

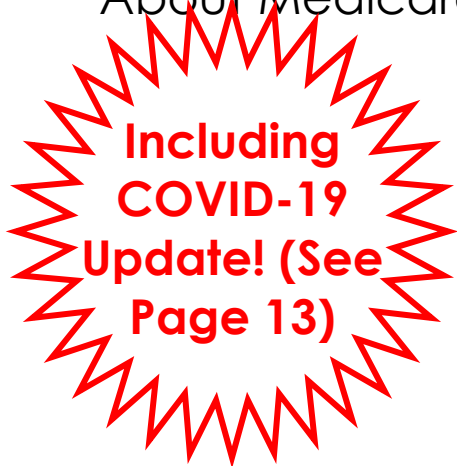


CAREY
Benefit Associates

C. Chase Carey, MBA, President -- ChaseCarey@CareyBenefits.com
1050 Longpointe Pass, Suite 100, Alpharetta, GA 30005-2281
Office: 770.751.6460 eFax: 678.868.1892

Busy Executive Guide to Medicare – 2021

An Overview of Everything You Need To Know
About Medicare Benefits, Costs, and Choices



**Christopher "Chase" Carey,
MBA, 3rd Degree Black Belt**

January 2021 - Celebrating Our 12th Year

**Great Resource: "Medicare & You 2021" from www.Medicare.gov
1.800.MED-ICARE (633-4227).**

Sign Up ONLINE at www.SocialSecurity.gov/Medicare

THIS GUIDE IS PROVIDED FREE BY EMAIL: CHASECAREY@CAREYBENEFITS.COM

This publication is not associated nor endorsed by Medicare, CMS, or any government agency.



Medical ~ Dental and Vision ~ Individual Life ~ Disability ~ LTC ~ www.CareyBenefits.com

I. Medicare Overview For 2021

There are four "Parts" of Medicare Benefits. Some are provided and paid for by the Federal Government, some you share the cost of, and some are provided by private insurance companies which are paid entirely. **You can jump to page 11 to see a graphic of your choices.**

II. When Are You Eligible?

Generally, you will be eligible for Medicare on the first day of the month in which you turn 65 if you or your spouse have contributed to the Social Security system for 40 Quarters. You can sign up for Medicare up to 3 months in advance of your 65th birthday through your Social Security Office or on line at www.SocialSecurity.gov/medicare. You can also sign up in the 3 months after you turn 65 but your effective date may then be later than the month in which you turn 65.

If you sign up for Social Security benefits you will automatically be signed up for Medicare Parts A and B (assuming you qualify for Medicare), however, because more and more people will not qualify for Social Security until after they turn 65, they ***must reach out to Social Security and enroll proactively.***

If you do not sign up for Social Security when you turn 65, Medicare will NOT automatically enroll you in Medicare A or B.

Some people can receive Medicare earlier if they are considered disabled under Social Security. You can sign up on line at www.socialsecurity.gov/medicare or call Social Security at 1.800.772.1213. **You CANNOT enroll by calling Medicare directly – think of Medicare as being a downstream provider from Social Security.** Some persons are automatically enrolled in Part A and B; but call or go on line to be sure.

If you delay your enrollment in Medicare Parts A and/or B at age 65 because you are covered by your Employer's group benefits plan or your spouse's Employer's group benefits plan where you or your spouse were covered as an **ACTIVE** employee or dependent thereof, you may enroll in Parts A and/or B during the 8 month period which begins when your employee/dependent coverage ends or the employment ends, whichever happens first.

Note: Enrollment in a group plan under COBRA DOES NOT delay the time period in which you can enroll in Medicare A and/or B without penalty. This means that if you work past age 65, then leave employment, get covered under COBRA and do not enroll in Medicare A and/or B, you will pay a penalty and your effective date will be delayed.



There is GENERALLY NO REASON not to enroll in Part A as you turn age 65 because for the great majority of people enrolled in Part A, they pay no premium.



III. Quick Overview

There are 4 "Parts" to Medicare coverage.

