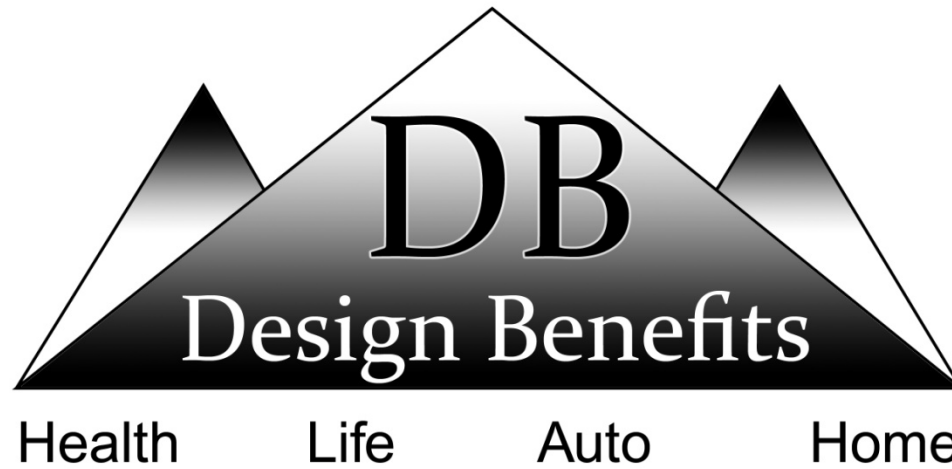
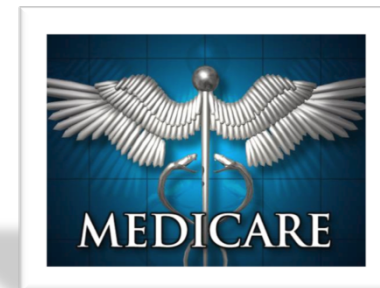


MEDICARE BASICS



WHAT WE WILL BE COVERING TODAY.

- What is parts A & B?
- When can I enroll? (age, disabled),
- What does open enrollment mean?
- Penalties for not enrolling,
- Part C (advantage plans),
- Part D (prescription drug plans/donut hole),
- Supplemental/Gap coverage,
- Which plan is better for me (supplemental/advantage plans)?
- Disenrollment periods.



PART A (HOSPITAL INSURANCE)

○ If you're in a Medicare Advantage Plan or other Medicare plan, you may have different rules, but your plan must give you at least the same coverage as Original Medicare. Some services may only be covered in certain settings or for patients with certain conditions.

In general, Part A covers:

- Hospital care
- Skilled nursing facility care
- Nursing home care (as long as custodial care isn't the only care you need)
- Hospice
- Home health services



PART B (DOCTOR'S INSURANCE)

What's covered?

- Medicare covers services (like lab tests, surgeries, and doctor visits) and supplies (like wheelchairs and walkers) considered medically necessary to treat a disease or condition.
- If you're in a Medicare Advantage Plan or other Medicare plan, you may have different rules, but your plan must give you at least the same coverage as Original Medicare. Some services may only be covered in certain settings or for patients with certain conditions.

Part B covers 2 types of services

- **Medically necessary services:** Services or supplies that are needed to diagnose or treat your medical condition and that meet accepted standards of medical practice.
- **Preventive services:** Health care to prevent illness (like the flu) or detect it at an early stage, when treatment is most likely to work best.
- You pay nothing for most preventive services if you get the services from a health care provider who accepts assignment.



PART B (CONTINUED)

Part B covers things like:

- Clinical research
- Ambulance services
- Durable medical equipment (DME)
- Mental health
 - Inpatient
 - Outpatient
 - Partial hospitalization
- Getting a second opinion before surgery
- Limited outpatient prescription drugs



Premium

Most people pay the Part B premium of \$104.90 each month.

However you may have to pay a higher premium if you fit into one of these categories...



