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Busy Executive Guide to Medicare – 2025

An Overview of Most Everything You Need to Know
About Medicare Benefits, Costs, and Choices

Update on "JOE NAMATH" plans! Page 6!



**Christopher "Chase" Carey,
MBA, 3rd Degree Black Belt**

January 2025 - Celebrating Our 17th Year!

**Great Resource: "Medicare & You 2025" from www.Medicare.gov
1.800.MED-ICARE (1.800.633-4227).**

Sign Up ONLINE at www.ssa.gov/benefits/medicare

FEDERALLY REQUIRED NOTICE: We do not offer every plan available in your area.
Currently we represent nine organizations which offer 32 products in your area. Please
contact Medicare.gov or 1-800-MEDICARE, or your local State Health Insurance Program
to get information on all of your options.

The number of organizations and plans we offer varies by county and may differ from
the number above.



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I. Your 2025 Medicare Choices CHART -
In the following pages, I will walk you through this step by step!



Step 1: Decide How You Want to Get Your Coverage

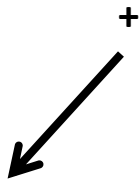
ORIGINAL Medicare

Medicare ADVANTAGE Plan
(An HMO, POS, PPO)

Part A
Hospital
Insurance

Part B
Medical
Insurance

Medicare Advantage
Combines Part A, Part B, and
usually, Part D, into One Plan



Step 2: If You Selected Traditional Medicare A & B, Decide If You Want to Add a Medicare Supplement Plan (The Answer is YES)

Medicare Supplement Plan
Yes

Medicare Supplement Plan
No

Step 3: Decide If You Want to Add a Part D Drug Plan (The Answer is Yes)

Part D Drug Plan
Yes





Part D Drug Plan
No
(PENALTY?)



II. Medicare Choices Overview

There are four "Parts" to Medicare Benefits. Some are provided and paid for by the federal government, some you share the cost of, and some are provided by private insurance companies that are paid for by you.

I will give you sufficient detail below for each of your choices, but from a 50,000 ft level, people enrolled in Medicare have two options for getting their coverage. The first is through the traditional Medicare program from the 1960s; the second is through private insurance company plans, like the HMOs, POSs, and PPOs you may have at work, called Medicare Advantage Plans. The two choices look like this:

Permissible Medicare Plan Combinations					
	Traditional			Medicare Advantage	
Sample ID Card					
	Medicare A&B	Med Supp Medi-Gap	Part D Rx	Med Adv + Part D Rx	# ID Cards You Carry
Choice 1	X				1
Choice 2	X	X			2
Choice 3	X		X		2
Choice 4	X	X	X		3
Choice 5				X	1
This table illustrates the most popular combinations but not all possible combinations.					

Most importantly, please *do not* get hung up on the various choices. Remember, you have made it to 65, and if you made it to 65, you can figure this out!

I highly recommend asking an independent Broker for help. The insurance company will pay him or her with no effect on your premium, and you can look at various plans from different insurance carriers.



III. Medicare Parts A, B, C, D Overview

There are 4 "Parts" to Medicare coverage.

1. **Part A** - Inpatient Hospital Insurance
2. **Part B** - Outpatient Doctor/Surgeon, Home Health Care Insurance
3. **Part C** - An HMO, POS, or PPO REPLACEMENT to **Parts A** and **Part B** and often **Part D** (There are other types of **Part C** plans not mentioned here)
4. **Part D** - Prescription Drug Insurance

Medicare Supplement Plans - These are not part of Medicare but are used to fill in the gaps in Medicare A and B. If you buy a **Part C** Medicare Plan, which replaces Medicare A and B, you **cannot** have a Medicare Supplement Plan.

IV. Medicare Benefits

Part A – HOSPITAL INSURANCE (Provided by the Federal Gov't - Usually Free)

Part A is Hospital Insurance (also Skilled Nursing Facility - not Nursing Home), Blood, and Home Health Care Services. It covers up to 150 days of hospital stays. There is no premium for this coverage for most people. **There are NO pre-existing condition exclusions.**

<u>Days in a Hospital In a Benefit Period*</u>	<u>What Medicare Pays</u>	<u>What You Pay</u>
1 - 60	Everything but \$1,676	\$1,676
61 - 90	Everything but \$419 per day	\$ 419 per day
91-150 (using Life Time Reserve Days)	Everything but \$838 per day	\$ 838 per day
	**	
91 - 150 (not using LTR Days)	Nothing	Everything
151+	Nothing	Everything

<u>Days in a Skilled Nursing Facility in a Benefit Period***</u>	<u>What Medicare Pays</u>	<u>What You Pay</u>
1 - 20	Everything	Nothing
21 - 100	Everything but \$209.50 / day	\$209.50 / day
101+	Nothing - Not Covered	Everything

* A **Benefit Period** begins the first day you are hospitalized and ends on the 60th



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day you have not been in a covered stay in a Hospital or Skilled Nursing Facility. This is very different from the way group and individual insurance policies work that you may have had before Medicare. (Only 190 days of hospitalizations will be covered for the treatment of Mental and/or Nervous disorders in your lifetime.)

