

UNDERSTANDING MEDICARE

FREQUENTLY ASKED QUESTIONS



The Medicare Big Picture

For starters, understand the four basic parts to Medicare:

Part A: Hospital coverage

Part B: Medical coverage

Part C: Medicare Advantage plans

Part D: Prescription drug coverage

What Does Original Medicare Cover?

Part A Medicare

At age 65, Medicare Part A is typically free for most individuals. It was paid for while you were working (through your FICA payroll taxes).

Part A Covers:

- Hospitalizations
- Hospice Care
- Home Care

Hospitalization has a time-period deductible of \$1,632 in 2024, which is often covered by Medicare Supplement insurance.

Part B Medicare

Part B Requires a monthly premium, which is based on your annual income two years prior to the current year.

Part B also has an annual deductible of \$240 in 2024.

Part B covers expenses for medically necessary services, such as:

- Doctors' fees
- Oxygen
- Ambulance services
- Durable medical equipment
- Preventative services like flu shots
- Early detection testing such as mammograms or prostate cancer screenings

What Are My Enrollment Options?

Original Medicare

When choosing original Medicare, you enroll for Parts A and B. Most people then purchase a standalone drug plan (Part D). It is common for individuals to also purchase a Medicare Supplement insurance plan to help cover the gaps in original Medicare. Original Medicare is the most widely chosen option, as there are no required networks to be a part of and it provides a consistent fixed expense each month.

Medicare Advantage

When choosing Medicare Advantage, you get the coverage of Parts A and B, and often Part D is included as well. There is generally a lower monthly expense to Medicare Advantage than Medicare Supplements, but Medicare Advantage requires a select network of providers and generally has higher out-of-pocket costs than original Medicare.

When Can I Enroll?

Part A Medicare

The Initial Enrollment Period is a seven-month window surrounding your 65th birthday (three months before your birthday month, the month of your birthday, and three months after your birthday month).

Part B Medicare

The Initial Enrollment Period is that same seven-month window surrounding your 65th birthday, if you're retired. If you are still working after age 65 (for a company with at least 20 employees that provides health insurance), you may be eligible to delay enrolling. In this case, you would have up to eight months after retirement, or a loss of health insurance benefits, to enroll in Part B with no penalty.

If you miss these windows, general enrollment is from January 1st to March 31st annually. However, there are penalties for enrolling outside of the described time frames. For example, the Part B premium penalty is 10% per year for each year that the participant should have been enrolled but wasn't.





When Can I Make Changes To My Plan?

After initially enrolling in a plan, annual open enrollment takes place October 15th through December 7th for Medicare Advantage and Part D prescription drug plans. Medicare Supplement plans may be changed at any time, as long as you can pass underwriting guidelines.

How Much Does It Cost?

File as Individual	Married, Filing Jointly	Married, Filing Separate	Part B Premium	Part D IRMAA
\$103,000 or less	\$206,000 or less	\$103,000 or less	\$174.70	---
\$103,001 to \$129,000	\$206,001 to \$258,000	not applicable	\$244.60 (174.70 + 69.90)	\$12.90 + your plan premium
\$129,001 to \$161,000	\$258,001 to \$322,000	not applicable	\$349.40 (174.70 +174.70)	\$33.30 + your plan premium
\$161,001 to \$193,000	\$322,001 to \$386,000	not applicable	\$454.20 (174.70 + 279.50)	\$53.80 + your plan premium
\$193,001 to \$499,999	\$386,001 to \$749,999	above \$103,000 and less than \$397,000	\$559.00 (174.70 + 384.30)	\$74.20 + your plan premium
\$500,000 and above	\$750,000 and above	\$397,000 and above	\$594.00 (174.70 + 419.30)	\$81.00 + your plan premium

What's The Difference?

Medicare Advantage Plan vs. Medicare Supplement Plan

Medicare Advantage

Private health insurance that provides Part A and Part B coverage and other extras, potentially including dental, vision and hearing coverage, wellness programs, etc. Most Medicare Advantage plans include prescription drug coverage (Part D).

- Lower monthly premiums
- Co-pays and out-of-pocket expenses are usually higher
- Same rates regardless of age/sex
- Guaranteed issue (except for end-stage renal disease)
- Benefits vary by plan
- Annual plan approval by Centers for Medicare & Medicaid Services (CMS)
- Restrictions on when one can enroll
- Network plans (HMO, PPO) or non-network (private fee-for-service)

Medicare Supplement

- Private health insurance designed to supplement original Medicare (Parts A and B) by filling “gaps” in original Medicare coverage.
- Higher monthly premiums covers remaining cost that original Medicare doesn't (out-of-pocket costs are typically less)
- Rates may vary based on age/sex
- Underwritten (with a few exceptions)
- Standardized benefit plans (only rates vary)
- Guaranteed renewable plans
- Enrollment can be made throughout the year (you may have to go through medical underwriting if outside your enrollment period)
- Typically can go to any doctor or hospital





**WEST HARTFORD, CT
MIDDLETOWN, CT
MIDDLEBURY, CT**

info@ffncl.com
Phone 860.461.1709
FuchsFinancial.com
Toll Free 877.940.1009

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