



**MPC Insurance Group**

MEDICARE | LIFE | RETIREMENT | SECURITY

# A Medicare Education Experience

How to get the most out of your benefits

2023

## MPC Insurance Group operates with:

- **Knowledge**

- Medicare rules and regulations
- Products and services
- Your needs

- **Respect**

- For you, regardless of health, social or economic status
- For co-workers and business partners

- **Integrity**

- We do what we say we will do
- We are truthful and honest in all our communications

- **Results**

- Remove the worry from your health care decision-making process
- Provide you with the plan that best fits your individual lifestyle
- Provide exemplary service before, during and, most importantly, “after the sale”



# Our Beliefs for Retiring Seniors

## Four major concerns

- Live out the rest of their life in the manner that they were accustomed to before retirement.
- Ensure that the surviving spouse has an adequate transition plan.
- Have a plan for healthcare expenses due to the aging process.
- Transfer wealth to heirs in the most efficient way and eliminate or reduce income and inheritance taxes.

## Agenda

- I. History of Medicare
- II. Medicare parts and enrollment rules
- III. Medicare Advantage and Medicare Supplement plans
- IV. Prescription drug plans
- V. Key considerations





# I. History of Medicare

## In the year 1965:

Number 1  
song was ...



**Woolly Bully**  
Sam the Sham and  
the Pharaohs

Best Picture  
winner was ...



**The Sound  
of Music**

World Series  
Champion was ...



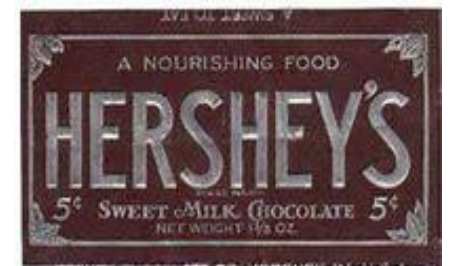
**Los Angeles  
Dodgers**

A gallon of  
gas cost ...



**31 cents**

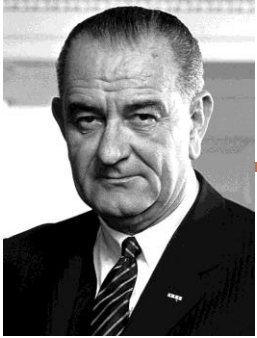
A Hershey  
bar cost ...



**5 cents**

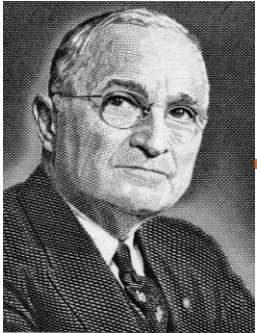
## And one other big event occurred, which was ...

## The beginning of Medicare:



**Medicare was signed into law on July 30, 1965, by President Lyndon Johnson.**

- Part A: hospital coverage
- Part B: medical coverage
- Parts A and B are known as “Original Medicare”




**And the very first person to sign up for Medicare in the U.S. was:**

- Harry Truman!

## The history of Medicare:

- Medicare Part C — “Medicare+Choice” — was enacted with the Balanced Budget Act of 1997
- Medicare Part D — prescription drug coverage — was enacted in 2003 as part of the Medicare Prescription Drug, Improvement, and Modernization Act
- Also, as part of the 2003 act, Part C was renamed “Medicare Advantage”
- Medicare costs have been increasing between 3% and 5% per year.





# II. Medicare Parts and Enrollment Rules



The Centers for Medicare & Medicaid Services (CMS) administers the Medicare program

## The four parts of Medicare

Government programs (Original Medicare)	Private medical plans	Private drug plans	
<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
<b>Hospital care</b>	<b>Medical care</b> You pay a premium	<b>Medicare Advantage</b>	<b>Prescription drugs</b>
<p>Inpatient care in hospitals</p> <p>Skilled nursing facility care</p> <p>Hospice care</p> <p>Home health care</p>	<p>Services from doctors and other health care providers</p> <p>Outpatient and home health care</p> <p>Durable medical equipment</p> <p>Some preventive services</p>	<p>Includes <b>Part A</b> and <b>Part B</b> benefits and services</p> <p>Can include Medicare PDP (<b>Part D</b>)</p> <p>May add extra benefits and services</p> <p>Run by Medicare-approved private insurance companies</p>	<p>Helps cover the cost of prescription drugs</p> <p>Helps protect against higher costs in the future</p> <p>Run by Medicare-approved private insurance companies</p>

## Terms to know:

### **Cost share**

The amount you pay when you get health care services or prescriptions.

