

## Medicare Quick Facts

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)

Medicare has different parts that help cover specific services ([Medicare.gov](https://www.medicare.gov)):

- **Medicare Part A (Hospital Insurance):** Part A helps cover inpatient care in hospitals, including critical access hospitals, and skilled nursing facilities (not custodial or long-term care). It also helps cover hospice care and some home health care. Beneficiaries must meet certain conditions to get these benefits. Most people don't pay a premium for Part A because they or a spouse already paid for it through their payroll taxes while working.
- **Medicare Part B (Medical Insurance):** Part B helps cover doctors' services and outpatient care. It also covers some other medical services that Part A doesn't cover, such as some of the services of physical and occupational therapists, and some home health care. Part B helps pay for these covered services and supplies when they are medically necessary. Most people pay a monthly premium for Part B.

**A & B Cost Comparison:** The average individual premium cost for Medicare A&B is \$170 per month. When you compare the premiums to our PPO plan of \$320 per month for single coverage that is a premium cost savings of \$150 per month. For Employee and Spouse that could add to a premium savings of \$448.00 if both are covered on Medicare versus our PPO plan.

- **Medicare Part D (Prescription Drug Coverage):** Medicare prescription drug coverage is available to everyone with Medicare. To get Medicare prescription drug coverage, people must join a plan approved by Medicare that offers Medicare drug coverage. Most people pay a monthly premium for Part D.
- **Medicare Advantage:** Medicare Advantage is a Medicare-approved plan from a private company that offers an alternative to Original Medicare for your health and drug coverage. These "bundled" plans include Part A, Part B, and usually Part D. Plans may have lower out-of-pocket costs than Original Medicare. Plans may offer some extra benefits that Original Medicare doesn't cover — like vision, hearing, and dental services.

### What's a premium, deductible, coinsurance, or copayment?

- **Premium:** A monthly amount you pay for coverage, whether you get services or not.  
**Deductible:** An amount you must pay for covered services and items each year before Medicare, or your plan starts to pay.

- Coinsurance: A percentage of the cost that you pay. In Part B, you generally pay 20% of the cost for each Medicare covered service.
- Copayment: A fixed amount you pay for a Medicare covered service; example \$30.

### Costs for Part A (Hospital Insurance)

*Note: A benefit period starts the day a patient is admitted and ends when the patient has been out of the hospital for 60 days in a row.*

Part A Costs	What you pay in 2022
Premium	\$0 for most people (because they paid Medicare taxes long enough while working - generally at least 10 years). This is sometimes called "premium-free Part A."
Deductible	\$1,556 for each time you're admitted to the hospital per benefit period, before Original Medicare starts to pay. There's no limit to the number of benefit periods you can have.
In-patient Stays (copayments)	Days 1-60: \$0 after you pay your Part A deductible Days 61-90: \$389 each day Days 91-150: \$778 each day while using your 60 lifetime reserve days After day 150: You pay all costs

### Costs for Part B (Medical Insurance)

*Out of pocket savings: Medicare Part B deductible is \$233; our PPO deductible is \$2,000.*

Part B Costs	What you pay in 2022
Premium	\$170.10 each month (or higher depending on your income). The amount can change each year. You'll pay the premium each month, even if you don't get any Part B-covered services.
Deductible	You'll pay \$233, before Original Medicare starts to pay. You pay this deductible once each year.
Cost for services (coinsurance)	You'll usually pay 20% of the cost for each Medicare-covered service or item after you've paid your deductible.

### How much is the Part B late enrollment penalty?

- You'll pay an extra 10% for each year you could have signed up for Part B, but didn't.
- Generally, you won't have to pay a penalty if you qualify for a Special Enrollment Period. To qualify, you (or your spouse) must still be working, and you must have health coverage based on that job.

### Bundle coverage to further the cost savings with Medicare Advantage Plans

If you join a Medicare Advantage Plan, you'll still have Medicare, but you'll get most of your Part A and Part B coverage from your Medicare Advantage Plan, not Original Medicare. Most Medicare Advantage Plans include drug coverage (Part D). These plans set a limit on what you'll have to pay out-of-pocket each year for covered services. In 2022 nearly 7 in 10 MA enrollees (69%) are in plans with no supplemental premium (other than the Part B premium).

## Costs for Part D (Drug Coverage)

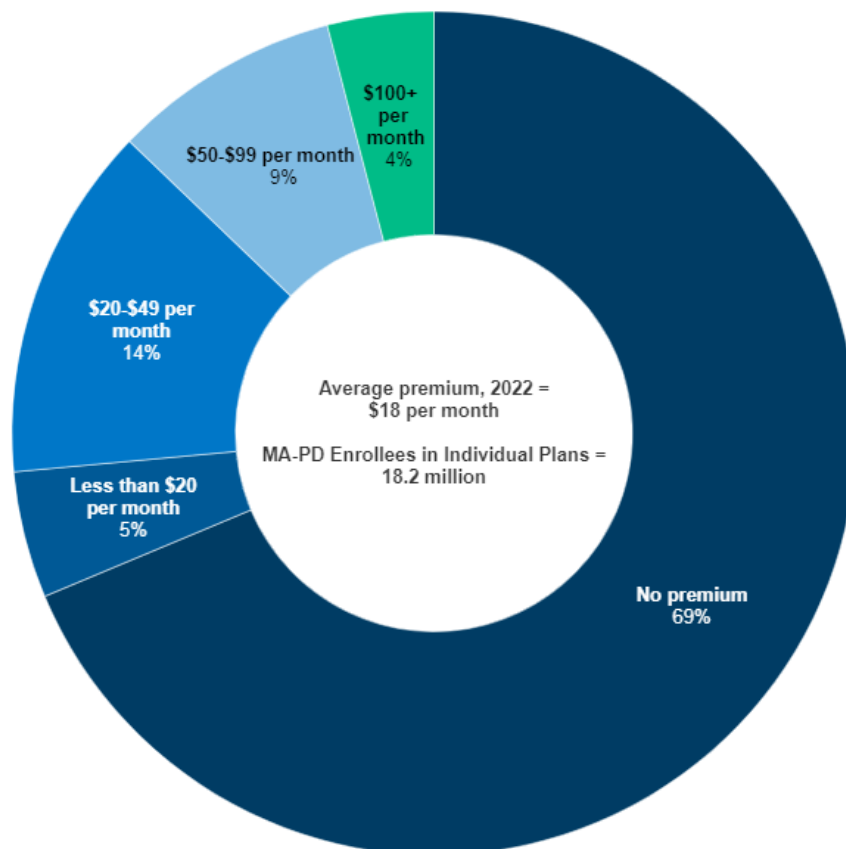
*Note: Your employer health plan has credible coverage for Part D prescription coverage.*

Part D Costs	What you pay in 2022
Premium	Monthly premiums vary based on which plan you join. The amount can change each year. You may also have to pay an extra amount each month based on your income. You might pay a penalty if you: <ul style="list-style-type: none"><li>• Don't join a Medicare drug plan when you first get Medicare, and</li><li>• Go 63 days or more without credible drug coverage (coverage that's similar in value to Part D.)</li></ul>
When you get prescription drugs	Most plans charge a deductible, an amount you pay before the plan starts to pay, for prescriptions you fill. The deductible amount varies based on which plan you join.  Your actual costs vary depending on the medicines you take, if there are on your plan's list of covered drugs, and which pharmacy you use.

## Medicare Advantage Plans 2022

*Distribution of Medicare Advantage/Prescription Drug Plan Enrollees, by Premium, 2022*

(Source: <https://www.kff.org/medicare/issue-brief/medicare-advantage-in-2022-premiums-out-of-pocket-limits-cost-sharing-supplemental-benefits-prior-authorization-and-star-ratings/>)



## Medicare Special Enrollment Period

- Employment plays no role in Medicare eligibility. As long as you're 65 or older, you can sign up for Medicare.
- If you are a United States citizen aged 65 or older, you're eligible for Medicare –even if you already have a group health plan (GHP) through your job. You may drop your employer health insurance to go on Medicare (assuming you're at least 65).

## When Can You Sign Up for Medicare?

- Unless you qualify due to a disability, you're first eligible to sign up for Medicare during your Initial Enrollment Period (IEP). It lasts for 7 months, beginning 3 months before your 65th birthday.
- During your Initial Enrollment Period, you can sign up for Medicare Parts A and B, join a prescription drug plan, or enroll in a Medicare Advantage plan.
- If you choose to remain with your employer group plan AND your company employs 20 or more people, you'll qualify for a Special Enrollment Period (SEP). This begins on:
  - The date your employment ends
  - The date your employee coverage ends (voluntarily or involuntarily)

## Open Enrollment Period

- Between October 15 and December 7, anyone with Medicare can join, switch, or drop a Medicare Advantage Plan. Your coverage will begin on January 1 (as long as the plan gets your request by December 7).
- If you miss both the IEP and SEP, you most likely have to wait for the General Enrollment Period (GEP) that occurs every year from January 1 through March 31 or within 30 days of a life change qualifying event (ex: loss of other coverage).

## Potential cost savings by choosing Medicare coverage versus your employer plan

Plan Coverage	Employer PPO	Medicare A & B	Medicare Advantage
Employee only	\$320	\$170	\$0-100
Employee + Spouse	\$788	\$170 each	\$0-200
Deductible	\$2,000	A \$1,556; B \$233	\$0 to plan dependent
Copay	\$20-100	\$0 to services dependent	\$0 to plan dependent
Coinsurance	Deductible + 20%	20%	\$0 to plan dependent
Prescriptions	Formulary	Formulary	Formulary
Maximum out-of-pocket (employee)	\$4,000	No limit (unless Medigap coverage is purchased)	Plan dependent

[Medicare Premium Calculator](#)