



MARSH & McLENNAN
AGENCY

Medicare 101

Kevin J. Guss
Vice President, Private Client Benefit Services

COUNT ON US!



It's our business
to be there for you in the

**MOMENTS
THAT
MATTER.**

WORLD CLASS. LOCAL TOUCH.

Your Presenter

Kevin J. Guss is Vice President and Practice Leader for our Private Client Benefit Services team, specializing in Medicare coverage, as well as individual health and executive life products. With nearly thirty years of experience, he has many retired professional athletes, celebrities, business leaders and prominent members of the Greater Saint Louis community among his clients. Kevin has a Group Benefits Associate designation from the Wharton School of the University of Pennsylvania. He is the Past President of the National Association of Benefits & Insurance Professionals- Missouri Chapter and serves as a board member for the Missouri Health Underwriters Political Action Committee.

Medicare 101

- Introduction to Medicare
- Medicare Choices
 - Original Medicare
 - Medicare Supplement Insurance (Medigap)
 - Medicare Advantage and Other Plans
 - Medicare Prescription Drug Coverage
- Medicaid and Medicare Savings Programs

Question: Who were the first Medicare enrollees?

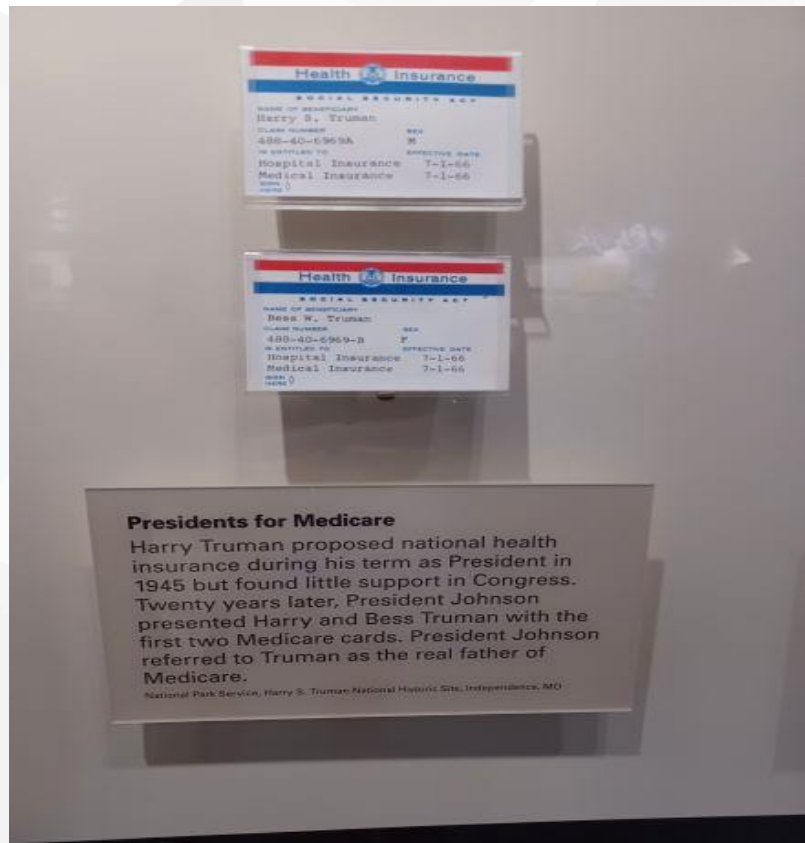


Photo Source- LBJ Presidential Library & Museum, Austin TX, 06/2022

Answer: Harry & Bess Truman

Question: How many enrollees in Medicare?

Answer: Over 66,000,000 Medicare Enrollees

-Centers for Medicare & Medicaid Services (CMS), Enrollment Dashboard, Jan 2023 Estimates



Introduction to Medicare

What is Medicare?

- A health insurance program for people
 - 65 years of age and older
 - Under age 65 with certain disabilities
 - With End-Stage Renal Disease (ESRD)
- Administered by the Centers for Medicare & Medicaid Services (CMS)
- Enrollment
 - Social Security (SSA)
 - Railroad Retirement Board (RRB)

Applying for Medicare

- Apply 3 months before age 65
 - Don't have to be retired
 - Contact the Social Security Administration
- Enrollment automatic if receiving
 - Social Security
 - Railroad Retirement benefits
- **Action Step:** Sign Up NOW to Review Your Retiree Health and Financial Benefits at www.SSA.gov

Medicare Coverage Basics

- Part A (Hospital Insurance)
- Part B (Medical Insurance)
- Part C (Medicare Advantage Plan)
- Part D (Medicare Prescription Drug Coverage)

Part A

Medicare Part A

- Most people receive Part A premium free
- People with less than 10 years of Medicare- covered employment
 - Can still get Part A
 - Will pay a premium (up to \$505 pm/pm in 2024)
- For information about Part A entitlement
 - Call SSA
 - 1-800-772-1213
 - TTY users call 1-800-325-0778

Part A Helps Pay for

- Hospital inpatient care
- Skilled nursing facility (SNF) care*
- Home health care
- Hospice care
- Blood

Part B

Enrolling in Medicare Part B

- Automatic Enrollment
 - Must opt out if not wanted
- Initial Enrollment Period (IEP)
 - 7 months starting 3 months before month of eligibility
- General Enrollment Period (GEP)
 - January 1 through March 31 each year
 - Coverage Starts the Month After Enrollment (a/o 2023)
 - **Premium penalty**
 - 10% for each 12-month period eligible but not enrolled
 - Paid for as long as the person has Part B
 - Limited exceptions

Enrolling in Medicare Part B

- May delay enrolling in Part B with no penalty if
 - Covered under employer or union group health plan
 - Based on current employment
 - Person or spouse
 - Will get a Special Enrollment Period (SEP)
 - Sign up within 8 months after coverage ends

Part B Coverage

- Doctors' services
- Outpatient medical/surgical services & supplies
- Diagnostic tests
- Outpatient therapy
- Outpatient mental health services
- Some preventive health care services
- Other medical services

Paying the Part B Premium

- Pay monthly Part B premium
 - New enrollees pay *at least* \$174.70 in 2024
 - Higher income may pay more (Up to \$594.00+ in 2024)
- Taken out of monthly payments
 - Social Security
 - Railroad retirement
 - Federal government retirement
- For information about premiums
 - Call SSA, RRB, or Office of Personnel Management
- If no monthly payments
 - Billed every 3 months
 - Medicare Easy Pay

Question: How many providers participate in Medicare?

Answer: Approximately 1,444,000+ Providers

Including 239,869 Internal Medicine Physicians, 175,659 Family Practice Physicians & 64,911 Cardiologists

Source: Centers for Medicare & Medicaid Services- CMS.gov



Medicare Choices

Medicare Choices

- Original Medicare
- Medicare Advantage Plans
- Other Medicare Plans
- Medicare Prescription Drug Plans

Original Medicare

Medicare Choices

- Go to any provider that accepts Medicare
- People are responsible for
 - Part A in 2024
 - \$1,632 deductible for hospital stays up to 60 days
 - Additional costs after 60 days
 - Different costs for other Part A services
 - Part B in 2024
 - \$240 annual deductible
 - 20% coinsurance for most Part B services
- Some programs may help with costs

Medigap

Medigap

- Health insurance policy
 - Sold by private insurance companies
 - Costs vary by plan, company and location
 - Must say “Medicare Supplement Insurance”
 - Covers “gaps” in Original Medicare
 - Deductibles, coinsurance, copayments
 - Does not work with Medicare Advantage Plans
 - Up to 12 standardized plans A – N
 - Except in Massachusetts, Minnesota, Wisconsin
 - So people can compare easily

How Medigap Works

- People can buy a Medigap policy
 - Within 6 months of enrolling in Part B
 - Must be age 65 or older
 - If they lose certain kinds of health coverage
 - Through no fault of their own
 - If they leave MA Plan under certain circumstances
 - Whenever the company will sell them one

Medicare Advantage (MA) Plans

Medicare Advantage (MA) Plans

- Health Maintenance Organization (HMO) Plans
 - Some have Point-of-Service option
- Preferred Provider Organization (PPO) Plans
- Private Fee-for-Service (PFFS) Plans
- Special Needs Plans
- Medicare Medical Savings Account (MSA) Plans

How MA Plans Work

- Usually get all Part A and B services through plan
 - May have to use providers in plan's network
 - Benefits and cost sharing may differ from Original Medicare
 - Generally must still pay Part B premium
 - Some plans may pay all or part
- **May get extra benefits***
 - Vision, hearing, dental services
 - Prescription drug coverage
- Still in Medicare program
 - Get all Part A and Part B services
 - Have Medicare rights and protections

Eligibility for MA Plans

- Live in plan's service area
- Entitled to Medicare Part A
- Enrolled in Medicare Part B
 - Continue to pay Part B premium
 - May also pay monthly premium to plan
- Don't have ESRD at enrollment
 - Some exceptions

Other Medicare Plans

- Medicare Cost Plans
- Demonstrations/Pilot Programs
- Programs of All-inclusive Care for the Elderly (PACE)

Question: How much will we spend on Medicare this year?

Answer: \$1,046,183,000,000

Total DHHS Budget for FY2024: \$1,452,836,000,000

(DHHS Budget Includes: Medicare, Medicaid, CHIP, TANF, Other Mandatory Programs)

-Department of Health & Human Services, HHS.gov, CMS Medicare Budget Overview, Updated **March 2024**

Medicare Prescription Drug Coverage

Medicare Prescription Drug Coverage

- Medicare Part D
- Available to all people with Medicare
- Affordable Care Act Closed “Donut Hole” in 2020
- Provided through
 - Medicare Prescription Drug Plans
 - Medicare Advantage and other Medicare plans
 - Some employers and unions

Enrollment Periods

- Initial Enrollment Period (IEP)
 - 7 months
 - Starts 3 months before month of eligibility
- Annual Coordinated Election Period (AEP)
 - October 15 through December 7 each year
 - Can join, drop, or switch coverage
 - Effective January 1 of following year
- Special Enrollment Period (SEP)

Late Enrollment

- People who wait to enroll may pay penalty
 - Add 1% of national base premium (\$33 in 2024) for each month eligible but not enrolled
 - Must pay the penalty as long as enrolled in a Medicare drug plan
- Unless they have other coverage at least as good as Medicare drug coverage
 - “Creditable coverage” (H.S.A. Plans are Not Creditable Coverage)

Prescription Drug Plan Costs

- Costs vary by plan
 - In 2024 members may pay
 - Monthly premiums
 - Annual deductible, no more than \$545
 - Copayments or coinsurance
 - **0% Coinsurance** after \$4,250 true-out-of-pocket (TROOP)
 - **Inflation Reduction Act TROOP Changes 2023/2024/2025**
 - Plan information and costs available
 - www.medicare.gov
 - 1-800-MEDICARE (1-800-633-4227)

Extra Help With Drug Costs

- People with lowest income and resources
 - Pay no premiums or deductibles
 - Have small or no copayments
- Those with slightly higher income and resources
 - Pay no or a reduced premium
 - Have a reduced deductible
 - Pay a little more out of pocket

Eligibility for Extra Help

- Who may automatically qualify
 - People with Medicare who get
 - Full Medicaid benefits (Duals)
 - Supplemental Security Income (SSI)
 - Help from Medicaid paying Medicare premiums (Medicare Savings)
- Others must apply and qualify



Medicaid

Medicaid

- Joint Federal and state program
 - For some people with limited income and resources
- If eligible, most health care costs covered
- Eligibility determined by state
- Application processes vary
- Office names vary
 - Social Services
 - Public Assistance
 - Human Services

Other Savings Programs

- Medicare Savings Programs
 - Help from Medicaid paying Medicare expenses
 - QMB, SLMB, and QI
 - For people with limited income and resources
 - May also pay deductibles and coinsurance
- State-specific programs
- PACE

For More Information

- 1-800-MEDICARE (1-800-633-4227)
 - TTY users call 1-877-486-2048
- www.medicare.gov
- www.cms.hhs.gov
- State Health Insurance Assistance Program (SHIP)
- *Medicare & You* handbook
 - Other publications

Summary

Summary

- Medicare coverage
- Original Medicare
- Medicare Supplement Insurance (Medigap)
- Medicare Advantage and other plans
- Medicare prescription drug coverage
- Medicaid and Medicare Savings Programs



Questions?

Kevin J Guss

Vice President, Private Client Benefit Services

O: 314-594-2717

C: 314-703-5368

Kevin.Guss@MarshMMA.com



**MARSH & McLENNAN
AGENCY**

[MarshMMA.com](https://www.marshmma.com)

This document is not intended to be taken as advice regarding any individual situation and should not be relied upon as such. Marsh & McLennan Agency, LLC shall have no obligation to update this publication and shall have no liability to you or any other party arising out of this publication or any matter contained herein. Any statements concerning actuarial, tax, accounting or legal matters are based solely on our experience as consultants and are not to be relied upon as actuarial, accounting, tax or legal advice, for which you should consult your own professional advisors. Any modeling analytics or projections are subject to inherent uncertainty and the analysis could be materially affective if any underlying assumptions, conditions, information or factors are inaccurate or incomplete or should change. Copyright © 2019 Marsh & McLennan Insurance Agency LLC. All rights reserved.