



# Medicare Decisions MADE EASY!

THE SOUTHWESTERN ADVANTAGE

SOUTHWESTERN



# Let's Talk

- Medicare basics
- Your Medicare options
- Today's Medicare environment
- Important dates
- Where to find information
- Questions



# Your Medicare Stage

## Are You Turning 65?

### Receiving Social Security

Your Medicare card should arrive  
3 months before your 65th birthday

### Not Receiving Social Security

- You will have to apply for Medicare
- Contact Social Security
- 16241 N Tatum Blvd - 866-348-7855
- 5907 W Kings Ave, Glendale - 888-886-7213
- 800-722-1213 (National)
- [socialsecurity.gov](http://socialsecurity.gov)



# Your Medicare Stage

## Are You Eligible?

- 65 years old
- Disabled
- Diagnosed with End Stage Renal Disease (ESRD)

## What is Medicare?

- Basic, affordable health coverage for beneficiaries
- Divided into four “Parts”: A, B, C, D
- Administered by the Centers for Medicare and Medicaid Services (CMS)



In 1965, President Lyndon B. Johnson signs Medicare into law. At the bill-signing ceremony, at the Truman Library in Missouri, former President Harry S. Truman was enrolled as Medicare's first beneficiary and received the first Medicare card.

# Your Medicare Stage

## PART A: Hospital Insurance

- Helps pay for things such as inpatient hospital stays, critical care, skilled nursing facilities, hospice care and some home health care.
- There is no premium if you have **worked a minimum of ten years** in Medicare-covered employment, and have earned Social Security benefits.
- **There are deductibles you must pay**
- Private health plans offer insurance to add to the basic coverage Medicare provides.



# Your Medicare Stage

## PART B: Medical Insurance

- Helps pay for doctors' services, outpatient hospital care, physical and occupational therapy home health care and some drugs.
- Your premium is commonly deducted from your Social Security retirement benefits.
- **There are deductibles you must pay**
- Private health plans offer insurance to add to the basic coverage Medicare provides.
- **Common Part B cost for 2023 = \$164.90**



# Your Medicare Stage

## PART C: Medicare Advantage

- Part C gives you the option to choose a Medicare Advantage (MA) plan, in which you **assign** your Medicare Parts A and B benefits to a private health plan which administers your benefits on behalf of Medicare.
- Medicare Cost plan is not a Medicare Advantage Plan.



# Your Medicare Stage



## PART D: Prescription Drug Coverage

- Helps pay the cost of prescription drugs that are on the health plan's Part D formulary.
- You must choose whether or not to enroll in a Part D Plan. The late enrollment penalty is an amount that's added to your Part D Premium if, at any time after your Part D 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.
- There is an additional monthly premium for this coverage.
- Private health plans offer this coverage, but **Medicare does not.**





# Original Medicare Gaps

## Things Medicare Does NOT Cover

- Part A & B deductibles
  - Part A = \$1,600 | Part B = \$226 = Total \$1,826
- 20% of Part B medical services
- Services **Medicare deems not** medically necessary
- Permanent residence in an assisted living facility/nursing home
- All health care received outside the United States
- Inpatient hospital and skilled nursing charges above Medicare's limits
- Eyeglasses, dentures, hearing aids
- Dental care



