

Retirement Nuts and Bolts
“Medicare Basics”

presentation by Dee Dee Chen



Medicare Basics

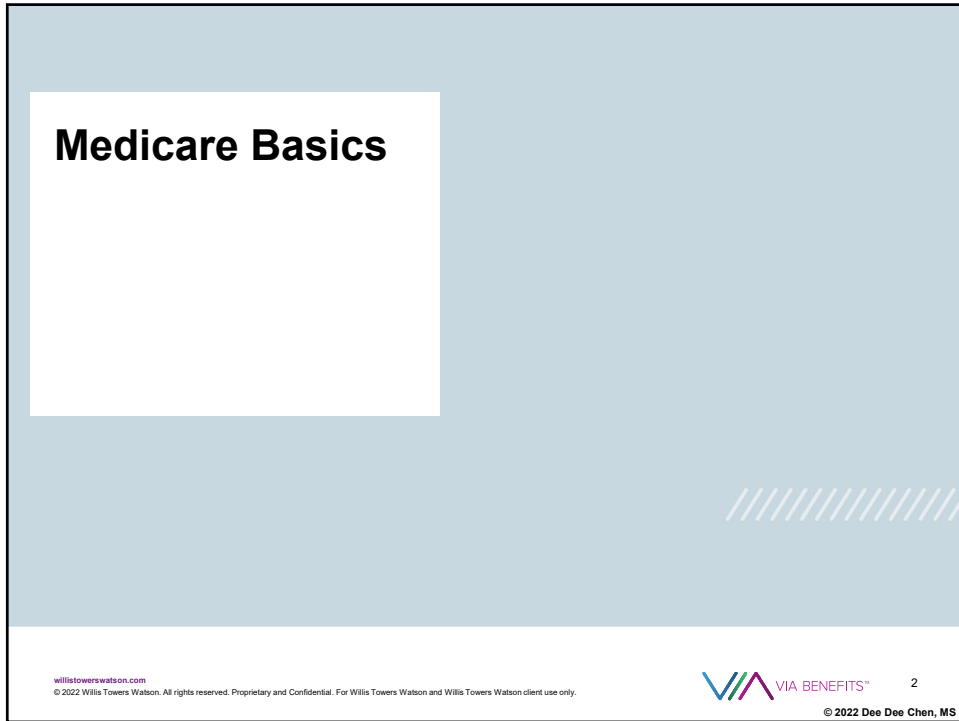
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 **Massachusetts General Hospital**
Founding Member, Mass General Brigham

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Medicare Basics

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Medicare Basics

The Medicare Marketplace **CMS**

Medicare is health insurance for individuals age 65 years and older, some pre-65 with disabilities, and those with ESRD (End-Stage Renal Disease) and ALS (Lou Gehrig's Disease)

Started in 1965; nothing to do with ACA (64 and under)

- **Medicare** is health insurance for individuals age 65 and older, regardless of income
- **Medicaid** is a state and federal program of health insurance for the financially challenged

CMS administers both Medicare and Medicaid, as well as SCHIP (State Children's Health Insurance Program)

- Collectively, these three health care programs benefit more than 80 million Americans

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Original Medicare – Parts A & B

Medicare Part A = Hospital Coverage

Medicare Part B = Medical Coverage


Automatically enrolled into Part B, so must opt out if you are still working when you are first Medicare-eligible.

There are financial exposures (gaps) inherently designed in Medicare Part A and Part B – how CMS funds Medicare.


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Medicare Part A Financial Exposures

Original Medicare Part A you pay:

- 40+ Quarters = **Premium-Free**
- 30-39 quarters **\$274** monthly
- < 30 quarters **\$499** monthly
- Deductible **\$1,556** 
[Re-setting, not annual]
- Hospital Co-Pays
 - Days 61-90 **\$389** per day
 - Days 91-150 **\$778** per day

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Medicare Part B Financial Exposures


Original Medicare Part B you pay:

- Part B premium of **\$170.10** monthly in 2022
- Annual Deductible **\$233**
- Co-Insurance **20%**

An Income Related Monthly Adjustment Amount [IRMAA] may also be incrementally added, based upon your IRS-reported income.

