

2021

Medicare Benefits Overview

Companion Workbook



PATRIOT

CAPITAL FINANCIAL

Medicare Benefits Overview

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Understanding Your Choices

A's, B's, C's, and D's, of Medicare

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Notes:



Agenda

- 01 What is Medicare?
- 02 Who is eligible for Medicare?
Coverage Options
- 03 Medicare Enrollment
- 04 Next Steps
- 05 Additional Resources

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01. What is Medicare?

Overview

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Notes:

What is Medicare?

- A federal health insurance program for eligible U.S. citizens and legal residents
- Funded in part by taxes you pay while working
- Individual health insurance

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A brief history of Medicare

Signed into law by
President Johnson
July 30, 1965

19 million enrollees
within the first 12
months

Approximately
64 million enrollees
today

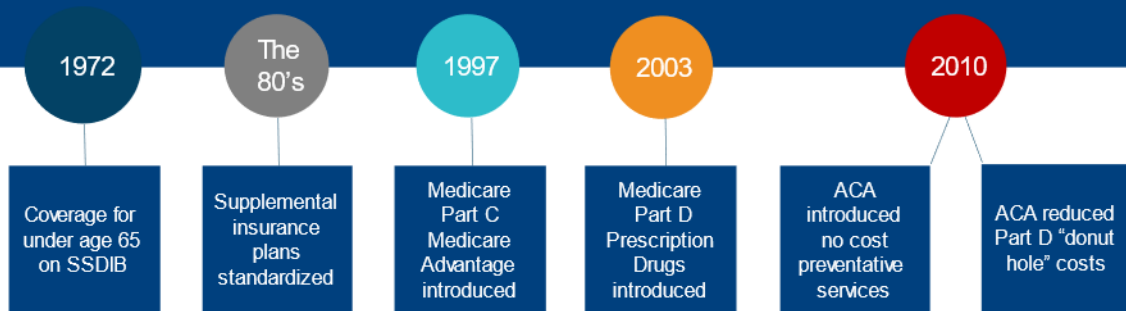
DYK: In 2019, of the 64 million people on Medicare two-thirds are enrolled in traditional Medicare and one-third are enrolled in Medicare Advantage plans.

Source: Kaiser Family Foundation, www.kff.org/medicare/fact-sheet/medicare-advantage/

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Notes:

Notable Change to Original Medicare (Parts A & B)



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Who is eligible for Medicare?



Someone who is:

- A U.S. citizen or legal resident for at least 5 consecutive years

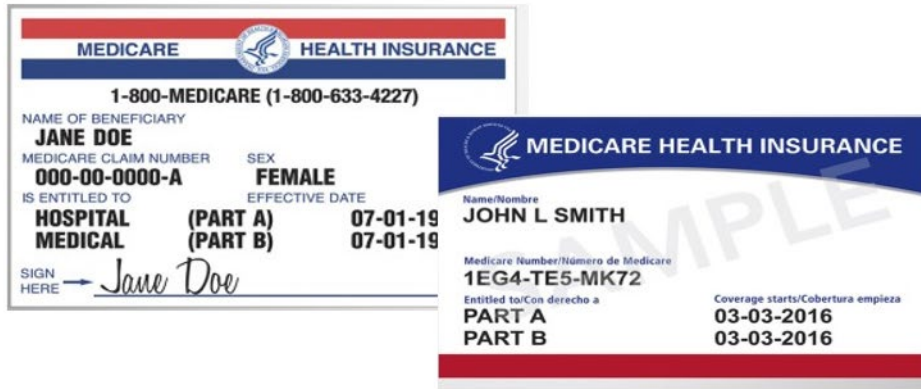
AND is one of the following:

- Age 65 or older
- Younger than 65 with a qualifying disability
- Any age with a diagnosis of end-stage renal disease or ALS

