

Medicare RoadMap

CUSTOMIZED FOR
Larry Nemman

6/24/2019

<small>EXIT NOW</small>	
YOUR DESTINATION	YOUR MEDICARE DESTINATION:
PAGE 4 Recommended Medicare Path	Medicare Part A and Part B with a Medigap policy and Part D prescription drug plan (Optional Medicare)
Please refer to page 4 for your unique Medicare-related action plan.	

The information is provided for educational purposes. Medicare has
neither reviewed nor endorsed this information.

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Sample
Company

Melinda Caughill
i65 Medicare Software
262-223-3001
melinda.caughill+01@i65.com

Medicare Enrollment Resources

To Help You Purchase a Medicare Supplement Policy

If you'd like the help of an insurance agent for selecting and getting enrolled in a policy, consider contacting the following resource(s):

Insurance Agent Finder
Service for Supplements —



Government Resources

Checklist for only enrollment

Online Medicare enrollment
<https://www.ssa.gov/ichoice/trib>

Medicare planfinder



Important

Before taking any action, please read this entire report.

The recommendations outlined in this report are specific to your unique situation based upon the answers you've provided through i65.

We urge our clients to double-check all critical information before making any final Medicare enrollment decisions.

i65 cannot make final Medicare coverage decisions for our clients. This remains the obligation of each client, and we encourage you to carefully consider the information provided by i65 and other resources.

SAMPLE

Your Medicare RoadMap

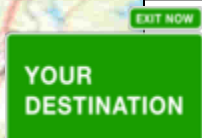


Prepared For: Larry Nemann Date of Birth: 12/3/1954 Date: 6/24/2019



Current Status

- I am turning 65 and still working.
- I am not receiving Social Security benefits.
- I do not plan to enroll Social Security at any time.
- I have an employer group health plan with [REDACTED]
- I have decided not to continue with my employer group health plan once I turn 65.



Your Destination

Medicare Part A and Part B with a Medigap policy and Part D prescription drug plan (Original Medicare).



When to Take Action

To get Medicare coverage as soon as possible, enroll during these months.

September

October

November

ENROLL ANY TIME DURING THE FIRST THREE MONTHS OF YOUR INITIAL ENROLLMENT PERIOD & COVERAGE BEGINS

BIRTH MONTH

December

ENROLL THIS MONTH & COVERAGE BEGINS

If you delay and sign up during the next month, you won't face a late enrollment penalty. However, the effective date of Medicare coverage will be delayed, from the first of the month to the first of the following month.

January

February

March

ENROLL THIS MONTH & COVERAGE BEGINS

ENROLL THIS MONTH & COVERAGE BEGINS

ENROLL THIS MONTH & COVERAGE BEGINS



Step-by-step Directions

1. Pay attention to Medicare during your Initial Enrollment Period.
2. Enroll in Medicare Part A, hospital insurance, and Part B, medical insurance.
 - Start this process during your Initial Enrollment Period.
 - Download a checklist for online enrollment at [REDACTED]
 - Establish a My Social Security account if you do not have one [REDACTED]
 - Enroll online at [REDACTED]
 - Log in to your My Social Security account
 - Click "Medicare" if you need additional information.
 - Download and print a page with the re-entry number [REDACTED]
 - Answer the following questions, as indicated.
 - Yes – "Do you wish to apply for Medicare ONLY, but not for monthly retirement cash benefits at this time?"
 - Yes – "Do you want to enroll in Medicare Part B?"
 - Yes – "Are you covered under a group health plan?"
 - Yes – "Are you covered under a group health plan through your own current employment?"
 - Review and edit the information.
 - Write down the confirmation number and print the

receipt.