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### **Deductible**

The amount you must pay for health care or prescriptions before Original Medicare, your Medicare Advantage Plan, your prescription drug plan or your other insurance begins to pay.

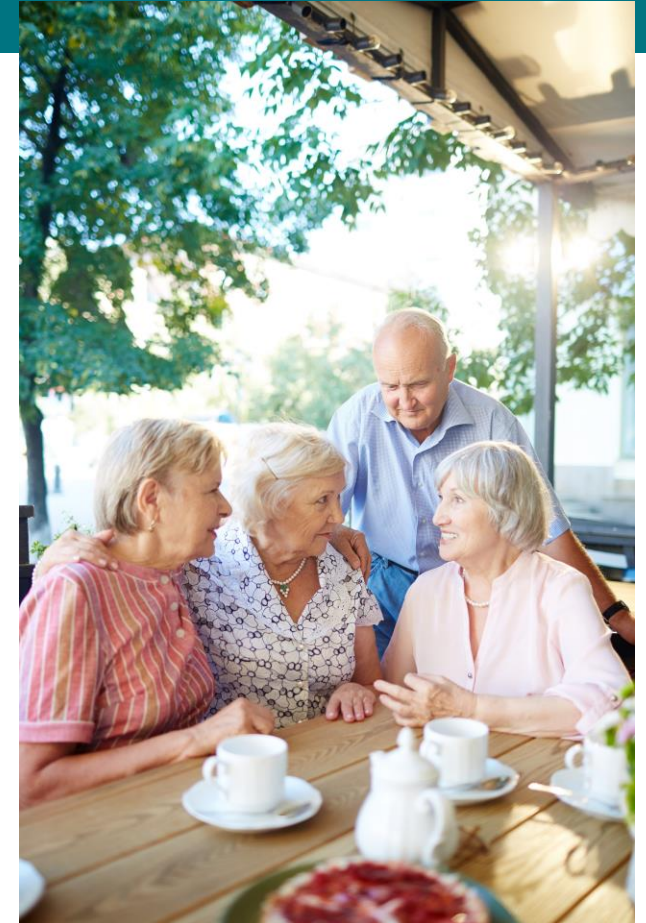
### **Copayment**

Also known as copay. The amount you may have to pay as your share of the cost for a medical service or supply. This includes doctor visits, hospital outpatient visits or prescription drugs on the formulary. A copayment is a set amount, not a percentage. For example, you might pay \$10 or \$20 for a doctor's visit or a prescription drug.

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### **Coinsurance**

An amount you may be required to pay as your share of the cost for services or prescription drugs after you pay any deductible. Coinsurance is usually a percentage (for example, 20%).



## CY 2023 Original Medicare (Parts A & B) Cost Sharing

Part A — Hospital Care	Part B — Medical Care
<ul style="list-style-type: none"> <li>• Inpatient deductible: \$1,600</li> </ul>	<ul style="list-style-type: none"> <li>• Annual deductible: \$226</li> </ul>
<ul style="list-style-type: none"> <li>• \$0 copayment for days 1–60</li> </ul>	<ul style="list-style-type: none"> <li>• Coinsurance: 20%</li> </ul>
<ul style="list-style-type: none"> <li>• \$400/day for days 61–90</li> </ul>	<ul style="list-style-type: none"> <li>• No annual out-of-pocket maximum</li> </ul>
<ul style="list-style-type: none"> <li>• \$800/day for each lifetime reserve day</li> </ul>	
<p><b>Skilled Nursing</b></p>	
<ul style="list-style-type: none"> <li>• \$0 copayment for days 1–20</li> </ul>	
<ul style="list-style-type: none"> <li>• \$200/day for days 21–100</li> </ul>	