PART B (CONTINUED)



If your yearly income in 2013 (for what you pay in 2015) was			You pay (in 2015)
File individual tax return	File joint tax return	File married & separate tax return	
\$85,000 or less	\$170,000 or less	\$85,000 or less	\$104.90
above \$85,000 up to \$107,000	above \$170,000 up to \$214,000	Not applicable	\$146.90
above \$107,000 up to \$160,000	above \$214,000 up to \$320,000	Not applicable	\$209.80
above \$160,000 up to \$214,000	above \$320,000 up to \$428,000	above \$85,000 and up to \$129,000	\$272.70
above \$214,000	above \$428,000	above \$129,000	\$335.70

INITIAL ENROLLMENT

- **If you're automatically enrolled (Part A), Receiving Social Security**

you'll get your red, white, and blue Medicare card in the mail 3 months before your 65th birthday or your 25th month of disability.

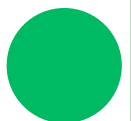
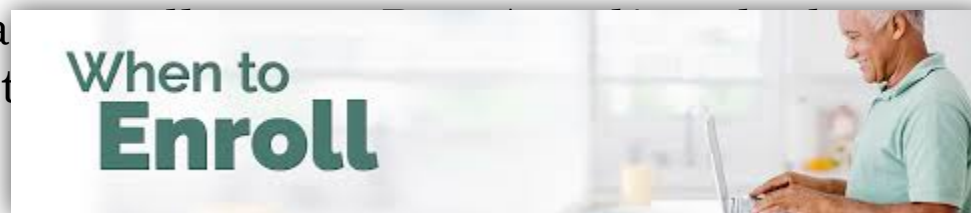
You usually don't pay a monthly premium for Part A coverage if you or your spouse paid Medicare taxes for at least 10 years while working.

- **If you're NOT automatically enrolled,**

you need to sign up for Part A and Part B if you aren't getting Social Security.

- If you didn't sign up for Part A and/or Part B (for which you must pay premiums) when you were first eligible, and you aren't eligible for a Special Enrollment Period, you can sign up during the General Enrollment Period between January 1–March 31 each year.

Your coverage will start July 1. You may have to pay a higher premium for late enrollment



INITIAL ENROLLMENT (CONTINUED)

- In your package from Social Security, a letter will explain that your monthly Part B premium will be automatically deducted from your Social Security check or railroad retirement check beginning the month your coverage begins. You will be given the option to turn down Part B.
- Do not turn down Medicare Part B unless you have employer insurance from your or your spouse's current job. If you do not have employer insurance and you turn down Part B, you may have to pay a hefty premium penalty when you do sign up.



MEDICARE ENROLLMENT PERIOD'S TURNING 65

- During the 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. Your coverage will begin the first day of the month after you ask to join a plan. If you join during one of the 3 months before you turn 65, your coverage will begin the first day of the month you turn 65.



MEDICARE ENROLLMENT PERIOD'S

IF YOU HAVE A DISABILITY (UNDER 65)

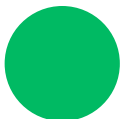
- Your Medicare coverage begins 24 months after you get Social Security or Railroad Retirement Board (RRB) disability benefits.
- During the 7-month period that starts 3 months before your 25th month of getting Social Security or RRB disability benefits and ends 3 months after your 25th month of getting disability benefits. Your coverage will begin the first day of the month after you ask to join a plan. If you join during one of the 3 months before you first get Medicare, your coverage will begin the first day of your 25th month of entitlement to disability payments.



MEDICARE ENROLLMENT PERIOD'S ELIGIBLE FOR MEDICARE BECAUSE OF A DISABILITY, AND I TURNED 65.

Here is what you can do...

- Switch from your current Medicare Advantage Plan or Medicare Prescription Drug Plan to another plan.
- Drop a Medicare Advantage Plan or a Medicare Prescription Drug Plan completely
- During the 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.
- If you sign up for a Medicare Advantage Plan during this time, you can drop that plan at any time during the next 12 months and go back to Original Medicare.



SPECIAL ENROLLMENT PERIOD

- Once your Initial Enrollment Period ends, you may have the chance to sign up for Medicare during a Special Enrollment Period. If you're covered under a group health plan based on current employment, you have a Special Enrollment Period to sign up for Part A and/or Part B any time as long as you or your spouse (or family member if you're disabled) is working, and you're covered by a group health plan through the employer or union based on that work.
- You also have an 8-month Special Enrollment Period to sign up for Part A and/or Part B that starts the month after the employment ends or the group health plan insurance based on current employment ends, whichever happens first. Usually, you don't pay a late enrollment penalty if you sign up during a Special Enrollment Period.