3. Watch for your Medicare card in the mail.
4. Notify the plan administrator about your decision to discontinue your current coverage and the effective date.
5. Enroll in a Part D prescription drug plan.
 - Check the resources on page 2 of this RoadMap to identify an agent who can help with selection of a Part D drug plan.
 - Verify the monthly premium and other information.
 - Complete the enrollment process.
6. Select and enroll in a Medigap policy.
 - Determine the benefits you need.
 - Check the resources on page 2 of this RoadMap to identify an agent who can help with selection of a Medigap policy.
 - Verify the monthly premium and other information.
 - Complete the enrollment process.
7. Pay attention to your drug costs and coverage throughout the year.
 - During the Open Enrollment Period (October 15-December 15), compare your drug plan to others that will be available next year.
 - If there is a better option, enroll in a new plan.



Original Medicare or Medicare Advantage?

The following factors influenced your Medicare path decision:

- You have one or more medical conditions that are serious or complex.
- You plan to spend considerable time away from home.
- You prefer predictable monthly premium costs.

You determined that Original Medicare with a Medigap policy and a Part D prescription drug plan is the best option.

You'll be able to [REDACTED]

You will pay monthly premiums, but have little or no out-of-pocket expense for covered services and generally predictable medication costs.



Initial Enrollment Period for Medicare

Medicare provides a seven-month Initial Enrollment Period (IEP) to enroll in Medicare. This begins three months before and ends three months after the month of your 65th birthday. If your birthday falls on the first of the month, [REDACTED]

The "When to Take Action" page of this RoadMap identifies your IEP. Your individual circumstances will dictate your plan.

If you missed your IEP, contact a trusted Medicare advisor to review your options.

Click these links for more information.

- Medicare and You 2019 www.medicare.gov/pubs/pdf/10050-Medicare-and-You.pdf.
- Initial Enrollment Period www.medicare.gov/sign-up-change-plans/glossary-a-and-b/sign-up-parts-a-and-b/when-sign-up and [REDACTED]



Medicare Part A and Part B Enrollment

Medicare will be the primary payer, once you turn 65. You must enroll in Part A, hospital insurance, and Part B, medical insurance. This will ensure that you have complete coverage.



Medicare Card

Watch the mail for your Medicare card. When it arrives, verify the information on your card. If the card has any inaccuracies, contact Social Security at (800) 772-1213 (TTY number (800) 325-0771).

IMPORTANT: Never let anyone else use your Medicare card. Keep your card and your Medicare number as safe as you would a credit card.

If your Medicare card is ever lost or stolen, visit www.socialsecurity.gov, or call Social Security to receive a replacement card.

Check these links for more information:

- Protect yourself from Medicare fraud: www.medicare.gov/Pubs/pdf/10111-Protecting-Yourselves-from-Medicare-fraud.pdf.
- Getting a replacement Medicare card: [REDACTED]



HSA Funds

You will not have your current health insurance plan once you turn 65. If you have a *Health Savings Account (HSA)*, you will no longer make contributions.

You may use any funds in your account to pay most Medical expenses, such as the premiums for Part B, Part D, and a Medicare Advantage plan, along with copayments, coinsurance, and deductibles. However, you cannot use HSA funds to [REDACTED]

Check these links for more information:

- Health Savings Accounts <https://www.irs.gov/pub/irs-pdf/69.pdf>.
- HSA funds [REDACTED]
[REDACTED] and [REDACTED]
[REDACTED]
- Qualified medical expenses [REDACTED]



Drug Plan Enrollment

Based on your answers to *i65* questions, you will need to select a Part D prescription drug plan. Check the Part D drug plan resources on page 2 of this RoadMap to find a Part D drug plan agent. This agency can help you find a plan that will cover all your prescribed medications, be cost effective, and have a good quality rating. During the enrollment process, discuss the premium, coverage of your medications, costs, and any questions you have.

Part D Drug Plan Payment Stages

Medicare drug plans have out-of-pocket costs. How much one pays depends on the number and type of prescribed medications.



Regardless of how one pays for drug coverage (a stand-alone prescription drug plan or a Medicare Advantage plan), a Part D prescription drug plan has four payment stages.

