

✦ Chapter

7

Medicare Misconceptions



Money! ✦ Chapter

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This presentation has been designed to provide general, educational information about the Medicare program, including Medicare Advantage, Prescription Drug plans, and Medicare Supplements (Medigap).



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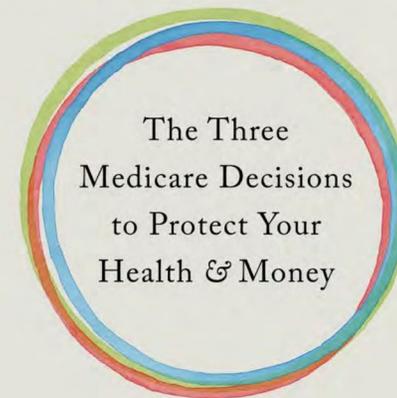
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IT'S NOT THAT COMPLICATED



The Three
Medicare Decisions
to Protect Your
Health & Money

ARI PARKER, J.D.



Medicare's Key Components



Hospital

Outpatient

Drugs

Medicare's Key Components

Part A

Hospital Insurance (Inpatient)

- ✦ Inpatient Hospital Care
- ✦ Inpatient Mental Health Care
- ✦ Skilled Nursing Facility Care
- ✦ Home Health Care
- ✦ Hospice

Premiums: Typically fully pre-paid.

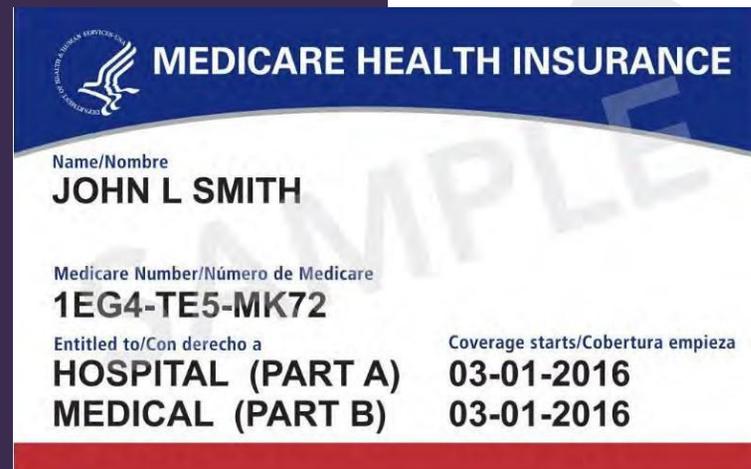
Part B

Medical Insurance (Outpatient)

- ✦ Doctor's visits
- ✦ Labwork, x-rays, MRI/CT scan, durable medical equipment, outpatient mental health, etc.
- ✦ Preventative services (flu shots, certain disease screenings, etc.)

Premiums: You must pay monthly premiums to the government.

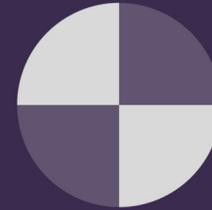
Your Medicare Card



The image shows a sample Medicare Health Insurance Card. The card has a blue header with the Medicare logo and the text "MEDICARE HEALTH INSURANCE". Below the header, the cardholder's name is listed as "JOHN L. SMITH". The Medicare Number is "1EG4-TE5-MK72". The card is entitled to Hospital (Part A) and Medical (Part B) coverage, both starting on 03-01-2016. A large, faint "SAMPLE" watermark is visible across the card.

 MEDICARE HEALTH INSURANCE	
Name/Nombre JOHN L. SMITH	
Medicare Number/Número de Medicare 1EG4-TE5-MK72	
Entitled to/Con derecho a	Coverage starts/Cobertura empieza
HOSPITAL (PART A)	03-01-2016
MEDICAL (PART B)	03-01-2016

What Medicare does not cover



No Financial Limit
(aka no max out-of-pocket)



Long-term care

How will you cover the 20% Medicare doesn't cover?

Original Medicare (Parts A and B) leaves you responsible for paying at least 20% of most medical costs.

And Original Medicare does not include any coverage for most prescription drugs and services like dental, vision and hearing care.



Medicare pays at most 80%



You still pay at least 20%

The Top 7 Medicare Misconceptions

1

**Medicare begins
automatically when
you turn 65**

A decorative graphic consisting of several dark purple, semi-transparent rays radiating from a central point on the right side of the slide, extending towards the left.



When can you sign up for Medicare?

Overview

7 Month Initial enrollment period.

Starts 3 months before the month of
your 65th birthday.

Ends 3 months after the month of your
65th birthday.

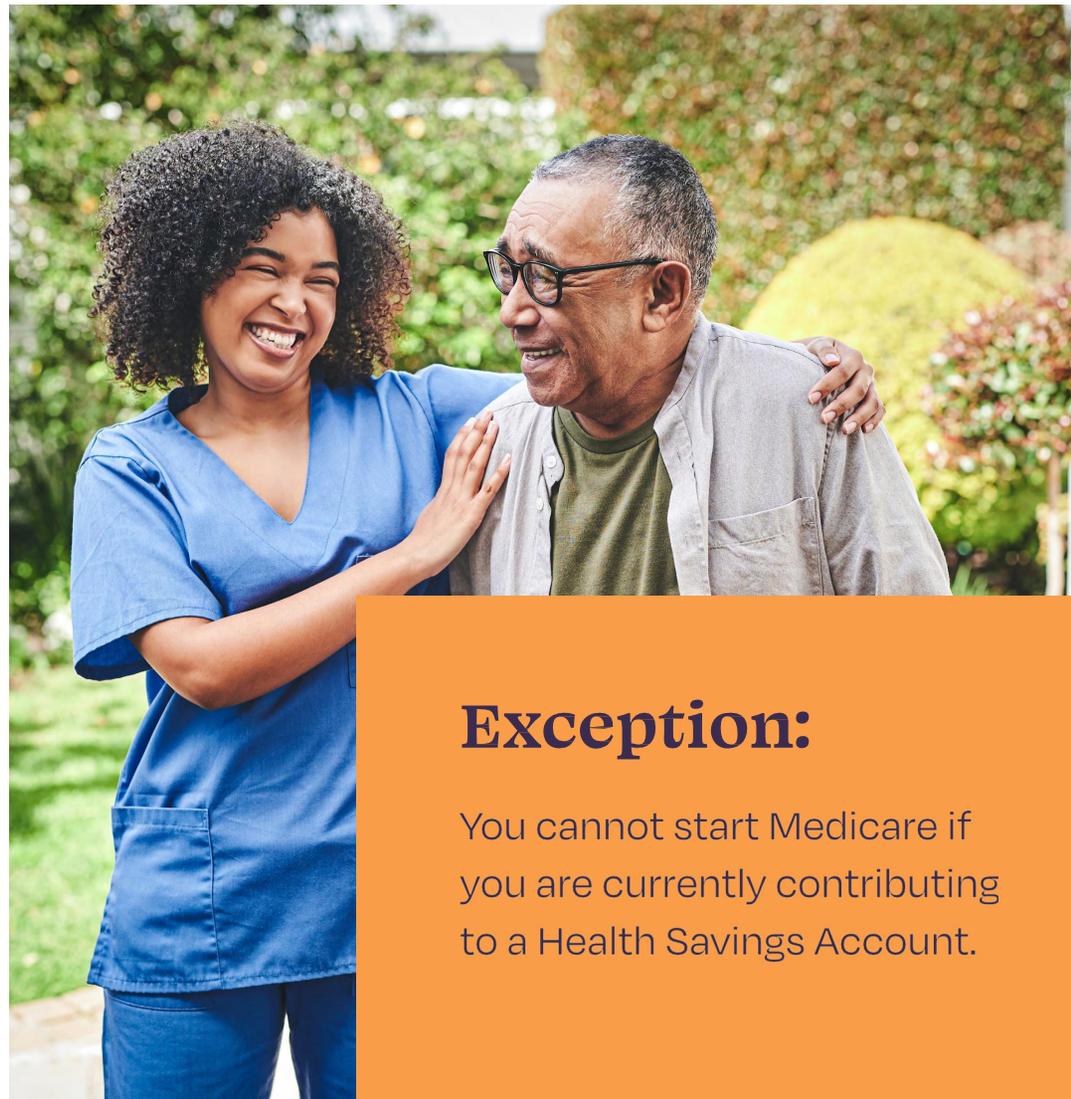
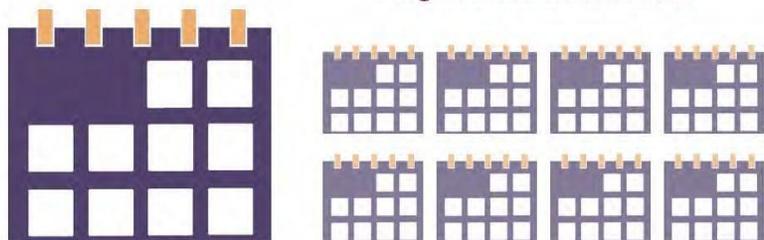
Example

If your birthday is Dec 23, the earliest
you could sign up for Medicare
would be Sep 1st.

Special Enrollment Period

You lose group health coverage

Eight month window



Exception:

You cannot start Medicare if you are currently contributing to a Health Savings Account.

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2

**It doesn't matter
when you sign up for
Medicare**

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Penalties for Late Enrollment

These are life-time penalties, and they get bigger the longer you wait!

Medical Service:

You'll pay a 10% penalty on top of your Part B premium for every full year you wait to sign up.

Prescription drugs

The Part D penalty is 1% of the average Part D premium, for every month you wait after the end of your initial enrollment window.

Part B Eligibility Started	...But Waited Until	Addt'l Part B Penalty Owed	Addt'l Part D Penalty Owed
January 1, 2020	12 months (1/21)	10%	8%
January 1, 2020	38 months (3/23)	30%	34%
January 1, 2020	58 months (10/24)	40%	53%

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3

**There's nothing you
can do about the
Medicare "High
Earner" Tax**

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Adding your income to the equation

Applies if you earn more than \$97,000 (solo) or \$194,000 (jointly)

You can appeal if your income has changed significantly

For more information on the new 2023 income charts, email:

afs@askchapter.com

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IRMAA Fact Sheet

What is IRMAA?

IRMAA stands for Income-Related Monthly Adjustment Amount.

It is a surcharge that some people pay in addition to their Part B and Part D premiums if their income is above a certain amount.

What is IRMAA based on?

IRMAA costs are calculated annually based on your Modified Adjusted Gross Income from two years prior.

For 2023, the Social Security Administration (SSA) looks at your 2021 tax returns to determine if you must pay extra.

Can I appeal my IRMAA payments?

Yes. The SSA can make a revised decision if you've experienced a life-changing event that caused a decrease in income, such as the death of a spouse, marriage, divorce, etc.

You can request a redetermination using Form SSA-44.

	Modified AGI (2021)	Part B Base + IRMAA	=	Part B Total	Part D Surcharge
Single	\$97,000 or less	\$164.90	=	\$164.90	\$0.00
Married	\$194,000 or less	+ 0.00			
Single	\$97,001 - \$123,000	\$164.90	=	\$230.80	\$12.20
Married	\$194,001 - \$246,000	+ 65.90			
Single	\$123,001 - \$153,000	\$164.90	=	\$329.70	\$31.50
Married	\$246,001 - \$306,000	+ 164.80			
Single	\$153,001 - \$183,000	\$164.90	=	\$428.60	\$50.70
Married	\$306,001 - \$366,000	+263.70			
Single	\$183,001 - \$499,000	\$164.90	=	\$527.50	\$70.00
Married	\$366,001 - \$749,999	+362.60			
Single	\$500,000 or more	\$164.90	=	\$560.50	\$76.40
Married	\$750,000 or more	+395.60			

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4

**Original Medicare
covers all of your
costs**

A decorative graphic on the right side of the slide, consisting of several dark purple rays radiating from a central point, resembling a sunburst or starburst.



Two ways to achieve comprehensive coverage

Option 1

Keep Original Medicare and add:

Medicare Supplement plan (Aka “Medigap”)

Covers some or all costs not covered by Parts A & B

_____ and _____

Standalone Part D plan

Covers prescription drugs

Option 2

Replace Original Medicare:

Part C aka Medicare Advantage aka “All in One” plan

- Combines parts A & B
- Additional Benefits
- Most cover prescription drugs (include Part D benefit)

Plan G

For maximum peace of mind



No network restrictions



No referral required for specialists visits



No additional bills or copays



Works nationwide



Includes 80% international coverage

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5

Choosing drug coverage isn't important if you don't take expensive prescriptions

A decorative graphic consisting of several dark purple, semi-transparent rays radiating from a central point on the right side of the slide, resembling a sunburst or starburst.

Part D Drug Coverage

What is it?

Coverage for prescription drugs
D as in Drugs!

Why get it?

To get prescription insurance
Avoid lifetime penalties



How to get it?

There are two ways:

1. Standalone Part D plan
2. As part of a Medicare Advantage Plan

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6

**My neighbor's plan
is a good choice**

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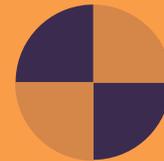


The 3 Ps



Providers

(Doctors & Network)



Prescriptions

(Doctors & Network)



Priorities

(Lifestyle Choices)



**You only need to
choose your
coverage once**



You should adjust or re-confirm coverage each year

What changes each year:

- ✦ Premiums and costs
- ✦ Benefits
- ✦ Physician networks



Re- confirming Coverage?

An advisor can help you look at
how your plan might change.

FAQ

I'm past age 65 and planning to continue working for at least another 2-3 years. Do I need to enroll in Medicare Part B?

A decorative graphic consisting of several thick, dark purple lines radiating from a central point on the right side of the slide, extending towards the left and bottom.

FAQ

If I have a pre-existing condition, can I be denied for a Medigap (Medicare Supplement) plan?

A decorative graphic consisting of several thick, dark purple lines radiating from a central point on the right side of the slide, extending towards the left and bottom edges.

**I've been hearing a lot about
changes to Medicare Part D -
what's going on?**



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