MEDICARE BLUEPRINT
MEDICARE
BLUEPRINT
What to do
When to do it
How to do it
MEDICARE BLUEPRINT™
A JUST-THE-FACTS APPROACH TO DESIGNING YOUR MEDICARE BENEFITS
JASON MACKEY & TIM HANBURY

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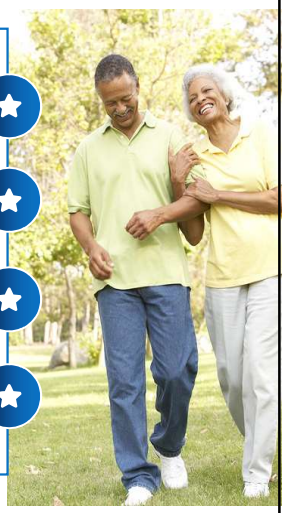
AGENDA

- Medicare 101
- Medicare Parts & Plans
- Understanding Enrollment Periods
- What Is Original Medicare
- Mind The Gaps
- Part C: Medicare Advantage Plans
- Part D: Prescription Drug Plans
- CPA Resources



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MEDICARE 101

Medicare started in 1966

Do you know who received the first Medicare card?

Harry S. Truman

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President Johnson signing the Medicare program into law, July 30, 1965. Shown with the President (on the right in the photo) are (left to right) Mrs. Johnson; former President Harry Truman; Vice-President Hubert Humphrey; and Mrs. Truman. *Photo courtesy of LBJ Presidential Library.*

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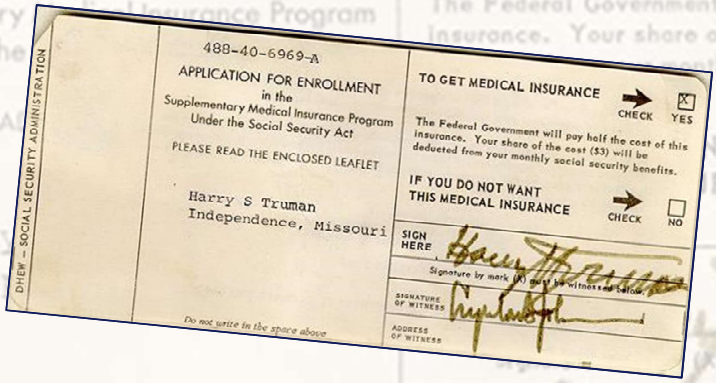
At the bill-signing ceremony **President Johnson** enrolled **President Truman** as the first Medicare beneficiary and presented him with the first Medicare card. This is President Truman's application for the optional Part B medical care coverage, which President Johnson signed as a witness. *SSA History Archives.*



488-40-6969-A

APPLICATION FOR ENROLLMENT
in the
Supplementary Medical Insurance Program
Under the Social Security Act

PLEASE READ THE ENCLOSED LEAFLET

Harry S Truman
Independence, Missouri

Do not write in the space above

DHEW — SOCIAL SECURITY ADMINISTRATION

TO GET MEDICAL INSURANCE → CHECK ☒ YES

The Federal Government will pay half the cost of this insurance. Your share of the cost ($3) will be deducted from your monthly social security benefits.

IF YOU DO NOT WANT THIS MEDICAL INSURANCE → CHECK ☐ NO

SIGN HERE

Signature by mark (X) must be witnessed below.

SIGNATURE OF WITNESS

ADDRESS OF WITNESS

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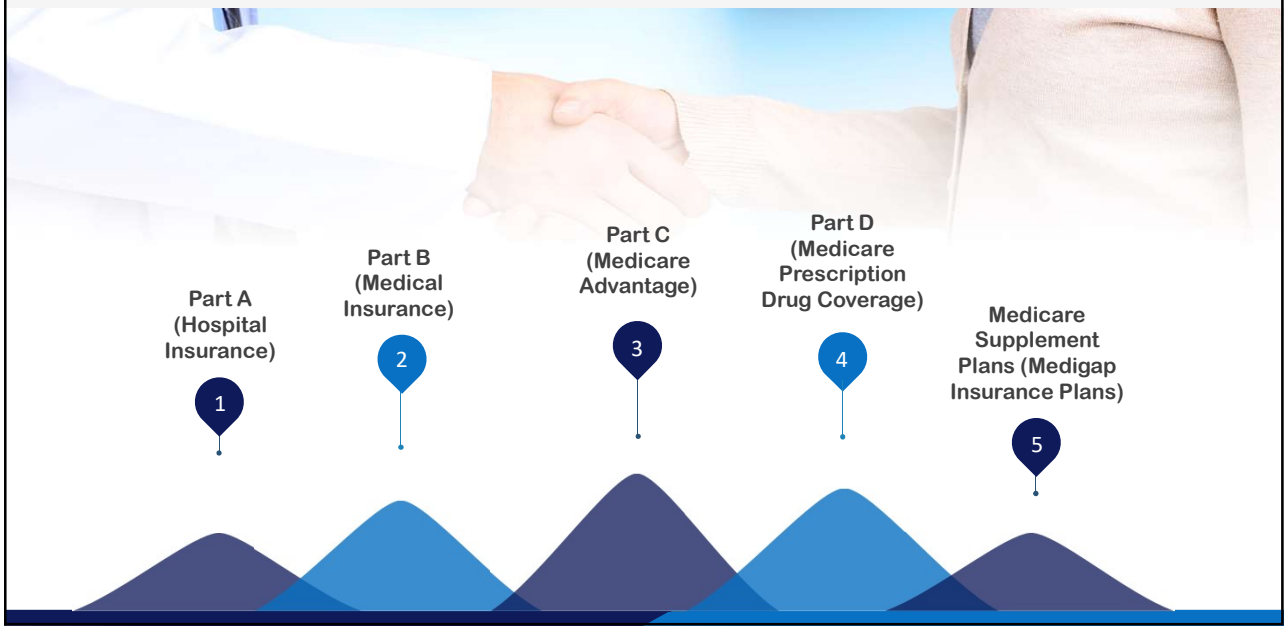
MEDICARE PARTS & PLANS



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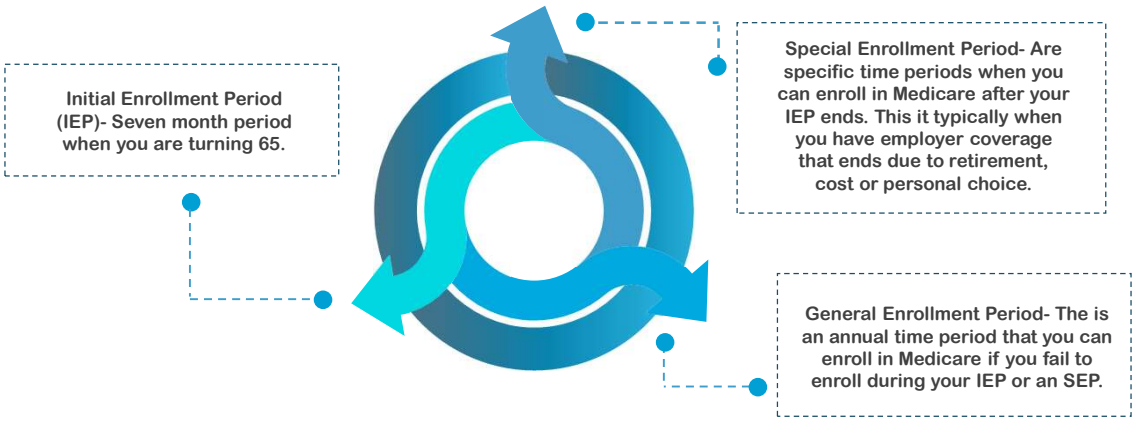
UNDERSTANDING ENROLLMENT PERIODS

There are three main enrollment periods:



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INITIAL ENROLLMENT PERIOD (IEP)

The seven-month period to sign up for Medicare

The month of your **65th** birthday

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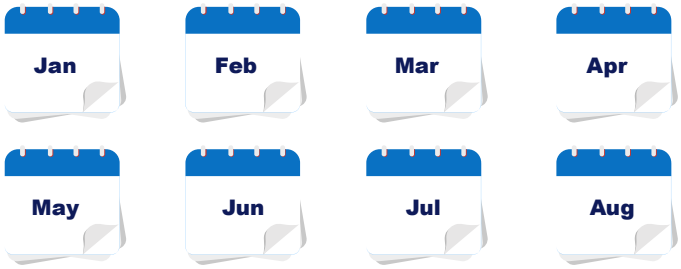
WHEN DOES YOUR MEDICARE COVERAGE BEGIN?

- If you sign up for Part A and/or Part B in the first **3 months** of your IEP, your coverage starts on the 1st of your birthday month.
- If you sign up **during the month** of your birthday, your coverage will start the following month.
- If you sign up during the **last three months** of your IEP, your coverage will be delayed by the numbers of months you delay enrollment after the month of your birthday.

Birthday month



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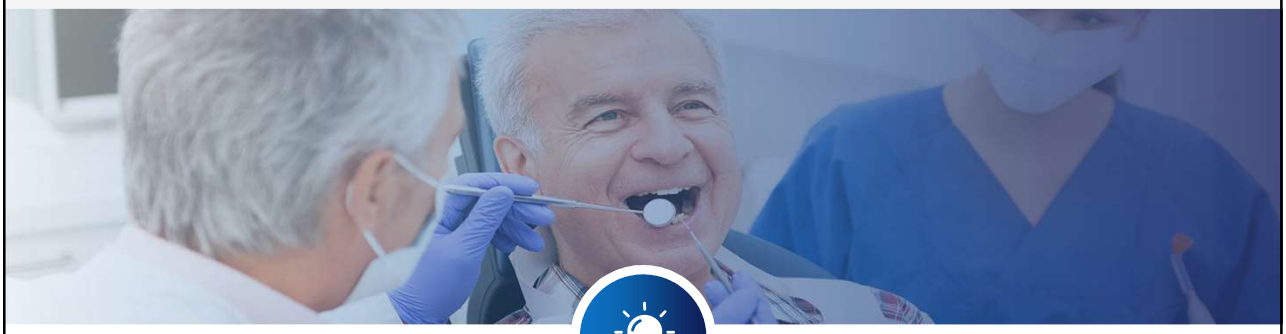
BLUEPRINT TIP



Blueprint Tip:

If you were born on the first of any month, your Medicare start date will not be your birthday month; it will be the month before your birthday month. For example, if you were born on March 1, your Medicare coverage will begin February 1.

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SPECIAL ENROLLMENT PERIOD (SEP)

These are specific circumstance when you're allowed to enroll into Medicare outside of your **65th birthday**. Most often, they occur when you stay on your (or your spouse's) employer group plan

The **8 months** after your coverage ends to sign up for Part A & B

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EXAMPLES OF SPECIAL ELECTION PERIODS (SEP'S)

You have retired and are no longer eligible for group coverage.

You have reduction in work hours and are no longer eligible for group coverage.

When this occurs, you will have an 8-month SEP to sign up for Part A and Part B that starts at one of these times (whichever happens first):

- The month after the employment ends.
- The month after the group health plan ends.

Blueprint Tip:

Please remember– COBRA are not considered coverage based on current employment. You're not eligible for a Special Enrollment Period when that coverage ends.

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ENROLLMENT EXAMPLES

1. I am turning 65 in three months and I currently receive my Social Security benefits. What do I do?

- You don't have to do anything. The Social Security Administration will automatically enroll you in Parts A & B.
- You will receive your red, white and blue Medicare card in the mail, usually about 3 months before you turn 65.
- If you are staying on your employer group plan, you usually don't need Part B coverage.
- If you want to decline Part B, follow the instructions with your Medicare ID card and send the card back.
- You will not be penalized for delaying coverage under Part B if you have "creditable coverage" through your employer plan. Most employer plans are considered "creditable coverage". Ask your HR office to verify the coverage.

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ENROLLMENT EXAMPLES

2. I am turning 65 in three months, but I am not planning on taking my Social Security benefits yet. What do I have to do?

- You will need to sign up for Medicare Part A
- You may sign up for Part B depending on if you are going with Medicare for your coverage or you are going to stay with your (or your spouse's) employer group plan.

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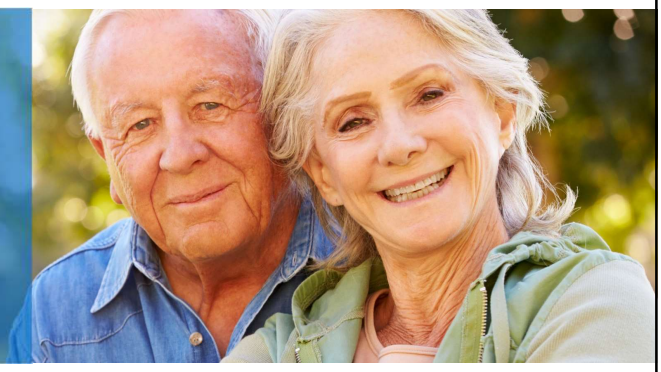
ENROLLMENT EXAMPLES

3. I am not taking Social Security benefits and I am going to stay with my employer plan. Now what should I do?

- You will need to sign up for Medicare Part A
- You need to determine if the employer plan or Medicare will pay first.
  - If your employer plan has less than 20 employees, Medicare will be your primary coverage and you will need to enroll in Part B.
  - If your employer plan has 20 or more employees, then the employer plan will be primary and you don't need to sign up for Part B.



Blueprint Tip:

If you are staying on your employers High Deductible Health Plan and want to continue contributing to your Health Savings Account (HSA), DO NOT sign up for Medicare Part A.

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ENROLLMENT EXAMPLES

4. I have an individual ACA plan, but I am going with Medicare for my insurance coverage.

You need to sign up for Medicare Part A & Part B

Blueprint Tip:
Please remember– Medicare eligible beneficiaries are not entitled to ACA subsidies at age 65 and beyond. The ACA will not automatically terminate coverage and subsidies will have to be repaid.

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ENROLLMENT EXAMPLES

5. Can I sign up for Medicare Part A & B and then drop it if I get another employer plan?

Yes, you can. You will need to call Social Security for instructions on how to decline Part B.

Your coverage will terminate at the end of the month that you notify Social Security.

Note: *You will not be assessed a penalty when you re-enroll in Part B at a later date if you had creditable employer coverage during that time.*

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HOW DO I SIGN UP FOR MEDICARE PARTS A & B?

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DURING YOUR IEP

Go online to SSA.gov/Medicare

Call Social Security at (800) 772-1213

Go to the local Social Security office. (Call to make an appointment. We recommend this if you are taking Social Security Benefits at 65).

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DURING YOUR SEP

Cannot enroll online after age 65

Call Social Security at (800) 772-1213

Go to the local Social Security office. (Call to make an appointment)

You will need to have two forms completed:

- CMS-40B: Application for enrollment in Medicare Part B (Medical Insurance)
- CMS-L564: Request For Employment Information (Has to be signed by the employer where you have your current coverage)

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GENERAL ENROLLMENT PERIOD (GEP)

What if I don't sign up for during the IEP or the SEP?

From January 1 to through March 31

Your coverage will begin July 1

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LATE ENROLLMENT PENALTIES FOR PART B

Part B premiums will be 10 percent higher for each full twelve-month period you are without coverage.

If you become eligible for Medicare Part B under an SEP, then the penalty clock starts at the beginning of your SEP, not at the end.

The penalty clock starts at the end of your IEP and continues until the end of the GEP on March 31st, even if you signed up during the GEP in January.

The penalty is permanent and increasing.

- The Part B premium for 2012 was $99.90 x 10% = $9.90 per month penalty
- The Part B premium for 2016 was $104.20 x 10% = $10.42 per month penalty

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LATE ENROLLMENT PENALTIES FOR PART B CONTINUED…

The "full twelve-month period"- means if you were 30 months late signing up, you would only have a 20 percent penalty. Medicare does not count months 25 to 30 since this was not a "full twelve-months".

The penalties can be waived in certain situations such as Medicare beneficiaries who are on Medicaid, other assistance programs or who are disabled.

If you pay more for your Part B coverage due to higher income, the late penalty is only applied to the standard Part B premium.

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WHAT ARE THE COST FOR MEDICARE?

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MEDICARE PART A COST

You receive Part A premium-free at 65 and you or your spouse have worked at least 40 quarters (10 years and paid payroll taxes).

In nearly all situations, you should sign up for Part A when you turn 65.

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MEDICARE PART A COST

What happens if you don't qualify for premium-free Part A coverage?

You have worked less than **30** quarters the monthly premium is

$437

You have worked **30-39** quarters then your monthly premium is

$240

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MEDICARE PART B COST

The premium for Part B for newly eligible beneficiaries is **$135.50** per month in 2019.

There are significant life long penalties if you do not enroll in Part B during your IEP or SEP.

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PART B INCOME RELATED MONTHLY ADJUSTMENT AMOUNT (IRMAA)

The Income Related Monthly Adjustment Amount is based on your modified adjusted gross income (MAGI) from two years ago.

If your yearly MAGI income in 2017 was:			You pay each month (in 2019)
File individual tax return	File joint tax return	File married and separate tax return	
$85,000 or less	$170,000 or less	$85,000 or less	$135.50
Above $85,000 up to $107,000	Above $170,000 up to $214,000	Not applicable	$189.60
Above $107,000 up to $133,500	Above $214,000 up to $267,000	Not applicable	$270.90
Above $133,500 up to $160,000	Above $267,000 up to $320,000	Not applicable	$352.20
Above $160,000 up to $500,000	Above $320,000 up to $750,000	Above $85,000 up to $415,000	$433.40
Above $500,000	Above $750,000	Above $415,000	$460.50

To learn more about IRMAA and how to appeal decisions go to: SSA.gov/pubs/EN-05-10536.pdf

You can also complete form SSA-44: IRMAA Life Changing Event.

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PART B INCOME RELATED MONTHLY ADJUSTMENT AMOUNT (IRMAA)

Less than 5% of Medicare beneficiaries are subject to IRMAA surcharges

Annual redetermination- IRMAA recipients will receive a letter from Medicare in December each year notifying them of the new surcharge amount.

IRMAA Life-Changing Events:

- You married, divorced or became widowed
- You or your spouse stopped working or reduced your work hours.
- You or your spouse experienced a change or termination of a pension plan.

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UNDERSTANDING COVERAGE UNDER MEDICARE PARTS A & B (ORIGINAL MEDICARE)

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PART A (HOSPITAL INSURANCE)

Part A DOES NOT pay everything that happens in a hospital

Pays the cost of inpatient care in a hospital or skilled nursing facility, hospice and some home health care (but not long-term care)

Typical covered services

- Nursing services
- A semiprivate room
- Meals
- Lab tests & medical supplies
- Prescriptions (Administered in the hospital or nursing facility)

Excluded services

- Does not pay for physician charges in the hospital or nursing facility
- Does not cover long-term care
- Does not cover custodial home health care

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YOUR COSTS UNDER MEDICARE PART A

Services under Part A	Medicare pays	You pay
Hospitalization-- first 60 days	All but $1,364	$1,364 deductible*
Day 61st thru 90th day	All but $341 per day	$341 per day
91st day and after (60 lifetime reserve days)	All but $682 per day	$682 per day
Skilled Nursing Facility-- first 20 days	All approved amounts	$0
Day 21st thru 100th day	All but $170.50 per day	$170.50 per day
101st day and after	$0	100% of all charges
Blood-- first 3 pints	$0	100% of charge
Additional amounts	100% of charge	$0
Hospice care (Requires physician to certify terminal illness)	All but a very limited copayment/coinsurance for outpatient drugs and inpatient respite care	Medicare copayment/coinsurance

*Note: The deductible is per 60-day benefit period.

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PART B (MEDICAL INSURANCE)

Part B helps covers doctors services and outpatient care.

Physicians' expenses for inpatient and outpatient medical and surgical services

Typical covered services

- Physical therapy, speech therapy and diagnostic test
- Clinical laboratory services done outside of hospital and nursing facilities
- Many preventative services like flu shots, mammograms, colonoscopies, prostate screenings and so on
- Outpatient hospital treatment for the diagnosis and treatment of an illness or injury (e.g., emergency room visits and outpatient surgery)
- Durable medical supplies and equipment
- Home health-care services like part-time or intermittent skilled care and home aide services.
- Chiropractic sublaxtion (Does not cover other services or test ordered by a chiropractor)

Excluded services

- Does not pay for routine dental services, routine vision services and hearing aids.
- Does not cover acupuncture, massage therapy and cosmetic surgery
- Does not cover routine foot care
- Does not cover outpatient prescription drugs (This is covered under Part D)

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YOUR COSTS UNDER MEDICARE PART B

Services under Part B	Medicare pays	You pay
Medical Services – first $185 of Medicare-approved amounts	$0	$185 deductible*
Remainder of Medicare-approved amounts	*80% of charges*	*20% of the charges**
Blood – first 3 pints	$0	100% of charge
Next $185 of Medicare-approved amounts	*$0*	*$185 deductible**
Remainder of Medicare-approved charges	*80% of charges*	*20% of charge**
Clinic Lab Tests/Services	100%	$0
Home Health Care Medicare-approved Services	100%	$0
Durable Medical Equipment – first $185 of Medicare-approved amount	$0	$185 deductible*
Remainder of Medicare-approved charges	*80% of charge*	*20% of charge**

**Note: Part B deductible is a calendar year deductible. The 20% coinsurance is unlimited.*

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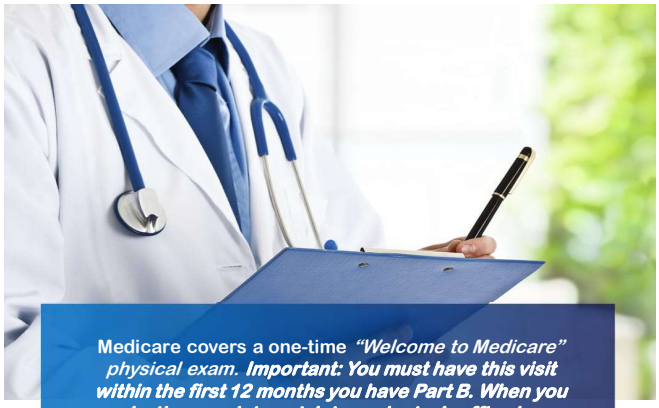
PART B PREVENTATIVE SERVICES



Medicare covers a one-time *"Welcome to Medicare" physical exam.* ***Important: You must have this visit within the first 12 months you have Part B. When you make the appointment, let you doctor's office know that you would like to schedule your "Welcome to Medicare"*** **preventative visit.***

- Annual wellness visit: Must be 12 months after you are enrolled in Part B.*
- Immunizations– such as pneumococcal and annual flu shot
- Bone mass measurement
- Diabetes screenings
- Glaucoma testing
- Hepatitis C test
- A complete list is available at Medicare.gov.
- They also have an app available on Apple & Android devices.

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WHAT ARE MY MEDICARE COVERAGE CHOICES?

Decide if you want Original Medicare or a Medicare Part C Advantage Plan

Original Medicare Part A & B

Medigap (Medicare Supplement)

Prescription Drug Plan (Part D)

Medicare Advantage (Part C)

Prescription Drug Plan (Part D)

You must have Medicare Parts A & B to have either a Medicare Supplement Plan or a Medicare Advantage plan

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MEDIGAP OR MEDICARE SUPPLEMENT PLANS

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MEDIGAP OR MEDICARE SUPPLEMENT PLANS

Medigap and Medicare Supplement plans are the same thing. The terms are used interchangeably.

As the name implies, these plans "supplement" or "fill in the Gaps" in Original Medicare Parts A & B

CMS has "standardized" these plans so that each of the 10 plans will have the same benefits regardless of the insurance company offering the plans.

The current Plans offered are:

Plan A	Plan G
Plan B	Plan K
Plan C	Plan L
Plan D	Plan M
Plan F*	Plan N

**there is a High Deductible Plan F available It has an annual deductible of $2,300 in 2019.*

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Medicare Supplement Insurance (Medigap) Plans

BENEFITS	A	B	C	D	F*	G	K	L	M	N
Part A coinsurance &hospital cost (up to an additional 365 days after Medicare benefits are used)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Part B coinsurance /copayments	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%

*Plan F is also offered as a high-deductible plan. This means you must pay for Medicare-covered cost up to the deductible amount of $2,300 in 2019 before the pay starts to pay.

** Plan N pays 100% of the Part B coinsurance , except for a copayment of up to $20 for some office visits and up to $50 copayment for emergency room visits that don't result in an impatient admission.

*** Plan N covers 100% of excess charges in CT, MA, MN, NY, OH, PA, RI & VT

MOOP in 2019	
$5,560	$2,780

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Medicare Supplement Insurance (Medigap) Plans

BENEFITS	A	B	C	D	F*	G	K	L	M	N
Part A coinsurance &hospital cost (up to an additional 365 days after Medicare benefits are used)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Part B coinsurance /copayments	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%					
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Foreign travel emergency (up to plan limits)			80%	80%	80%	80%			80%	80%

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MOOP in 2019	
$5,560	$2,780

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Medicare Supplement Insurance (Medigap) Plans

BENEFITS	A	B	C	D	F*	G	K	L	M	N
Part A coinsurance &hospital cost (up to an additional 365 days after Medicare benefits are used)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Part B coinsurance /copayments	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%

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MOOP in 2019	
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Medicare Supplement Insurance (Medigap) Plans

BENEFITS	A	B	C	D	F*	G	K	L	M	N
Part A coinsurance &hospital cost (up to an additional 365 days after Medicare benefits are used)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Part B coinsurance /copayments	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%					
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Foreign travel emergency (up to plan limits)			80%	80%	80%	80%			80%	80%

*Plan F is also offered as a high-deductible plan. This means you must pay for Medicare-covered cost up to the deductible amount of $2,300 in 2019 before the pay starts to pay.

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Plans Available to ALL Applicants

BENEFITS	A	B	D	G*	K	L	M	N	Medicare first eligible before 2020 only C	F*
Part A coinsurance &hospital cost (up to an additional 365 days after Medicare benefits are used)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Part B coinsurance /copayments	100%	100%	100%	100%	50%	75%	100%	100% **	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			100%	100%	50%	75%	100%	100%	100%	100%
Part A deductible		100%	100%	100%	50%	75%	50%	100%	100%	100%
Part B deductible									100%	100%
Part B Excess charges				100%				***		100%
Foreign travel emergency (up to plan limits)			80%	80%			80%	80%	100%	100%

*Plan F & G is also offered as a high-deductible plan. This means you must pay for Medicare-covered cost up to the deductible amount of $2,300 in 2019 before the pay starts to pay.

** Plan N pays 100% of the Part B coinsurance , except for a copayment of up to $20 for some office visits and up to $50 copayment for emergency room visits that don't result in an impatient admission.

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MOOP in 2019	
$5,560	$2,780

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MEDIGAP OR MEDICARE SUPPLEMENT PLANS

What is "newly eligible"?

A person that reaches the age of 65 or is eligible for Medicare due to disability **after** January 1, 2020.

What if I have a Plan F now, can I continue with it?

Yes, you can keep your current plan as long as you like

You can switch to another Plan F with another insurance company provided you can qualify based on health history

You can enroll in Plan F from another Medigap plan if you were eligible for Medicare prior to January 1, 2020.

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MEDIGAP OR MEDICARE SUPPLEMENT PLANS

Medigap Open Enrollment Period - a six month period that starts the month you are 65 or older AND are first enrolled in Part B

Birthday month

Special Enrollment Period – you may have signed up for Part B of Medicare and continued with other coverage, typically a small employer group plan (< 20 EEs). You then come off the plan at retirement, or due to reduction in hours, etc.... If you signed up for Medicare Part B more than 6 months prior, you can sign up for supplement coverage, without proof of insurability, within 2 months of your loss of coverage.

In this situation, you will only be able to sign up for the following Medicare Supplement plans:

Plan A, B, C, F K and L

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MEDIGAP OR MEDICARE SUPPLEMENT PLANS

After your Medigap OEP or your SEP, can I change to another insurance company if I want to?

Yes, you can change at any time however you will be required to go through medical underwriting.*

If you have a severe medical condition, the insurance company may either offer coverage with a 6-month waiting period on pre-existing conditions or they will decline to cover you.

Because of this, it is important that you choose a Medigap plan with a financially stable insurance company that has a history of modest price increases.

* CA, CT, MO, NY & OR

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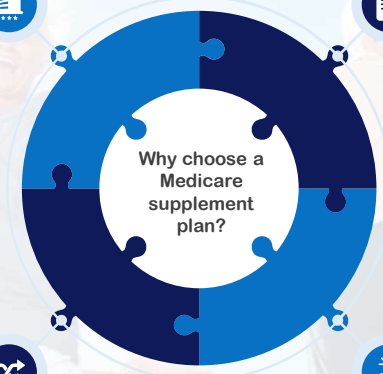
MEDIGAP OR MEDICARE SUPPLEMENT PLANS

Why choose a Medicare supplement plan?

You can see any provider in the US who participates with Medicare – about 92% of physicians; about 95% of hospitals

Insurance companies can't deny coverage for any medical services.

CMS (Centers for Medicare and Medicaid Services) determines if it is a covered services. If they pay it, your supplement insurance company pays their portion based on the plan you chose.



Medigap plans are standardized:

Plan designs do not change year to year and they don't need to be renewed.

Wide choice of plans and costs.

Choose coverage that supplements "all" the cost sharing of Original Medicare (deductibles, coinsurance and copayments) or plans that cover less to reduce cost.

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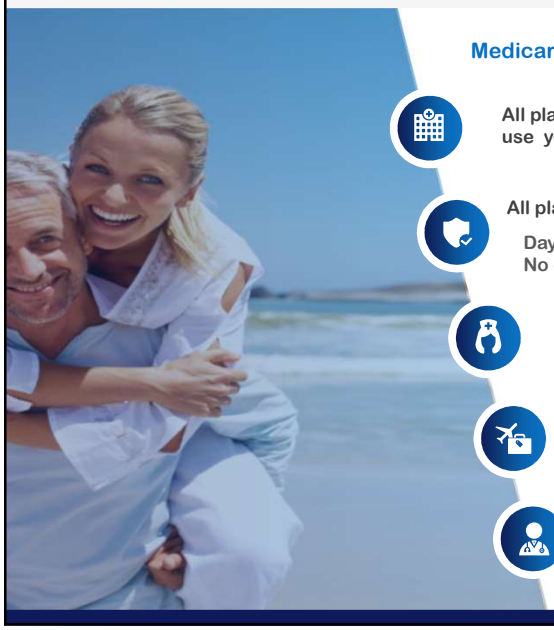
MEDIGAP OR MEDICARE SUPPLEMENT PLANS



Medicare Supplement offer additional benefits over Original Medicare:

- All plans offer an additional 365 days in the hospital once you use your additional 60 "lifetime" days in the hospital.
- All plans cover 100% of the copayment when you are in a hospital past 60 days.
  Days 61-90 is $341 per day: days 90+ is $682 per day up to 150 days;
  No coverage under Original Medicare after day 150.
- 7 plans cover 100% of the Skilled Nursing / Rehab Facility charges after 20 days ($170.50 per day). 2 plans cover 75% or 50% of the charges.
- 6 plans offer foreign travel emergency coverage up to $50,000.
- 3 plans offer coverage for "excess charges" if your physician does not take Medicare "Assignment".

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MEDICARE BLUEPRINT™

MEDICARE PART C - MEDICARE ADVANTAGE PLANS

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MEDICARE PART C – MEDICARE ADVANTAGE PLANS

- Replace or Transfer Original Medicare Parts A & B to a private insurance company.
- Benefits & Claims payment administered by private insurance companies under the supervision and approval of CMS (Centers for Medicare & Medicaid Services – Under DHHS).
- Medicare pays the insurance company a flat rate per month (based on average cost for Parts A & B per person by county).
- By CMS regulation, must cover the same items as Original Medicare (Part A & B). May cover additional benefits not normally covered by Medicare at discretion of the insurance company.
- Advantage Plans are network-based plans that work similarly to many employer or individual insurance plans.
- You are required to pay your Part B premium in order to have an Advantage plan and you must live in the service area in which the plan is offered.

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MEDICARE PART C – MEDICARE ADVANTAGE PLANS

1. Advantage Plans often have built-in Medicare prescription drug coverage (Part D of Medicare).
2. Advantage Plans typically have a low premium (< $50 month) and there usually are zero-premium plans available. These plans will have one price which is not dependent on your age (65 or 85 rates are the same)
3. These plans cannot refuse to provide you coverage based on pre-existing conditions or health history.
4. Advantage Plans must be renewed each year as they can and will have changes in benefits, provider networks and premium costs.
5. You cannot have a Medicare Advantage plan and a Medigap plan at the same time. You can only have one or the other – not both.

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MEDICARE PART C – MEDICARE ADVANTAGE PLANS

There are two main types of Medicare Advantage Plans:

Health Maintenance Organization (HMO)	Preferred Provider Organization (PPO)

HMO – You will normally be limited to seeing physicians and providers who are participating with the plan. They must be "in-network" in order for the plan to pay for their services.

If you see a non-participating provider without the permission of the health plan, you will be responsible for the full cost of services provided.

Most HMO plans will require you to pick a primary care physician and will require a referral to see a specialist.

PPO – You will also have a network of physicians and providers who participate with the plan just like the HMO plans. These providers will usually have a copayment, as you do with an HMO.

If you see a non-participating provider you can do so but it may cost more. Keep in mind, the non-participating provider is not responsible to obtain any needed authorization for procedures.

Most PPO plans do not require a primary care physician or referrals to see a specialist.

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MEDICARE PART C – MEDICARE ADVANTAGE PLANS

Typical Summary of Benefits for a Part C Medicare Advantage PPO Plan

Medical Benefits	In-Network	Out-of-Network
Annual out-of-pocket Maximum	$6,700 in-network	$6,700 combined in and out-of-network
Doctor's office visit	PCP - $10 copay Specialist - $45 copay (no referral needed)	PCP - $20 copay Specialist - $45 copay (no referral needed)
Inpatient hospital care	$395 copay per day: Days 1 – 4 $0 copay per day after that	$395 copay per day: Day 1 – 4 $0 copay per day after that
Diagnostic tests and procedures(such as MRIs. CT scans, etc…)	20% of the cost	20% of the cost
Lab Services & Outpatient x-rays	$16 copay	$16 copay
Emergency care	$75 copay (worldwide)	$75 copay (worldwide)
Medicare Part B Drugs (Includes chemotherapy drugs and other injectable medications)	20% of the cost	20% of the cost

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MEDICARE PART C – MEDICARE ADVANTAGE PLANS

Annual Enrollment Period (AEP)

Like Medigap plans, you can join a Medicare Advantage Plan when you first become eligible for Medicare at age 65 or if you qualify for an Special Enrollment Period after you turn 65.

Unlike Medigap plans, you can join or switch coverage to another Medicare Advantage plan during the AEP that occurs from October 15th to December 7th each year. Coverage will start on January 1st.

Medicare Advantage Open Enrollment Period

- Occurs from January 1st to March 31st
- If you're in a Medicare Advantage Plan, you can leave your plan and switch back to Original Medicare.
- If you switch back to Original Medicare, you have until March 31st to join a Part D prescription plan.
- You have a one-time only opportunity to switch from one Medicare Advantage plan to another during this period.

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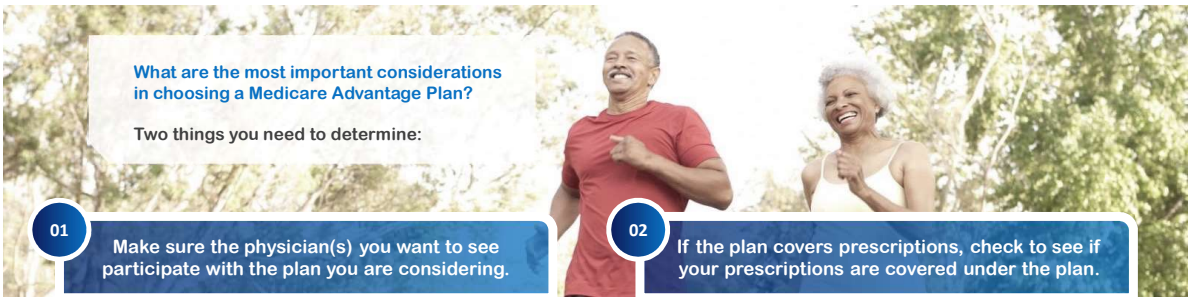
MEDICARE PART C – MEDICARE ADVANTAGE PLANS



What are the most important considerations in choosing a Medicare Advantage Plan?

Two things you need to determine:

01 Make sure the physician(s) you want to see participate with the plan you are considering.

02 If the plan covers prescriptions, check to see if your prescriptions are covered under the plan.

- If you chose a HMO plan and your physician(s) are not participating, you will be responsible to pay all of the cost of their services.
- If you chose a PPO plan, you may still see them, but you usually will have a higher cost to do so.
- In most areas, there are a number of companies to chose from so you may be able to find a plan that includes your physician(s).

Check the plan's Formulary (list of covered medications) to be sure they are covered and at what "tier" they are covered under. The "tier" will indicate the cost of your prescriptions. With the cost of prescriptions, this is a very important consideration when choosing a plan.

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MEDICARE PART C – MEDICARE ADVANTAGE PLANS

Advantage plans can be an affordable choice – low and zero premium plans available.

They usually include prescription coverage – no need to purchase a separate Part D plan.

They offer a cap or limit on the out-of-pocket costs – Original Medicare (Parts A & B) does not have a limit on charges.

Advantage Plans may offer additional benefits that are not included in Original Medicare like coverage for dental, vision and hearing services.

If you are "dual eligible", which means you have Medicare and Medicaid or you qualify for a "Special Needs Plan" they can be a great option for coverage.

In many states, they may be the only available choice for people who are on Medicare due to a disability and are under age 65.

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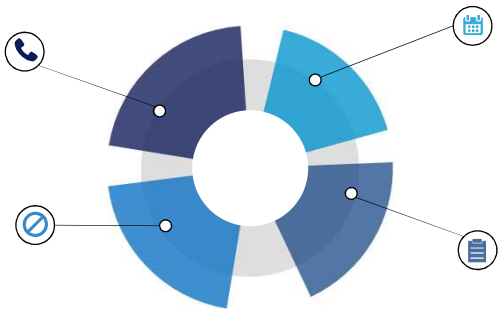
MEDICARE PART C – MEDICARE ADVANTAGE PLANS

Medicare Advantage Plans and Insurance Agents

CMS has strict guidelines for marketing of Advantage Plans. If you are considering a Medicare Advantage Plan, please keep in the mind the following guidelines:

Insurance agents cannot "cold call" on the phone for Advantage Plans. You need to make the first contact for an agent to contact you (there are exceptions for call centers if they follow certain guidelines).

Agents are not allowed to discuss or sell you a non-health related product like an annuity or life insurance when they are talking to you about a Medicare health or drug plan. If you want to discuss these products, you will need to set up a separate appointment.



Agents are required to obtain a "Scope of Appointment" letter before an appointment can proceed. On the form, you will indicate the plans you are interested in such as a Medicare Advantage Plan, a Part D drug card or a dental plan. This rule does not apply to Medigap plans.

Starting in 2018, agents can have these forms filled out when they meet with you. Prior to 2018, there was a 2 day "waiting period" before an agent could meet with you to discuss these plans.

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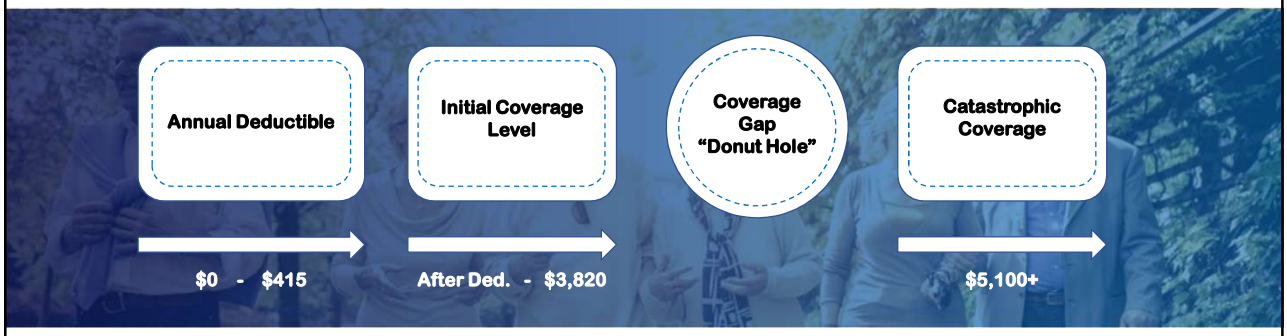
MEDICARE PART D PRESCRIPTION DRUG PLAN

Part D, often called the "Medicare prescription drug plan" is a designed to subsidize the costs of prescription drugs and prescription drug insurance premiums for individuals on Medicare. Original Medicare (Parts A & B) do not cover outpatient prescription drugs, so Part D was developed to help pay these costs. There are four levels of coverage:



The national average cost for a Part D Rx plan is $33.19 in 2019.

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MEDICARE PART D PAYMENT LEVELS

Level 1 – Annual Deductible

- By Law, the highest the deductible can be in 2019 is $415.
- Part D plans can have different deductibles – from $0 to $415
- If your plan has a deductible, you must pay the annual deductible before the plan will pay your prescriptions.

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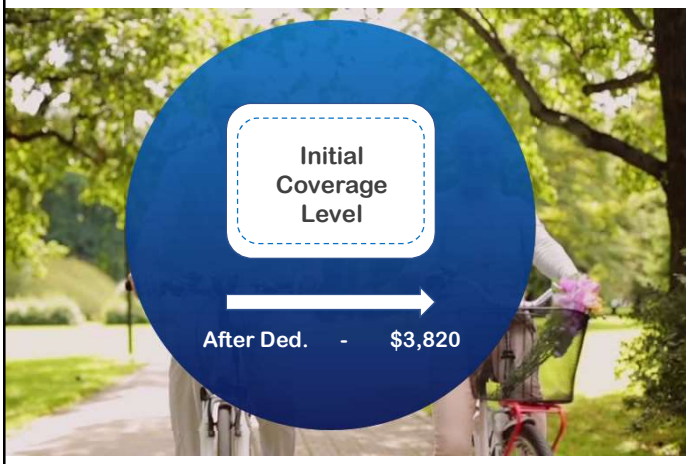
MEDICARE PART D PAYMENT LEVELS

Level 2 – Initial Coverage Level



- If your medication is covered – you pay the copayment or coinsurance percentage for the type of medication (generic, preferred brand name, non-preferred brand name, specialty)
- Each plan will have slightly different copayment and coinsurance amounts.
- You will stay in the level until your total medication costs reach $3,820.

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MEDICARE PART D PAYMENT LEVELS

Level 3 – Coverage Gap or "Donut Hole"

After your total medication costs reach $3,820, you will pay:

- **25%** of the cost of a brand name medication.
- **37%** of the cost of a generic medication. (25% in 2020)
- You will stay in this level until your total medication costs reach **$5,100**.

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MEDICARE PART D PRESCRIPTION DRUG PLAN

What costs count towards the coverage gap:

- Your yearly deductible, coinsurance and copayments
- 70% of the discount you get on brand name drugs in the coverage gap
- What you pay during the coverage gap

What costs don't count toward the coverage gap:

- The drug plan premium
- Pharmacy dispensing fees
- What you pay for drugs that aren't covered
- The discount you get on generic drugs in the coverage gap

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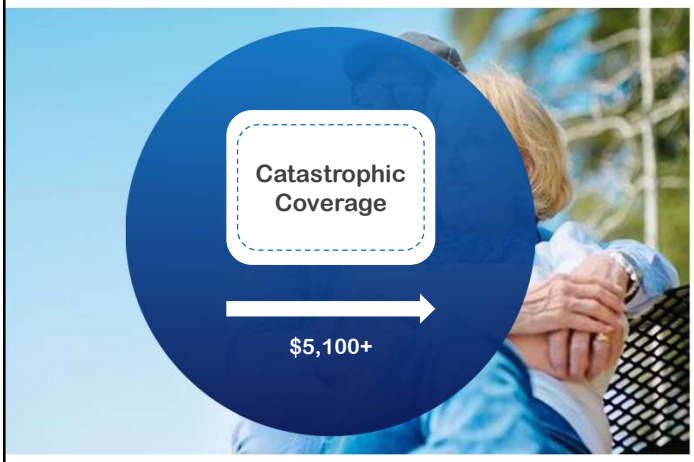
MEDICARE PART D PAYMENT LEVELS

Level 4 – Catastrophic Coverage



After your total medication costs reach $5,100, you will pay:

- Generic - **$3.40** copayment
- Brand name - **$8.50** copayment or **5%** of the total cost – Whichever is GREATER
- You will stay in this level for the remainder of the year

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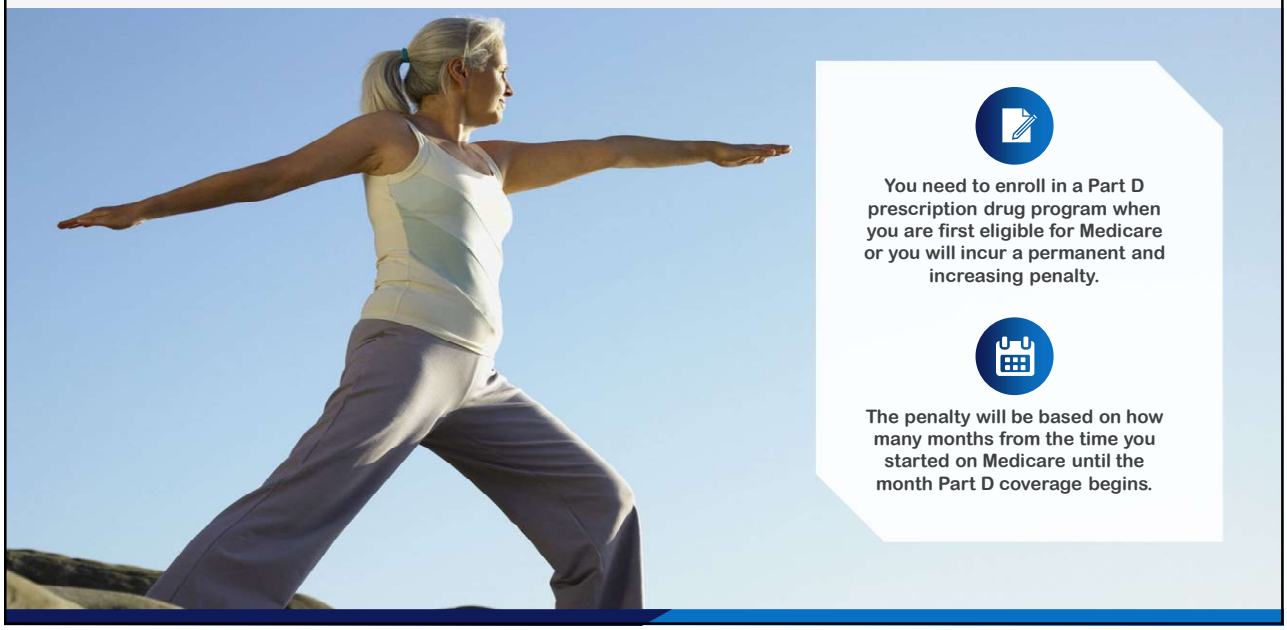
MEDICARE PART D LATE ENROLLMENT PENALTY



You need to enroll in a Part D prescription drug program when you are first eligible for Medicare or you will incur a permanent and increasing penalty.

The penalty will be based on how many months from the time you started on Medicare until the month Part D coverage begins.

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MEDICARE PART D LATE ENROLLMENT PENALTY

To calculate the penalty:

National Base Beneficiary Premium - **$33.19** for 2019

Medicare multiplies 1 percent of the national base beneficiary premium times the number of months you didn't have part D or other creditable prescription coverage (such as a group plan from an employer). The monthly penalty is rounded to the nearest $0.10 and added to you monthly Part D premium.

For example in 2017:

$33.19 X 0.01 X 22 months = $7.30 per month

$7.30 x 12 months = $87.60
$7.30 x 60 months = $438.00
$7.30 x 120 months = $876.00

Part D prescription plans nationally range between about $14 to $140 per month.

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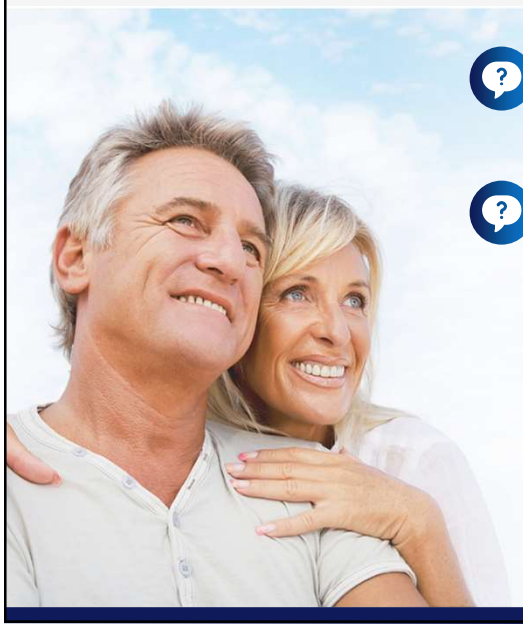
MEDICARE PART D QUESTIONS



Why is one Medicare Part D plan $12 per month and another is $140?

Obvious answer is that they have lower cost to "use" (copayments & coinsurance) and cover more prescriptions (larger formulary) but are there other reasons?

How Part D prescription plans control costs:

Prior Authorization

This means that before the plan covers a certain medication, your physician will need to show that the medication is "medically necessary"

Step Therapy

This means that before your plan covers a specific medication, it will ask you to try a less expensive, covered medication that is used for the same or similar condition.

Quantity Limits

Due to safety reason and to help control costs, your plan may put quantity limits on your medication.

When you review your options for Part D coverage, look to see if these conditions apply to any of your current prescriptions. Generally, a plan with fewer restrictions will cause less disruption than those that do.

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MEDICARE PART D QUESTIONS

Is there an increase in my cost for a Part D coverage if I have a high income?

Yes, like Part B, there is a **I**ncome **R**elated **M**onthly **A**djustment **A**mount (IRMAA) charge based on your **M**odified **A**djusted **G**ross **I**ncome based on your tax return of two year ago.

Individual tax return	Married, joint tax return	Married, separate tax returns	Amount you pay each month
$85,000 or less	$170,000 or less	$85,000 or less	Your plan premium
Above $85,000 up to $107,000	Above $170,000 up to $214,000		$12.40 + your plan premium
Above $107,000 up to $133,500	Above $214,000 up to $267,000		$31.90 + your plan premium
Above $133,500 up to $160,000	Above $267,000 up to $320,000		$51.40 + your plan premium
Above $160,000 up to $500,000	Above $320,000 up to $750,000	Above $85,000 up to $415,000	$70.90 + your plan premium
Above $500,000	Above $750,000	Above $415,000	$77.40 + your plan premium

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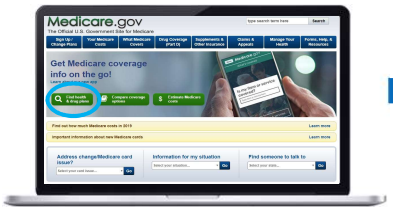
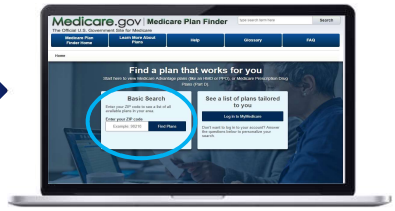
MEDICARE PART D QUESTIONS CONTINUED…

OK, how do I figure all this out and pick a plan?





1. Go to Medicare.gov and on the left side of the home page, there is a green box that says "Find health and drug plans"

2. Click on the green box and it will take you to Medicare Plan Finder. Enter your zip code and click on "Find Plans"

Or you can:

- Work with a licensed agent who can walk you through the process.
- Call directly to the insurance company or companies that are offering each plan.
- Call Medicare directly at 1-800-Medicare (1-800-633-4227)

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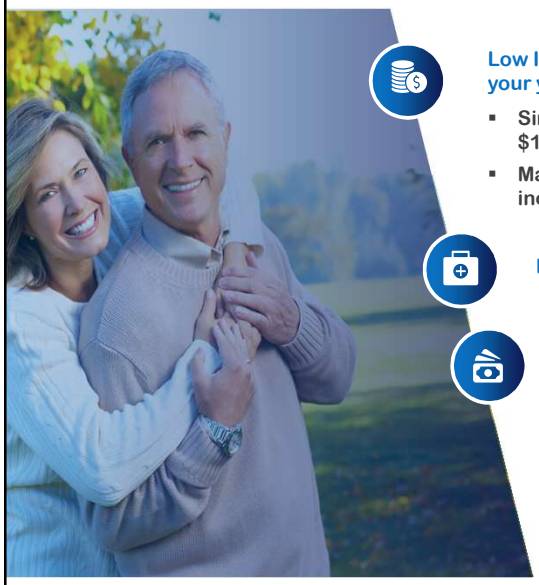
MEDICARE PART D EXTRA HELP



Low Income Subsidy (LIS) – You may qualify for extra help if your yearly income and resources are below certain limits:

- Single person – income less than $18,210 and resources less than $12,600 per year .
- Married person living with a spouse and no other dependents – income less than $24,690 and resources less than $25,150 per year.

Medicare Savings Programs – 4 types

Qualified Medicare Beneficiary (QMB) Program – Helps pay Part A and/or Part B premiums and cost-sharing

- Single – Monthly income less than $1,032 and resources less than $7,560.
- Married – Monthly income less than $1,392 and resources less than $11,340.

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MEDICARE PART D – WHAT YOU NEED TO KNOW

The one thing you must do prior to selecting Part D coverage:

Review the plan's Formulary.

- You need enter your current medications into the Medicare.gov plan finder or make sure the plan you select covers the medications you are currently taking.
- You need to do this before you purchase your Part D coverage and each year after during the Annual Enrollment Period between October 15th to December 7th.
- Failure to do this can cost you hundreds or thousands of dollars in uncovered prescriptions.

Check on what pharmacies participate with the plan. Nearly all the large chains participate, but some of the smaller, local pharmacies may not.

Last, even if you don't take any medications now, we recommend you still get a Part D coverage.

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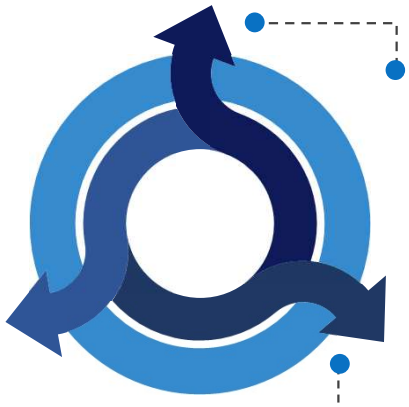
WHAT TO DO NEXT?

01

Determine if a Medigap (Medicare Supplement) or if a Medicare Advantage Plan is the best option for your coverage.



02

Make a list of your current medications

- The exact name on the container of the prescription
- The dosage amount
- Quantity per month
- Your preferred pharmacy

03

Determine your best option for your Medicare Part D coverage.

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WHAT TO DO NEXT? CONTINUED…

Choose a trusted advisor – What to look for?

Are they licensed and in good standing with your state's Department of Insurance (www.doi.sc.gov)?

Do they specialize in Medicare?

Are they captive or independent agents?

- Captive agents only represent one company.
- Independent agents represent multiple insurance companies.

Do they represent both Medigap and Medicare Part C Advantage Plans?

- It's important to represent both types of plans to best fit your needs.

Can they provide you with references from current clients?

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CHOOSING THE "RIGHT" INSURANCE COMPANY

MEDICARE SUPPLEMENT

+ NEW SETTINGS

Client/Label: | Zip: 29407 | CHARLESTON, SC (Charleston) | Age: 65 | Gender: Female | Tobacco: Non-tobacco | Plan: F | Effective Date: 2019-05-01 | Sort By: Price | Get Quote

$118.75 /mo

$126.38 /mo

HH Discount 3.0%

Parent:
AM Best Rating: A+ (Outlook Stable)
Rate Type: Attained age

Plan: F
S&P Rating: n/a
Rating Class: n/a

Years in Market: 53
Effective Date: 09/01/2018

Age Increases

Age	Monthly Amount	Increase
66	$ 132.07 /mo	4.5%
67	$ 138.01 /mo	4.5%
68	$ 144.22 /mo	4.5%
69	$ 150.71 /mo	4.5%
Average		4.5%

Increase History

Date	Amount
11/01/2012	0.6%
10/01/2013	3.0%
10/01/2014	0.0%
11/01/2015	0.0%
01/01/2017	0.0%
01/01/2018	2.0%
09/01/2018	-22.6%
Average	-2.4%

Market Data

	National	State
Lives	62,052	62,052
Premium	$145,785,898	$145,785,898
Loss Ratio	66.44%	66.44%
Market %	0.49%	26.32%

Plan Details PDF Application Carrier Resources 2

$133.45 /mo

$137.83 /mo

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CHOOSING THE "RIGHT" INSURANCE COMPANY

MEDICARE ADVANTAGE / PDP

+ NEW SETTINGS

Client/Label: | Zip: 29407 | CHARLESTON, SC (Charleston) | Plan: Medicare Advantage | Effective Year: 2019 | Sort By: Price | Get Quote

$0.00 /mo

Max Out of Pocket $5,900

Plan:
Star Rating: 4.0
Drug Deductible: $ 95.00

Drug Benefit: Enhanced
Plan Type: Local PPO

ID: H5521-247-0

Gap Coverage: No
County: Charleston

County Penetration

Year	Month	County	Eligible	Enrolled	Penetration
2019	March	CHARLESTON	77,733	17,351	22.32%
2019	February	CHARLESTON	77,454	17,338	22.38%
2019	January	CHARLESTON	77,194	17,081	22.13%

Company Enrollment

Year	Month	County	Enrolled	Penetration
2019	March	CHARLESTON	1,070	1.38%
2019	February	CHARLESTON	1,027	1.33%
2019	January	CHARLESTON	927	1.2%

Plan Details 1

$0.00 /mo

$0.00 /mo

$0.00 /mo

$0.00 /mo

$0.00 /mo

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AND THE BEST PART IS...

Whether you use an agent, call the insurance company or work with a call center, your cost for coverage is the same.

We recommend you work with an independent agent, experienced in the Medicare market that can help you for years to come.

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CPA RESOURCES

CPA.MedicareBlueprint.com

Charleston/Lowcountry

JASON MACKEY
Author & Insurance Advisor
(843) 735-6600
Jason@MedicareBlueprint.com

Thank you!

Columbia/Upstate

TIM HANBURY
Author & Insurance Advisor
(803) 708-7398
Tim@MedicareBlueprint.com

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