# Cost of Part B Coverage

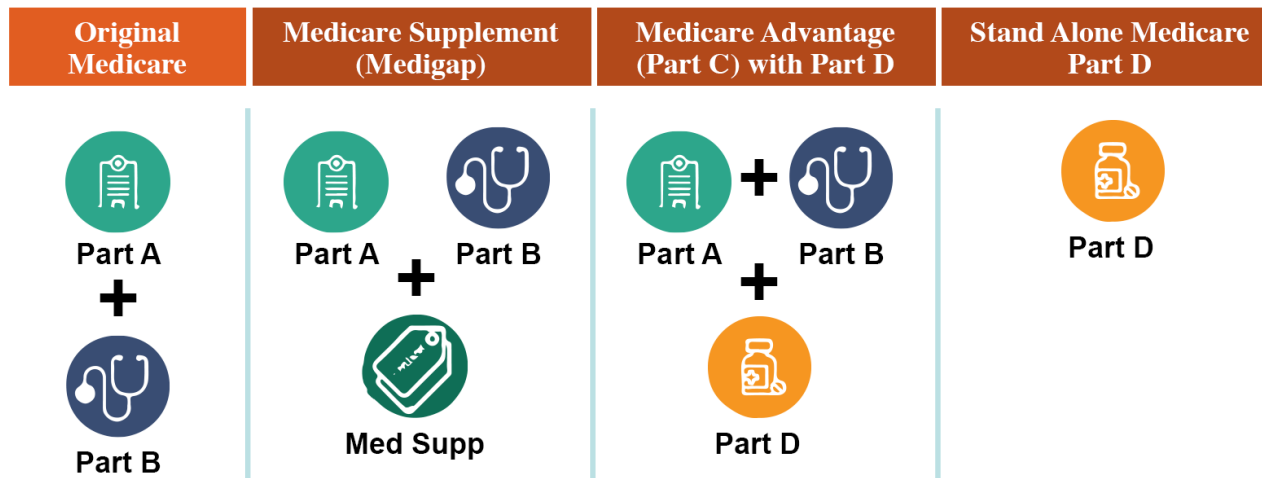
If Your Yearly Income in 2022 was:



Individuals	Couples	Your Monthly Premium in 2023
Equal to or Below \$97,000	Equal to or Below \$194,000	\$164.90
\$97,000 - \$123,000	\$194,000 - \$246,000	\$230.80
\$123,000 – \$153,000	\$246,000 - \$306,000	\$329.70
\$153,000 – \$183,000	\$306,000 – \$366,000	\$428.60
\$183,000 – \$500,000	\$366,000 – \$750,000	\$527.50
\$500,000 and Above	Above \$750,000	\$560.50



# Medicare Private Insurance Plan Comparisons



# Medigap/Medicare Supplement & Benefits

## MEDIGAP PLANS/MEDICARE SUPPLEMENT

MEDIGAP BENEFITS	A	B	D	G/G'	K	L	M	N	C	FF'
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 20%	100%	100%	100%	100%	50%	75%	100%	COPAYS APPLY	100%	100%
Blood (first 3 pints)	100%	100%	100%	100%	50%	75%	100%	100%	100%	100%
Part A Hospice Care Coinsurance or Copayment	100%	100%	100%	100%	50%	75%	100%	100%	100%	100%
Skilled Nursing Facility Care Coinsurance 21-100 day \$200.00			100%	100%	50%	75%	100%	100%	100%	100%
Medicare Part A Deductible \$1,600.00		100%	100%	100%	50%	75%	50%	100%	100%	100%
Medicare Part B Deductible \$226.00									100%	100%
Medicare Part B Excess Charges Up to 15%				100%						100%
Foreign Travel Emergency (up to plan limits)			80%	80%			80%	80%	80%	80%

Out-of-Pocket Limit in 2023 <sup>1</sup>	
\$6,940 <sup>2</sup>	\$3,470 <sup>2</sup>

Medicare First Eligible Before 2020 Only



- Plans F and G also have a high deductible option which require first paying a plan deductible of \$2,700 before the plan begins to pay 100% of covered services for the rest of the calendar year. High deductible plan G does not cover the Medicare Part B deductible. However, high deductible plans F and G count your payment of the Medicare Part B deductible towards meeting the plan deductible.
- Plans K and L pay 100% of covered services for the rest of calendar year once you meet the out-of-pocket yearly limit.
- Plan N pays 100% of the Part B coinsurance, except for a co-payment of up to \$20 for some office visits and up to a \$50 co-payment for emergency room visits that do not result in an inpatient admission.