 **[\$91K/\$182K]**

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Medicare Part B - IRMAA

Your premium will change based on income as follows:

Your annual income		Your monthly premium in 2022
Individuals	Couples	
Equal to or below \$91,000	Equal to or below \$182,000	\$170.10
\$91,001 - \$114,000	\$182,001 - \$228,000	\$238.10
\$114,001 - \$142,000	\$228,001 - \$284,000	\$340.20
\$142,001 - \$170,000	\$284,001 - \$340,000	\$442.30
\$170,001 - \$499,999	\$340,001 - \$749,999	\$544.30
\$500,000 and above	\$750,000 and above	\$578.30

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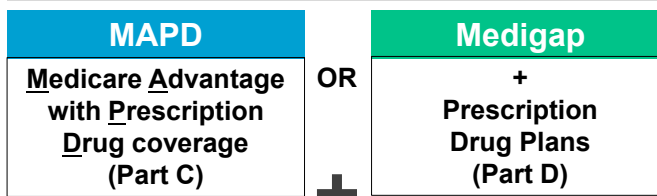
How Medicare Coverage Works

CMS

Original Medicare Parts A & B



Additional Coverage



Optional Coverage

Dental & Vision Plans

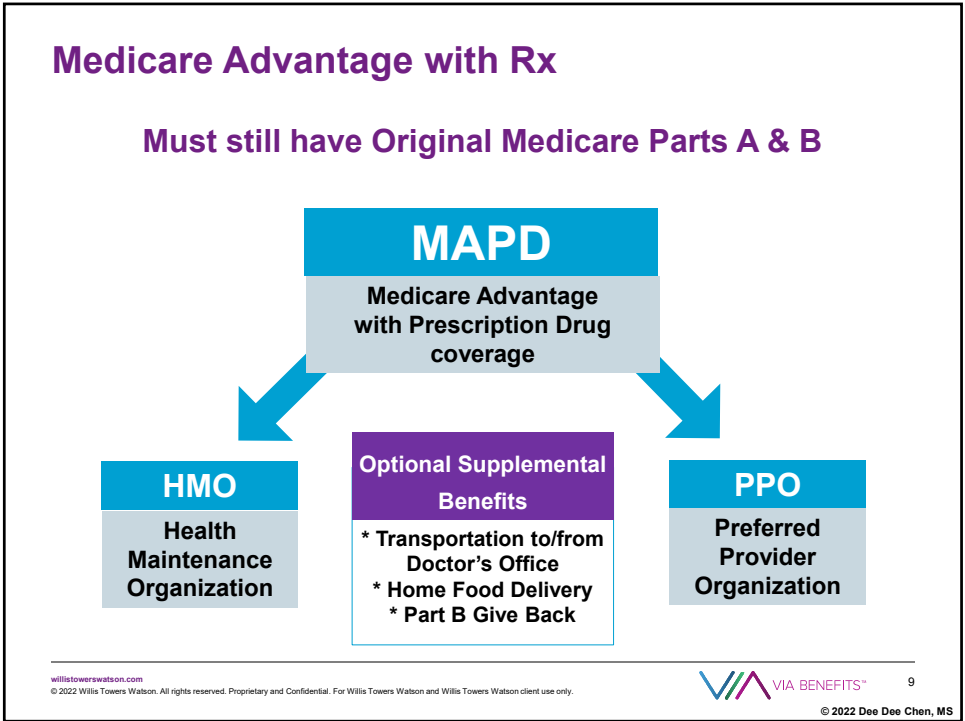
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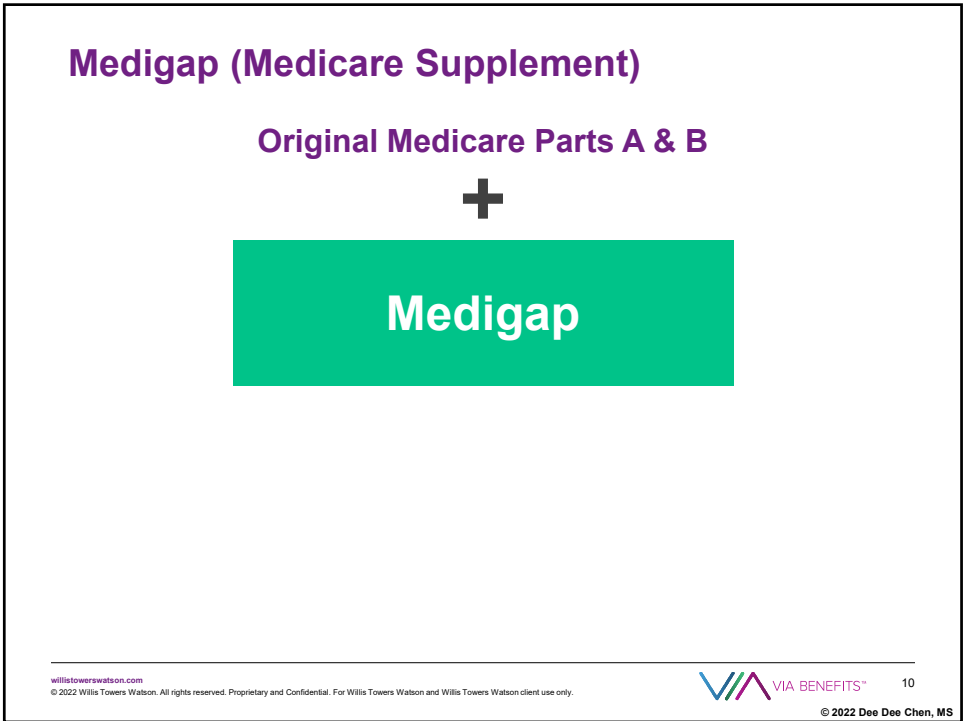
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Medicare Basics

