Medicare Advantage Plan with Drug Coverage

MACRA Medicare Access and
CHIP Reauthorization Act

MAGI Modified Adjusted Gross Income

MEC Minimal Essential Coverage

MSA Medical Savings Account

NTP National Training Program

OEP Open Enrollment Period

OPM Office of Personnel Management

OTC Over the Counter

PACE Programs of All-Inclusive Care
for the Elderly

PBP Plan Benefit Package

PDP Drug Plan

PFFS Private Fee-for-Service

POS Point of Service

PPO Preferred Provider Organization

QDWI Qualifying Disabled & Working Individuals

QHP Qualified Health Plan

QI Qualified Individual

QMB Qualified Medicare Beneficiary

RNHCI Religious Nonmedical Health Care
Institutions

Acronyms (RR–VA)

RRB Railroad Retirement Board

SEP Special Enrollment Period

SHIP State Health Insurance Assistance Program

SHOP Small Business Health Options Program

SLMB Specified Low-income Medicare Beneficiary

SNF Skilled Nursing Facility

SPAP State Pharmaceutical Assistance Programs

SSBCI Special Benefits for the Chronically Ill

SSDI Social Security Disability Insurance

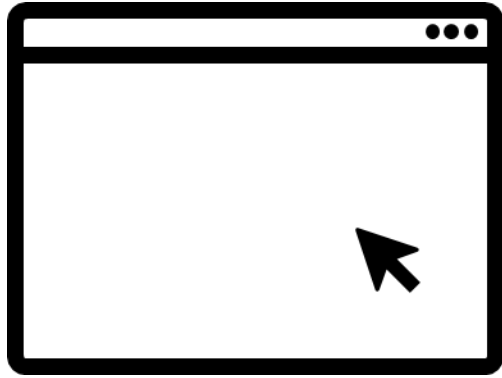
SSI Supplemental Security Income

TFL TRICARE for Life

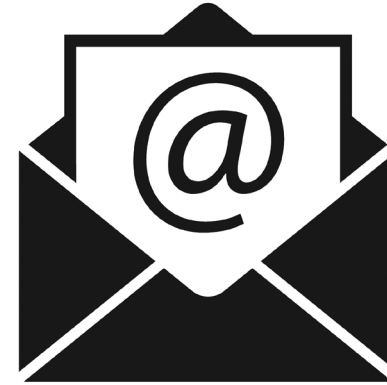
TTY Teletypewriter/Text Telephone

VA U.S. Department of Veterans Affairs

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Contact us at
training@cms.hhs.gov.