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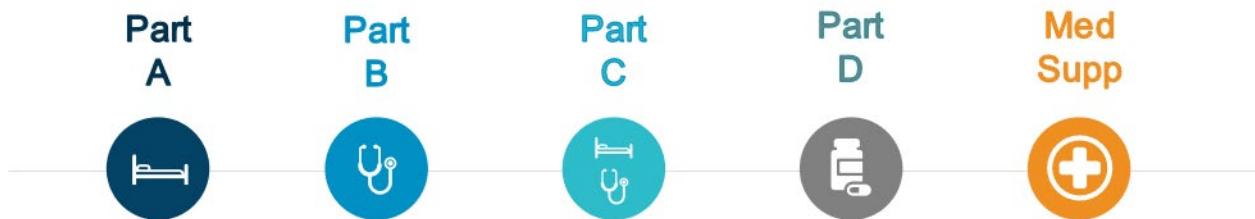
Notes:

New Medicare Card



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Coverage Options



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Notes:



Hospital insurance

- Inpatient hospital care
- Inpatient mental health care
- Skilled nursing services
- Hospice care
- Some blood transfusions

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Doctor and outpatient visits

- Physician services
- Outpatient hospital services
- Ambulance
- Outpatient mental health
- Laboratory services
- Durable medical equipment (Wheelchairs, oxygen, etc.)
- Outpatient physical, occupational and speech language therapy
- Some preventative care

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Notes:



What is not covered

- Medicare Part A and Part B deductibles, coinsurance and premiums
- Medicare Part B excess charges (amount billed over what Medicare agrees to pay)
- Prescription drug coverage
- Additional benefits such as hearing, vision and dental
- Long-term care or custodial care if that is the only care you need. Most nursing home care is custodial care

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2021 Medicare Part A (Hospital) Costs

Premium	Deductible	Other Costs	Note
\$0 for most people	\$1,484 per benefit period (up to 60 days)	\$371 per day for days 61-90 in one benefit period \$742 per lifetime reserve day (maximum of 60 days)	NO out-of-pocket limit

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Notes:



2021 Medicare Part B (Medical) Costs

Premium	Deductible	Other Costs	Note
\$148.50 per month for most people	\$203 for the year	20% of approved amount for most covered services Excess charges (if any)	NO out-of-pocket limit

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Terms and Definitions

Premium	Deductible	Copay	Coinsurance
A fixed amount that you pay for coverage, usually monthly	A set amount that you pay for covered services before your plan begins to pay	A fixed amount you pay at the time you receive a covered service	An amount you pay when the cost of a covered service is split with you. Usually a percentage, such as 80/20

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Notes:



Medicare Advantage plans

- Combine Part A and Part B and, in many cases, include prescription drug coverage
- Offered by private insurance companies
- Often include additional benefits like routine vision care, hearing care, wellness services and nurse phone line support

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Eligibility for Part C

- Must be enrolled in Medicare Parts A and B
- Must live in plan service area
- Eligibility is not affected by health or financial status
- Must not have endstage renal disease (ESRD)*

**There are special rules for end -stage renal disease (ESRD). People with ESRD may be able to join a Medicare Special Needs Plan (SNP) if one is available in their area.*

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Fast facts:

Costs

- Plan premiums and terms can change from year to year
- Must continue to pay your Part B monthly premium

Coverage

- Convenience of one single plan
- Many plans include prescription drug coverage (Part D)
- Coverage is often limited to a service area unless it's an emergency
- May be required to see doctors and hospitals that are included in the plan's network
- May offer additional benefits not covered by Medicare like dental, vision, hearing and preventive care

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Type of Part C plans

Coordinated care plans

- Health Maintenance Organization (HMO) plans
- Preferred Provider Organization (PPO) plans
- Special Needs Plans (SNP)
- Health maintenance Organization Point of Service (HMOPOS) plans

Other plans

- Private Fee-For-Service (PFFS) plans
- Medical Savings Account (MSA)

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Helps with the cost of prescription drugs

- Only offered through private insurance companies
- You must continue to pay your Part B premium

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Part D Formulary

What is formulary?