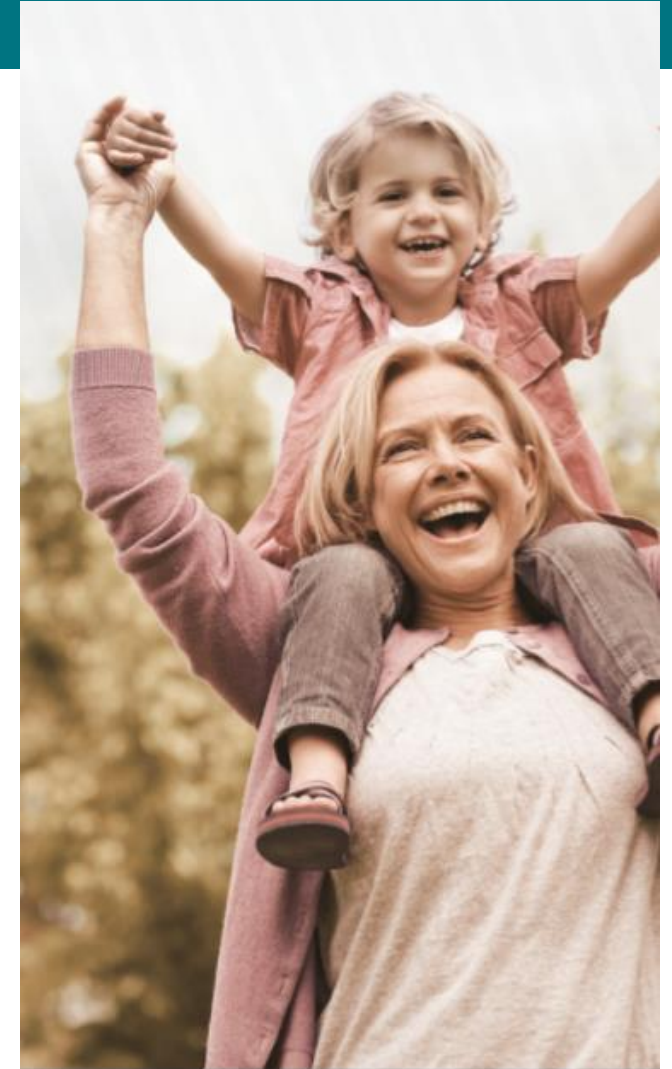
## Medicare enrollment guidelines:

- Generally, you are eligible at age 65, unless you are disabled or have ESRD (kidney failure with dialysis).
- You may enroll three months before the month of your birthday, the month of your birthday and three months after your birthday (a total of seven months to enroll in Part A and B).



## Medicare enrollment guidelines (continued):

- Automatic enrollment for those receiving:
  - Social Security benefits
  - Railroad Retirement Board benefits
- Late enrollment penalty if you do not enroll when first eligible (Parts B and D)
- You can defer enrolling in Part A and/or Part B if you have creditable employer group coverage and you will not be subject to a late enrollment penalty



An open notebook with lined pages is shown from a top-down perspective. A silver pen lies on the left page. The right page has faint 'am' and 'pm' markings. The text 'Pop Quiz' is overlaid in white on the right page.

# Pop Quiz

POP QUIZ:

## Question #1:

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Do I have to enroll in Medicare when I turn 65 if I have employer group coverage?

### Answer #1

No, you do not have to enroll in Medicare when you turn 65 if you have creditable employer group coverage and you work for an employer with more than 20 employees.

If you remain on your creditable employer group coverage, you will not incur a late enrollment penalty from Medicare.



POP QUIZ:

## Question #2:

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Can I enroll in Medicare Part A and defer Part B if I have employer group coverage?

### Answer #2

- Yes, you can enroll in Medicare Part A and defer Part B, and it will have no impact on your employer group coverage.
- You must stop contributing to an HSA if you enroll in Part A.
- Generally, there is no premium cost for Part A.

## POP QUIZ:

### Question #3:

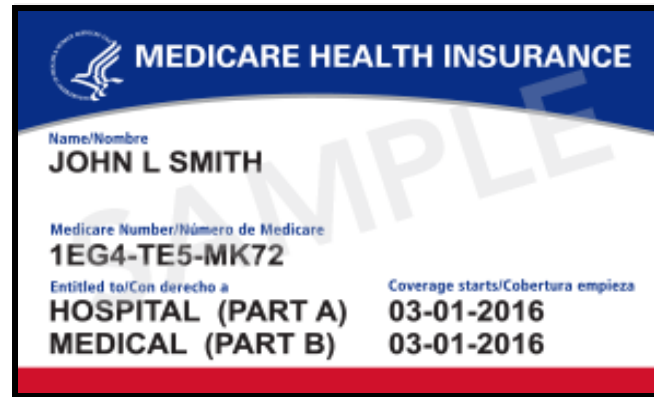
If I am enrolled in an employer group plan when I turn 65, can I leave the group plan and enroll in Medicare coverage?