# Your Options Under Medicare Supplement/Medigap

## Medicare Supplement Insurance

*(also referred to as Medigap Insurance)*

- Purchased from private insurance companies
- Supplements Original Medicare coverage
- Covers some or most of the costs that original Medicare does not pay
- Medicare pays before the Medicare Supplement policy pays
- Plans are standardized
- Use Medicare assigned providers
- Guaranteed renewable as long as you pay your premium



# Your Medicare Options • Part C



## What Are Medicare Advantage (MA) Health Plans?

- You may have to use providers that participate with the plan
- Most plans include extra benefits and out-of-pocket costs, which are generally lower than with Original Medicare
- If you have a chronic illness like diabetes or cardiovascular disease, or if you're eligible for both Medicare and Medicaid, you may qualify for a Medicare Advantage Special Needs Plan\*

*\*Not available in all areas*



# Your Medicare Options • Part C

## Choices in Medicare Advantage (MA) Plans

- Health Maintenance Organization (HMO)
- Preferred Provider Organization (PPO)
- Special Needs Plans (SNP)
- Medical Savings Account (MSA)



# Your Medicare Options • Part C



## Health Maintenance Organization (HMO)

- Defined network of providers
- Primary Care Physician (PCP) coordinates all of your care
- A referral from your PCP to see a Specialist is usually required
- You must use network providers for all scheduled care
- Out-of-pocket costs may be significantly lower





# Your Medicare Options • Part C

## Preferred Provider Organization (PPO)

- Defined network of providers
- Flexibility to use providers who are not part of the network
- No referral needed to see any doctor
- However, out-of-pocket costs increase when out-of-network providers are used
- Greatest savings when network providers are used because the plan pays a larger share of the savings



# Your Medicare Options • Part C



## Medicare Medical Savings Account (MSA) Plans

A MSA plan is a type of Medicare Advantage plan that combines a high-deductible health plan with a medical savings account. Enrollees of Medicare MSA plans can initially use their savings account to help pay for health care, and then will have coverage through a high-deductible insurance plan once they reach their deductible.

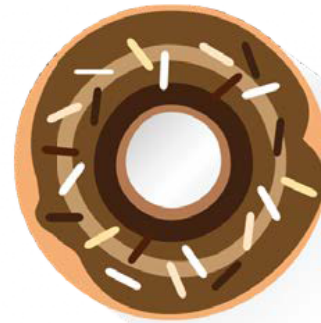
MSA plans do not offer Medicare Part D prescription drug coverage. MSA enrollees can, however, join a stand-alone Medicare prescription drug plan (PDP) where MSA savings account withdrawals for Part D drug co-pays will count towards the PDP's out of pocket spending limit known as TROOP.

The first part of a Medicare MSA plan is a special type of savings account. Medicare pays a set amount of money to private companies that apply to offer these plans. The plan deposits money from Medicare into the savings account at the beginning of each year. Enrollees cannot deposit their own money into the account.

The second part of a Medicare MSA plan is a high-deductible Medicare Advantage Plan. MSA benefit packages must cover all Medicare Part A and Part B services. MSA plans may or may not have contracted providers, but MSA plans cannot restrict access to a network of providers.



# The Medicare Donut Hole



## Initial Coverage: Medicare Plan

You pay only copays for your prescriptions - until total drug costs reach **\$4,660**

## Catastrophic Coverage Start

Covering **95%** of drug costs through the end of the year



START

END

**01**

**02**

**03**

**04**

**05**

## Deductible

Coverage Begins on January 1st - up to **\$505**

## Coverage Gap: The Donut Hole

You pay a certain percentage until total drug costs reach **\$7,400**

## Coverage Ends Plan Restarts

Continues through the end of the year - ends on December 31st.



# Your Medicare Options • Part D



## PART D is prescription drug coverage

The basic plan – all Part D plans are required by law to offer benefits equal to or better than the following:

2023 Medicare Prescription Drug Plan • Basic Coverage	
2023 BASIC BENEFITS	YOU PAY
Deductible                      \$0- \$505	100% of first \$505
Initial Coverage Limit    \$505 - \$4660	25% of the next \$4,660    \$1,165
Coverage Gap	25% of covered brand name & 25% of generic drugs of the next \$11,206.28 until the cumulative out-of-pocket costs reach \$7,400
Catastrophic Coverage Medicare and Plan 95%	\$4.15 for generic/multiple-source drug and \$10.35 for all other drugs; or 5% coinsurance, whichever is greater

\*\*Annual Out-of-Pocket amount doesn't include monthly premiums



# Understanding Your Formulary

## Medication Therapy Management (MTM program)

Maximize your medication therapy results and minimize your out-of-pocket drug costs with the help of a pharmacist who will become your personal resource and advocate at no additional cost to you.