1. **Deductible:** This is the amount you would pay out-of-pocket before the plan starts paying. [REDACTED]
2. **Initial Coverage Stage:** In a standard drug plan, the beneficiary pays 25% of the cost of medications. Most plans choose to charge [REDACTED] in this stage. Once total drug costs (what the individual and plan have paid) reach [REDACTED], the beneficiary passes into the Coverage Gap.
3. **Coverage Gap:** Also known as the donut hole, the drug plan pays very little in this stage. The beneficiary is responsible for most or all of the costs. There are discounts on medications. [REDACTED]

- [REDACTED]
4. *Catastrophic Coverage*: Fewer than 5% of all those who have drug plans reach this stage. Cost sharing is minimal. The individual pays [REDACTED]

Check these links for more information.

- Medication tiers www.65incorporated.com/blog/2016/04/tiered-medication-determines-your-cost.
- Part D deductible www.65incorporated.com/blog/2016/02/heres-how-part-d-deductible-works
- Donut hole (Coverage Gap) www.65incorporated.com/topics/medicare-part-d-prescription-drug-plans/qa-medicare-donut-hole and www.65incorporated.com/topics/medicare-part-d-prescription-drug-plans/qa-about-drug-discounts-coverage-gap.
- Preferred pharmacies www.65incorporated.com/topics/medicare-part-d-prescription-drug-plans/corner-pharmacy-what-is-the-your-coverage-deal.
- Medicare star ratings www.65incorporated.com/blog/2016/11/medicare-star-ratings-q.



Medigap Policy

You have chosen the path of Original Medicare, also called Traditional Medicare.



Medicare Part A, hospital insurance, and Part B, medical insurance, are the core components of coverage.

However, there are significant out-of-pocket costs associated with Part A and Part B, such as a [REDACTED] deductible for hospitalization and 20% coinsurance for doctors' visits in 2019. There is no limit on these costs for these two parts of Medicare. This is why it is important to select a Medigap policy. Also known as Medicare supplement insurance, a Medigap policy helps cover the costs Medicare does not cover.

Policies are standardized. Insurance companies selling Medicare supplement insurance must [REDACTED]

Every Medigap policy must follow Federal laws designed to protect you. State laws also can have an impact on Medigap policies. For instance, [REDACTED] are standardized differently. For example, [REDACTED], to name a few, insurance companies cannot sell attained-age-rated policies.

To learn more about selecting a Medigap policy in your state of residence, return to the i65 home page and download the i65 "Purchasing a Medigap Policy: A Companion Guide" for your state. Study the guide and learn:

- About the complete process for comparing and purchasing a Medigap policy.

- How Medigap plans are structured in your state.
- Which benefits are best for your unique needs.
- How to compare different plans, and much more.

Then, determine the benefits you need.

On page 2 of this RoadMap, you can find an agent to help you with policy selection. The agent will have more information about plan discounts, and enrollment.

What If Things Change?

Perhaps, down the road, you decide you no longer want a Medigap policy? Perhaps, you would no longer travel, or you would okay with networks, or you needed a lower premium option. During the fall Open Enrollment Period, or the Medicare Advantage Open Enrollment Period, you would:

- Drop Medicare Part A and B, your Medigap policy, and the Part D drug plan.
- Select and enroll in a Medicare Advantage plan with prescription coverage.

This is possible because Medicare Advantage plans do not utilize medical underwriting.



Open Enrollment

Pay attention to your drug costs and coverage throughout the year. Then, during Open Enrollment (October 15-December 7), two actions are very important.

- Review the changes in your Part D prescription drug plan for the upcoming year.
- Compare the plan's benefits and costs with other drug plans that will be available.

If you are satisfied with the new year's version of your plan, [REDACTED] If there is a better option, contact [REDACTED]. The new drug coverage will take effect January 1.

Studies have shown that, on average, people who do not participate in Open Enrollment overpay for their coverage by \$368 per year.

The open enrollment period for [REDACTED] [REDACTED]. Generally, the plan you select initially will be the one you have for life.

Check [REDACTED] link for more information.