MEDICARE HEALTH INSURANCE

1-800-MEDICARE (1-800-633-4227)

NAME OF BENEFICIARY
JANE DOE

MEDICARE CLAIM NUMBER **000-00-0000-A** SEX **FEMALE**

IS ENTITLED TO HOSPITAL (PART A) 07-01-1986
MEDICAL (PART B) 07-01-1986

SIGN HERE → *Jane Doe*



LATE ENROLLMENT PENALTIES (PART A)

- If you aren't eligible for premium-free Part A, and you don't buy it when you're first eligible, your monthly premium may go up 10%. You'll have to pay the higher premium for twice the number of years you could have had Part A, but didn't sign up.

Example:

- If you were eligible for Part A for 2 years but didn't sign up, you'll have to pay the higher premium for 4 years. Usually, you don't have to pay a penalty if you meet certain conditions that allow you to sign up for Part A during a special enrollment period.



LATE ENROLLMENT PENALTIES (PART B)

- If you don't sign up for Part B when you're first eligible or if you drop Part B and then get it later, you may have to pay a late enrollment penalty for as long as you have Medicare. Your monthly premium for Part B may go up 10% for each full 12-month period that you could have had Part B, but didn't sign up for it.
- Usually, you don't pay a late enrollment penalty if you meet certain conditions that allow you to sign up for Part B during a Special Enrollment Period.

Example

Your Initial Enrollment Period ended September 30, 2009. You waited to sign up for Part B until the General Enrollment Period in March 2012. Your Part B premium penalty is 20%. (While you waited a total of 30 months to sign up, this included only 2 full 12-month periods.) You'll have to pay this penalty for as long as you have Part B.



PART C (ADVANTAGE PLANS)

- A Medicare Advantage Plan is a type of Medicare health plan offered by a private company that contracts with Medicare to provide you with all your Part A and Part B benefits. Medicare Advantage Plans include Health Maintenance Organizations, Preferred Provider Organizations, Private Fee-for-Service Plans, Special Needs Plans, and Medicare Medical Savings Account Plans. If you're enrolled in a Medicare Advantage Plan, Medicare services are covered through the plan and aren't paid for under Original Medicare. Most Medicare Advantage Plans offer prescription drug coverage.



WHO CAN JOIN A MEDICARE ADVANTAGE PLAN?

- You can generally join a Medicare Health Maintenance Organization (HMO), Preferred Provider Organization (PPO), Private Fee-for-Service (PFFS), or Medicare Medical Savings Account (MSA) Plan if you meet all of the following conditions:
- You live in the service area of the plan you want to join. The plan can give you more information about its service area. If you live in another state for part of the year, check to see if the plan will cover you there.
- You have Medicare Part A and Part B.
- You **don't** have End-Stage Renal Disease (ESRD)

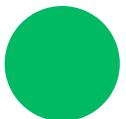


WHEN CAN I JOIN, SWITCH, OR DROP A MEDICARE ADVANTAGE PLAN?

What can I do?

- Change from Original Medicare to a Medicare Advantage Plan.
- Change from a Medicare Advantage Plan back to Original Medicare.
- Switch from one Medicare Advantage Plan to another Medicare Advantage Plan.
- Switch from a Medicare Advantage Plan that doesn't offer drug coverage to a Medicare Advantage Plan that offers drug coverage.
- Switch from a Medicare Advantage Plan that offers drug coverage to a Medicare Advantage Plan that doesn't offer drug coverage.

When Is the Open Enrollment Period?



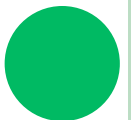
PART D (PRESCRIPTION DRUG COVERAGE)

- Medicare offers prescription drug coverage to everyone with Medicare. If you decide not to join a Medicare Prescription Drug Plan (Part D) when you're first eligible, and you don't have other creditable prescription drug coverage, or you don't get Extra Help, you'll likely pay a late_enrollment penalty.
- To get Medicare drug coverage, you must join a plan run by an insurance company or other private company approved by Medicare. Each plan can vary in cost and drugs covered.
- You may sign up for a Part D plan from Oct. 7th – Dec. 15th



2 WAYS TO GET DRUG COVERAGE

- Medicare Prescription Drug Plan (Part D). These plans (sometimes called "PDPs") add drug coverage to Original Medicare, some Medicare Cost Plans, some Medicare Private Fee-for-Service (PFFS) Plans, and Medicare Medical Savings Account (MSA) Plans.
- Medicare Advantage Plan (Part C) (like an HMO or PPO) or other Medicare health plan that offers Medicare prescription drug coverage. You get all of your Medicare Part A (Hospital Insurance) and Medicare Part B (Medical Insurance) coverage, and prescription drug coverage (Part D), through these plans. Medicare Advantage Plans with prescription drug coverage are sometimes called "MA-PDs." You must have Part join a Medicare Advantage Plan.