A formulary is the list of drugs covered by an insurance plan:

- Many plans have a tiered formulary, where drugs are divided into groups called 'tiers'
- In general, the lower the tier, the lower the cost



Formulary Tiers	
Tier 1	\$
Tier 2	\$\$
Tier 3	\$\$\$
Tier 4	\$\$\$\$
Tier 5	\$\$\$\$\$

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Notes:



Fast facts

Costs

- Prescription drug coverage varies from plan to plan
- Catastrophic coverage protects you from a very high drug cost
- Benefits can change each year

Enrollment

- Each plan has a list of drugs that it covers
- Make sure your drugs are covered before you enroll in a plan
- The list of drugs can change each year

Coverage

- Coverage is not automatic
- Penalties may apply if you enroll late

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Your Part D Prescription Drug Costs

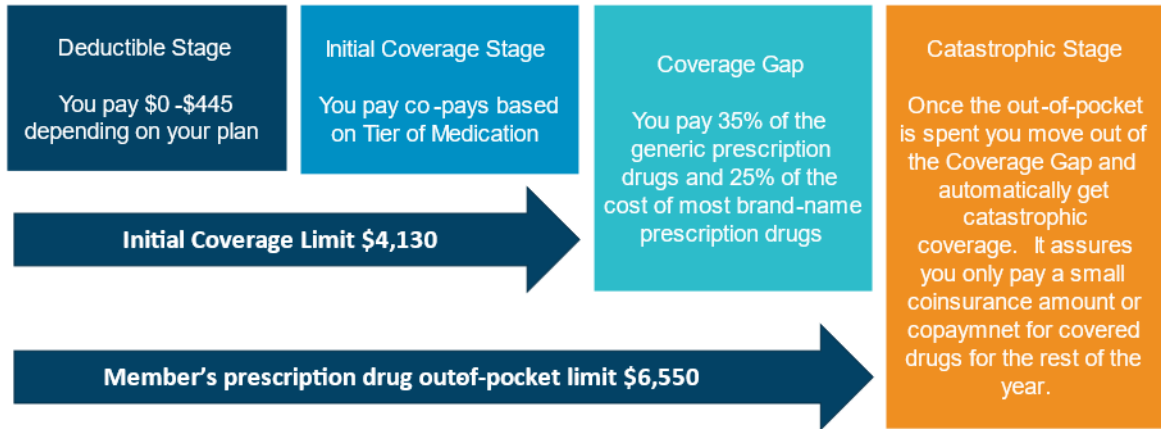
With Medicare Part D prescription drug coverage, the amount you pay for prescriptions may change over the year. Here's why:

- Part D plans have four coverage stages: annual deductible, initial coverage stage, coverage gap stage and catastrophic coverage stage
- The amount of money you pay changes depending on the stage you are in
- **Many people stay in the initial coverage stage for the whole plan year.** If you take a lot of medications, especially high-cost medications, you may move into the next stages
- The coverage cycle starts over again on January 1 each plan year

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Notes:

Part D— How it works



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Eligibility for Medicare supplement insurance plans

- Generally, must be enrolled in Medicare Parts A and B
- Resident of the state in which you are applying for coverage
- Age 65+ (or under 65 with certain disabilities, in some states)

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Notes:

Medigap Plans

Yes = the plan covers 100% of this benefit - No = the policy doesn't cover that benefit - % = the plan covers the percentage of this benefit										
Medigap Benefits	Medigap Plans									
	A	B	C	D	F*	G*	K	L	M	N
Part A coinsurance and hospital costs up to an additional 365 days after Medicare benefits are used up	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Part B coinsurance or copayment	Yes	Yes	Yes	Yes	Yes	Yes	50%	75%	Yes	Yes***
Blood (first 3 pints)	Yes	Yes	Yes	Yes	Yes	Yes	50%	75%	Yes	Yes
Part A hospice care coinsurance or copayment	Yes	Yes	Yes	Yes	Yes	Yes	50%	75%	Yes	Yes
Skilled nursing facility care coinsurance	No	No	Yes	Yes	Yes	Yes	50%	75%	Yes	Yes
Part A deductible	No	Yes	Yes	Yes	Yes	Yes	50%	75%	50%	Yes
Part B deductible	No	No	Yes	No	Yes	No	No	No	No	No
Part B excess charge	No	No	No	No	Yes	Yes	No	No	No	No
Foreign travel exchange (up to plan limits)	No	No	80%	80%	80%	80%	No	No	80%	80%
Out-of-pocket limit**	N/A	N/A	N/A	N/A	N/A	N/A	\$6,220	\$3,110	N/A	N/A

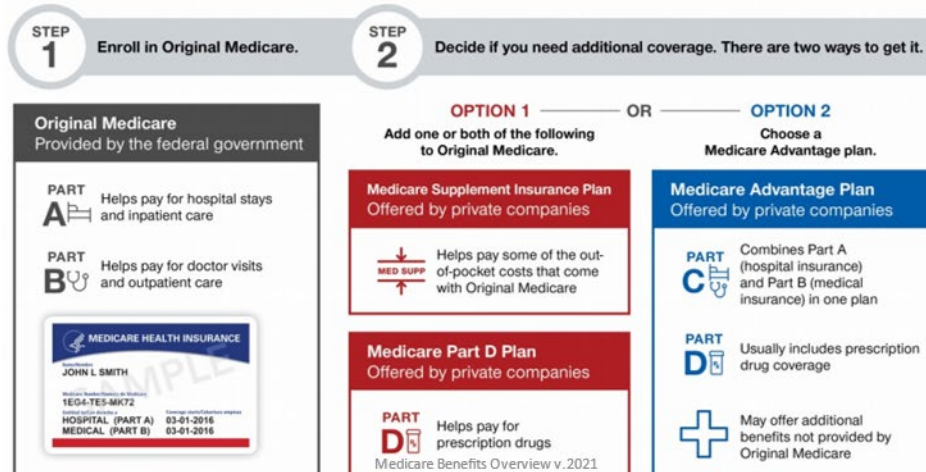
*Plan F and G also offer a high-deductible plan in some states. With this option, you must pay for Medicare-covered costs (coinsurance, copayment, and deductibles) up to the deductible amount of \$2,370 before your policy pays anything. (Plans C and F aren't available to people who were newly eligible 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.

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Medicare Coverage Choices



Notes:

When can I enroll?

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1. Annual Enrollment Period (AEP)

- October 15 to December 7
- Enroll for the first time or switch plans
- Effective date: January 1

2. Initial Enrollment Period (IEP)

- Enroll when you first become eligible
- 7-month period that starts 3 months before the month you turn 65, includes the month you turn 65, and ends 3 months after the month you turn 65
- Effective date: generally, first of the month following enrollment, or first of birthday



3. Special Enrollment Period (SEP)

- Enroll or switch plans due to special circumstances
- Effective date: generally, first of the month following enrollment

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Notes:

What are my next steps?

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Next steps

01

Review enrollment periods

02

Research your options

03

Ask questions. Get answers

04

Find financial help, if eligible

05

Enroll

06

Yearly review

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Notes:

Additional resources

- Visit [Medicare.gov](https://www.Medicare.gov)
- Call **1-800-MEDICARE (1-800-633-4227)**, TTY **1-877-486-2048**, 24 hours a day, 7 days a week
- Visit [shiptacenter.org](https://www.shiptacenter.org)
- Call your State Health Insurance Assistance Program (SHIP) to see if you qualify for any financial assistance



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Thank you!

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Notes:
