

# YOUR GUIDE TO 2022 MEDICARE COVERAGE

**2021-2022**



**Confused About  
Medicare?**

Medicare Made simple

A Stress-Free, Step-by-Step Guide to Get More and Pay Less for Medicare!

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What is Medicare?

## Starting on the Right Path

### Medicare is a Health Insurance Program for

- ▶ People age 65 or older.
- ▶ People under age 65 with certain disabilities.
- ▶ People of all ages with End-Stage Renal Disease (permanent kidney failure requiring dialysis or a kidney transplant).

**Note:** If you do not apply for the right parts of Medicare when you are first eligible it could lead to lifelong penalties.

Medicare is administered by the Centers for Medicare & Medicaid Services (CMS), and most people are enrolled via the Social Security Administration (SSA) for Original Medicare

### What is Original Medicare?

Medicare Parts A and B lay the groundwork for your Medicare coverage. These two sections of Medicare are referred to as “Original Medicare” when they are combined. You must be enrolled in Original Medicare to enroll in most plans available and to avoid penalties later.



Covers hospital stays

+



Covers doctor and outpatient visits

**Government Provided**

## What Original Medicare DOES NOT cover?

- ▶ Long-Term Care
- ▶ Deductibles and Co-Pays
- ▶ Dental Care
- ▶ Routine Vision Care
- ▶ Hearing Aids
- ▶ Medical care outside of the U.S.
- ▶ Plastic and/or cosmetic surgery
- ▶ Massage therapy

**Note:** Some of these things CAN be covered by enrolling in a Medicare Advantage Plan (Part C) depending on the plan.

## Make no mistake: Medicare is a difficult system to navigate

It contains alphabet soup-like parts and plans, as well as a wide range of policy combinations, eligibility requirements, and enrollment periods.

By breaking down the numerous options and discussing them in depth, we want to clear up any misconceptions you may have regarding Medicare. Our objective is to equip you with the knowledge you need to make the best decisions possible.

**Note:** \*If you have limited income and resources, your state may help you pay for Part A, and/or Part B. You may also qualify for Extra Help to pay for your Medicare prescription drug coverage.

## How to Apply for Part A and B?

Applying for Medicare might be frightening, but it is easier than you think.

**Medicare Part A and B applications are handled by the Social Security Administration (SSA)**

If you are approaching the age of 65, you can enroll for Medicare as early as three months before your 65th birthday. Getting started as soon as possible will ensure that you have your new Medicare card in hand before your effective date.

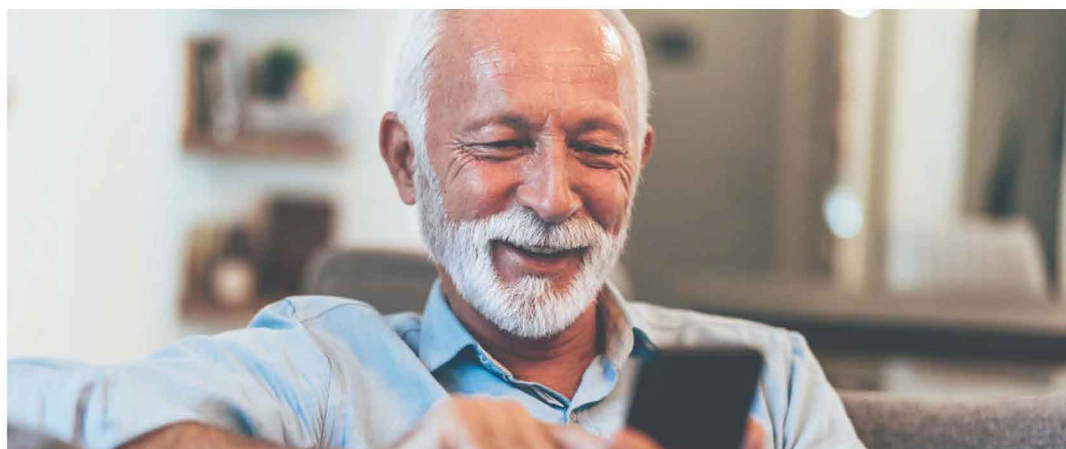
You will be ready to enroll in a Medicare Advantage/Part D Plan as soon as you receive your new Medicare card.

## Follow the instructions below if you:

1. Are already 65 and still have not received your Medicare Card
2. Lost your Medicare card and are unsure of what you have
3. Only have Part A and not B / Part B and not A and want to get the other part
4. Want to apply for both Part and B

## These situations can be solved by:

1. Calling SSA (Social Security Administration) at 1-800-772-1213 From 7 AM to 7 PM Monday through Friday
2. Online by visiting <http://www.socialsecurity.gov/medicareonly/>
3. You can also visit the nearest SSA office to you in person, but due to COVID-19 this option may not be available at this time
4. Applying by mail with these 2 forms:  
Application for Enrollment in Medicare Part B Form: CMS 40-B  
Proof of Coverage Form: CMS-L564



## Applying for Medicare When you have coverage through a Job?

If you are actively working at an employer with 20+ employees, Medicare will be secondary to your employer coverage. You can potentially delay getting Part B and D and not be penalized until you retire or lose creditable coverage.

**Creditable Coverage –**  
which means that the coverage is expected to pay on average as much as the standard Medicare prescription drug coverage



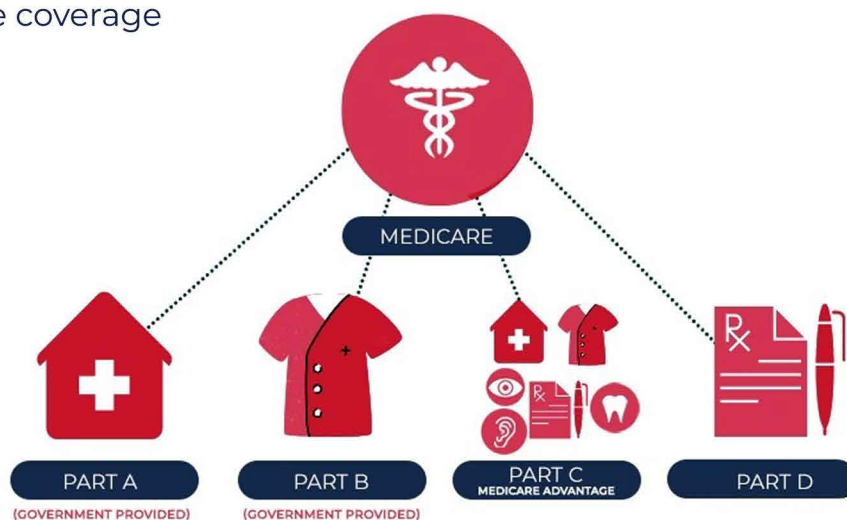
## Other things to know about applying for Medicare:

- ▶ Medicare is separate from your application for Social Security income benefits. People age into Medicare at age 65, regardless of whether they are taking retirement income benefits yet. If you are a citizen age 65 or older and need medical insurance, you are entitled to enroll in Medicare.
- ▶ Medicare will not notify you of when it's time to sign up.
- ▶ If you are receiving Social Security income benefits or Railroad Retirement Board benefits, you will be automatically enrolled in Medicare Parts A and B at age 65. Your card should arrive 1- 2 months before you turn 65.
- ▶ If you are NOT yet receiving retirement benefits, then you will need to submit a Medicare application.
- ▶ If you have small employer coverage (less than 20 employees), you should always enroll in both Parts A and B when you are first eligible. Medicare will be primary if your employer has less than 20 employees.

## Parts and Penalties of Medicare

Medicare has 4 parts:

The majority of the time, Parts A and B are purchased together. Together they're both called Original Medicare and are usually required to enroll in any additional Medicare coverage



## Part A (Hospital Coverage)

Part A (Hospital Coverage) – is government provided and usually free for majority of people, if there is a premium the cost is determined based off an individual's work history. If you have to buy Part A, and you don't buy it when you're first eligible for Medicare, your monthly premium may go up 10%. You'll have to pay the higher premium for twice the number of years you didn't sign up.

- ▶ Inpatient hospital care
- ▶ Nursing facility care
- ▶ Nursing home care
- ▶ Hospice care
- ▶ Services for Home Health Care

### 2021 MEDICARE PART A PREMIUM

	<p>Most people do not pay a monthly premium for Part A. If you buy Part A, you will pay up to \$458 each month in 2021</p>
	<p>1 Less than 30 quarters, the standard Part A premium is <b>\$471</b>.</p>
	<p>2 If you paid Medicare taxes for 30-39 quarters; the standard Part A premium is <b>\$259</b>.</p>
	<p>3 If you worked more than 40 quarters Medicare Part A is <b>FREE</b>.</p>

\*Social Security counts each calendar quarter (quarter = three months) that you work and pay into Social Security and Medicare taxes toward your eligibility for premium-free Part A.  
\*If Married, and you don't have a work history but your spouse does, your spouse's work history counts towards yours as well.

## Part B (Medical Coverage)

**Part B (Medical Coverage)** – is government provided and has a premium which is based off an individual's income. If you don't get Part B when you're first eligible, your monthly premium may go up 10% for each 12-month period you could've had Part B. You pay a premium each month for Part B. Your Part B premium will be automatically deducted from your benefit payment if you get benefits from one of these:

- ▶ Social Security
- ▶ Railroad Retirement Board
- ▶ Office of Personnel Management
- ▶ If you don't get these benefit payments, you should get a bill.

## Part B Covers

- ▶ Most doctor services (including most doctor services while you're a hospital inpatient)
- ▶ Outpatient therapy
- ▶ Durable Medical

Equipment (Dme)

## 2021 Medicare Part B Premiums

Medicare Part B Income-Related  
Monthly Adjustment Amounts  
Based on Yearly Income in 2019

Beneficiaries Who File Individual Tax Returns	Beneficiaries Who file joint Tax Returns	File Married & Separate Tax Return	Total Monthly Premium Amount
Less than or equal to \$87,000	Less than or equal to \$174,000	\$88,000 or less	\$148.50
Greater than \$87,000 and less than or equal to \$109,000	Greater than \$174,000 and less than or equal to \$218,000	Not Applicable	\$207.90
Greater than \$109,000 and less than or equal to \$136,000	Greater than \$218,000 and less than or equal to \$272,000	Not Applicable	\$297.00
Greater than \$136,000 and less than or equal to \$163,000	Greater than \$272,000 and less than or equal to \$328,000	Not Applicable	\$386.10
Greater than \$163,000 and less than \$500,000	Greater than \$328,000 and less than \$750,000	Above \$88,000 and less than \$412,000	\$475.20
Greater than or equal to \$500,000	Greater than or equal to \$750,000	\$412,000 and Above	\$504.90

\*Some people qualify for Medicare Savings Programs to help with Part B premiums



## PART C – Medicare Advantage Plans

As part of Medicare, you may have the option of enrolling in a Medicare Advantage Plan. These plans, often known as 'Part C', 'MA/MAPD Plans', or 'All-In-One Plans' are provided by Medicare-approved Insurance Carriers. Premiums are set at a fixed rate regardless of age and some plans even being premium-free. Part C is optional.

**If you enroll in a Medicare Advantage Plan, you must be enrolled in Part A AND B by continuing to pay your Medicare Part B premium, as well as any plan-specific premiums (if any).**

### **Most also include the following along with the Part A and B Coverage:**

Vision, hearing, dental, and/or health and wellness programs are examples of optional coverage (these benefits are not offered in Original Medicare).

Drug Coverage (Part D) is included in most plans.

Plans may have lower co-pays/coinsurance costs than Original Medicare.

Plans have a yearly limit on what you pay out of pocket, once reached you will pay nothing for Part A and B services (this is not offered in Original Medicare).



## PART D – Prescription Drug Plan

Medicare Part D simply put is coverage for your medication needs. Medicare Part D is for people who are not enrolled in a Medicare Advantage Plan (as most of them include it) and have Part A and/or Part B.

Although Part D is optional, if you do not purchase Part D with Original Medicare, a Medicare Advantage Plan or have some other type of Creditable Coverage by the time you are 65 you will not have Prescription coverage and also be subject to a penalty.

**Medicare calculates the penalty by multiplying 1% of the “national base beneficiary premium” (\$33.06 in 2021) times the number of full, uncovered months you didn’t have Part D or creditable coverage. The monthly premium is rounded to the nearest \$.10 and added to your monthly Part D premium.**



The national base beneficiary premium may change each year, so your penalty amount may also change each year.

### WHAT DOES “PART C” COVER?



HOSPITAL



DOCTOR



PRESCRIPTION DRUGS

### “PART C” MAY COVER



VISION



HEARING



DENTAL

\*If you have limited income and resources, your state may help you pay for Part A, and/or Part B. You may also qualify for Extra Help to pay for your Medicare prescription drug coverage. Contact Us for more information about this.

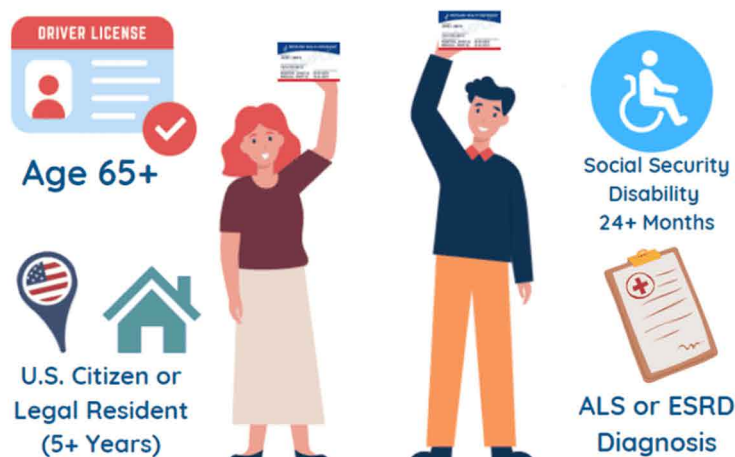
# Medicare Eligibility

## Who is eligible for Medicare?

- ▶ Age 65 and older.
- ▶ Younger People with disabilities.
- ▶ People with End Stage Renal Disease (ESRD) Disease (permanent kidney failure requiring dialysis or transplant).

**You can get Part A at age 65 without having to pay premiums if:**

- ▶ You are receiving retirement benefits from Social Security or the Railroad Retirement Board.
- ▶ You are eligible to receive Social Security or Railroad benefits but you have not yet filed for them.
- ▶ You or your spouse had Medicare-covered government employment.



## Medicare Eligibility Is Not Automatic

One wrong belief about Medicare eligibility is that everyone receives their benefits upon turning 65. This is not true. Age-related Medicare eligibility requires meeting the following:

- ▶ You are either an American citizen or a permanent, legal resident who has resided in the U.S. for at least five years.
- ▶ Either you or your spouse worked for at least 10 years to earn the 40 credits necessary to receive railroad retirement or Social Security benefits. One credit equals three months (one-quarter of a year). You receive Part A services without paying a premium only if you earned 40 credits.
- ▶ Either you or your spouse is employed by or retired from the government and did not pay into Social Security but did pay Medicare taxes while employed.

If you did not earn 40 credits, you must pay a monthly premium for Medicare Part A hospital insurance. You can also apply for Part A coverage without paying a premium based on your spouse's work record if you are at least 65 and your spouse is at least 62.

# Enrollment Periods

## Understanding the Different Medicare Enrollment Periods:

Understanding the different Medicare enrollment periods and when to enroll in what can be confusing. There are so many different dates to remember and getting them mixed up can cause consequences. Missing deadlines can mean late fees and monetary penalties. No one wants that, right? Here, we will briefly touch on what each enrollment period is and give you the resources to help you nail down the terms and dates.

## Initial Enrollment Period (IEP):

Initial enrollment into Medicare is important. Not understanding or enrolling in the proper parts of Medicare when first enrolling can potentially cause you to have to pay life-long penalties or not be properly covered.



If you are still working and have creditable coverage (coverage equivalent to Medicare) through your job, then you can postpone applying for your Medicare till you retire or lose that coverage. This can be done during an SEP.

## Medicare Eligibility Is Not Automatic

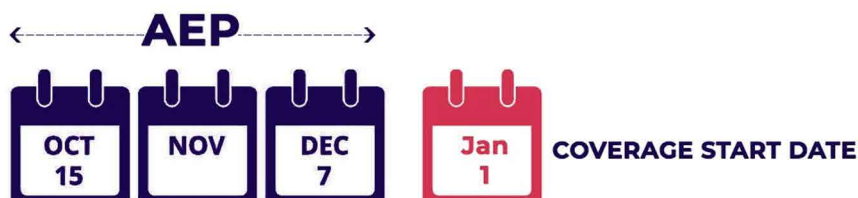
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- ▶ Either you or your spouse is employed by or retired from the government and did not pay into Social Security but did pay Medicare taxes while employed.

If you did not earn 40 credits, you must pay a monthly premium for Medicare Part A hospital insurance. You can also apply for Part A coverage without paying a premium based on your spouse's work record if you are at least 65 and your spouse is at least 62.

## Annual Enrollment Period (AEP) October 15th - December 7th

Medicare beneficiaries that already have Part A and Part B can use this election period to enroll in, change, renew or disenroll from a Part D, Medicare Supplement Plan or Medicare Advantage plan that will start on January 1st, the following year.



## Open Enrollment Period January 1st – March 31st

This period is for those who are enrolled in a Medicare Advantage Plan. If you're unhappy with your Medicare Advantage Plan (Medicare Part C), you have options. During this time, if you're in a Medicare Advantage Plan and want to change your health plan, you can do one of these:

- ▶ Switch to a different Medicare Advantage Plan with or without drug coverage.
- ▶ Go back to Original Medicare and, if needed, also join a Medicare Prescription Drug Plan.



## General Enrollment Period (GEP) January 1st – March 31st

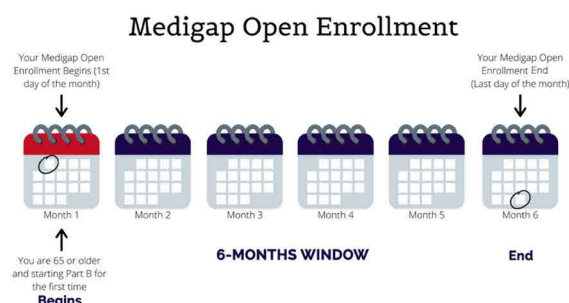
The General Enrollment Period for Medicare takes place from January 1 through March 31 of every year. If you didn't enroll into Original Medicare during your IEP, you can use the GEP to enroll in Part A and/or Part B at any time during this enrollment period. When you enroll during this time, your coverage begins on July 1. It's likely since you delayed enrollment that you'll pay a Part B late enrollment penalty.

The General Enrollment Period (GEP) allows individuals to enroll in Parts A and B, but late enrollment penalties may apply and increase your premiums.



## Medi-Gap Enrollment Period

The General Enrollment Period for Medicare takes place from January 1 through March 31 of every year. If you didn't enroll into Original Medicare during your IEP, you can use the GEP to enroll in Part A and/or Part B at any time during this enrollment period. When you enroll during this time, your coverage begins on July 1. It's likely since you delayed enrollment that you'll pay a Part B late enrollment penalty.

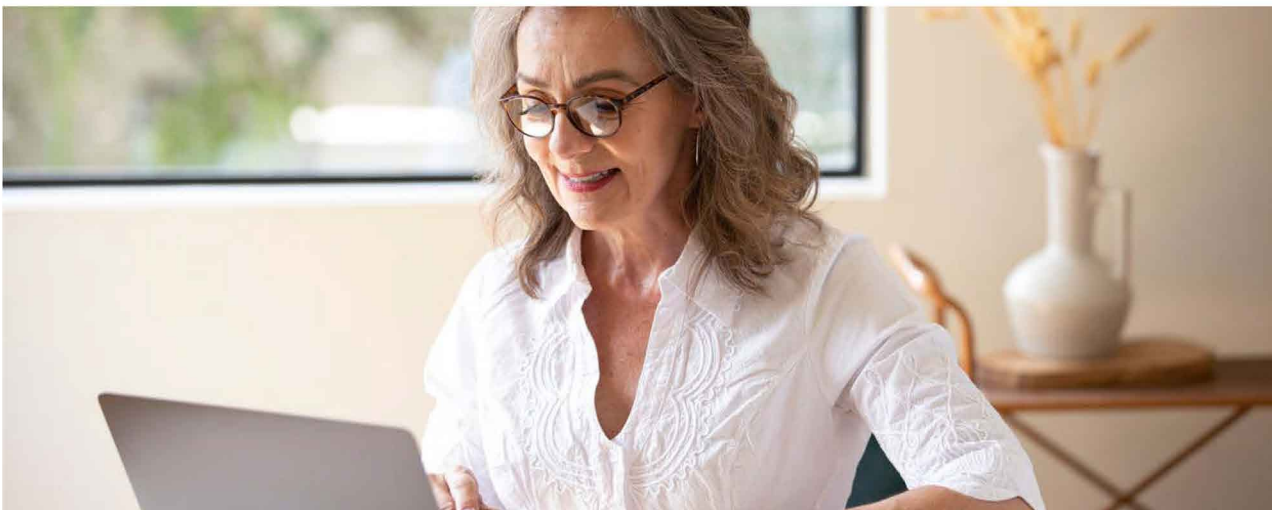


## Medicare Advantage Plan (Part C)

Medicare beneficiaries that already have Part A and Part B can use this election period to enroll in, change, renew or disenroll from a Part D, Medicare Supplement Plan or Medicare Advantage plan that will start on January 1st, the following year.

**If you enroll in a Medicare Advantage Plan, you must continue to pay your Medicare Part B premium, as well as any plan-specific premiums (if any).**

**A Medicare Supplement Insurance Plan and a Medicare Advantage Plan cannot be purchased at the same time.**



### **MOST ALSO INCLUDE THE FOLLOWING ALONG WITH THE PART A AND B COVERAGE:**

- ▶ **Vision, hearing, dental, and/or health and wellness programs are examples of optional coverage (these benefits are not offered in Original Medicare)**
- ▶ **Drug Coverage (Part D) is included in most plans  
Plans may have lower co-pays/coinsurance costs than Original Medicare.**
- ▶ **These services are subject to a variety of copays, coinsurance, and deductibles, depending on the plan.**

## Different Types of MAPD Plans:

### ▶ **HMO – Health Maintenance Organization:**

Except in an emergency, most HMOs only allow you to see doctors, specialists, or hospitals on the plan's list/network. Prior to seeing a specialist, you need to obtain a referral from your primary care physician.

#### **HMO-POS is an acronym for HMO Point of Service Plan.**

This is an HMO plan that lets you to pay a higher price for out-of-network treatments.

### ▶ **PPO – Preferred Provider Organization:**

If you utilize physicians, hospitals, and other health care providers who are part of the Medicare Advantage plan's network, you will pay less in most PPOs. You can also see physicians, hospitals, and providers out-of-network, but you'll have to pay higher copays and coinsurance.

### ▶ **PFFS – Private Fee for Service:**

Like Original Medicare, PFFS plans allow you to see any doctor, other health care professional, or hospital if they agree to treat you. The Medicare Advantage Plan sets how much the government will pay doctors, other health-care providers, and hospitals, as well as how much you will have to pay when you receive care.

### ▶ **MSA – Medical Savings Account:**

This is a health-insurance plan with a high deductible that also includes a bank account. Money is deposited into the account by Medicare (usually less than the deductible). You can use the funds to cover the cost of your health-care services throughout the year.

## **DEFINITION**

#### **Copay**

A fixed amount for a covered service (e.g. \$10 or \$20) you pay to an insurance provider

#### **Coinsurance**

The percentage of costs of a covered health care service (e.g. 10%, 20%) you pay after you've paid your deductible

#### **Deductible**

The amount you pay out of pocket before your plan will pay any expenses

#### **Out-of-Pocket Maximum**

Maximum limit you'll spend out of pocket in a given calendar year

#### **Out-of-Pocket**

Amount you pay out of your own pocket for health services

#### **Formulary**

A list of generic and brand name prescription drugs covered by your health plan

## Original Medicare Add-Ons

Medicare Supplement (MediGap)

Part D (Drug Plan)



## What is a Medicare Supplement Plan (MediGap)?

Medigap is Medicare Supplement Insurance that helps fill “gaps” in Original Medicare. (Original Medicare is only Part A and B) and is sold by private companies. Original Medicare pays for much, but not all, of the cost for covered health care services and supplies. A Medicare Supplement Insurance (Medigap) policy can help pay some of the remaining health care costs, like:

**Copayments**

**Coinsurance**

**Deductibles**

## Other things to know about Medigap policies:

- ▶ You must have Medicare Part A and Part B:  
You don't technically need Medicare Part B to enroll in a Medicare Supplement plan, however without it, your supplement won't cover any of your outpatient costs. Ultimately, it's not likely to be cost-efficient to have a Medicare Supplement plan without Medicare Part B, and it isn't recommended.
- ▶ You pay the private insurance company a monthly premium for your Medigap policy. You pay this monthly premium in addition to the monthly Part B premium that you pay to Medicare.
- ▶ Some Medigap policies also cover services that Original Medicare doesn't cover, like medical care when you travel outside the U.S. Medicare Supplement Plans are optional.

**MEDICARE SUPPLEMENT PLANS ARE OPTIONAL**



## What is Part D?

**Medicare Part D simply put is coverage for your medication needs.**

**Medicare Part D is for people who are not enrolled in a Medicare Advantage Plan (as most of them include it) and have Part A and/or Part B.**



Although Part D is optional, if you do not purchase Part D with Original Medicare, a Medicare Advantage Plan or have some other type of Creditable Coverage by the time you are 65 you will be subject to a penalty.

Medicare calculates the penalty by multiplying 1% of the “national base beneficiary premium” (\$33.06 in 2021) times the number of full, uncovered months you didn’t have Part D or creditable coverage. The monthly premium is rounded to the nearest \$.10 and added to your monthly Part D premium.

The national base beneficiary premium may change each year, so your penalty amount may also change each year.

## How does Medicare Part D work?

### ▶ **Annual Deductible:**

You will pay the network discounted price for your medications until you accumulate it and have satisfied the deductible. After that, you enter initial coverage.

### ▶ **Initial Coverage:**

During this stage of Part D drug coverage, you will pay a copay for your medications based on the drug formulary. Each drug plan will separate its medications into tiers. Each tier has a copay amount that you will pay. For example, a plan might assign a \$7 copay for a Tier 1 generic medication. Maybe a Tier 3 is a preferred brand name for a \$40 copay, and so on. The insurance company tracks the spending by both you and the insurance company until you have together spent a total of \$4,130 in 2021 (this may change yearly).

### ▶ **The Coverage Gap also known as (Donut Hole):**

After you’ve reached the initial coverage limit for the year, you enter the coverage gap. During the gap, you will pay only 25% of the retail cost of your medications. In 2021, that limit is \$4,130. While in the coverage gap, you are responsible for a percentage of the cost of your drugs.

**NOTE:** To get OUT of the gap, it only counts what you have paid in deductibles, copays and gap spending that year, plus manufacturer discounts. They do not count anything the federal government contributes.

### ▶ **Catastrophic Coverage:**

After you’ve reached the end of the coverage gap, your plan will kick in to pay 95% of the costs of your formulary medications for the rest of the year. This feature in Part D drug plans helps you limit your potential spending if you have expensive medications.

# Original Medicare VS. Medicare Advantage

## Original Medicare

You can join an independent Medicare drug plan if you wish to get drug coverage (Part D)

Medicare Advantage is "all in one" Original Medicare Alternative. These Part A, Part B, are part of the bundled plans; And part D, generally.

Any doctor or hospital taking Medicare can be used anywhere in the United States..

You can also acquire and buy supplemental cover to pay for your out-of-pocket costs in Original Medicare (such as your 20% coinsurance).

Part A



Part B



You can add:

Part D



You can also add:

Supplemental coverage



## Medicare Advantages

(also known as Part C)

You can join an independent Medicare drug plan if you wish to get drug coverage (Part D)

In most situations, doctors on the plan networks has to be used.

Plans might be cheaper than the original Medicare out-of-pocket payments.

Plans can offer some additional benefits not covered by Original Medicare – such vision, hearing, and dental treatments.

Part A



Part B



Most Plans include:

Part D



Some plans also include:

Lower out-of-pocket-costs

# Original Medicare VS. Medicare Advantage

## Original Medicare

You don't require a referral to a specialist in most situations.

In most situations, you don't have to obtain an original Medicare service or supply approved in advance.

## Medicare Advantages

(also known as Part C)

You can join an independent Medicare drug plan if you wish to get drug coverage (Part D)

Plans do not typically cover outside the United States care.

## COST

Original Medicare covers most services and supplies in medically necessary hospitals, doctor's offices and in other medical facilities. Original Medicare does not cover certain advantages including eye examinations, most dentures, and routine examinations.

You don't require a referral to a specialist in most situations.

In most situations, you don't have to obtain an original Medicare service or supply approved in advance.

### Part A hospital inpatient deductible and coinsurance

You pay:  
\$1,484 deductible for each benefit period  
Days 1-60: \$0 coinsurance for each benefit period  
Days 61-90: \$371 coinsurance per day of each benefit period  
Days 91 and beyond: \$742 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

### Part B Deductible and Coinsurance

\$203. After your deductible is met, you typically pay 20% of the Medicare-Approved Amount for most doctor services (including most doctor services while you're a hospital inpatient), outpatient therapy, and durable medical equipment (dme)

Any physician or hospital taking Medicare can be taken anywhere in the United States.