### **Answer #3**

- Yes, you can leave your employer coverage and enroll in Medicare at any time after you are eligible for Medicare.
- Medicare Part B is generally \$164.90 per month (unless you are a high earner).
- You must have both Medicare Part A and Part B to enroll in a Medicare Advantage or Medicare Supplement plan.
- You have two months to purchase a Medicare Advantage plan after leaving group coverage.
- You have six months to purchase a Medicare Supplement plan after leaving group coverage.

## Medicare enrollment guidelines (continued):

**FRONT**



**BACK**



The Part B premium for 2023 will be \$164.90 per month unless you are a higher wage earner, then the Income Related Monthly Adjustment Amount (IRMAA) Applies.

## 2023 IRMAA (Income Related Monthly Adjustment Amount) varies, depending on your income and filing status:

Income amounts are Modified Adjusted Gross Income (MAGI), which includes distributions from a 401K plan or an IRA.

**If your yearly income in 2021 (for what you pay in 2023) was ...**

File: Individual tax return	File: joint tax return	Part B Premium Base Fee:	Part B IRMAA	Part D IRMAA	Total Monthly Premium
\$97,000 or less	\$194,000 or less	\$164.90	\$0.00	\$0.00	\$164.90
above \$97,000 and up to \$123,000	above \$194,000 and up to \$246,000	\$164.90	\$65.90	\$12.20	\$243.00
above \$123,000 and up to \$153,000	above \$246,000 and up to \$306,000	\$164.90	\$164.80	\$31.50	\$361.20
above \$153,000 and up to \$183,000	above \$306,000 and up to \$366,000	\$164.90	\$263.70	\$50.70	\$479.30
above \$183,000 and up to \$500,000	above \$366,000 and up to \$750,000	\$164.90	\$362.60	\$70.00	\$597.50
\$500,000 and above	\$750,000 and above	\$164.90	\$395.60	\$76.40	\$636.90

## Medicare Enrollment Process:

If you're not automatically enrolled:

- You need to enroll with Social Security
  - Visit [SSA.gov](https://www.ssa.gov) or [Medicare.gov](https://www.medicare.gov)
  - Call 1-800-772-1213
  - Visit your local office

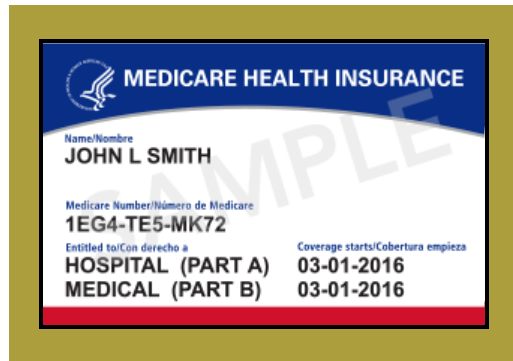
OR

- Contact MPC Insurance Group, LLC
  - Visit [www.mcpins.com](https://www.mcpins.com)
  - Call 1-717-980-3201
  - Visit our office



A photograph of an elderly man with a joyful expression, wearing a light-colored striped shirt. The image is overlaid with a semi-transparent orange filter. The text is centered over the man's face and chest.

# III. Medicare Advantage and Medicare Supplement Plans



Original Medicare  
Parts A & Part B

OR

Medicare  
Advantage Plan

Medicare Supplement  
+ PDP + Dental &  
Vision

Hospital  
Indemnity Plan  
(Gap Filler)



## Medicare Advantage plans:

**Medicare Advantage**

**vs.**

**Medicare Supplement  
plans**

- Offered by private companies — typically includes Parts A, B and D
- Usually either an HMO or PPO network-based plan
- Must cover what Medicare covers
- Copay or coinsurance on all services (Includes MOOP)
- Usually includes extra benefits not covered by Medicare — such as dental, vision, hearing, fitness and over-the-counter drugs
- Guaranteed issue, no medical underwriting