JOINING A MEDICARE DRUG PLAN MAY AFFECT YOUR MEDICARE ADVANTAGE PLAN

- If your Medicare Advantage Plan (Part C) includes prescription drug coverage and you join a Medicare Prescription Drug Plan (Part D), you'll be dis-enrolled from your Medicare Advantage Plan and returned to Original Medicare.



WHAT DRUG PLANS COVER

- Each Medicare Prescription Drug Plan has its own list of covered drugs (called a formulary). Many Medicare drug plans place drugs into different "tiers" on their formularies. Drugs in each tier have a different cost.
- A drug in a lower tier will generally cost you less than a drug in a higher tier. In some cases, if your drug is on a higher tier and your prescriber thinks you need that drug instead of a similar drug on a lower tier, you or your prescriber can ask your plan for an exception to get a lower copayment.
- A Medicare drug plan can make some changes to its formulary during the year within guidelines set by Medicare. If the change involves a drug you're currently taking, your plan must do one of these:
 - Provide written notice to you at least 60 days prior to the date the change becomes effective.
 - At the time you request a refill, provide you with notice of the change and a 60-day supply of the same drug at the same plan rules as before the change.



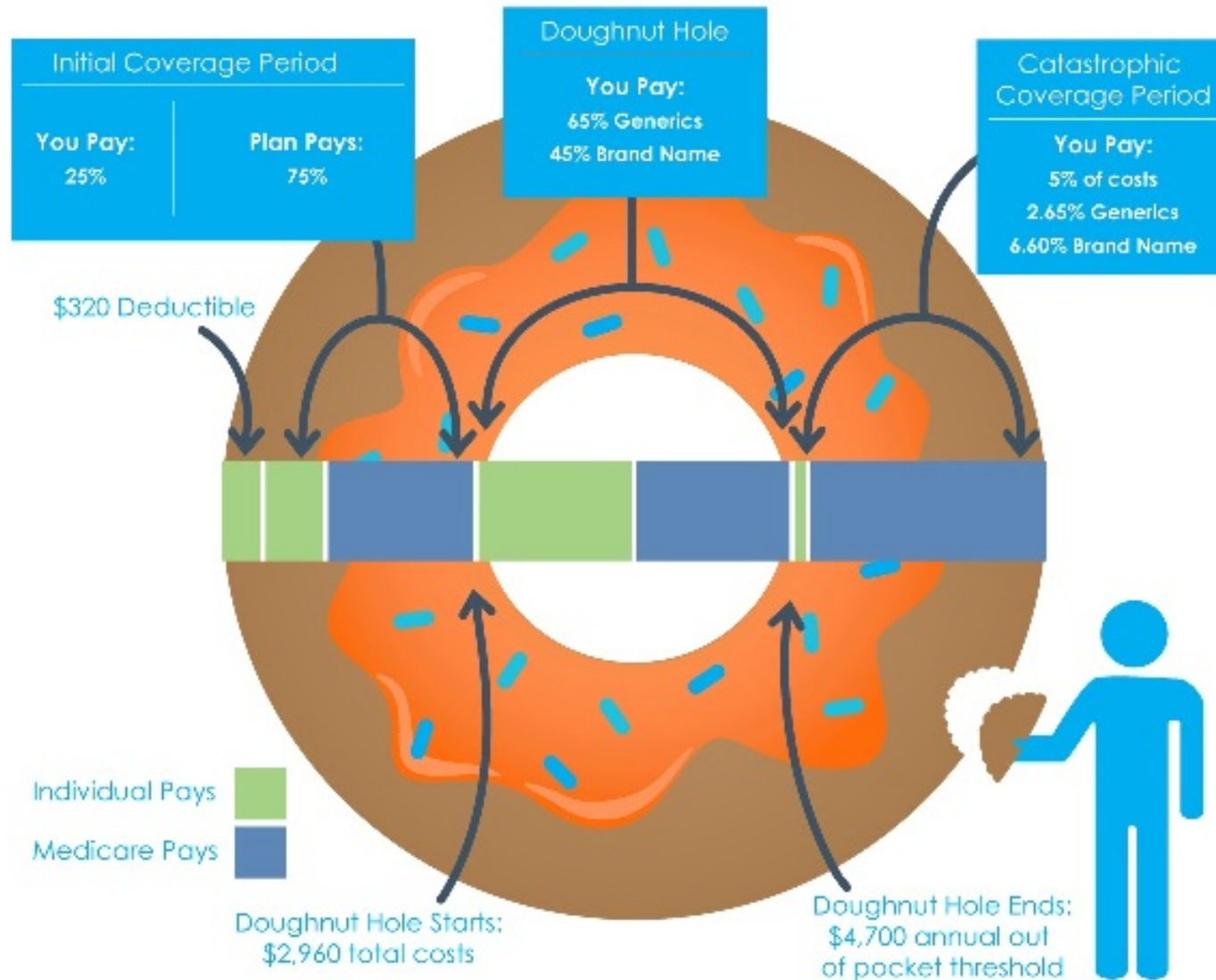
DONUT HOLE

- Most Medicare Prescription Drug Plans have a coverage gap (also called the "donut hole"). This means there's a temporary limit on what the drug plan will cover for drugs.
- Not everyone will enter the coverage gap. The coverage gap begins after you and your drug plan have spent a certain amount for covered drugs. In 2015, once you and your plan have spent \$2,960 on covered drugs (the combined amount plus your deductible), you're in the coverage gap. This amount may change each year. Also, people with Medicare who get Extra Help paying Part D costs won't enter the coverage gap.
- Once you reach the coverage gap in 2015, you'll pay 45% of the plan's cost for covered **brand-name prescription drugs**, and 65% of **generic prescriptions**. You get these savings if you buy your prescriptions at a pharmacy or order them through the mail. The discount will come off of the price that your plans has set with the pharmacy for that specific drug.
