

MEDICARE DEMYSTIFIED

What is Medicare? Medicare is the government sponsored medical insurance for Americans 65 and over and some people on disability.

Does EVERYONE qualify? You must have worked the equivalent of 40 quarters in your life or be married for at least 10 years to someone who has, to get Part A at no cost. Part B is available to everyone who qualifies for A. Most people will pay the standard premium, which changes each year, while some higher earning beneficiaries will pay a higher premium. See Medicare's website [HERE](#) for your expected premium.

Why would I choose to NOT enroll in Part B? Part B is the medical coverage (Doctors, specialists, out-patient services) included in Original Medicare which typically comes at a premium. Often if you are still covered by a policy from you or your spouse's current employment you may choose to keep that coverage until the employment ends and not pay the premium for Part B. If that is not the case for you, we do recommend getting Part B as it is an essential component to the whole that is Original Medicare.

A link to what Medicare covers is [HERE](#). Check out the 'is my service or test covered' tool [HERE](#).

Does Medicare cover everything? No. Medicare generally does not cover eyes, ears, teeth, feet and prescription drugs.

What does that mean? It does not cover dentists, podiatrists, optometrists, audiologists or most prescription medication. There are some exceptions to these- make an appointment to learn more. We also encourage the enrollment in a prescription drug plan.

Do I have to get a Drug plan (Part D)? No. You could choose to not enroll in a Part D plan however if you chose to not enroll when you are first eligible there is a penalty if you should choose later to enroll. The penalty is calculated by Medicare and is 1% of the national average premium for every month you could have had coverage but didn't. For round numbers sake this is about \$4-5 per year that you lacked coverage. That \$4-5 is tacked onto every month's premium for the rest of your life when and if you do choose to enroll. So, a person who didn't enroll at first but then, after 3 years, needs a drug plan. This could be an extra \$12-15 per month added to the Part D plan premium.

Is Original Medicare free? No. Part A typically comes to you for free because you or your spouse have worked the required 40 quarters although some people will pay a premium. Part B, however, does usually have a premium. For the year of 2023 the base Part B premium is \$164.90. It changes every year. For higher income earners the premium is higher. The chart for 2023 premiums is available [HERE](#).

How much does Medicare pay? The link to Medicare coverage is [HERE](#). There are deductibles for Part A and Part B- for 2023 the Part A deductible is \$1600 per hospital incident; the Part B is currently \$226 annually.

Do I need additional coverage and what kind of coverage is available? Parts A and B Original Medicare alone is decent coverage however there are areas that can leave you exposed to high costs. The Part A deductible is per hospital incident, not annual so if you have a terrible year and are in the hospital 4 times in one year you will pay that \$1600 each time. You will also have a share of costs of typically 20% and there is no cap or 'out of pocket maximum.' For this reason, most Medicare beneficiaries choose to get some additional coverage. This can take the form of a Supplement and Part D plan if you stay with Original Medicare or an Advantage plan which can include a Part D component or not. Plan designs and premiums vary but we would love to go over your options with you personally as there is no 'one-size-fits-all' option.

This is more expensive than the plan I've had on Covered California. Can I just keep that plan? No. The reason your plan has been so affordable is that you have been getting a tax credit. When you become eligible for Medicare you no longer qualify for the tax credit meaning that your plan that has been such a low premium is no longer going to qualify for that tax credit and will become very expensive.

'This is still confusing and overwhelming. Can you answer a few more questions?' We are here to help! Make an appointment today and we can review your options so you can move forward and not spend your precious time worrying about your insurance.