To see a specialist you may require a referral.

Plans do not typically cover outside the United States care.

### Part C premium

The Part C monthly premium varies by plan. Compare costs for specific Part C plans.

✉ [enroll@medinsco.com](mailto:enroll@medinsco.com)

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Medicare Enrollment Platform

# Original Medicare VS. Medicare Advantage

## Original Medicare

## Medicare Advantages

(also known as Part C)

### COVERAGE

Original Medicare includes the majority of services and materials required by healthcare in hospitals, medical offices and other settings. Original Medicare does not cover some benefits, such as eye tests, most dental treatments and regular tests.

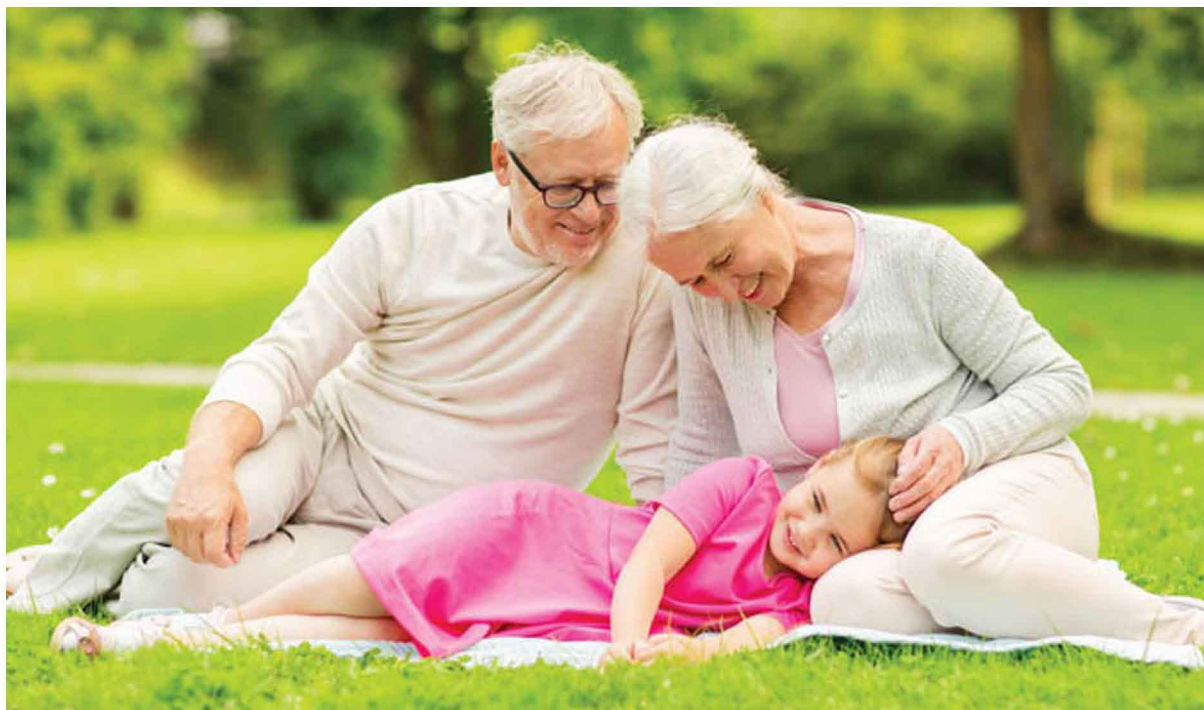
To obtain drug coverage you can join a separate Medicare plan (Part D)

In most situations, you don't have to obtain an original Medicare service or supply approved in advance.

All medically needed services covered by Original Medicare must be covered by plans. Most plans provide additional services, such as vision, hearing, dental exams and more, not covered by Original Medicare. More of these perks can now be covered in plans.

Drug coverage (Included D) is part of the majority of policies. You don't have to join a separate Medicare medication plan in most types of Medicare Advantage Plans.

In some cases, you have to get a service or supply approved ahead of time for the plan to cover it.



## The Right Plan Can Save You From Headaches and High Costs, Too.

✉ [enroll@medinsco.com](mailto:enroll@medinsco.com)

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