

MEDICARE

Guide 2023

*First, the Alphabet Soup. . .
how the various parts fit together.*

PART A - **Federal Government** provides - For in-patient hospital, skilled nursing & facility services.

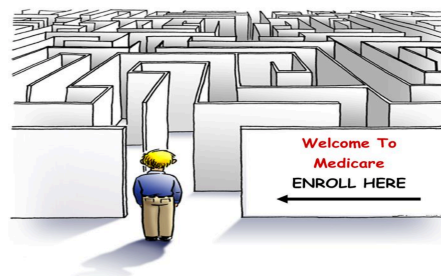
PART B - **Federal Government** provides - For out-patient surgery, doctors, lab & x-ray, professional services, etc.

PART C - **Private insurance** provides if you opt out of traditional Medicare (you still need to pay for Part B). Often called Medicare Advantage HMO.

PART D - **Private insurance** provides for out-patient Rx prescriptions (retail and mail-order).

PLANS - A, B, C, D, F, G, K, L, M, N -

Private insurance provides to cover gaps in Part A and Part B like co-pays, deductibles and co-insurance. Often called Medi-Gap or Medicare Supplement plans.



What does the Government Charge for Parts A & B?



Part A (Hospital Insurance) is often called "premium-free" Part A. The **majority** of folks paid for Part A from their paychecks (Medicare Taxes) during working years and **don't pay any monthly premiums** for Part A.

If you did not contribute Medicare taxes, then you have to "buy" Part A and you'll pay up to \$506 a month in 2023.

Part B (Doctors, Labs, etc.) You pay each month for Part B. How much? **Well, ask a simple question ...**

The "standard" amount is **\$164.90** in 2023. Those already enrolled may be slightly less due to COLA adjustments.

If you are new to Medicare B in 2023 you pay **\$164.90**

However, if your income is more than **\$97,000** (Single) or **\$194,000** (Married) **then meet ...**

IRMAA

(Income Related Monthly Adjustment Amount)

Not everyone pays the same amount for Part B ~

Your age, location or health status does not impact Part B Premiums. Other factors do - approximately 70% (those already enrolled or not subject to IRMAA) and receiving Social Security retirement income are helped by the Social Security COLA (Cost of Living Adjustment) hold harmless provision that ties the Part B premium increases to the COLA amounts. *Example* if no COLA for the year, then no increase to Part B premium and if a very small COLA, then a small Part B adjustment. Those new to Medicare, not yet taking Social Security benefits and those at higher income levels are not protected and pay more.

Income is defined as your MAGI (Modified Adjusted Gross Income) and is supplied by the IRS using returns from 2 years prior to the current year.

Medicare was formed in 1965 and Part B was set up to ask folks to pay a premium that would equal 25% of the cost to provide Part B services. *Example:* If Part B was costing the government \$400 per month in claims & administrative costs on average for a beneficiary, the monthly premium would be \$100 to the Medicare Beneficiary each month.

In 2003, with a need to shore up the Medicare Trust Fund, Congress decided to implement (starting in 2007), a new formula in calculating Part B premiums using the beneficiary's income (mean-testing) - even if the taxpayer already paid the maximum payroll taxes during their working career. Means testing affects Part B and Part D (Rx).

Approximately 7% of the Medicare beneficiaries are subject to IRMAA which will be added to your monthly premiums and if you are collecting Social Security, will be deducted from your Social Security monthly income. If you're not collecting Social Security yet, you will be billed by Medicare (CMS). IRMAA impacts Part D Rx plans too, and the plan collects the extra premium from you to send to the Feds. Each year you'll receive notice from the IRS/CMS if you owe IRMAA and what the amount will be for the coming year.

IF YOUR INCOME IN 2021 WAS

Single	Married Filing Jointly
Less than \$97,000 a year	Less than \$194,000 a year
\$97,001 to \$123,000 a year	\$194,001 to \$246,000 a year
\$123,001 to \$153,000 a year	\$246,001 to \$306,000 a year
\$153,001 to \$183,000 a year	\$306,001 to \$366,000 a year
\$183,001 to \$499,999 a year	\$366,001 to \$749,999 a year
\$500,000 or more a year	\$750,000 or more a year

WHAT YOU'LL PAY IN 2023

MONTHLY PART B PREMIUM
\$164.90
\$230.80
\$329.70
\$428.60
\$527.50
\$560.50

Breakdown

Equals	Sur-Charge
Standard Premium	
Standard Premium +	\$65.90
Standard Premium +	\$164.80
Standard Premium +	\$263.70
Standard Premium +	\$362.60
Standard Premium +	\$395.60

In 2018 Congress lowered the income levels subject to the surcharges. In 2019 they added 1 more income band at the top.

What do Medicare Supplements Cover?



Benefits

Medicare Part A Co-insurance plus an additional 365 days

Medicare Part B co-insurance

Medicare Part B Excess Charges (100%)

Medicare Part A Deductible

Medicare Part B Deductible

Skilled Nursing Co-Insurance

Foreign Travel Emergency (up to plan limits)

Out of Pocket Limit **

Deductible before benefits start

	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>F**</u> Extra	<u>F**</u> *High Deductible	<u>G</u>	<u>G</u> Extra	<u>K</u>	<u>L</u>	<u>M</u>	<u>N</u>
Medicare Part A Co-insurance plus an additional 365 days	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Medicare Part B co-insurance	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes ^
Medicare Part B Excess Charges (100%)					Yes	Yes	Yes	Yes				
Medicare Part A Deductible		Yes	Yes	Yes	Yes	Yes	Yes	Yes	50%	75%	50%	Yes
Medicare Part B Deductible			Yes		Yes	Yes						
Skilled Nursing Co-Insurance			Yes	Yes	Yes	Yes	Yes	Yes	50%	75%	50%	Yes
Foreign Travel Emergency (up to plan limits)			Yes		Yes	Yes	Yes	Yes				
Out of Pocket Limit **									\$6,620	\$3,310		
Deductible <u>before</u> benefits start						\$2,490						
					Some vision and hearing coverage			Some vision and hearing coverage				

* The Plan F "High Deductible" plan has a deductible to be met before any benefits start.

^ The Plan N has a \$20 co-pay for office visits and \$50 co-pay for Emergency Room

** Plan F only available if you turned 65 before January 1st, 2020

Sample Premiums Age 65

Anthem as of March 1st, 2023 | Blue Shield as of July 1st 2023 & Before any promotional discounts

Riverside County Anthem	\$134.63	n/a	n/a	n/a	\$198.19	n/a	\$152.15	n/a	n/a	n/a	n/a	\$160.49
Riverside County Blue Shield	\$130.00	n/a	n/a	n/a	\$223.00		\$166.00	\$182.00	n/a	n/a	n/a	\$164.00
Orange County Anthem	\$142.45	n/a	n/a	n/a	\$220.76	n/a	\$168.75	n/a	n/a	n/a	n/a	\$181.57
Orange County Blue Shield	\$125.00	n/a	n/a	n/a	\$217.00		\$162.00	\$178.00	n/a	n/a	n/a	\$159.00

Household (two party) discounts of above | 7% BSC if same plan & 10% Anthem any plan

"New to Medicare" Premium Discount Promos (take off above figures)

Anthem \$25 a month for Plan G

Blue Shield \$25 a month for Plan G

Medicare Part D

For Outpatient Prescriptions



Federal Standard Base Plan Design

		2023	2022	2021	2020
Level 1 (Initial Calendar Year Deductible)	Deductible -->	\$505	\$480	\$445	\$435
Level 2 (Initial Coverage Level)	Your Co-Insurance Share -->	25%	25%	25%	25%
until you've received this retail amount of meds (what you've paid and what the plan has paid)	L2 threshold reached at -->	\$4,660	\$4,430	\$4,130	\$4,020
Level 3 ("Donut Hole" or "Gap")	Your Co-Insurance Share -->	You pay all*	You pay all*	You pay all*	You pay all*
* Special Donut Hole Discounts 2010 to 2020	Discount on Brand price -->	-75.0%	-75.0%	-75.0%	-75.0%
(you pay the net after discounts in L3)	Discount on Generic price -->	-75.0%	-75.0%	-75.0%	-75.0%
Level 4 (Catastrophic Coverage Level)	Your Co-Insurance Share -->	5%	5%	5%	5%
L4 Starts after your total out of pocket limit (Out of pocket includes deductible, co-insurance and co-pays) (equivalent to \$11,206 in total drug spending, up from \$10,690 in 2022)	Reaches -->	\$7,400	\$7,050	\$6,550	\$6,350

Part D is designed and regulated by the Federal Government and purchased thru private insurance. The "Standard Design" above is the minimum benefits. Most plans provide an "actuarial equivalent" or enhanced benefits.

Most plans in California use co-pays instead of co-insurance for Levels 1, 2 & 4

Plans using a co-pay approach usually put different medications into different tiers. Example: Tier 1 = preferred generics
Tier 2 = preferred brand | Tier 3 = non-preferred generics | Tier 4 = Injectable | Tier 5 = Specialty Drugs to determine the co-pay.

!! If you do not elect a Part D plan there is a **penalty of 1%** for each month you do not have creditable prescription coverage.

Example: You go without Rx coverage for 36 months and then sign up. Penalty would be a surcharge of **36%** for rest of your life.

If you don't feel you need rx coverage (low or no Rx need) you should still enroll in a basic (low premium) plan to avoid future penalty.

IRMAA (see page 2) Means testing applies for Part D plans too.

If your income 2 years ago was

Single	Married Filing Jointly
Less than \$97,000 a year	Less than \$194,000 a year
\$97,001 to \$123,000 a year	\$194,001 to \$246,000 a year
\$123,001 to \$153,000 a year	\$246,001 to \$306,000 a year
\$153,001 to \$183,000 a year	\$306,001 to \$366,000 a year
\$183,001 to \$499,999 a year	\$366,001 to \$749,999 a year
\$500,000 or more a year	\$750,000 or more a year

IRMAA Part D Surcharges



Add the IRMAA Surcharge to your plan premium

2023	2022	2021
\$0.00	\$0.00	\$0.00
\$12.20	\$12.40	\$12.30
\$31.50	\$32.10	\$31.80
\$50.70	\$51.70	\$51.20
\$70.00	\$71.30	\$70.70
\$76.40	\$77.90	\$77.10

2023 Medicare Part D Stand-Alone Prescription Drug Plans

Requires Medicare Part A and/or Part B to qualify for Part D

For use by HICAP Counselors in assisting Medicare beneficiaries. See Plan EOC or Medicare Plan Finder for plan details

Organization Name Enrollment Telephone No. Website	Plan Name	Plan Contract / ID	Monthly Premium	Annual Deductible	Copayments & coinsurance after deductible and prior to reaching \$4,660 initial coverage limit						Additional Coverage in Gap*	Extra Help (LIS)	Star Rating
					Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 6			
Aetna Medicare 833-526-2445 aetnamedicare.com	SilverScript Choice	S5601-064	\$29.60	\$505	\$2	\$7	17%	35%	25%	N/A		Yes	3.5
	SilverScript Plus	S5601-065	\$69.10	\$0	\$0	\$0	\$47	50%	33%	N/A	Tier 1,2		3.5
	SilverScript SmartSaver	S5601-207	\$4.50	\$505**	\$2	\$15	25%	50%	25%	N/A			3.5
Anthem Blue Cross 855-793-1938 anthem.com/medicare	MediBlue Rx Plus	S5596-088	\$94.50	\$0	\$1	\$4	\$47	50%	33%	N/A			3.5
	MediBlue Rx Standard	S5596-087	\$90.60	\$505	\$1	\$2	\$40	40%	25%	N/A			3.5
Blue Shield of California 888-292-7591 blueshieldca.com	Rx Plus	S2468-003	\$96.50	\$505**	\$1	\$12	\$43	47%	25%	N/A			3.0
	Rx Enhanced	S2468-004	\$172.50	\$0	\$2	\$7	\$43	42%	33%	N/A			3.0
Cigna 800-735-1459 cigna.com/medicare	Saver Rx	S5617-382	\$12.70	\$505**	\$0	\$10	\$40	50%	25%	N/A			3.0
	Secure Rx	S5617-158	\$28.40	\$505**	\$1	\$6	\$28	50%	25%	\$0		Yes	3.0
	Extra Rx	S5617-277	\$67.70	\$100**	\$4	\$10	\$45	50%	31%	\$0	Tier 1,2		3.0
Clear Spring Health 877-317-6082 clearspringhealthcare.com	Premier Rx	S6946-056	\$15.10	\$505**	\$1	\$5	\$42	45%	25%	N/A			1.5
	Value Rx	S6946-027	\$25.80	\$505	\$1	\$3	\$42	35%	25%	N/A		Yes	1.5
Elixir Insurance 888-377-1439 elixirinsurance.com	RxSecure	S7694-032	\$65.10	\$505	\$1	\$4	15%	34%	25%	N/A			2.5
	RxPlus	S7694-137	\$64.30	\$505**	\$1	\$6	\$43	46%	25%	N/A			2.5

* During the coverage gap, plans may cover all or only some drugs within the listed tiers.

** Deductible may not apply to all tiers.

Notes:

Copayments/coinsurance amounts based on a 30-day supply of a covered prescription drug from a preferred pharmacy. Non-preferred pharmacy prices may be higher.

Quality Rating is based on a combination of member satisfaction, problems with plan and complaints.

Tier 1 = Preferred Generic; Tier 2 = Generic; Tier 3 = Preferred Brand; Tier 4 = Non-Preferred Drug; Tier 5 = Specialty; Tier 6 = Select Care Drug

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					Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Tier 6			
Humana Insurance Co. 800-706-0872 humana.com/medicare	Walmart Value Rx Plan	S5884-211	\$44.50	\$505**	\$0	\$2	15%	50%	25%	N/A			3.0
	Basic Rx Plan	S5884-114	\$52.30	\$505	\$0	\$1	20%	39%	25%	N/A			3.0
	Premier Rx Plan	S5884-178	\$93.70	\$300**	\$1	\$4	\$45	49%	28%	N/A	Tier 1, 2		3.0
Mutual of Omaha Rx 800-961-9006 mutualofomaha.com	Rx Premier	S7126-101	\$81.70	\$505**	\$1	\$10	45%	45%	25%	N/A			2.0
	Rx Plus	S7126-031	\$104.60	\$505	\$1	\$5	20%	36%	25%	N/A			2.0
	Rx Essential	S7126-134	\$20.50	\$505	\$0	\$15	20%	48%	25%	N/A			2.0
UnitedHealthCare (AARP) 888-867-5564 800-753-8004 (Walgreens) aarpmedicareplans.com	MedicareRx Saver Plus	S5921-376	\$50.70	\$505	\$1	\$4	\$18	42%	25%	N/A			3.0
	MedicareRx Walgreens	S5921-413	\$35.20	\$350**	\$1	\$10	\$40	45%	27%	N/A	Tier 2 only		3.0
	MedicareRx Preferred	S5820-031	\$122.50	\$0	\$7	\$12	\$47	40%	33%	N/A	Tier 1, 2		3.5
WellCare 888-293-5151 wellcare.com/pdp	Value Script	S4802-163	\$8.30	\$505**	\$0	\$5	\$44	47%	25%	N/A			3.0
	Classic	S4802-094	\$29.00	\$505	\$0	\$4	\$33	39%	25%	N/A		Yes	3.0
	Medicare Rx Value Plus	S4802-235	\$71.30	\$0	\$0	\$4	\$47	50%	33%	N/A			3.0

* During the coverage gap, plans may cover all or only some drugs within the listed tiers.