- Although you'll only pay 45% of the price for the brand-name drug in 2015, 95% of the price—what you pay plus the 50% manufacturer discount payment—will count as out-of-pocket costs which will help you get out of the coverage gap. What the drug plan pays toward the drug cost (5% of the price) and what the drug plan pays toward the dispensing fee (55% of the fee) aren't counted toward your out-of-pocket spending.



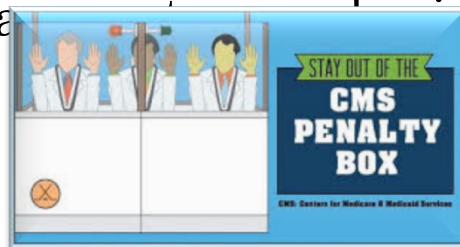
Medicare Part-D Doughnut Hole 2015

Original Medicare with Part D



PART D (PENALTY)

- The late enrollment penalty is an amount added to your Medicare Part D premium. You may owe a late enrollment penalty if, at any time after your initial enrollment period is over, there's a period of 63 or more days in a row when you don't have Part D or other creditable prescription drug coverage.
- **How much is the Part D penalty?**
- The cost of the late enrollment penalty depends on how long you went without creditable prescription drug coverage.
- The late enrollment penalty is calculated by multiplying 1% of the "national base beneficiary premium" (\$33.13 in 2015) times the number of full, uncovered months you were eligible but didn't join a Medicare Prescription Drug Plan and went without other creditable prescription drug coverage. The final amount is rounded to the nearest \$.10 and added to your monthly premium.
- The national base beneficiary premium may increase each year, so the penalty also increases each year.



SUPPLEMENTAL/MEDI GAP (COVERAGE)

- A Medicare Supplement Insurance (Medigap) policy, sold by private companies, can help pay some of the health care costs that Original Medicare doesn't cover, like copayments, coinsurance, and deductibles.
- Some Medigap policies also offer coverage for services that Original Medicare doesn't cover, like medical care when you travel outside the U.S. If you have Original Medicare and you buy a Medigap policy, Medicare will pay its share of the Medicare-approved amount for covered health care costs. Then your Medigap policy pays its share.
- A Medigap policy is different from a Medicare Advantage Plan. Those plans are ways to get Medicare benefits, while a Medigap policy only supplements your Original Medicare benefits.



