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Busy Executive Guide to Medicare – 2024

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 2024 - Celebrating Our 16th Year

**Great Resource: "Medicare & You 2024" from www.Medicare.gov
1.800.MED-ICARE (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 2024 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

PLUS

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 2 choices how to get their coverage. The first is through the traditional Medicare program from the 1960's; the second is from private insurance company plans, like the HMOs, POSs, and PPOs you may have at work, which are called Medicare Advantage Plans. The two choices look like this:

Permissible Medicare Plan Combinations					
Sample ID Card	Traditional			Medicare Advantage	# ID Cards You Carry
	Medicare A&B	Med Supp Medi-Gap	Part D Rx	Med Adv + Part D Rx	
					1
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 what all the various choices are. 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 he or she with no effect on your premium and you can look at a variety of 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** - A PPO, POS or HMO 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 do **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 \$1,632	\$1,632
61 - 90	Everything but \$408 per day	\$ 408 per day
91-150 (using Life Time Reserve Days)	Everything but \$816 per day	\$ 816 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 \$204 per day	\$204 per 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>
\$240.00	80%

There is an annual deductible of **\$240.00**, 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 \$240.00 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 \$240.00 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 that 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).

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!)**

Part D - Varies by carrier and plan, but you can get plans that range from about



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\$0.50 a month to \$95 a month in the Southeast. Beginning in 2011, a surcharge was added to the Part D (Rx) premiums and the 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 based on a percentage applied to the national average cost of Part D plans. The Part D premium you pay is targeted to pay 25.5% of the Medicare Part D plan costs. **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 – 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 benefits vary by carrier, and most offer more than one plan. Medicare sets a standard to which carriers must be at least actuarially equivalent, but not are identical. Most carriers offer 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.

Below you will see what the 2024 Medicare Standard Drug Plan looks like. 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.

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



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IMPORTANT NOTE: If you do not enroll in a Medicare Part D plan when first eligible and you do not have comparable coverage elsewhere, you will pay a penalty, once enrolled, each month, for life.



2024 Standard Part D (Rx) Plan		
<u>Rx Cost: You + Ins Co + Disc</u>	<u>Name</u>	<u>What You Pay / They Pay (On Average)</u>
\$0 - \$545	Deductible	You Pay 100% / They Pay 0%
\$546 - \$5,030	Initial Coverage Period	You Pay 25% / They Pay 75%
\$5,030 - \$8,000	Coverage Gap / Donut Hole – Now Gone 	You Pay 25%/ They Pay 5% for brand drugs (The drug companies give a 70% discount) and 75% for generic drugs
\$8,001+	Catastrophic Area	You Pay 20% / They Pay 80%
For 2024, costs for insulin are capped at \$35 per month.		

V. What Medicare Does Not Cover

Medicare Parts A and B have very good coverage, but they do not cover everything. Here's a partial list of common treatments and items that are not covered:

- Acupuncture, Jin Shin Jyutsu, Reiki treatments
- Care outside of the United States
- Cosmetic surgery
- Dental exams, Routine eye exams and glasses, Dentures, Hearing Aids
- Emergency care outside of the United States (except in limited circumstances)
- Long Term Care, including Nursing Home stays
- More than 190 days of inpatient hospital care for mental/nervous conditions in your lifetime



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- Most routine blood screening tests, such as those for cholesterol
- Physical exams (except a One-Time Welcome to Medicare Exam)
- **Routine chiropractic care (no diagnosed illness or injury)**

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 - Free to almost anyone who has lived and worked in the US for 40 quarters. Otherwise, it is \$278 per month if you have 30 or more quarters or \$505 if fewer than 30 quarters.

Part B - Varies based on your income. For most new to Medicare in 2024, the monthly Part B premium will be **\$174.70**. For individuals with Higher Incomes, you will pay a surcharge on your Part B premiums. The surcharge for **2024** is based on your income from **2022**:



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<u>Part B Premiums, Including Surcharge, If Any, for 2024 (Based on 2022 Income)</u>		
<u>Married Filing Separately is Slightly Different</u>		
<u>Individual Income</u>	<u>Joint Income</u>	<u>Premium Per Month</u>
<= \$103,000	<= \$206,000	\$174.70
\$103,001 <= \$129,000	\$206,001 <= \$258,000	\$244.60 (+\$69.90)
\$129,001 <= \$161,000	\$258,001 <= \$322,000	\$349.40 (+\$174.70)
\$161,001 <= \$193,000	\$322,001 <= \$386,000	\$454.20 (+\$279.50)
\$193,001 < \$500,000	\$386,001 < \$750,000	\$559.00 (+\$384.30)
\$500,000+	\$750,000+	\$594.00 (+\$419.30)



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! [CHECK]

<u>Part D Premium Surcharge for 2024 (Based on 2022 Income)</u>		
<u>Married Filing Separately is Slightly Different</u>		
<u>Individual Income</u>	<u>Joint Income</u>	<u>Surcharge Per Month</u>
<= \$103,000	<= \$206,000	No Surcharge
\$103,001 <= \$129,000	\$206,001 <= \$258,000	+\$12.90
\$129,001 <= \$161,000	\$258,001 <= \$322,000	+\$33.30
\$161,001 <= \$193,000	\$322,001 <= \$386,000	+\$53.80
\$193,001 < \$500,000	\$386,001 < \$750,000	+\$74.20
\$500,000+	\$750,000+	+\$81.00



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 2023, the monthly penalty is approximately \$4.20 for each year you've gone without Rx. (This amount changes each year).

Part C - Varies by the carrier by plan, but you can get a plan actuarially equivalent



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to Medicare A and B starting at \$0 a month. Additional features are Part C plans have a cap on out-of-pocket expenses (you still have to pay your Part B premium), and you can get a very, very 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.**

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 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.



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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 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 July 1st of that year. A penalty premium will be added to your Part A and B premiums if you are a Late Enrollee. The Part A penalty premium will be approximately + 10% of \$278 or + 10% of \$505 and will last for 2X the number of years you delayed enrolling. The Part B penalty will be approximately +10% for the



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number of years you delayed enrolling.

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 2024, that penalty is approximately \$4.20 per month for each year you go without drug coverage.

For example, if you wait 3 years to get drug coverage, your premium will be an additional \$12.60 per month, added to what the insurance carrier charges you in 2024. 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.

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



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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. Few people in this click-click-click world can digest the 128'ish page Guide without some effort.

Any suggestions? Please email me for additions or changes to this guide to ChaseCarey@CareyBenefits.com.

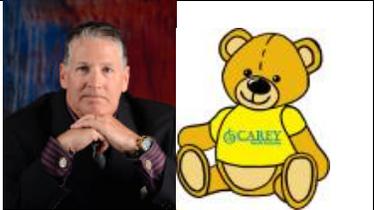
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DISCLAIMER: This Guide is intended to educate and to make your life easier; it is not a legal description of Medicare or Medicare plans nor a solicitation of insurance. There are variations and exceptions to almost everything in here, but they are uncommon and therefore not discussed.

	<p>We appreciate you having taken time to read this; your friends and neighbors will appreciate it even more when you pass them a copy. C 404.906.5490 EM ChaseCarey@CareyBenefits.com</p>
<p>C Chase Carey, MBA</p> <p>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.</p>	

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) _____



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