

CARDINAL ADVISORS

4 Steps to Medicare + Insurance at 65

In the video entitled "4 Steps to Medicare + Insurance at 65" Hans and Tom use an SSA document to discuss Medicare basics.

4 STEPS TO MEDICARE + INSURANCE @ 65

S.S. <input type="checkbox"/> MED <input type="checkbox"/> LTC <input type="checkbox"/> 401K/IRA <input type="checkbox"/>	① NEED/WANT MEDICARE @ 65? SSA.GOV LIFE PENALTIES!!! (COBRA) (ACA) (SMALL GROUP) + IRMAA YOU OR SPOUSE STILL WORKING? CREDITABLE GROUP INSURANCE?	INCOME <input type="checkbox"/> ESTATE <input type="checkbox"/> TAXES <input type="checkbox"/>	
	② LEARN HOW MEDICARE WORKS ORIGINAL MEDICARE - FED PART A - HOSPITAL + SKILLED NURSING PART B - DOCTORS + OUTPATIENT + IRMAA PART D - YOU CHOOSE. YOU PAY - PENALTIES - LARGE DEDUCTIBLES + COPAYS - NO MAX OOP		MEDICARE ADVANTAGE - PRIVATE PART A } SMALLER DEDUCTIBLES PART B } + COPAYS - MAX OOP - INCLUDES PART D DRUGS - DENTAL, VISION, GYM MEMBERSHIP - MANAGED CARE / NETWORKS
	③ PURCHASE INSURANCE MEDICARE SUPPLEMENT / MEDIGAP - PAYS LARGE DEDUCTIBLES / COPAYS OF ORIGINAL MEDICARE - 10 STANDARDIZED PLANS - EX. MN, WI, MA A B C D F @ H L M N \$125 - \$300/MONTH - OPEN ENROLLMENT @ 65 - UHC, HUMANA, AETNA, CIGNA, BCBS + 30-40 OTHERS - DENTAL + VISION - YOU CHOOSE, YOU PAY		ADVANTAGE, PART C, MANAGED CARE - PORT YOUR MEDICARE TO A PRIVATE INSURANCE COMPANY - UHC, HUMANA, AETNA, CIGNA, BCBS + MANY REGIONALS - OFTEN ZERO PREMIUM - LIMIT DOCTOR CHOICE, PRIOR AUTHORIZATION, REFERRALS
	④ COST PART B - \$185/MONTH PART D - \$50/MONTH IRMAA - 0 - \$700/MONTH SUPPLEMENT - \$125 - \$300/MONTH DENTAL / VISION - \$50/MONTH		PART B - \$185/MONTH PART D - ZERO IRMAA - 0 - \$700/MONTH DENTAL / VISION - ZERO

The information and opinions contained herein are provided by third parties and have been obtained from sources believed to be reliable, however, we make no representation as to its completeness or accuracy. The information is not intended to be used as the sole basis for financial decisions, nor should it be construed as advice designed to meet the particular needs of an individual's situation. Content is provided for informational purposes only and is not a solicitation to buy or sell any products mentioned.

Hans Scheil and/or Cardinal Advisors are NOT affiliated with or represent the U.S. Department of Health & Human Services (HHS), Social Security Administration (SSA), Centers for Medicare & Medicaid Services (CMS), or any of their various programs like Medicare.

April 2025



Medicare Ready



Understanding Medicare

Medicare is a federal health insurance program for people age 65 or older, certain people under 65 with disabilities, and people of any age with End-Stage Renal Disease (ESRD) (permanent kidney failure requiring dialysis or a kidney transplant).



The Centers for Medicare & Medicaid Services (CMS) manages the Medicare program. There are different parts to the Medicare program. Social Security takes applications for and enrolls people in Parts A and B. Private insurance companies take applications for and provide coverage under Part C (Medicare Advantage), Part D (Prescription Drug Coverage), and the Medicare Supplemental Insurance program (Medigap). This document explains some of the options you may have when choosing your Medicare coverage. Note that if you choose not to enroll in Medicare Parts B or D when first eligible and then decide to enroll later, **you may have to pay higher monthly premiums, also known as a late enrollment penalty, for as long as you have coverage.** Also, you may have to wait for a “Special Enrollment Period” to enroll in Part B, which may delay this coverage. You may have to wait for an Open Enrollment Period to enroll in Part D.

Parts of Medicare


Medicare helps with the cost of health care, *but it may not cover all medical expenses and does not cover the cost of long-term care when it's the only care you need.* This section explains the different parts of Medicare and the services they cover.

Original Medicare (Parts A and B)

Original Medicare Includes:

-  Part A
-  Part B

You can add:

-  Part D
-  Supplemental Coverage

Medicare Advantage (Part C)

Medicare Advantage includes:

-  Part A
-  Part B

Most plans also include:

-  Part D
-  Extra Benefits



Part A (Hospital Insurance) helps pay for inpatient care in a hospital or for a limited time at a skilled nursing facility (following a hospital stay). Part A also pays for some home health care and hospice care.



Part B (Medical Insurance) helps pay for services from doctors and other health care providers, outpatient care, home health care, durable medical equipment, and some preventive services. After you meet your deductible for the year, you typically pay 20% of the Medicare-approved amount for most of these services.



Part D (Prescription Drug Coverage) helps cover the cost of prescription drugs and many shots and vaccines.



Medicare Supplemental Insurance Program (Medigap) is extra insurance you can buy from a private company that helps pay your share of costs in Original Medicare.



Medicare Advantage (Medicare Part C) is a “bundled” plan, offered by Medicare-approved private companies, that includes all benefits and services covered under Parts A and B, usually Part D, and may include additional benefits such as vision, hearing, and dental.

Your Medicare Enrollment Options

If you're getting benefits from Social Security or the Railroad Retirement Board (RRB) at least 4 months before you turn 65, you'll automatically get Part A and Part B when you turn 65. If you live in Puerto Rico, you automatically get Part A, and if you want Part B, you'll need to sign up for it. If you're not getting benefits from Social Security or the RRB at least 4 months before you turn 65, you'll need to sign up with Social Security to get Part A and Part B. If you're getting benefits, your Part B premium will get deducted automatically from your benefit payment, and if not, you'll get a bill from Medicare to pay your premiums. You may delay signing up for Part B if you qualify for a Special Enrollment Period: ssa.gov/pubs/EN-05-10012.pdf. If you're under 65 and have a disability, you'll automatically get Part A and Part B after you get disability benefits from Social Security, or certain disability benefits from the RRB, for 24 months.

You can choose one of two ways to get Medicare coverage:

Original Medicare

- Includes Medicare Part A (Hospital Insurance) and Part B (Medical Insurance).
- If you have a work history, you most likely will not pay a premium for Medicare Part A because of Medicare taxes you paid while working.
- You will pay monthly premiums for Medicare Parts B and D, and Medigap, unless you qualify for a low-income subsidy.
- If you want drug coverage, you can join a separate Medicare drug plan (Part D).
- To help pay your out-of-pocket costs in Original Medicare (like your 20% coinsurance), you can also shop for and buy supplemental coverage, like Medigap or insurance from a private company.
- You can use any doctor or hospital that takes Medicare, anywhere in the U.S.
- **The cost of the Part B late enrollment penalty increases the longer you go without Part B coverage or employer group health insurance.** Your Part B monthly premium will go up 10% for each 12-month period you were eligible but did not enroll. If you have group health insurance and work for an employer with 20 or more employees, you can delay Medicare Part B without penalty.
- **The cost of the Part D late enrollment penalty depends on how long you went without Part D or creditable prescription drug coverage.** Your Part D late enrollment penalty is 1% of the national base beneficiary premium multiplied by the number of months you were eligible but didn't join a Medicare drug plan. Usually, you don't pay a penalty if you had other creditable prescription drug coverage. To be creditable, the coverage must pay, on average, at least as much as Medicare's standard prescription coverage.
- Learn more about **Original Medicare** at ssa.gov/benefits/medicare.

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.
- You must first be enrolled in Original Medicare before you can choose to switch to a Medicare Advantage plan.
- 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.
- Coverage is provided by private insurance companies approved by Medicare.
- In addition to the monthly premium for Part B, Medicare Advantage plans may charge an additional premium for the extra benefits they offer.
- Learn more about **Medicare Advantage** at www.Medicare.gov/Pubs/pdf/12026-Understanding-Medicare-Advantage-Plans.pdf.



Securing today
and tomorrow

For additional information, visit our publication, *Medicare*, at ssa.gov/pubs/EN-05-10043.pdf or the CMS publication, *Medicare & You*, at www.Medicare.gov/Pubs/pdf/10050-Medicare-and-You.pdf.