** There are 60 Lifetime Reserve days that you can use in any combination. You can use them all at once or over years.

***** To be eligible for Skilled Nursing Facility benefits, you must be admitted to an SNF within 14 days of a 3+ day hospital stay. This is very important and often not understood by Medicare enrollees.**

Part B – MEDICAL/SURGICAL INSURANCE (Provided by the Federal Government - You Pay a Monthly Premium)

Part B is Medical Insurance that pays for doctor care, including office visits and surgery. **There are NO pre-existing condition exclusions.**

<u>Deductible (Annual)</u>	<u>Benefit %</u>
\$257.00	80%

There is an annual deductible of **\$257.00**, after which Medicare pays **80%** of the Medicare Approved Charge with no cap. If you go to a doctor who “Accepts” Medicare, he or she can bill you the **\$257.00** deductible plus the **20%**. **Neither Medicare A nor B contains a cap on your out-of-pocket expenses. It is VERY IMPORTANT to know this.**

If your doctor does not “Accept” Medicare but can “bill” Medicare, he or she can bill you the **\$257.00** deductible plus the **20%** plus an additional **15%** of the Medicare Approved Charge.

You get a one-time Welcome to Medicare Physical Exam in your first 12 months.

Part C – AN ALTERNATIVE TO TRADITIONAL MEDICARE (Provided by Private Insurance Companies – Replaces Medicare A and B – and Usually D - You Pay Your Part B Premium + Any Plan Premium)

Part C plans are private insurance company HMO, POS, or PPO plans that REPLACE



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TRADITIONAL MEDICARE and are called **Medicare Advantage Plans**. They provide coverage that is at least actuarially equivalent, but not identical, to Medicare **Parts A and B** and/or **Part D**. These plans entirely REPLACE Medicare Parts A and B and/or Part D. (There are also **Part C** PFFS plans which are not discussed here).

Medicare advantage plans have networks of providers which you must use to get benefits or the highest level of benefit. I have found these networks to be much SMALLER than employer based coverage networks. For HMO plans, if you do not use the network, you do not get any coverage except UC and ER visits. For PPO and POS plans, if you do not use the network, you still get most coverage but at a much-reduced level. **These plans do NOT use all doctors able to accept Medicare and may be limited to your state or a service area smaller than your state. The networks for these plans tend to be MUCH SMALLER than the networks you would use under your medical plan at work, even if the work plan is an HMO, POS, or PPO.**

All plans cover necessary visits to any Emergency Room or Urgent Care anywhere in the US.

Many **Part C** plans also include **Part D** (Rx) coverage. Most people who chose a **Part C** plan chose one with **Part D** (Rx) coverage. Such plans are called **MAPD** (Medicare Advantage with Part D). Additional features are **Part C** plans is that they have a cap on out-of-pocket expenses, unlike Medicare **Parts A and B**.

If you enroll in a Medicare **Part C** Plan, you do not need to keep a Medicare Supplement Plan; in fact, you cannot keep one if you have a Part C Plan.

“Joe Namath” Plans Are Medicare Advantage Plans



“JOE NAMATH PLANS”. One of the recently added benefits for Part C plans is coverage for **HEARING AIDS**. This can save a member \$1,000’s of dollars a year. People are also seeing benefits for: **dental, vision, transportation, Part B premium subsidies, food cards,** and others added to Part C plans. These are many benefits we’ve seen Mr. Namath talk about on TV. **Part C plans offer a valuable alternative to traditional Medicare Part A and B benefits for many people.** (Note that Mr. Namath never states he enrolled in one of these plans!)



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Part D – ADDS ONTO TRADITIONAL MEDICARE A & B OR CAN BE INCLUDED IN A MEDICARE ADVANTAGE PLAN (Provided by Private Insurance Companies – You Pay a Plan Premium)

Part D. You must be enrolled in Medicare **Part A** or **Part B** to be eligible to buy a **Part D** plan. You do not have to be enrolled in both Medicare **Parts A** and **B** to be eligible. **Part D** benefits vary by carrier, and most offer multiple plans. Medicare sets a standard for carriers to be at least actuarially equivalent but not identical. Most carriers provide a benefit better than the standard. Note that all plans use drug formularies.