Part A - Inpatient Hospital Insurance

Part B - Outpatient Doctor/Surgeon, Home Health Care Insurance

Part C - A PPO, POS or HMO REPLACEMENT to Parts A and Part B and sometimes Part D (There are other, disappearing types of Part C plans not mentioned here)

Part D - Prescription Drug Insurance

Medicare Supplement Plans - These are not part of Medicare but are used to fill in the gaps. If you buy a Part C Medicare Plan, which replaces Medicare, you do not need, and cannot have, a Medicare Supplement Plan.

IV. What Does Medicare Cost?

Part A - Free to almost anyone who has lived and worked in the US for 40 quarters. Otherwise, it is up to \$471.00 per month.

Part B - Varies based on your income. For most people new to Medicare in 2021, monthly Part B premium will be \$148.60 or higher but many people will pay less (on average, \$110'ish). For individuals with Higher Incomes, you will pay a surcharge on your Part B premiums. The surcharge for 2021 is based on your income from 2019. Here is a chart for premiums:

<u>Part B Premiums, Including Surcharge, If Any For 2021 (Based on 2019 Income)</u>		
<u>Individual Income</u>	<u>Joint Income</u>	<u>Premium Per Month</u>
<= \$88,000	<= \$176,000	\$ 148.50
\$88,001 <= \$111,000	\$174,001 <= \$222,000	\$207.900 (+\$59.40)
\$111,001 <= \$1388,000	\$222,001 <= \$276,000	\$297.00 (+148.50)
\$138,001 <= \$165,000	\$276,001 <= \$330,000	\$386.10 (+\$237.60)
\$165,001 < \$500,000	\$330,001 < \$750,000	\$475.20 (+\$326.70)
\$500,000+	\$750,000+	\$504.90 (+\$356.40)



If you do not enroll in Part B when first eligible and do not have coverage through an employer as an active employee or dependent of an active employee, you will have a 10% penalty for each 12 months you did not enroll, once enrolled, FOR LIFE!



Part C - Varies by carrier and by plan, but you can get a plan better than just Medicare A and B starting at \$0 a month because, among other things, it has a cap on your out of pocket expenses (you still have to pay your Part B premium) and you can get a very, very comprehensive plan for about \$90 - \$100 a month additional (you still have to pay your Part B premium). **You must be eligible for Medicare Part A and enrolled in Part B to enroll in a Part C plan. It is important to note that Part C network providers are CARRIER and STATE specific, and generally, their networks are MUCH SMALLER than the networks with the group plans you have at work.**

One of the recently added benefits for Part C plans is coverage for **HEARING AIDS**. This can save a member \$1,000's of dollars a year.

Part D - Varies by carrier and plan, but you can get plans that range from about \$35 a month to \$95 a month in the Southeast. Beginning in 2011 there was a surcharge added to the Part D (Rx) premiums in addition to the Part B (Medical) premiums for High Income Earners, resulting in higher Part D premiums. This does not apply if you do not enroll in a Part D plan.

The additional premium is based on a percentage applied to the national average cost of Part D plans. The Part D premium you pay is targeted to pay 25.5% of the Medicare Part D plan costs. **You must be enrolled in Medicare Part A and/or Part B to be eligible to buy a Part D plan. You do not have to be enrolled in both Medicare Parts A and B to be eligible.**

Part D Premium Surcharge for 2021 (Based on 2019 Income)		
<u>Individual Income</u>	<u>Joint Income</u>	<u>Surcharge Per Month</u>
<= \$88,000	<= \$176,000	No Surcharge
\$88,001 <= \$111,000	\$174,001 <= \$222,000	\$12.30
\$111,001 <= \$138,000	\$222,001 <= \$276,000	\$31.80
\$138,001 <= \$165,000	\$276,001 <= \$330,000	\$51.20
\$165,001 < \$500,000	\$330,001 < \$750,000	\$70.70
\$500,000+	\$750,000+	\$77.10



If you do not enroll in a Part D plan when first eligible and do not have creditable coverage elsewhere (such as an employer, the VA, private plan), you will have a penalty for each 12 months you did not enroll, once enrolled, for life. For 2021, the monthly penalty is approximately \$4.00 extra per month.



V. The Parts of Medicare - Summary of Benefits

Part A (Provided by the Federal Government - Usually Free) -----

Part A is Hospital Insurance (also Skilled Nursing Facility - not Nursing Home), Blood, and Home Health Care Services. It covers up to 150 days of hospital stays. There is no premium for this coverage for most people. **There are NO pre-existing exclusions.**

<u>Days in a Hospital In a Benefit Period*</u>	<u>What Medicare Pays</u>	<u>What You Pay</u>
1 - 60	Everything but \$1,484	\$1,484
61 - 90	Everything but \$371 per day	\$ 371 per day
91-150 (using Life Time Reserve Days)	Everything but \$742 per day **	\$ 742 per day
91 - 150 (not using LTR Days)	Everything	Nothing
151+	Nothing	Everything

<u>Days in a Skilled Nursing Facility in a Benefit Period***</u>	<u>What Medicare Pays</u>	<u>What You Pay</u>
1 - 20	Everything	Nothing
21 - 100	Everything but \$185.50 per day	\$185.50 per day
101+	Nothing - Not Covered	Everything

* A **Benefit Period** begins the first day you are hospitalized and ends on the 60th day you have not been in a covered stay in a Hospital or Skilled Nursing Facility. This is very different from the way group and individual insurance policies work that you may have had before Medicare. Only 190 days may be applied for treatment of Mental and/or Nervous disorders.

** There are 60 Life Time Reserve days that you can use in any combination, ONE TIME. You can use them all at once or over years.

*** **To be eligible for Skilled Nursing Facility benefits you must be admitted to an SNF within 14 days of a 3+ day hospital stay. This is very, very important and is often not understood by Medicare enrollees.**

Part B (Provided by the Federal Government - You Pay a Monthly Premium) -----

Part B is Medical Insurance that pays for doctor care, including office visits and surgery. **There are NO pre-existing exclusions.**



<u>Deductible (Annual)</u>	<u>Benefit %</u>
\$203.00	80%

There is an annual deductible of \$203.00; after that Medicare pays 80% of the Medicare Approved Charge with no cap. If you go to a doctor that “Accepts” Medicare, he or she can bill you the \$203.00 deductible plus the 20%. **Neither Medicare A nor B contain a cap on your out of pocket expenses. It is very important to know this.**

If your doctor does not “Accept” Medicare, but call bill Medicare, he or she can bill you the \$203.00 deductible plus the 20% plus an additional 15% of the Medicare Approved Charge.

You get a one-time Welcome to Medicare Physical Exam in your first 12 months.

Part C (Provided by Private Insurance Companies – Replaces Medicare A and B – and Often D - You Pay Your Part B Premium + Any Plan Premium) -----

Part C plans are commercial HMO, POS, or PPO plans that provide coverage that is at least economically equivalent, but not identical, to Medicare Parts A and B and/or Part D. These plans completely replace Medicare Parts A and B and/or Part D. (There are also Part C PFFS plans which are not discussed here).

These plans have networks of providers which you must use in order to get benefits or the highest level of benefit. For HMO plans, if you do not use the network, you do not get any coverage, except ER visits. For PPO and POS plans, if you do not use the network, you still get coverage but at a much reduced level. **These plans do NOT use all doctors able to accept Medicare and may be limited to your state or a service area smaller than your state.**

All plans cover necessary visits to any Emergency Room anywhere in the US.

Many Part C plans also include Part D (Rx) coverage. Most people that chose a Part C plan chose one with Part D (Rx) coverage. Such plans are called MAPD (Medicare Advantage with Part D).

If you enroll in a Medicare Part C Plan there is no need for you to keep a Medicare Supplement Plan, and in fact, you cannot keep one if you have a Part C Plan.

Part D (Provided by Private Insurance Companies – You Pay a Plan Premium) -----

Part D benefits vary by carrier and most have more than one plan to offer. Medicare sets a standard to which carriers must be at least economically equivalent to, but not identical. Most carriers offer a benefit better than the standard. Note that all plans use drug formularies.