Medicare Supplement Insurance (MediGap) – Massachusetts ONLY

Medigap Benefits	Medigap Plans		
	Core Plan	Supplement 1	Supplement 1A
Basic benefits	Yes	Yes	Yes
Part A: inpatient hospital deductible	No	Yes	Yes
Part A: skilled nursing facility coinsurance	No	Yes	Yes
Part B: deductible*	No	Yes*	No
Foreign travel emergency	No	Yes	Yes
Inpatient days in mental health hospitals	60 days per calendar year	120 days per benefit year	120 days per benefit year
State-mandated benefits (yearly Pap tests and mammograms. Check your plan for other state-mandated benefits.)	No	Yes	Yes

*Supplement 1 Plan (which includes coverage of the Part B deductible) will no longer be available to people who are new to Medicare on or after January 1, 2020. These people can buy Supplement 1A Plan. However, if you were eligible for Medicare before January 1, 2020 but not yet enrolled, you may be able to buy Supplement Plan 1.

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Medicare Supplement Insurance (Medigap)

Single-Lettered Plans in 47 States [different in MA / MN / WI]

Several states have special GI rules, including CT, NY; MA, ME; CA, OR, IL, ID, NV; WA, MO

Benefits	Medicare Supplement Insurance (Medigap) Policies								Medicare-Eligible Before 2020 ONLY	
	A	B	D	G	K	L	M	N	C	F
Medicare Part A coinsurance and hospital costs	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Medicare Part B coinsurance or copayment	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%	80%	80%

Source: CMS

* No Excess Charges States - CT, MA, MN, NY, OH, PA, RI, VT

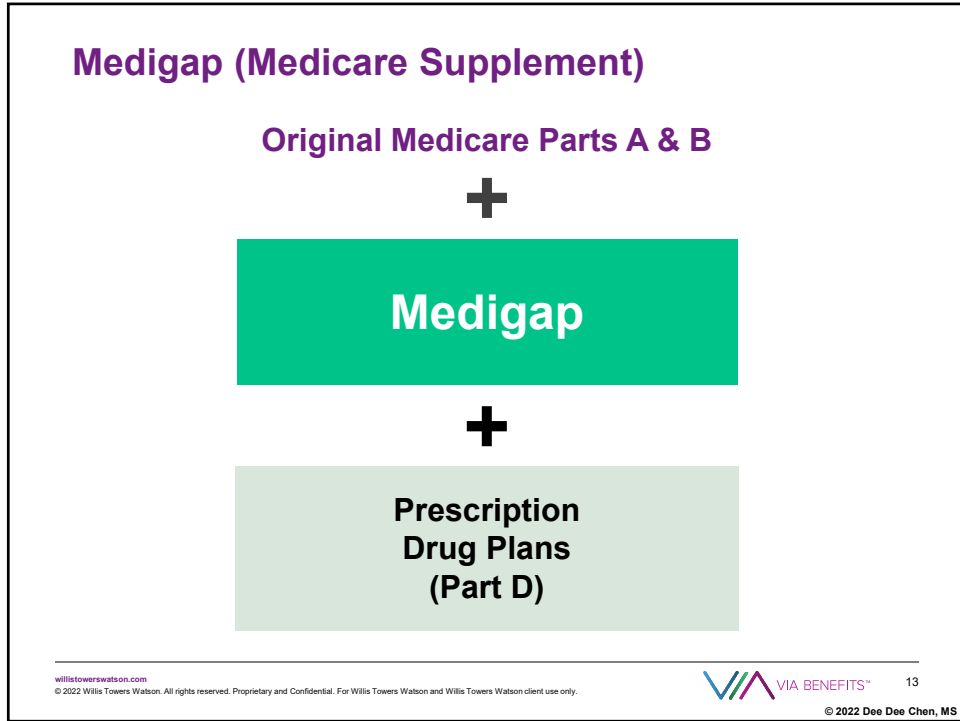
Out-of-Pocket limit in 2022
\$6,620 \$3,310

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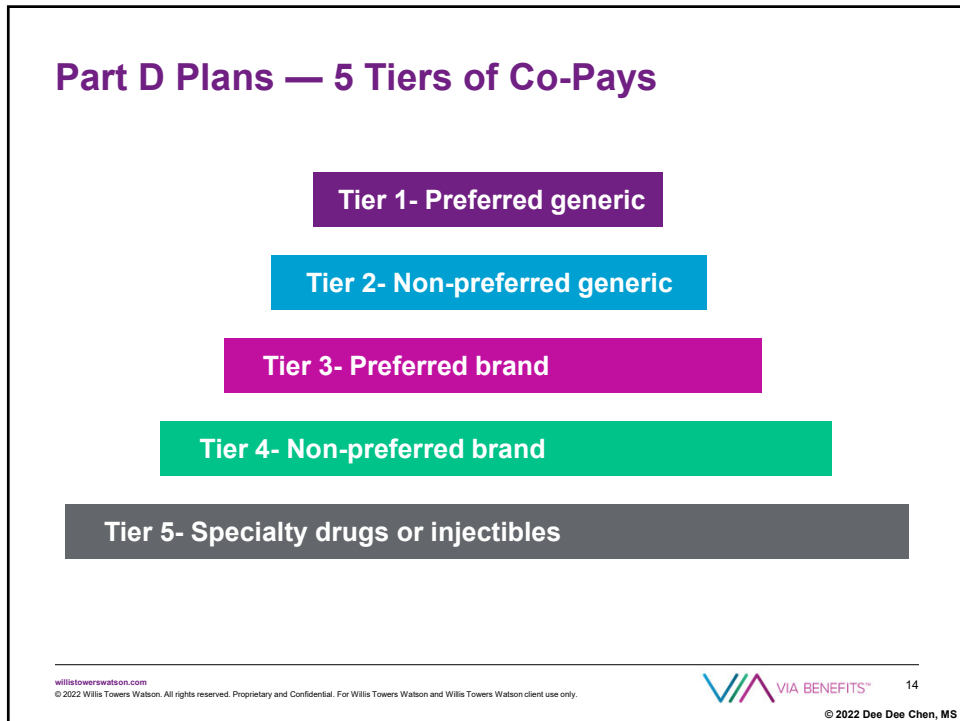
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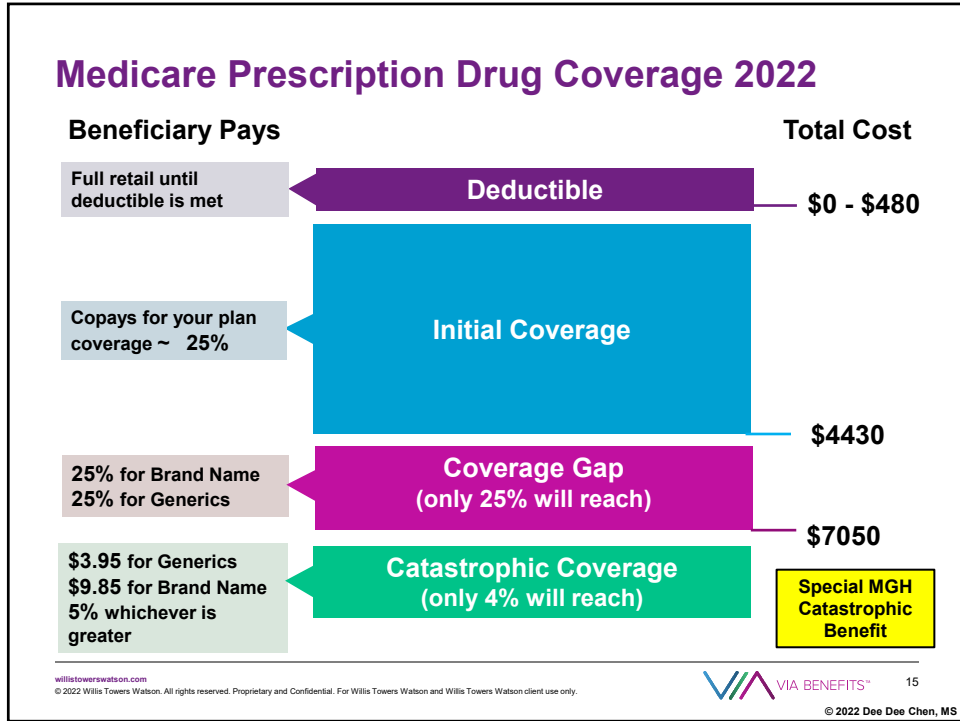
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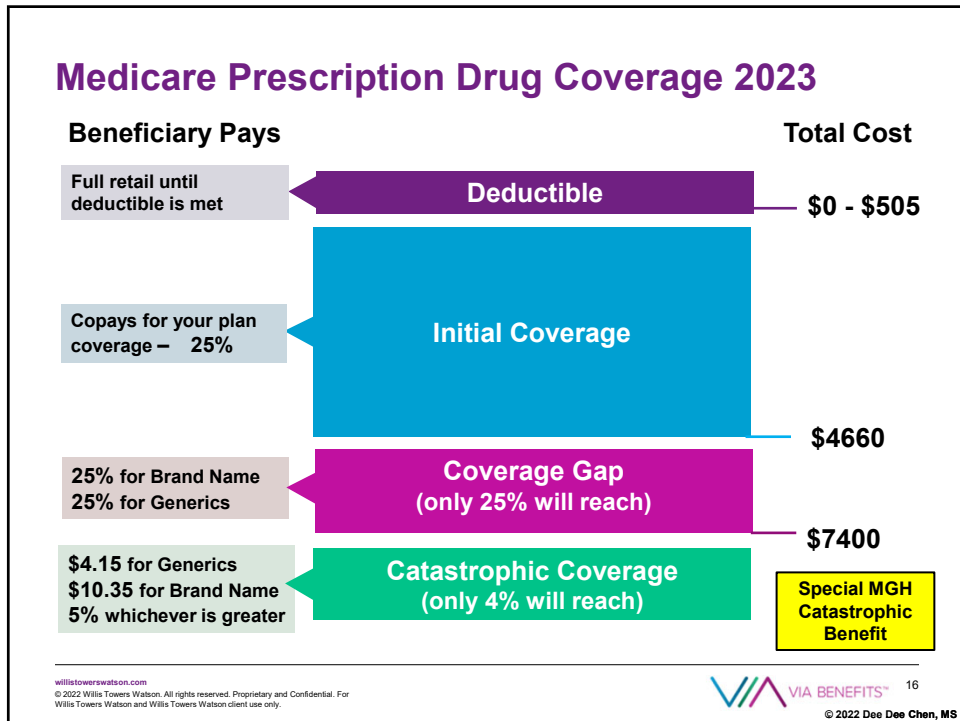
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Health Reimbursement Arrangement (HRA)

Tax-free account
 Used to reimburse you for eligible health care expenses

If you are eligible
 MGH will make an **ANNUAL** contribution to a Health Reimbursement Arrangement (HRA)

Get reimbursed
 For eligible medical, prescription drug, dental and vision premiums (even Part B & LTC premiums); as well as eligible out-of-pocket healthcare expenses.

Your HRA funding will be available on the 1st of the month you enroll (prorated). Unused funds **DO** rollover

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When To Enroll In Coverage

Your 7-month Initial Enrollment Period (IEP)

3 months prior 2 months prior 1 month prior 1 month after 2 months after 3 months after

No delay or break in coverage
You turn 65 OR Retire if over 65
Delayed start and a possible break in coverage

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