Many plans have a drug deductible, but many still do not apply that to their least expensive drugs. Each plan uses a specific drug formulary, which is a closed list of drugs their plan will pay for. Drug formularies change annually (and sometimes mid-year, but that is infrequent). You want to ensure your drugs are covered by the Part D plan you choose and at what cost level, known as “**drug tiers.**” Many Part D drug plans now have **preferred pharmacies** within their network list – which can help lower your drug costs even more when using them.

In **Table 1** on the following page, the **2025 Medicare Standard Drug Plan** is illustrated. When you buy Part D insurance coverage, whether through a Medicare Part C (MAPD) plan or a stand-alone Part D (PDP) plan, in all likely hood, your plan will vary somewhat from the Standard Drug plan. Many carriers offer better coverage than the standard plan.

NEW! Beginning in 2025, there will be two significant changes to Part D plans. First, your annual out-of-pocket cost for eligible drugs is limited to \$2,000. Expenses above \$2,000 are paid in full for you. Second, the **Medicare Prescription Payment Plan (M3P)** benefit allows you to pay your drug costs over 12 months. Your insurance company will bill you for your drugs monthly, if requested, instead of paying at your pharmacy. The costs are not evenly split over 12 months, but this benefit can help many people manage their monthly drug expenses.

How do you choose the best **Part D** plan for your prescription drug use? Go to the insurance carrier website (or to Medicare.gov) and put in your prescriptions and pharmacies. The site will compare your prescription and out-of-pocket costs under different plans.



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Part C plans may cover many of these items and/or offer dental, vision, and hearing for an additional premium.

To see if something is covered by Medicare, please go to this url:
<http://www.medicare.gov/coverage/your-medicare-coverage.html>

VI. Medicare Supplement Plans (“MediGap”)

Medicare Supplement plans are traditional indemnity plans that wrap around Medicare Parts A and B. All Medicare Supplement plans are regulated by the Federal Government and have an alphabetic name, A through N. Some of these plans were eliminated by Congress years ago. Medicare Supplement Plans C and F are unavailable to new enrollees starting in 2020.

These plans are the same regardless of what state you live in (there are 4 states which have exceptions to this rule).

Medicare Supplement plans have premium rates that vary by plan and tend to cost between \$150 and \$225 monthly in the Southeast. These premiums are in addition to your Part B premium. These premiums can vary by insurance carrier. **Plan G** is the best Medicare Supplement Plan (Think: **G = GREAT**).

VII. Medicare Premiums

Part A—This is free to almost anyone who has lived and worked in the US for 40 quarters. Otherwise, it is \$285 per month if you have 30 or more quarters or \$518 if you have fewer than 30 quarters.

Part B - Varies based on your income. For most new to Medicare in 2025, the monthly Part B premium will be **\$185.00**. For individuals with Higher Incomes, you will pay a surcharge on your Part B premiums. The surcharge for **2025** is based on your income from **2023** and is found in **Table 2** on page 10. **If you do not enroll in Medicare Part B when first eligible and do not have coverage through an employer as an active employee or dependent of an active employee, you will have a 10% penalty for each 12 months you did not enroll, once enrolled, FOR LIFE!**

Part C—Varies based on carrier and plan, although many plans have no plan



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premium, meaning the monthly premium is **\$0.00**. However, you must still pay your Medicare Part B monthly premium. **Some plans now have a Part B Giveback benefit that pays a portion and sometimes nearly all of your Part B premium (excluding penalties).** **Part C** - Varies by the carrier by plan, but you can get a plan actuarially equivalent to Medicare A and B starting at \$0 a month. You can get a comprehensive plan for about \$90 - \$100 a month (you still have to pay your Part B premium). **You must be eligible for Medicare Part A and enrolled in Part B to enroll in a Part C plan. It is important to note that Part C network providers are CARRIER and STATE specific, and generally, their networks are MUCH SMALLER than the network with the group plans you have at work.**

Part D—The cost varies by carrier and plan however plans range from about **\$0.50** a month to **\$95** a month in the Southeast. Beginning in 2011, a surcharge was added to the Part D (Rx) and **Part B** (Medical) premiums for High-Income Earners, resulting in higher **Part B** and **Part D** premiums. You do not get the **Part D** surcharge if you do not enroll in a Part D plan. The additional premium is shown in **Table 3**.

Table 2

<u>Part B Premiums, Including Surcharge, If Any, for 2025 (Based on 2023 Income)</u>		
<u>Married Filing Separately is Slightly Different</u>		
<u>Individual Income</u>	<u>Joint Income</u>	<u>Premium Per Month</u>
<= \$106,000	<= \$212,000	\$185.00
\$106,001 <= \$133,000	\$212,001 <= \$266,000	\$259.00 (+\$74.00)
\$133,001 <= \$167,000	\$266,001 <= \$334,000	\$370.00 (+\$185.00)
\$167,001 <= \$200,000	\$344,001 <= \$400,000	\$480.90 (+\$295.90)
\$200,001 < \$500,000	\$400,001 < \$750,000	\$591.90 (+\$406.90)
\$500,000+	\$750,000+	\$628.90 (+\$443.90)



If you do not enroll in Medicare Part B when first eligible and do not have coverage through an employer as an active employee or dependent of an active employee, you will have a 10% penalty for each 12 months you did not enroll, once enrolled, FOR LIFE!



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Table 3

Part D Premium Surcharge for 2025 (Based on 2023 Income)		
Married Filing Separately is Slightly Different		
<u>Individual Income</u>	<u>Joint Income</u>	<u>Surcharge Per Month</u>
<= \$106,000	<= \$206,000	No Surcharge
\$103,001 <= \$133,000	\$212,001 <= \$266,000	+\$13.70
\$133,001 <= \$167,000	\$266,001 <= \$334,000	+\$35.30
\$167,001 <= \$200,000	\$344,001 <= \$400,000	+\$57.00
\$200,001 < \$500,000	\$400,001 < \$750,000	+\$78.60
\$500,000+	\$750,000+	+\$85.80



If you do not enroll in a Part D plan when first eligible and do not have creditable coverage elsewhere you will have a penalty for each month you did not enroll, once enrolled, for life. For 2025 the monthly penalty is approximately \$4.40 for each year you've gone without Rx. (This amount changes each year).

VIII. When Are You Eligible?

Generally, you will be eligible for Medicare on the first day of the month in which you turn 65 if you or your spouse have contributed to the Social Security system for 40 Quarters. You can sign up for Medicare up to 3 months before your 65th birthday through your Social Security Office or online line at www.SocialSecurity.gov/medicare. You can also sign up in the 3 months after you turn 65 but your effective date will be later than the month in which you turn 65.

If you sign up for Social Security benefits you will automatically be signed up for Medicare Parts A and B (assuming you qualify for Medicare), however, because more and more people will not qualify for Social Security until after they turn 65, they ***must reach out to Social Security and enroll proactively.***

If you do not sign up for Social Security when you turn 65, Medicare will NOT automatically enroll you in Medicare A or B.

Some people can receive Medicare earlier if they are considered disabled under



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Social Security. You can sign up online at www.socialsecurity.gov/medicare or call **Social Security** at **1.800.772.1213**. **You CANNOT enroll by calling Medicare directly** – think of Medicare as being a downstream provider from Social Security. Some persons are automatically enrolled in Part A and B; but call or go to be sure.

Suppose you delay your enrollment in Medicare Parts A and/or B at age 65 because you are covered by your Employer's group benefits plan or your spouse's Employer's group benefits plan where you or your spouse were covered as an **ACTIVE** employee or dependent thereof. In that case, you may enroll in Parts A and/or B during the 8 month period which begins when your employee/dependent coverage ends or the employment ends, whichever happens first.

Note: Enrollment in a group plan under COBRA DOES NOT delay the time period in which you can enroll in Medicare A and/or B without penalty. This means that if you work past age 65, then leave employment, get covered under COBRA and do not enroll in Medicare A and/or B, you will pay a penalty for Part B coverage and your effective date will be delayed.



There is GENERALLY NO REASON not to enroll in Part A as you turn age 65 (Exception: H.S.A. plans), because for the great majority of people enrolled in Part A, they pay no premium.

IX. When You Can First Enroll?

When you can enroll in which types of plans vary, and there are many special exceptions to the main rules, but in short, if you do not enroll when you are first eligible for Medicare, then you will be restricted as to when you can enroll in the future, and you may have lifetime premium penalty. ***Do not take this lightly - Medicare is extremely valuable coverage you should have.***

Part A - you can first enroll in the seven-month period that begins the first of the month 3 months before your 65th birthday and ends on the last day of the 3rd month following your 65th birthday. Medicare considers you to turn 65 on the first day of your 65th birth month. If you enroll at this date or later, your Medicare benefits will not start until **after** you turn 65.

Suppose you do not enroll in Parts A and/or B when you are first eligible because you have employer group coverage due to the active employment of you or your



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spouse. In that case, you will have an opportunity to do so when you are no longer covered as an active employee or dependent of one. It is called a Special Enrollment Period. **If you do not enroll in Parts A and/or B when you first become eligible and are NOT covered by an employer's group coverage as an active employee or dependent, you will be RESTRICTED in your ability to enroll.**

These people are referred to as Late Enrollees. Most people who delay this way can enroll from January 1st through March 31st, and their Medicare benefits will start on the first of the following month of that year. There is no Part A premium penalty if you get Part A for free, but a penalty premium will be added to your Part B if you are a Late Enrollee. The Part B penalty will be approximately +10% for each 12 months you delayed enrolling and it goes forever.

Part B - same as Part A

Part C - same as Parts A and B. You can also enroll:

- Between October 15th and December 7th each year - your benefits will begin on January 1 the following year. You can enroll, dis-enroll, and change plans (there are limitations)
- Between January 1 and March 31st each year - your benefits will begin on the first day of the following month. If you have a Medicare Advantage Plan you can enroll, dis-enroll, and change plans (there are limitations)

Part D - same as Part C.

If you do not enroll in Part D when you are first eligible and do not have "Creditable" drug coverage elsewhere, such as from an employer plan, or the VA, when you go to enroll, you will pay a penalty. The penalty will be in the form of a higher Part D premium. As of **2025**, that penalty is approximately \$4.40 per month for each year you go without drug coverage.

For example, if you wait 3 years for drug coverage, your premium will be an additional \$13.20 per month, added to what the insurance carrier charges you in 2025. The penalty lasts for as long as you are enrolled in a Medicare Part D plan and changes yearly as the average drug cost changes. It does NOT go away after one year.



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Medicare Supplements - The same as **Parts A** and **B**. Suppose you do not enroll in a Medicare Supplement plan because you had health coverage from an employer. In that case, you can enroll in the seven-month period that begins on the 1st of the month 3, months before the month in which you lose the employer coverage and ends the last day of the 3rd month following the loss of the employer coverage having been covered as an active employee or dependent of an active employee. NOT as a COBRA participant or a retired employee or dependent of a retired employee.

If you do not enroll during these specified times, your application will be subject to medical underwriting, which means you can be denied Medicare Supplement coverage.

Almost all Medicare Supplement plans were standardized across all states and were given letter names. For example, a Plan G in Georgia is the same as a **Plan G** in Florida or Arizona, although the insurance carrier and premiums would differ. **Do not confuse Medicare Supplement plan names (A, B, C, etc. - although some have been retired) with Medicare Parts A, B, C, and D. They are COMPLETELY DIFFERENT and separate.**

Medicare Supplement plans are not government programs offered by private insurance companies. Do not confuse the two.

If you move, you can take your Medicare Supplement across state lines with you or you can buy a new Medicare Supplement in your new state without medical underwriting (time limits apply).



X. Please Share This Guide with Your Friends and Family

Medicare, Medicare Plans, Medicare Supplements can be very confusing at first because it is different. We hope we helped make things a bit clearer for you here.

The ***Busy Executive Guide to Medicare*** is designed for you to have an easy introduction to Medicare and Medicare Plans so you may have an intelligent, informed conversation with your insurance Broker, agent, Financial Planner or other qualified professional. **This Guides is not a replacement or substitute to "Medicare & You, 2024" published free for you by the Federal Government and available at www.Medicare.gov.** The Medicare & You, 2024, guide is, however, about 128 pages L-O-N-G. I do not believe most people need 128 pages to understand their Medicare choices.

THIS GUIDE IS PROVIDED FREE BY EMAIL: CHASECAREY@CAREYBENEFITS.COM
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DISCLAIMER: This Guide is intended to educate and to make your life easier; it is not a legal description of Medicare or Medicare plans nor a solicitation of insurance. There are variations and exceptions to almost everything in here, but they are uncommon and therefore not discussed.



We appreciate you having taken time to read this; your friends and neighbors will appreciate it even more when you pass them a copy.

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If they'd like their very own copy, please have them email me at "ChaseCarey@CAREYBenefits.com" and put BEG Medicare in the subject line.



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XI. Notes for You

Your birthday: _____

The month/year in which you turn 65: _____

Date you notified Social Security you want to enroll in Medicare: _____

Your Medicare ID Card No. _____

Date you contacted your Insurance Broker for Medicare Plans: **6 Months BEFORE You Turn 65**

Your Medicare Broker's Name, Email, and Phone #:

Name: _____

(EM) _____ (Phone) _____

Your Medicare ID#: _____ Eff. Dates – Part A: _____ Par B: _____

Your Financial Planner's Name, Email, and Phone #:

Name: _____

(EM) _____ (Phone) _____