Open Enrollment www.65incorporated.com/topics/medicare-open-enrollment-period.





Living with Original Medicare

There are some essential points to know about this Original Medicare.

Physicians and Healthcare Providers

Original Medicare does not have networks of physicians. It has physicians and healthcare providers who accept assignment. These doctors and other providers, including hospitals, outpatient clinics, therapists, and more, have agreed to Medicare's terms of service. They will accept Medicare's allowed charges as payment in full for all of their Medicare patients. A beneficiary cannot pay more in excess of Medicare's allowed charges for insurance. If these providers must accept assignment on all Medicare claims, they do not have to accept every Medicare beneficiary as a patient.

Medicare has a national base, [REDACTED]

Besides doctors who accept assignment, there are two other categories of physicians.

They may choose to be non-participating. These doctors make decisions about accepting Medicare assignment on a case-by-case basis. [REDACTED]

They may opt out of Medicare entirely. These physicians have not enrolled in Medicare and must establish contracts with their patients to bill them directly. [REDACTED]

Check these links for more information.

- Original Medicare www.65incorporated.com/topics/original-medicare and www.medicare.gov/sign-up-change-plans/decide-how-to-get-medicare/original-medicare/how-original-medicare-works.html.
- Opted-out physicians [REDACTED]

Preventive Services

Medicare covers many preventive services that help detect health problems early and prevent certain diseases. These services include flu and pneumonia vaccinations, mammograms, colonoscopies, glaucoma and PSA screenings, tobacco use review, along with health monitoring, counseling, and education. Many of these preventive services are free.

Check this link for more information: [REDACTED]

- Preventive Services [REDACTED]

Vision and Hearing Services

Medicare's coverage for these services is very limited.

- Dental: Medicare does not cover routine dental services, which includes the regular appointments for cleaning and exams, along with dentures, fillings, braces, and the like. Stand-alone dental plans are available.
- Vision: Medicare will cover some vision-related services for medical conditions, such as glaucoma, cataracts, and diabetic retinopathy. Medicare will not cover routine services, including annual exams, glasses, or contact lenses.

- Hearing: Medicare doesn't cover hearing exams, hearing aids, or exams for fitting hearing aids.

Check these links for more information.

- Dental services [REDACTED]

- Vision services [REDACTED]

- Hearing services [REDACTED]

Medicare and Long-term Care



When the aging process begins to take effect, a person may need long-term care, abbreviated LTC. This is a range of services and support to meet health or personal care needs over an extended period of time. Most of this care involves assistance with personal tasks, such as bathing, dressing, eating, getting in and out of bed or chair, moving around, and using the bathroom. A person can receive this care in a home, an assisted living facility, a group home, or a nursing home.

People often believe two common myths about long-term care:

"Medicare will cover long-term care."

According to reports released in 2019, more than half of older Americans believe Medicare will pay for on-going care to help people with common issues as they age, including bathing, dressing, eating, transferring, etc. However, Medicare considers this to be custodial, not medical, care and **does not cover it**. For

example, if someday, you need help with bathing or meals, you may hire a personal care worker. Medicare doesn't pay for this. Or, if you move into a facility because you can no longer live safely in your home, Medicare won't cover that.

2. "I will never need long-term care."

Recent studies have reported that the average 50-year-old male has a 53-59% chance of entering a nursing home and over 60% of the population will need long-term care at some time. The longer we live, the more likely it is that we will need this help.

Long-term care can be costly. Depending on the services you need, one may need at least \$250,000 to cover costs over a lifetime. These costs fall to the individual, not Medicare - to plan with your financial advisor about creating a plan to meet your potential long-term care needs.

Check these links for more information:

- Long-term care [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] Medicare Paying for Care in My Home? An Infographic
[REDACTED]
[REDACTED]

Other Medicare Issues

Foreign Travel: Generally, Medicare does not cover care outside the United States or its territories. There are a few rare exceptions.