There are two things you want to keep an eye out for. The first is the Deductible and the second is the Coverage Gap, which is also known as the Donut Hole. However, since January 1, 2020,



the Donut Hole has largely been eliminated. Since coverage elsewhere in the plan must be pretty comprehensive (except for the deductible), coverage in these areas can be an important factor in deciding which plan to choose as well as the plan specific drug formulary. Many part D drug plans now have preferred pharmacies within their network list – which can help lower your drug costs even more when using them. You can also go to www.Medicare.gov, create a prescription list and Medicare will compare plans for you. Most carriers and pharmacies have similar online tools too.


Below you will see what the 2021 Medicare Standard Drug Plan looks like. When you buy Part D insurance coverage, whether through a Medicare Part C (MAPD) plan or a stand-alone Part D (PDP) plan, in all likely hood, your plan will vary somewhat from the Standard Drug plan. That is because the insurance companies must offer something economically equivalent, but not identical, to the Part D Standard Plan. Many offer better coverage than the standard plan.

How do you choose the best Part D plan for your prescription drug use? Go to the insurance carrier website (or to Medicare.gov), put in your prescriptions and pharmacies and the site will compare your prescription and out of pocket costs under different plans.



IMPORTANT NOTE: If you do not enroll in a Medicare Part D plan when first eligible and you do not have comparable coverage elsewhere, you will pay a penalty, once enrolled, each month, for life.



2021 Standard Part D (Rx) Plan		
<u>Rx Cost: You + Ins Co + Disc</u>	<u>Name</u>	<u>What You Pay / They Pay (On Average)</u>
\$0 - \$445	Deductible	You Pay 100% / They Pay 0%
\$446 - \$4,130	Initial Coverage Period	You Pay 25% / They Pay 75%
\$4,131 - \$5,183.75 to \$10,048.39 (varies with mix of generic and brand drugs)	Coverage Gap / Donut Hole Pretty much phased out starting January 1, 2020 	You Pay 25% (+\$1-\$3) for plan covered Generic Drugs and Brand Drugs ~ The plan pays 75% of the cost of Generic Drugs and 5% of the cost of Brand Drugs. You receive a 70% discount from the drug companies for Brand Drugs.
\$\$5,183.76 to \$10,048.40+	Catastrophic Area	You Pay ~5% / They Pay ~95% You pay the greater of 5% or \$3.70 Generic or \$9.20 Brand



I. Medicare Supplement Plans

Medicare Supplement plans are traditional indemnity plans that wrap around Medicare Parts A and B. All Medicare Supplement plans are regulated by the Federal Government and have an alphabetic name, A through N. Some were eliminated by Congress years ago. Plans C and F are not available to new enrollees starting in 2020.

These plans are the same regardless of what state you live in although there are some exceptions to this rule.

Medicare Supplement plans have premium rates that vary by plan and tend to cost between \$115 and \$150 per month in the Southeast. These premiums are in addition to your Part B premium. These premiums can vary by insurance carrier.

VII. When Can You Enroll?

When you can enroll in which types of plans varies and there are many special exceptions to the main rules, but in short, if you do not enroll when you are first eligible for Medicare, then you will be restricted as to when you can enroll in the future and you may have lifetime premium penalty. ***Do not take this lightly - Medicare is extremely valuable coverage which you should use.***

Part A - you can first enroll in the seven month period that begins the first of the month 3 months before your 65th birthday and ends on the last day of the 3rd month following your 65th birthday. Medicare considers you to turn 65 on the first day of your 65th birth month. If you enroll at this date or later, your Medicare benefits will not start until ***after*** you turn 65.

If you do not enroll in Parts A and/or B when you are first eligible because you have employer group coverage due to the active employment of you or your spouse, you will have an opportunity to do so when you are no longer covered as an active employee or dependent of one. It is called a Special Enrollment Period. **If you do not enroll in Parts A and/or B when you first become eligible and are *NOT* covered by an employer's group coverage as an active employee or dependent, you will be RESTRICTED in your ability to enroll.**

These people are referred to as Late Enrollees. Most people who delay this way can enroll from January 1st through March 31st of a year and their Medicare benefits will start on July 1st of that year. There *will* be a penalty premium added to your Part B premium (currently 10%) if you are a Late Enrollee.

Part B - same as Part A

Part C - same as Parts A and B. You can also enroll:

- Between October 15th and December 7th each year - your benefits will begin on



Medical ~ Dental and Vision ~ Individual Life ~ Disability ~ LTC ~ www.CareyBenefits.com

January 1 the following year. You can enroll, dis-enroll, and change plans (there are limitations)

- Between January 1 and March 31st each year - your benefits will begin on the first day of the following month. If you have a Medicare Advantage Plan you can enroll, dis-enroll, and change plans (there are limitations)

Part D - same as Part C.

If you do not enroll in Part D when you are first eligible and did not have "Creditable" drug coverage elsewhere, such as from an employer plan, when you go to enroll, you will pay a penalty. The penalty will be in the form of a higher Part D premium. Your premium will be an additional 1% of the national average of Part D drug plan premium for each month you went without it. The penalty is currently (2021) approx. \$0.331 per month. (This means if you delay in enrolling in Part D for 12 months, your monthly premium will be approximately an additional \$4.00).

For example, if you wait 3 years to get drug coverage, your premium will be higher by 36% of the national average cost of Part D plans (in 2021 this would equal approx. an additional \$12.00 added to your Part D premium each month for the rest of your life.

Medicare Supplements - The same as Parts A and B. If you do not enroll in a Medicare Supplement plan because you had health coverage from an employer, you can enroll in the seven month period that begins on the 1st of the month 3 months prior to the month in which you lose the employer coverage and ends the last day of the 3rd month following the loss of the employer coverage having been covered as an active employee or dependent of an active employee. NOT as a COBRA participant or as a retired employee or dependent of a retired employee. Many plans have a pre-existing condition exclusion if you do not enroll during a guaranteed issue period.

If you do not enroll during these specified times, your application will be subject to medical underwriting, which means they can turn you down; you may also be subject to a Pre-Existing Condition Exclusion meaning the policy would not pay for illnesses or injuries during the first year of the policy that you had before the policy was issued.

Medicare Supplement plans when originally offered by carriers were all different (although they mostly wrapped around Medicare in the same ways) and had proprietary names, not alphabetical names. That changed and (almost) all Medicare Supplement plans were standardized across all states and were given letter names. So a Plan G in Georgia is the same as a Plan G in Arizona, although the insurance carrier and premiums would be different. **Do not confuse Medicare Supplement plan names (A, B, C, etc. - although some have been retired) with Medicare Parts A, B, C, and D. They are completely different and separate.**



Medicare Supplement plans are not government programs and are offered by private insurance companies. *Do not confuse the two.*

If you move, you can take your Medicare Supplement across state lines with you or you can buy a new Medicare Supplement in your new state without medical underwriting (time limits apply).

VIII. What Medicare Parts A and B Do Not Cover

Medicare Parts A and B are very good coverage but they do not cover everything. Here's a partial list of common treatments and items that are not covered:

- Acupuncture, Jin Shin Jyutsu, Reiki treatments
- Care outside of the United States
- Cosmetic surgery
- Dental exams, Routine eye exams and glasses, Dentures, Hearing Aids
- Emergency care outside of the United States (except in limited circumstances)
- Long Term Care including Nursing Home stays
- More than 190 days of inpatient hospital care for mental/nervous conditions
- Most routine blood screening tests such as those for cholesterol
- Physical exams (except a One-Time Welcome to Medicare Exam)
- **Routine chiropractic care**

Part C plans may cover many of these items and/or offer dental for an additional premium.

To see if something is covered by Medicare, please go to this url:
<http://www.medicare.gov/coverage/your-medicare-coverage.html>

IX. We Hope We Helped You Here - Please Share This Guide with Your Friends and Family

Medicare, Medicare Plans, Medicare Supplements can be very confusing at first because it is different. We hope we helped make things a bit clearer for you here.

The ***Busy Executive Guide to Medicare*** is designed for you to have an easy introduction to Medicare and Medicare Plans so you may have an intelligent, informed conversation with your insurance Broker, agent, Financial Planner or other qualified professional.

It is not a replacement or substitute to "Medicare & You, 2021" published free for you by the Federal Government and available at www.Medicare.gov. The Medicare & You, 2021 guide is, however, 124 pages L-O-N-G. Few people in this click-click-click world can digest the 124 page Guide without some effort.

Should you have any suggestions for additions or changes to this brochure, please email us at ChaseCarey@CareyBenefits.com and put Medicare Guide in the subject line.



Medical ~ Dental and Vision ~ Individual Life ~ Disability ~ LTC ~ www.CareyBenefits.com

Your 2021 Medicare Choices at a Glance



Step 1: Decide How You Want To Get Your Coverage

ORIGINAL Medicare

- or -

Medicare ADVANTAGE Plan
(An HMO, POS, PPO)

Part A
Hospital
Insurance

Part B
Medical
Insurance

Medicare Advantage
Combines Part A, Part B, and
Usually Part D into One Plan

Step 2: Decide If You Need to Add Drug Coverage



Part D
Pres. Drug
Coverage



Part D
Pres. Drug
Coverage

Congratulations!
You Are All Done!



Step 3: Decide If You Need to Add Supplemental Coverage

Medicare
Supplement



Cannot have if
You have a
Medicare
Advantage
Plan

Congratulations!
You Are All Done!



Notes for You

Your birthday: _____

The month/year in which you turn 65: _____

Date you notified Social Security you want to enroll in Medicare: _____

Date you received your Medicare ID Card: _____

Date you contacted your Insurance Broker for Medicare Plans: _____

Your Medicare Broker's Name, Email, and Phone #: _____

(EM) _____ (Phone) _____

Your Financial Planner's Name, Email, and Phone #: _____

(EM) _____ (Phone) _____

DISCLAIMER: This Guide is intended to educate and to make your life easier; it is not a legal description of Medicare or Medicare plans nor a solicitation of insurance.



We appreciate you having taken time to read this; your friends and neighbors will appreciate it even more when you pass them a copy.

If they'd like their very own copy, please have them email me at "ChaseCarey@CAREYBenefits.com" and put BEG Medicare in the subject line.

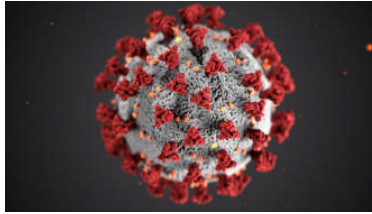
C. Chase Carey, MBA, 3rd Black Belt

O 770.751.6460 ~ C 404.906.5490



Medical ~ Dental and Vision ~ Individual Life ~ Disability ~ LTC ~ www.CareyBenefits.com

Special Update on Medicare Coverage for Covid-19 Tests and Treatments



(Photo courtesy of the CDC's)

Few of us imagined that the next great pandemic would occur in our lifetimes. We may have heard stories from our Grandparents or even our Parents, but like the Great Depression, many of us considered such things as things that just couldn't happen again. Nonetheless here we are: we are living through a pandemic which will, in its various forms, be around for a bit longer. But each and every day, things improve for us.

Some good news is that the Federal Government has responded to the pandemic in many ways including improving the benefits under Medicare (and other plans) by covering:

Covid-19 Testing – generally 100% without any cost to a member

Covid-19 Vaccinations – generally 100% without any cost to a member

Most all other treatment for Covid-19 treatment (doctor visits, hospitalizations, etc.) will be paid, under traditional Medicare Part A and Part B benefits, as outlined in this guide.

Special Notice: Many Medicare Advantage Plans (MA and/or MAPD aka Part C plans) have waived some out of pocket costs for their members that may exceed what is newly covered under Medicare Parts A and B.

For those with Medicare Parts A and B, check out <https://www.Medicare.gov/coverage> to determine is a procedure is covered, ask your provider, or call 1.800.MED-ICARE.

For those with Medicare Advantage Plans (MA and/or MAPD aka Part C plans) check out your carrier's website, ask your provider, or call your carrier.

Regulations Are Changing: Remember that as we get better in responding to Covid-19, rules, regulations, and benefits may continue to change (generally for the better) so keep informed by staying up to date on the Medicare web site and/or your carrier's website.