## Example of Medicare Advantage Benefits

Benefit Category	Example – Cost Share
Premium (monthly)	\$0
Maximum out of pocket (MOOP)	\$8,300
Deductible	\$0
Primary Care Physician Copay	\$5
Specialist Physician Copay	\$35
Outpatient Surgery Copay	\$350
Inpatient Hospital Copay	\$200 (per day 1–6) or \$350/admit
High Tech Imaging (MRI, CT, PET)	\$295
Part D Prescription Drug	Covered
Part B Drug Coinsurance	20%
Additional Benefits (Dental, Vision, OTC, Health and Fitness, Hearing, Transportation, etc.)	Included

## Medicare Advantage enrollment periods

Enrollment Period	Dates	Actions
Annual Enrollment Period (AEP)	October 15 to December 7	<b>When you can enroll in or disenroll from a plan.</b> Enrollment during this time will be effective January 1 of the subsequent year
Initial Enrollment Period (IEP)	Varies	<b>The seven-month period that begins</b> three months before the month you turn 65, includes the month you turn 65, and ends three months after the month you turn 65
Special Enrollment Period (SEP)	Varies	<b>You may be able to join, switch or drop a plan if:</b> <ul style="list-style-type: none"> <li>• You leave employer group coverage</li> <li>• You move out of your plan’s service area</li> <li>• You have Medicaid or you qualify for <b>Extra Help</b></li> </ul>
Open Enrollment Period (OEP)	January 1 to March 31	<b>If you are in a plan, you can leave your plan and switch to a different Medicare Advantage or Medicare Advantage Prescription Drug (MAPD) plan, or to original Medicare with or without a prescription drug plan (PDP) plan</b>

## Medicare Supplement plans:

**Medicare  
Advantage**

**vs.**

**Medicare  
Supplement plans**

- Offered by private companies
- Pays some or most of the portion that Medicare Part A and Part B do not cover
- Can use any provider who accepts Medicare
- Does not include prescription drugs (a standalone drug plan is needed)
- Guaranteed issue for first six months of eligibility
- Subject to medical underwriting after first six months of eligibility
- Typically, has higher monthly premiums than a Medicare Advantage plan, and it is more difficult to switch plans due to underwriting

## Medicare Supplement plans (Medigap)

Note: A ✓ means 100% of the benefit is paid

Benefits	Plan A	Plan B	Plan D	Plan G1	Plan K	Plan L	Plan M	Plan N
Medicare Part A coinsurance and hospital coverage (up to an additional 365 days after Medicare benefits are used up)	✓	✓	✓	✓	✓	✓	✓	✓
Medicare Part B coinsurance or copayment	✓	✓	✓	✓	50%	75%	✓	✓ copays apply <sup>3</sup>
Blood (first three pints)	✓	✓	✓	✓	50%	75%	✓	✓
Part A hospice care coinsurance or copayment	✓	✓	✓	✓	50%	75%	✓	✓
Skilled nursing facility coinsurance			✓	✓	50%	75%	✓	✓
Medicare Part A deductible		✓	✓	✓	50%	75%	50%	✓
Medicare Part B deductible	\$226	\$226	\$226	\$226	\$226	\$226	\$226	\$226
Medicare Part B excess charges			✓	✓				
Foreign travel emergency (up to plan limits)				✓			✓	✓
Out-of-pocket limit in 2022					\$6,940 <sub>2</sub>	\$3,470 <sub>2</sub>		

- Plans F and G also have high deductible options, which require first paying a plan deductible of \$2,700 before the plan begins to pay. Once the deductible is met, the plan pays 100% of covered services for the rest of the calendar year. High deductible Plan G does not cover the Medicare Part B deductible. However, high deductible plans F and G count your payment of the Medicare Part B deductible toward meeting the plan deductible.
- Plans K and L pay 100% of covered services for the rest of the calendar year once you meet the out-of-pocket yearly limit.
- Plan N pays 100% of the Part B coinsurance, except for the copayment of up to \$20 for some office visits and up to a \$50 copayment for emergency room visits that do not result in an inpatient admission.



## IV. Prescription Drug Plans



## Terms to know:

### **Formulary**

A list of drugs covered by your plan.

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### **Drug tiers**

Each drug belongs to a tier, which determines how much you'll pay for that drug.

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### **Network**

The pharmacy options you have for getting your prescription drugs.

### **Transition process**

You may get a one-time fill of a drug that isn't covered on the formulary.

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### **Initial coverage limit**

The combined amount you and your plan pays for prescription drugs before you enter the Coverage gap (donut hole).

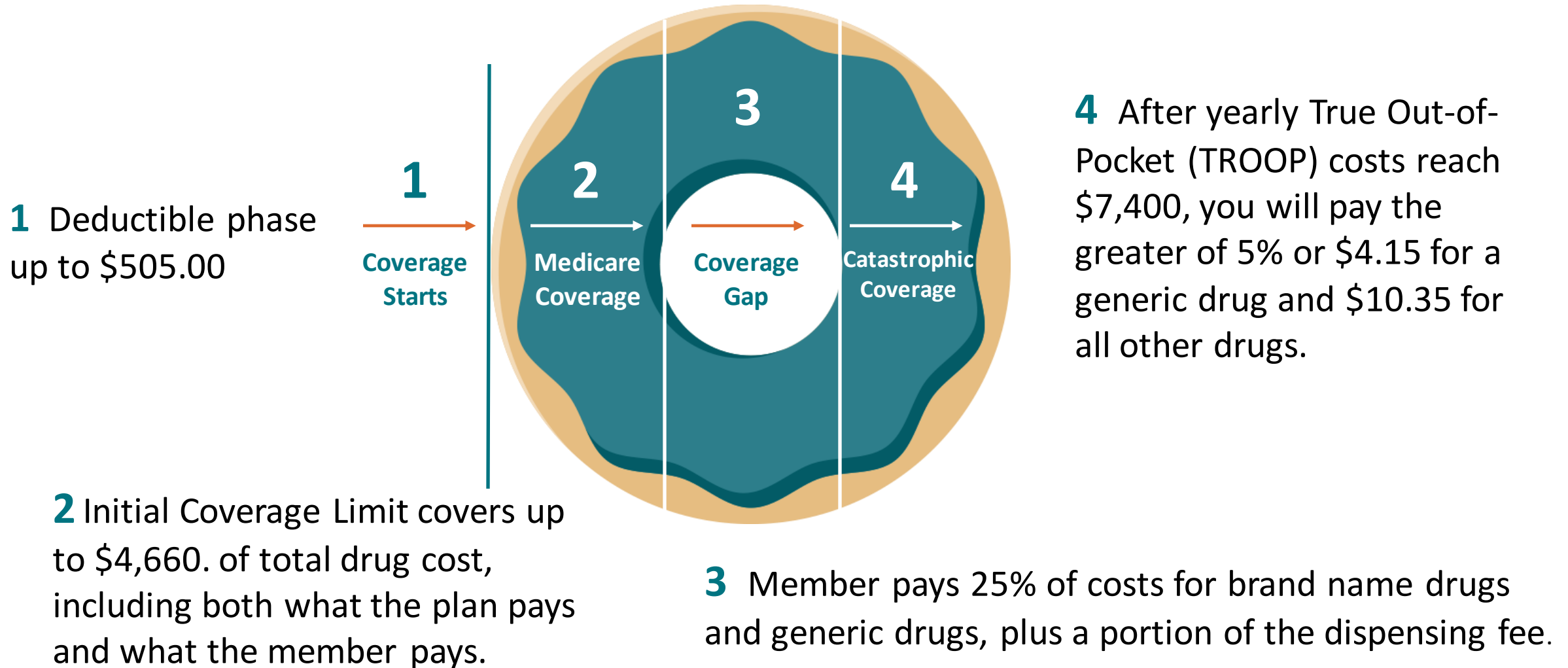
## Example of Prescription Drug Benefits

		Example
Tier	Pharmacy Network	Cost Share
<b>Tier 1 — Preferred Generic</b>	Preferred *	\$0
	Standard **	\$15
<b>Tier 2 — Generic</b>	Preferred	\$8
	Standard	\$20
<b>Tier 3 — Preferred Brand</b>	Preferred	\$47
	Standard	\$57
<b>Tier 4 — Non-Preferred Drugs</b>	Preferred	\$100
	Standard	\$100
<b>Tier 5 — Specialty</b>	N/A	33.0%

\* Preferred — You will pay a lower Cost Share when you use a **Preferred** Pharmacy.

\*\* Standard — You will pay a higher Cost Share when you use a **Standard** Pharmacy.

