



Medicare: Answers to Common Questions 2022

Medicare is a topic that every person nearing or in retirement should understand. After all, healthcare costs may make up a big share of your expenses during retirement. Use this guide to learn more about Medicare to help you make better decisions about this important benefit.

1. Who is eligible for Medicare?

Most individuals age 65 or older, as well as certain individuals under age 65 who qualify for Social Security disability benefits. Also, individuals with amyotrophic lateral sclerosis (also known as Lou Gehrig's disease) or end-stage renal disease (permanent kidney failure)

2. What is the difference between Medicare Part A and Part B?

Medicare Part A is hospital insurance and helps cover the cost of inpatient care. Medicare Part B is medical insurance to cover medically necessary services like visits to the doctor and outpatient care.

PART A Hospital Insurance	PART B Medical Insurance
2022 Deductible: \$1,556 <ul style="list-style-type: none"> Hospital Stays Skilled Nursing Care Home Health Care Hospice Care 	2022 Deductible: \$233 <ul style="list-style-type: none"> Doctors Services Outpatient Medical/Surgical Services Diagnostic Tests Outpatient Therapy

3. How do I enroll for Medicare Part B and how much does it cost ?

Generally, you enroll in Medicare Part B when you enroll in Medicare Part A, unless you are still covered by you or your spouse's group medical plan.

There are two options for enrolling for Medicare Part B benefits if you don't sign up when you are first eligible:

- General Enrollment Period- January 1st through March 31st each year
- Special Enrollment Period- Extending up to eight months after your group coverage ends.

Premiums vary depending on your household income. See the chart below.

MEDICARE PART B*

If your annual household income in 2020 was:

File Individual Tax Return	Joint Tax Return	You Pay
\$91,000 or less	\$182,000 or less	\$170.10/mo
\$91,000- \$114,000	\$182,000- \$228,000	\$238.10/mo
\$114,000- \$142,000	\$228,000- \$284,000	\$340.20/mo
\$142,000- \$170,000	\$284,000- \$340,000	\$442.30/mo
\$170,000- \$500,000	\$340,000- \$750,000	\$544.30/mo
Above \$500,000	Above \$750,000	\$578.30/mo

Important Note: If you don't enroll when you are first eligible, premiums will increase 10% for each full 12 months until you do enroll, unless you are enrolled in an Employer/Union Plan- limitations may apply on employer size.

4. What is a Part C/ Medicare Advantage Plan?

Medicare Part C, called Medicare Advantage, is medical and hospital insurance provided by private companies. Part C:

- Covers everything in Medicare Parts A and B.
- May also cover other medical expenses (e.g. vision, dental).
- May also provide cost-sharing such as co-insurance or co-pay, but may add additional expense.
- May have premiums that will vary on an individual county basis.

Most Medicare Advantage Plans are managed care plans, usually a health maintenance organization (HMO) or a preferred provider organization (PPO). These plans may require that you choose a primary care physician and get a referral from your PCP to see a specialist, and use only doctors, hospitals, and other medical facilities and services that are part of that health plans' provider network.

5. What is Medicare Part D and how much does it cost ?

Medicare Part D is a prescription drug coverage. Part D benefits can be purchased in two different ways:

- Through a Medicare Advantage program (MAPD)
- Through a stand-alone prescription drug plan (PDP) offered by an outsider provider.
- May also provide cost-sharing such as co-insurance or co-pay, but may add additional expense.
- May have premiums that will vary on an individual county basis.

Other important information about Part D:

- Costs will vary based on which plan you choose.
- There may be an additional charge depending on your income (see below).
- Medicare calculates the penalty by multiplying 1% of the "national base beneficiary premium" (\$33.37 in 2022) times the number of full, uncovered months you didn't have Part D or creditable coverage. The monthly premium is rounded to the nearest \$.10 and added to your monthly Part D premium.
- You can change your plan during the Annual Election Period (October 15th - December 7th each year).

MEDICARE PART D - Income Related Monthly Adjustment Amount (IRMAA)*

If your annual household income in 2020 was:

File Individual Tax Return	Joint Tax Return	You Pay
\$91,000 or less	\$182,000 or less	\$0.00/mo
\$91,000- \$114,000	\$182,000- \$228,000	\$12.40/mo
\$114,000- \$142,000	\$228,000- \$284,000	\$32.10/mo
\$142,000- \$170,000	\$284,000- \$340,000	\$51.70/mo
\$170,000- \$500,000	\$340,000- \$750,000	\$71.30/mo
Above \$500,000	Above \$750,000	\$77.90/mo

6. What is the coverage gap for Medicare Part D?

Most Part D programs have what is called a "donut hole" or coverage gap. Once you and your plan spend \$4,430 combined on drugs (including deductible) in 2022, you'll pay no more than 25% of the cost of prescription drugs until your out-of-pocket spending is \$7,050 in 2022 under the standard drug benefit. In 2022, there is assistance for individuals who reach the "donut hole". You'll get 75% discount on brand-name drugs and generic drugs. You still receive credit for the full cost in meeting the "donut hole" exclusion amount.

7. What is Medigap insurance?

Medigap insurance is Medicare supplemental insurance provided by private insurance companies to help cover some of the costs not covered by Medicare (such as the 20% co-insurance).

You have a six-month open enrollment period to buy a Medigap policy. The period starts the month you're 65 and enrolled in Part B. You have a guaranteed right to buy any Medigap policy sold in your state regardless of your health status during that time.

If purchased after the initial enrollment period, however, the insurance company can require underwriting, set waiting periods for pre-existing conditions, set different terms or premiums, or may not accept your application at all.

8. What if I'm still working?

If you or your spouse is still working and has insurance through your employer, contact your benefits administrator to find out how your insurance works with Medicare.

9. Can I change my coverage?

There are certain times of year when you can make changes to the coverage you already have:

1. During certain open enrollment periods that happen every year from October 15th - December 7th.
2. Under certain circumstances that qualify you for a Special Enrollment Period (SEP), such as the following:
 - You move.
 - You are eligible for Medicaid.
 - You qualify for extra help with Medicare prescription drug costs.
 - You are getting care in an institution, such as a skilled nursing facility or long-term care hospital.

10. How do I enroll in Medicare?

The Social Security Administration handles Medicare eligibility and enrollment. You can contact the Social Security Administration at 800-772-1213 to enroll in Medicare or to ask questions about whether you are eligible. You can also enroll online at www.socialsecurity.gov.

You are eligible when you turn 65. Sign up 3 months prior to your birthday to avoid delaying your coverage. You are still eligible to sign up the month you turn 65 and 3 months after.

*Medicare and IRMAA rates are subject to change. This is meant only as a guide to help you understand Medicare information.

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