ENROLLMENT WITH AND WITHOUT MEDICAL QUESTIONS

Buy a policy when you're first eligible

- The best time to buy a Medigap policy is during your 6-month Medigap open enrollment period, because you can buy any Medigap policy sold in your state, even if you have health problems. This period automatically starts the month you're 65 and enrolled in Medicare Part B, and once it's over, you can't get it again.

During open enrollment


- Medigap insurance companies are generally allowed to use medical underwriting to decide whether to accept your application and how much to charge you for the Medigap policy. However, if you apply during your Medigap open enrollment period, you can buy any Medigap policy the company sells, even if you have health problems, for the same price as people with good health.

Outside open enrollment

- If you apply for Medigap coverage after your open enrollment period, there's no guarantee that an insurance company will sell you a Medigap policy if you don't meet the medical underwriting requirements, unless you're eligible due to one of the situations below.



8 THINGS TO KNOW ABOUT MEDIGAP POLICIES

- You must have Medicare Part A and Part B.
 - If you have a Medicare Advantage Plan, you can apply for a Medigap policy, but make sure you can leave the Medicare Advantage Plan before your Medigap policy begins.
 - You pay the private insurance company a monthly premium for your Medigap policy in addition to the monthly Part B premium that you pay to Medicare.
 - A Medigap policy only covers one person. If you and your spouse both want Medigap coverage, you'll each have to buy separate policies.
 - You can buy a Medigap policy from any insurance company that's licensed in your state to sell one.
 - Any standardized Medigap policy is guaranteed renewable even if you have health problems. This means the insurance company can't cancel your Medigap policy as long as you pay the premium.
 - Some Medigap policies sold in the past cover prescription drugs, but Medigap policies sold after January 1, 2006 aren't allowed to include prescription drug coverage. If you want prescription drug coverage, you can join a Medicare Prescription Drug Plan (Part D).
 - It's illegal for anyone to sell you a Medigap policy if you have a Medicare Medical Savings Account (MSA) Plan.
- 

MEDIGAP POLICIES DON'T COVER EVERYTHING

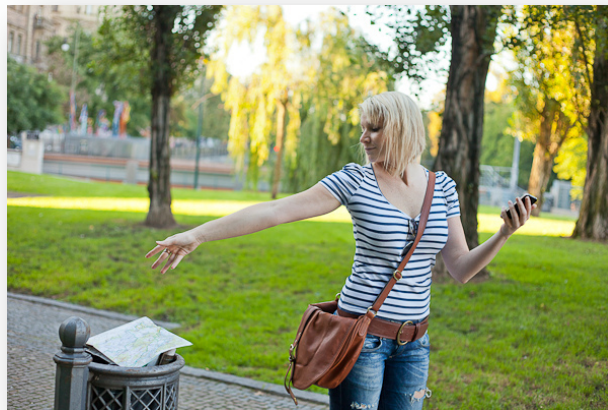
Medicare Supplement Insurance (Medigap) Plans										
Benefits	A	B	C	D	F*	G	K	L	M	N
Medicare Part A coinsurance and hospital costs (up to an additional 365 days after Medicare benefits are used)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Medicare Part B coinsurance or copayment	100%	100%	100%	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 2015**			
							\$4,940	\$2,470		

- Medigap policies generally don't cover long-term care, vision or dental care, hearing aids, eyeglasses, or private-duty nursing.



DROPPING YOUR ENTIRE MEDIGAP POLICY (NOT JUST THE DRUG COVERAGE)

- If you decide to drop the entire Medigap policy, you need to be careful about the timing. For example, you may want a completely different Medigap policy (not just your old Medigap policy without the prescription drug coverage), or you might decide to switch to a Medicare Advantage Plan that offers prescription drug coverage.
- If you drop your entire Medigap policy and the drug coverage wasn't creditable or you go more than 63 days before your new Medicare coverage begins, you have to pay a late enrollment penalty for your Medicare Prescription Drug Plan, if you choose to join one.



QUESTIONS?



THANK YOU FOR MAKING IT THROUGH
THIS MAZE WITH ME TODAY!





Health

Life

Auto

Home

404 S Holland St #2,
Wichita, KS 67209

800-726-2525

(316)729-7676