## Prescription Drug Plan Phases: Standalone PDP and MAPD





## Extra Help is Available:

- If you have limited income and resources, you may be able to obtain “Extra Help” paying your prescription drug coverage costs.
- To qualify, an individual may not exceed \$20,385 in income and a couple may not exceed \$27,465 in income.
- Additionally, beneficiary resources may not exceed \$15,510 for an individual or \$30,950 for a couple.
  - Resources include funds in checking or savings accounts, stocks, bonds, mutual funds and IRAs
  - Resources DO NOT include: your home value, car, household items, burial plots, furniture and up to \$1,500 for burial expenses

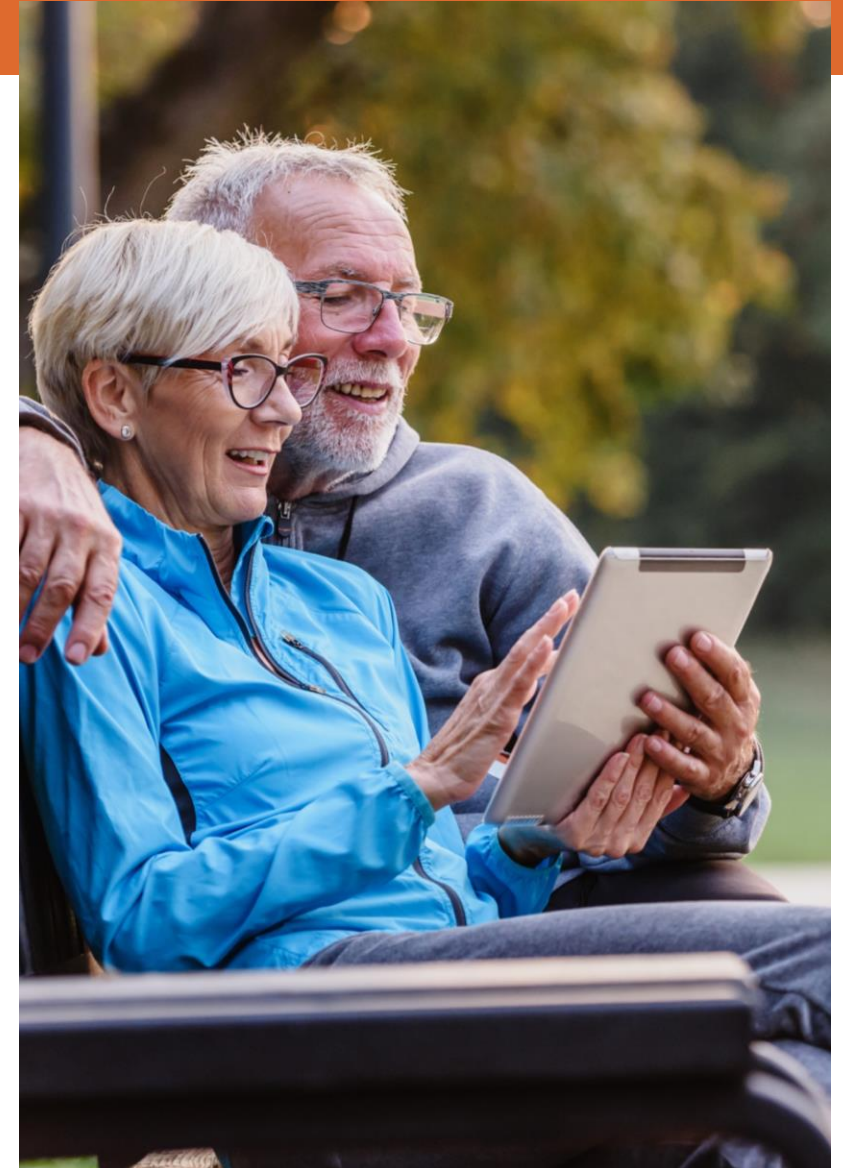




# V. Medicare Key Considerations

## Medicare Key Considerations:

- **Do I select a Medicare Supplement or Medicare Advantage plan?**
  - What is my current health status?
  - Do I use a significant amount of health care services?
  - What is my tolerance for out-of-pocket costs?
  - Will I be out of area for more than three months a year?
  - What is my monthly budget for health insurance premiums?
- **If I select a Medicare Advantage plan**
  - What physicians and hospitals do I use?
  - HMO network or PPO network?
  - What are the copayments?
  - What are the extra benefits?
- **Prescription drug coverage**
  - Are my medications on the formulary?
  - What Tier level are my medications?
  - Is my pharmacy a Preferred pharmacy?
  - Is mail order available?



Other ways we can support you:

