



CARDINAL ADVISORS

High Income? Different Advice For Medicare

In the video entitled “High Income? Different Advice For Medicare” Hans and Tom discuss how a higher income can affect Medicare.

HIGH INCOME? DIFFERENT ADVICE FOR MEDICARE		
S.S.	TIMING OF MEDICARE SIGNUP?	INCOME
<input type="checkbox"/>	- STILL WORKING? SPOUSE WORKING? CREDITABLE 20+	<input type="checkbox"/>
	- LIFETIME PENALTIES WAIVED IF CREDITABLE	
	- IRMAA DELAYED IF CREDITABLE	
	- OPEN ENROLLMENT POSTPONED	
	- ACA, SMALL GROUP COBRA DOES NOT WORK	
MED.	ORIGINAL MEDICARE	ESTATE
<input type="checkbox"/>	PART A - HOSPITAL + SKILLED NURSE	<input type="checkbox"/>
	PART B - DOCTORS + OUTPATIENT	
	\$185 + IRMAA	
	PART D - DRUGS \$30-\$50	
	+	
	MEDICARE SUPPLEMENT POLICY	
	- A, B, C, D, F, G, H, L, M, N - EX. MN, WI, MA	
	- 30 DIFFERENT COMPANIES, SAME	
	- PRICES VARY \$125-\$200	
	- OPEN ENROLLMENT 6 MOS - UNDERWRITING AFTER	
	- PRIVATE DENTAL + VISION - \$50-\$75	
	LONG-TERM CARE INSURANCE	
	SOCIAL SECURITY TIMING	
	OR MEDICARE ADVANTAGE	
	- RECEIVE PART A + PART B FROM PRIVATE INSURANCE COMPANY	
	- MANAGED CARE	
	- \$185 + IRMAA	
	- DENTAL, VISION, GYM	
	- PART D DRUG PLAN	
	- ZERO PREMIUM	
	- CO-PAYS	
	- MAX OUT OF POCKET	
LTC		TAXES
<input type="checkbox"/>		<input type="checkbox"/>
401K/IRA		
<input type="checkbox"/>		

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Medicare Ready

ssa.gov



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.