[REDACTED] Some Medigap policies provide coverage for foreign travel emergencies [REDACTED]
[REDACTED]
[REDACTED]

Moving: [REDACTED]
[REDACTED]

When you move out of the Part D drug plan's pharmacy network, you will need to select and enroll in a new plan. Your chance to switch plans begins the month before the month you move and continues for 2 full months after you move.

Remember to notify Social Security of your new address. You can do this through your "My Social Security" account (www.ssa.gov/myaccount) or by calling Social Security at (800) 772-1213.

Medigap Policy and Drug Plan Premiums

The insurance companies sponsoring the Medigap policy and Part D prescription drug plans will send you invoices for the monthly premiums. Contact the plans if you wish to change to auto-payment. It's also possible to have Social Security benefit pay the drug plan premiums. Contact a drug plan representative to arrange this.

Know that if you don't pay the premiums in a timely fashion, the insurance company may cancel your policies. You would have to wait until the Open Enrollment period to re-enroll in a drug plan. You may also have to pay the overdue premiums. If late with the Medigap premium, the sponsor company may refuse to issue another policy.



Part A and Part B Premiums

Part A, hospital insurance, is premium-free for those who have worked and paid Medicare taxes for 10 years (40 quarters), or whose spouse has paid taxes. Those who do not have enough quarters can purchase Part A.

The standard Part B monthly premium in 2019 is \$135.50. If you are enrolled in Social Security, the premium amount will come out of the monthly benefit payment.

Those not receiving Social Security benefits will get an invoice in the mail. There are two ways to pay the Part B premium.

- Set up an Easy Pay account [REDACTED]
- Send in a check or money order information with the statement.

As with any other coverage, failing to pay the premium will lead to cancellation. If that happens, the beneficiary must wait until the General Enrollment Period (January 1–March 31) to reenroll in Part B. Coverage won't be effective until July 1 and a late enrollment penalty can apply.

Check these links for more information.

- Medicare costs [REDACTED]

Part B premiums [REDACTED]



Information



IRMAA

Higher income beneficiaries are subject to IRMAA (Income-related Monthly Adjustment Amount). These beneficiaries will pay more premiums for Part B, medical insurance, and Part D, prescription drug coverage.

Social Security uses two items from your income tax statement, two years prior to the current year to identify higher-income beneficiaries. [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Use the IRMAA calculator at app.i65.com/IRMAA to determine whether you are subject to IRMAA, and, if so, how much extra you may have to pay.

Circumstances may change, resulting in a drop in income. Social Security recognizes certain events that can be life changing. These include

[REDACTED]
[REDACTED]
[REDACTED]

If one of these events caused a drop in income, the beneficiary can submit a life-changing event notice to ask Social Security to recalculate premiums on the expected income for this year.

Every year Social Security will look back two years to determine the premium for the next calendar year. **Important:** Know that significant financial transactions, such as [REDACTED]

[REDACTED], can change your financial status and subject you to IRMAA for one year.

There are three more important points about IRMAA.

- The Centers for Medicare and Medicaid Services sends an invoice for the amount due.

- The beneficiary pays this amount to the government, not the companies sponsoring plans.
- Failing to pay IRMAA can lead to cancellation of Part B, medical insurance, and Part D, prescription drug coverage.

If you have questions, consult your trusted financial or tax advisor.

Check these links for more information.

- IRMAA [REDACTED]
- Medicare premiums for higher income beneficiaries [REDACTED]
- [REDACTED]



Disclaimer

i65 provides guidance and information to our users, based primarily on third-party sources, so that our users can make informed decisions after reviewing their options. Clients should investigate plans and address any specific concerns about premiums, costs, and coverage with a qualified advisor.

i65 does not make decisions or choices as to which option is best for a particular user; that is the obligation of each client, after carefully considering the information contained within this document and from other sources. We urge our users to study all the options carefully. i65 disclaims responsibility for any option chosen by a user and for the information prepared by third party sources. In the event of any claim by a user against i65, the liability of i65 shall be limited to the consideration paid by such client to i65.

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