** Deductible may not apply to all tiers.

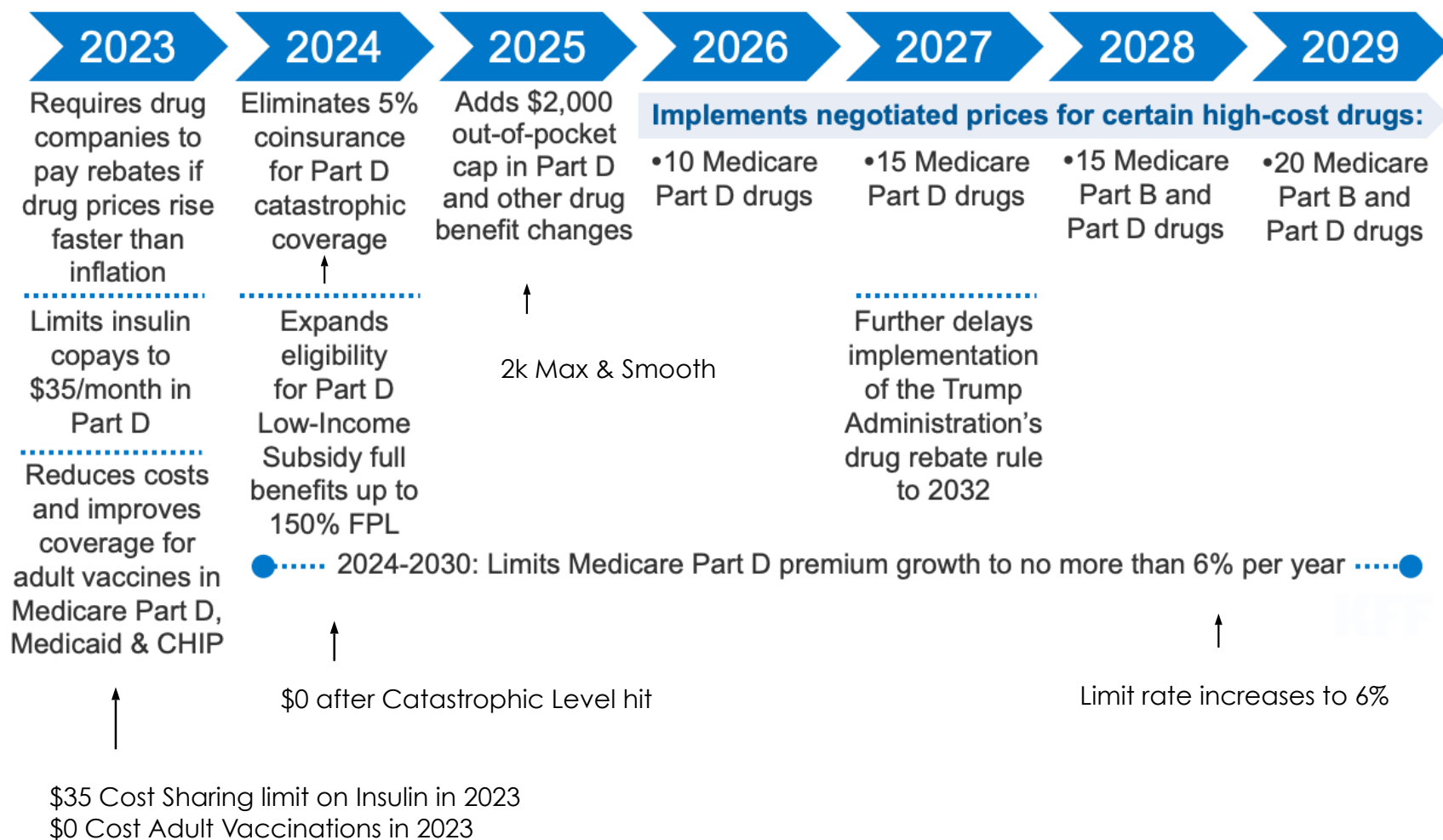
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Copayments/coinsurance amounts based on a 30-day supply of a covered prescription drug from a preferred pharmacy. Non-preferred pharmacy prices may be higher.

Quality Rating is based on a combination of member satisfaction, problems with plan and complaints.

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Implementation Timeline of the Prescription Drug Provisions in the Inflation Reduction Act



Medicare Common Enrollment Periods

Quick Overview

When can you enroll?	Window	Details
<p>Initial Enrollment Period (IEP)</p>	<p>7 Months</p>	<p>When you first become eligible for Medicare. Begins 3 months before you turn 65, includes the month you turn 65, and ends 3 months after the month you turn age 65.</p> <p><u>If you sign up:</u> Before the month you turn 65 The month you turn 65 1 to 3 months after you turn 65</p> <p><u>Coverage starts</u> The month you turn 65 The next month The next month</p>
<p>Open Enrollment Period (OEP)</p> <p><i>(For Part C Advantage Plans and Part D Rx Plans.)</i></p>	<p>53 Days</p>	<p>In 4th Quarter of the year (example: in 2022 from October 15th to December 7th. Coverage changes are effective January 1st. of each year.</p> <p><i>During Open Enrollment Period (OEP) you can:</i></p> <ol style="list-style-type: none"> 1. Change from Original Medicare to a Medicare Advantage Plan. 2. Switch from a Medicare Advantage Plan back to Original Medicare. 3. Switch from one Medicare Advantage Plan to another Medicare Advantage Plan. 4. Join a Medicare Prescription Drug Plan. 5. Switch from one Medicare Prescription Plan to another Medicare Prescription Plan. 6. Drop your Medicare Prescription Plan entirely.
<p>Special Enrollment Period (SEP)</p>	<p>2 Months</p>	<p><i>During Special Enrollment Period (SEP) you can:</i></p> <ol style="list-style-type: none"> 1. Join Medicare if you've lost an employer group medical/prescription plan. 2. You move out of your plan service area. <p>There is also a special enrollment period if you get Medicare due to disability. You can join during the 3 months before and after your 25th month of Social Security Disability.</p>
<p>California "Birthday Rule" <i>for changing Medicare Supplements (MediGap) plans.</i></p>	<p>60 Days</p>	<p>Those currently with a Medicare Supplement may change to another insurance company's Medicare Supplement of the same level or less, on a guaranteed issue basis on their birthday and during the 60 days following their birthday each year.</p>

For more details and situations, we have a Medicare Enrollment – "Tip Sheet" prepared by the Centers for Medicare (CMS) online in our Resource Library at www.wayco.com in the Medicare Section and you can always contact my office.