

2020 Guide

Medicare Insurance Reference Guide

What the Benefits Advisor Needs to Know



Four Oaks Insurance
Medicare Experts

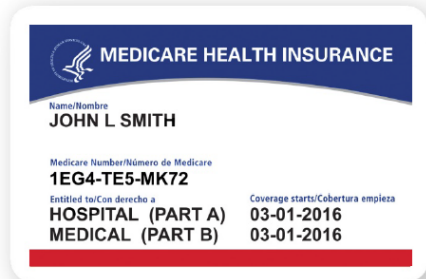
Who Can Get Medicare?

U.S. citizens and legal residents

Legal residents must live in the U.S. for at least 5 years in a row, including the 5 years just before applying for Medicare.

You must also meet one of the following requirements:

- Age 65 or older
- Younger than 65 with a qualifying disability
- Any age with a diagnosis of end-stage renal disease or ALS



Parts A&B: Original Medicare

Original Medicare has two parts:

- Part A is hospital insurance
- Part B is medical insurance



PART
A

PART
B

Original Medicare (Parts A & B) does not cover:

- All of the cost of your care — you have out-of-pocket costs, with no limit
- Prescription drugs
- Routine dental, vision or hearing care
- Eyeglasses, contacts or hearing aids
- Long-term or custodial care (help bathing, eating, dressing)
- Excess charges for services by doctors who don't accept Medicare assignment
- Care received outside the U.S., except for certain circumstances

Parts A&B: Costs

PART A

Premium	Deductible	Other Costs	Note
\$0 for most people	\$1,408 per benefit period (up to 60 days)	\$352 per day for days 61–90 in one benefit period \$704 per lifetime reserve day (maximum of 60 days)	NO out-of- pocket limit

PART B

Premium	Deductible	Other Costs	Note
\$144.⁶⁰ per month for most people	\$198 for the year	20% of approved amount for most covered services Excess charges (if any)	NO out-of-pocket limit

Two Main Options

Original Medicare

- Original Medicare includes Medicare Part A (Hospital Insurance) and Part B (Medical Insurance).
- If you want drug coverage, you can join a separate Part D plan.
- To help pay your out-of-pocket costs in Original Medicare (like your 20% coinsurance), you can also shop for and buy supplemental coverage.
- Can use any doctor or hospital that takes Medicare, anywhere in the U.S.

☒ Part A



☒ Part B



You can add:

☐ Part D



You can also add:

☐ **Supplemental coverage**



(Some examples include coverage from a Medicare Supplement Insurance (Medigap) policy, or coverage from a former employer or union.)

Medicare Advantage (also known as Part C)

- Medicare Advantage is an “all in one” alternative to Original Medicare. These “bundled” plans include Part A, Part B, and usually Part D.
- Plans may have lower out-of-pocket costs than Original Medicare.
- In most cases, you’ll need to use doctors who are in the plan’s network.
- Most plans offer extra benefits that Original Medicare doesn’t cover— like vision, hearing, dental, and more.

☒ Part A



☒ Part B



Most plans include:

☒ Part D



☒ **Extra benefits**

Some plans also include:

☐ **Lower out-of-pocket-costs**

Understanding Part C: Medicare Advantage



Another way to get your Medicare benefits

- An alternative to Original Medicare (Parts A & B)
- Plan members are still in the Medicare program
- Benefits are administered by the plan
- Plans offered by private insurance companies

All Medicare Advantage plans cover:

All the benefits of Part A
(except hospice care, which is still covered by Part A)

All the benefits of Part B

Most Medicare Advantage plans cover:

Prescription drugs

Medicare Advantage plans may offer additional benefits and features, such as:

Dental exams, cleanings and X-rays

Eye exams, eyeglasses and corrective lenses

Hearing tests and hearing aids

Wellness programs and fitness memberships

Medicare Advantage plans have an annual out-of-pocket maximum to help protect against high costs.



Medicare Supplement or Medicare Advantage?

CONSIDERATIONS	MEDICARE SUPPLEMENT	MEDICARE ADVANTAGE
Coverage	<ul style="list-style-type: none">• Pays some costs not paid by Original Medicare• Does not help with drug costs• Nationwide coverage	<ul style="list-style-type: none">• Provides benefits of Original Medicare and beyond• Often includes drug coverage• May have provider network
Cost	<ul style="list-style-type: none">• Monthly plan premium• Drug plan premium and other costs if coverage added• Out-of-pocket costs depend on plan chosen	<ul style="list-style-type: none">• May charge plan premium• Often no additional premium for drug coverage• Copays or coinsurance for most covered services• Annual out-of-pocket maximum
Convenience	<ul style="list-style-type: none">• Multiple plans (when added to Original Medicare along with a Part D plan)	<ul style="list-style-type: none">• All-in-one plan

Part D: Prescription Drugs



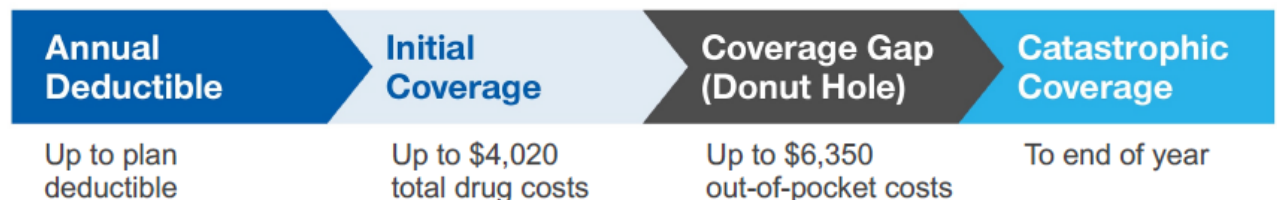
Helps with the cost of prescription drugs

Two ways to get coverage:

- Add a standalone Part D plan to Original Medicare
- Choose a Medicare Advantage plan that includes prescription drug coverage

Plans offered by private insurance companies

Coverage stages



- Amount paid for prescriptions depends on stage
- Dollar limits can change each year
- Not all plans have a deductible
- Many people never reach the coverage gap
- Cycle starts over on January 1 each year

Medicare Supplement Insurance: Medigap



Helps pay some costs not paid by Medicare

- Supplements Original Medicare (Part A and Part B)
- Can't be used with Medicare Advantage
- 8 plans with benefits standardized by the federal government
- MA, MN and WI plans are different from standardized plans in other states
- Plans offered by private insurance companies in your state

Standardized Medicare Supplement Plans

This chart shows basic information about the different benefits that Medigap policies cover. If a percentage appears, the Medigap plan covers that percentage of the benefit, and you must pay the rest.

	Medicare Supplement Insurance (Medigap) Plans									
Benefits	A	B	C	D	F*	G*	K	L	M	N
Medicare Part A coinsurance and hospital costs (up to an additional 365 days after Medicare benefits are used)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Medicare Part B coinsurance or copayment	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%
							Out-of-pocket limit in 2020**			
							\$5,880	\$2,940		

* Plans F and G also offer a high-deductible plan in some states. With this option, you must pay for Medicare-covered costs (coinsurance, copayments, and deductibles) up to the deductible amount of \$2,340 in 2020 before your policy pays anything. (Plans C and F won't be available to people who are newly eligible for Medicare on or after January 1, 2020.)

**For Plans K and L, after you meet your out-of-pocket yearly limit and your yearly Part B deductible (\$198 in 2020), the Medigap plan pays 100% of covered services for the rest of the calendar year.

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

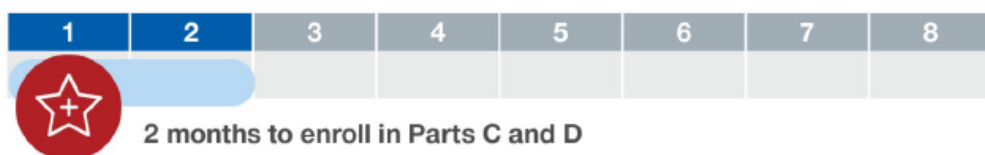
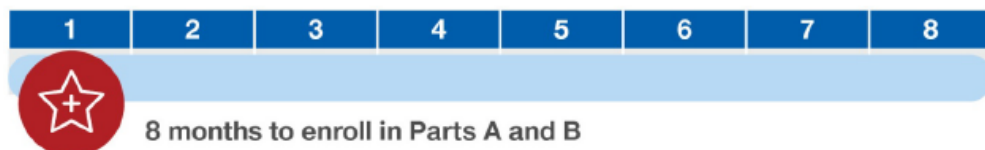
When to Enroll



- Enrolled in Part A and Part B automatically if receiving Social Security or Railroad Retirement Board (RRB) benefits at age 65, or after receiving Social Security disability benefits for 24 months
- Enroll yourself if not receiving benefits (go to [SSA.gov](https://www.ssa.gov) or local office)
- Enroll early to avoid gaps in coverage and late enrollment penalties
- May refuse or delay enrollment in Part B
- May enroll in a Medicare Advantage or a prescription drug plan

Special Enrollment: Working Past 65

Month after the last month of employment or employee health coverage



- For those who delayed enrollment
- May enroll in Part A, Part B or both
- Part B enrollment triggers Medicare Supplement Open Enrollment
- May choose a Part C or Part D plan
- **Enroll in Part D early to avoid penalty**

New to Medicare Timeline

6 Months Prior

- ✓ Read about Medicare Part A, B, C, D, and Medigap
- ✓ Find out if your work history qualifies you for coverage
- ✓ Learn how other coverage works with Medicare
- ✓ Make sense of the costs of Medicare

4 Months Prior

- ✓ Begin to compare plans
- ✓ Calculate costs per month for: Premiums, Deductibles, Co-pays & Coinsurance
- ✓ Talk to your Expert about plan options
- ✓ Make your decision

3 Months Prior

- ✓ Enroll in Original Medicare with Social Security
- ✓ Confirm receipt of Medicare card
- ✓ Contact your Expert to confirm your plan enrollments

Know Your Dates

Acronym	Definition	Enrollment Dates	Effective Dates
IEP	Initial Enrollment Period	7 months surrounding your 65th birthday month	No sooner than your birthday month, or 25th month of disability benefit entitlement
GEP	General Enrollment Period	January 1st to March 31 st	July 1
SEP	Special Enrollment Period for the Working Aged and Working Disabled	For Original Medicare Part A and Part B: 8 months, following the month you retire or lose creditable coverage; For Medicare Part C and Part D: 63 days after the loss of employer healthcare coverage	Coverage start date varies
Medigap OEP	Medigap Open Enrollment Period	6 months, starting the month you're 65 or older and enrolled in Medicare Part B	Can vary, but usually begins the first day of the month after you apply
ICEP	Initial Coverage Election Period	For turning 65, same as IEP; if Part B delayed, then 3 months prior to Part B effective	For turning 65, same as IEP; if Part B delayed, then effective first date Part B is effective
AEP	Annual Election Period	October 15th to December 7th	January 1st of the following year
MA OEP	Medicare Advantage Open Enrollment Period	January 1st to March 31	The first day of the month after your enrollment form is received
SEP	Special Election Period	Used throughout the year and is intended for people going through certain circumstances, like a move to a new service area or qualify for low income subsidy	Coverage start date varies

2020 Medicare Costs

Medicare Part A (Hospital Insurance) Costs

Part A Monthly Premium

Most people don't pay a Part A premium because they paid Medicare taxes while working. If you don't get premium-free Part A, you pay up to \$458 each month.

Hospital Stay

In 2020, you pay

- \$1,408 deductible per benefit period
- \$0 for the first 60 days of each benefit period
- \$352 per day for days 61–90 of each benefit period
- \$704 per “lifetime reserve day” after day 90 of each benefit period (up to a maximum of 60 days over your lifetime)

Skilled Nursing Facility Stay

In 2020, you pay

- \$0 for the first 20 days of each benefit period
- \$176 per day for days 21–100 of each benefit period
- All costs for each day after day 100 of the benefit period

Medicare Part B (Medical Insurance) Costs

Part B Monthly Premium

The standard Part B premium amount in 2020 is \$144.60 or higher depending on your income. Social Security will tell you the exact amount you'll pay for Part B in 2020.

You pay the standard premium amount (or higher) if:

- You enroll in Part B for the first time in 2020.
- You don't get Social Security benefits.
- You're directly billed for your Part B premiums.
- You have Medicare and Medicaid, and Medicaid pays your premiums.
(Your state will pay the standard premium amount of \$144.60 in 2020.)
- Your modified adjusted gross income as reported on your IRS tax return from 2 years ago is above a certain amount.

If you're in 1 of these 5 groups, here's what you'll pay:

If your yearly income in 2018 was			You pay (in 2020)
File individual tax return	File joint tax return	File married & separate tax return	
\$87,000 or less	\$174,000 or less	\$87,000 or less	\$144.60
above \$87,000 up to \$109,000	above \$174,000 up to \$218,000	not applicable	\$202.40
above \$109,000 up to \$136,000	above \$218,000 up to \$272,000	not applicable	\$289.20
above \$136,000 up to \$163,000	above \$272,000 up to \$326,000	not applicable	\$376.00
above \$163,000 and less than \$500,000	above \$326,000 and less than \$750,000	above \$87,000 and less than \$413,000	\$462.70
\$500,000 or above	\$750,000 and above	\$413,000 and above	\$491.60

The information in this chart can be found at [Medicare.gov/your-medicare-costs/medicare-costs-at-a-glance](https://www.medicare.gov/your-medicare-costs/medicare-costs-at-a-glance). If you have questions about your Part B premium, call Social Security at 1-800-772-1213. TTY users can call 1-800-325-0778. If you pay a late enrollment penalty, these amounts may be higher.

Part B Deductible—\$198 per year

Medicare Advantage Plans (Part C) and Medicare Prescription Drug Plans (Part D) Premiums

Visit [Medicare.gov/find-a-plan](https://www.medicare.gov/find-a-plan) to get plan premiums. You can also call 1-800-MEDICARE (1-800-633-4227). TTY users can call 1-877-486-2048. You can also call the plan or your State Health Insurance Assistance Program (SHIP). To get the most up-to-date SHIP phone numbers, visit shiptacenter.org or call 1-800-MEDICARE.

Part D Monthly Premium

The chart below shows your estimated prescription drug plan monthly premium based on your income. If your income is above a certain limit, you will pay an income-related monthly adjustment amount in addition to your plan premium. The information in the chart above can be found at [Medicare.gov/your-medicare-costs/medicare-costs-at-a-glance](https://www.Medicare.gov/your-medicare-costs/medicare-costs-at-a-glance).

If your yearly income in 2018 was			You pay (in 2020)
File individual tax return	File joint tax return	File married & separate tax return	
\$87,000 or less	\$174,000 or less	\$87,000 or less	Your plan premium
above \$87,000 up to \$109,000	above \$174,000 up to \$218,000	not applicable	\$12.20 + your plan premium
above \$109,000 up to \$136,000	above \$218,000 up to \$272,000	not applicable	\$31.50 + your plan premium
above \$136,000 up to \$163,000	above \$272,000 up to \$326,000	not applicable	\$50.70 + your plan premium
above \$163,000 and less than \$500,000	above \$326,000 and less than \$750,000	above \$87,000 and less than \$413,000	\$70.00 + your plan premium
\$500,000 or above	\$750,000 and above	\$413,000 and above	\$76.40 + your plan premium

2020 Part D National Base Beneficiary Premium — \$32.74

This figure is used to estimate the Part D late enrollment penalty and the income-related monthly adjustment amounts listed in the table above. The national base beneficiary premium amount can change each year. See your Medicare & You handbook or visit [Medicare.gov](https://www.Medicare.gov) for more information.

For more information about Medicare costs, visit [Medicare.gov](https://www.Medicare.gov).

Additional Questions

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