## Step Therapy Program

Step Therapy focuses on encouraging the use of cost-effective drugs as first line treatment when therapeutically appropriate. Certain drugs are grouped in a logical series of steps that a doctor can follow with treatment.

## Transition of Care

In many cases, The Plan will cover up to a one-month transition supply for Part D drugs not on the formulary, no longer part of the formulary or if access to the drug is limited.



# Understanding Your Formulary

## **Drug Exceptions and Prior Authorizations**

If a drug is not covered by the plan formulary or has coverage restrictions you can submit an exception request to have your drug covered or have restrictions waived.

If a drug is removed from the plan formulary, or if prior authorization, quantity limits and/or step therapy restrictions are added, the plan will notify you of the change in advance.

## **Formulary Exception**

You can ask the plan to make exception to the coverage rules.

## **Cost Tiers**

Each drug is categorized by tier, which determines how much you will pay for that drug.



# 2023 Part D-Income Related Monthly Adjustment Amounts

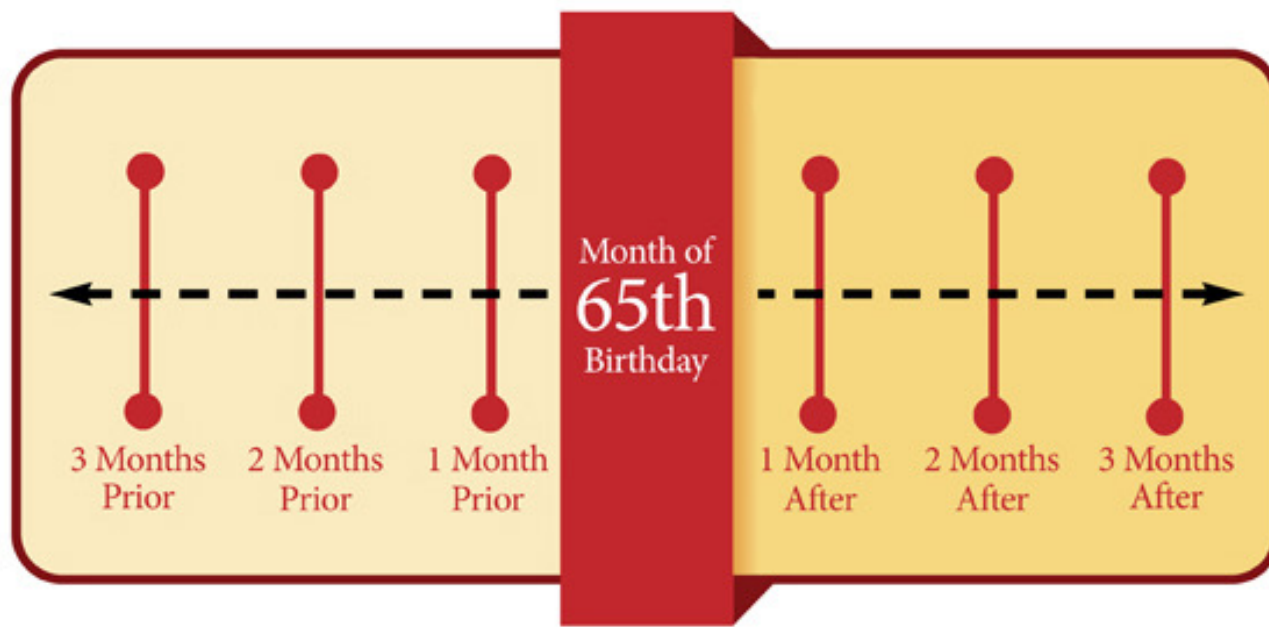
2023 Part D-Income Related Monthly Adjustment Amount (Part D-IRMAA) is an amount in addition to the monthly Part D premium for individuals whose modified gross income exceeds certain thresholds. Individuals with Part D-IRMAA, who may be members of individual or group plans, must pay this additional amount to the government and not to their plan. The additional amounts a member may have to pay in 2023 based on income are:

<b>FILED INDIVIDUAL TAX RETURN</b>	<b>FILED JOINT TAX RETURN</b>	<b>FILE MARRIED &amp; SEPARATE TAX RETURN</b>	<b>YOU PAY EACH MONTH (IN 2023)</b>
\$97,000 or less	\$194,000 or less	\$97,000 or less	Your Plan Premium
Above \$97,000 Up to \$123,000	Above \$194,000 Up to \$246,000	Not Applicable	\$12.20 Plus your Plan Premium
Above \$123,000 Up to \$153,000	Above \$246,000 Up to \$306,000	Not Applicable	\$31.50 Plus your Plan Premium
Above \$153,000 Up to \$183,000	Above \$306,000 Up to \$366,000	Not Applicable	\$50.70 Plus your Plan Premium
Above \$183,000 Up to \$500,000	Above \$366,000 Up to \$750,000	Above \$97,000 and less than \$403,000	\$70.00 Plus your Plan Premium
\$500,000 or above	\$750,000 or above	\$403,000 or above	\$76.40 Plus your Plan Premium



# Your Medicare Stage

## Part D Initial Enrollment Period





# ENROLLMENT Periods

## Annual Election Period (AEP)

- October 15th – December 7th
- AEP changes effective January 1st
- All enrollment and disenrollment options are available

## Medicare Open Enrollment Period (OEP)

- January 1st – March 31st
- Allows you to disenroll from a Medicare Advantage plan
- You may enroll in another Medicare Advantage plan
- Changes effective first of following month

## Special Election Period (SEP)

- Please contact your agent for details



# Regulatory Compliance

## Late Enrollment Penalty

The late enrollment penalty is an amount that's added to your Part D premium. You may owe a late enrollment penalty if at any time after your initial enrollment period is over, there is a period of 63 or more days in a row when you don't have Part D or other creditable prescription drug coverage.

NOTE: If you get Low-Income Subsidy (LIS), are eligible for VA benefits, or are eligible for Medicaid, you don't pay a late enrollment penalty.



# Regulatory Compliance

## Help with Your Medicare Costs You May Qualify

If you have limited income and resources, you may qualify for help to pay for some health care and prescription drug costs. Low-Income Subsidy (LIS) is a Medicare program to help people with limited income and resources pay Medicare prescription drug costs.

- Call 1-800Medicare (1-800-633-4227)  
(TTY 1-877-486-2048) 24 hours a day/7 days a week
- Or Call Social Security Office 1-800-772-1213  
(TTY 1-800-325-0778) 7am to 7pm
- Or Call your State Medicaid Office  
(For Office of the Aging)
- Or Visit [www.Medicare.gov](http://www.Medicare.gov)



Scan For  
Application



# Regulatory Compliance

## Medicaid Program

- Designed to help people who have a low or limited income.
- Administration by the State - Funded by State/Federal.
- People may qualify for assistance with their premiums and or medical bills depending on their level of income and resources.



# Medicaid Program

## How do I apply for Medicaid in Arizona?

- AHCCCS Enrollment is open year around, you can apply online, via phone or with paper application.
  - Visit - [www.HealthEArizonaPlus.gov](http://www.HealthEArizonaPlus.gov)
  - Call - 1-855-432-7587



Scan For  
Website



# Resource Information

**1-800-658-4569** TTY: 711  
13267 N. 78<sup>th</sup> Street  
Scottsdale, AZ 85260



Toll-free - 1-800-MEDICARE  
(1-800-633-4227)  
TTY - 1.877.486.2048  
*24 hours a day, 7 days a week*  
**www.medicare.gov**

Toll-free - 1.800.772.1213  
TTY 1-800-325-0778  
*7am - 7pm, Monday-Friday*  
**www.socialsecurity.gov**

