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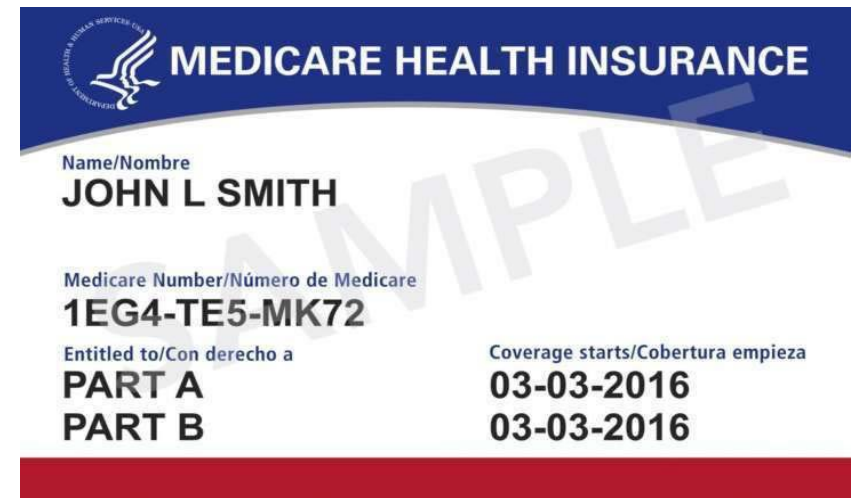
Medicare ABCs

WHAT IS MEDICARE?

Federal Health insurance created in 1965
(amendment to Social Security Act)

Must be U.S. citizen or legal permanent resident and

- 65 or older or
- Under 65 and 24+ months on Social Security Disability
- End-Stage Renal Disease (any age)



ORIGINAL MEDICARE OR ADVANTAGE PLAN

- Original Medicare

- Part A Hospital
- Part B Medical
- Part D Drugs
- Supplement

- Part C Medicare Advantage

- Hospital
- Medical
- Drugs

BOTH OPTIONS REQUIRE PARTS A & B

- Part A (Hospital)
 - Hospital (if inpatient)
 - Skilled nursing facility (short-term only)
 - Home health care (short-term only)
 - Hospice
- Part B (Medical)
 - Doctor
 - Hospital (outpatient/observation)
 - Emergency room
 - Durable medical equipment
 - Some vaccines



Medicare Outpatient Observation Notice (MOON) – provided when observation status is longer than 24 hours, before 36th hour.

- **Hospital status** affects what is covered by Part A or B and whether subsequent skilled nursing facility (SNF) is covered.
- **SNF** covered only if: Inpatient status for 3 midnights and admitted to SNF w/in 30 days for the hospital-treated condition.
- **Inpatient** – When you're formally admitted by a doctor's order. The day before discharge is your last inpatient day.
- **Outpatient** – When a doctor hasn't written an order to admit you, even if you spend the night.



Parts A & B do NOT cover

- Most prescription drugs
- Routine dental, vision, hearing and foot care
- **Non-emergency** ambulance
- Alternative medicine
- Elective cosmetic surgery



PART D COVERS

- Prescription drugs
- Brand name and generic drugs

Part D does not cover

- Non-prescription drugs
- Most vitamins and minerals
- Weight gain or loss
- Hair growth or cosmetics
- Sexual or erectile dysfunction



So how much do I have to pay?



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PART A COSTS

- \$0 premium for Part A – if you or spouse paid FICA taxes at least 40 quarters (10 years)
- Part A deductible and co-pays:
 - 2026 benefit period deductible = \$1736
 - Copays based on number of days in hospital



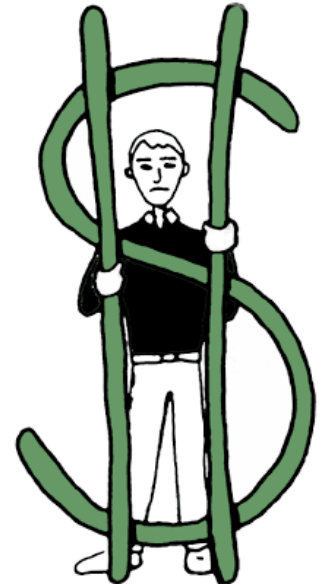
PART B COSTS

- 2026 monthly premium is \$202.90
 - Low income can get help
 - High income pay extra
- Part B deductible and co-pays
 - 2026 deductible = \$283
 - Co-pays = 20% of most services



LOW INCOME MEDICARE SAVINGS PROGRAM

- Federal and state help with Medicare costs
 - Premiums, deductibles and co-pays
- Income/asset limits
- Not only Medicaid level (Extra Help, QI-1, SLMB)
- For more information: DHHS, Social Security, SHIP, Aging Partners



2026 INCOME RELATED MONTHLY AMOUNT ADJUSTMENT

Individual Tax Return MAGI	Joint Tax Return MAGI	IRMAA Premium	Total Premium
Less than or equal to \$109,000	Less than or equal to \$218,000	\$0.00	\$202.90
Greater than \$109k & less than or equal to \$137k	Greater than \$218k & less than or equal to \$274k	\$81.20	\$284.10
Greater than \$137k & less than or equal to \$171k	Greater than \$274k & less than or equal to \$342k	\$202.90	\$405.80
Greater than \$171k & less than or equal to \$205k	Greater than \$342k & less than or equal to \$410,00	\$324.60	\$527.50
Greater than \$205k & less than \$500k	Greater than \$410k & less than \$750,00	\$446.30	\$649.20
Equal to or greater than \$500k	Equal to or greater than \$750k	\$487.00	\$689.90

PART D COSTS

- Premiums range from \$4.70 to \$140.20 per month (11 plans total)
 - Low income get help / high income pay IRMAA
- Deductible and co-pays at the pharmacy counter
 - Deductible = \$0 to \$615
 - Co-insurance share = 5% to 25%, depending on total drug costs



2026 PART D COST SHARING

- Before Deductible (if your plan has one)
Up to \$615 (total drug cost)
 - 100% paid by you (deductible amount may vary plan to plan) – many plans exclude Tier levels from the deductible
- After Deductible \$615 up to \$2100 (total drug cost)
Up \$100 from 2025
 - 25% paid by you (percent may vary) OR a co-pay (flat amount)
 - 75% paid by plan
- After Out-of-pocket cap
 - No copays on covered medications

PART D PLANS

- Buy from private insurance company
- Helps pay prescription drug costs
- Open Enrollment
 - October 15 – December 7 each year
 - Should review each year
- Think short term, shop for lowest cost
- 2026: the cost of 10 medications have been negotiated out for a reduced cost



INSURING YOUR SHARE OF MEDICARE COSTS

- Parts A and B pay 80%
- No cap on your 20% share
- Part D medicine co-pays can be high



INSURING YOUR MEDICARE COST SHARE

- Choice: Original Medicare OR Advantage Plan
- Option 1: Part A, Part B, Medicare Supplement and Part D.
 - Front-end loaded
- Option 2: Part C – Medicare Advantage
 - Back-end loaded



MEDICARE SUPPLEMENTS

- Sold by private insurance companies
- 6 months from Part B effective date ends “guaranteed issue” right – no medical underwriting
- Supplements are standardized, but premiums differ company to company
- When choosing insurance company, think long-term, not just price
 - Financial stability
 - Commitment to market
 - Payment record

MEDICARE SUPPLEMENTS, continued

- Higher front-end premiums
 - Low out-of-pocket when using medical services
- More choice of providers
 - If doctor takes Medicare, will take supplement
- Coverage follows you everywhere in U.S.
 - Guam, Puerto Rico, Virgin Islands



MEDICARE SUPPLEMENTS, cont'd

- 8 standardized plans available in 2026
 - Plan C and Plan F are closed to people who became eligible for Medicare before January 1, 2020
- Supplements help pay your A & B share
 - Deductibles/co-pays
- 2026 monthly premiums for Plan G
 - Start at \$94/month (female, age 65, no tobacco usage)*
 - Start at \$103/month (male, age 65, not tobacco usage)*

* These rates are based on info available at the time



ORIGINAL MEDICARE – PREMIUM COST

Medicare Part A	\$0.00
Medicare Part B	\$202.90
Medicare Supplement *	\$175.33
<u>Medicare Part D*</u>	<u>\$29.70</u>
Total (*Average Cost)	\$407.93

MEDICARE ADVANTAGE PLANS

Medicare Alternative



PART C – MEDICARE ADVANTAGE PLANS

- Sold by private insurance companies
 - Collect fees from Medicare trust fund
- Must have Medicare A & B
- Wraps hospital/medical/drug coverage into one plan
- May have extra benefits
 - Dental
 - Vision
 - Transportation
 - OTC meds
- Plans are not standardized



PART C – MEDICARE ADVANTAGE PLANS

Risk

- Low premiums, but higher deductibles & co-pays
 - Premiums \$0 - \$155 per month, plus Part B (29 total)
 - Pay as you go – deductible or co-pay for every service
 - Local network of medical providers (HMO/PPO)
 - Out-of-pocket annual caps \$2500 to \$9350 (in-network)
 - Travel network restrictions – vary by plan, may have only emergency coverage outside service area



ADVANTAGE PLAN – PREMIUM COST

Medicare Part A	\$0.00
Medicare Part B	\$202.90
<u>Medicare Part C*</u>	<u>\$30.00</u>
Total (*Average Cost)	\$232.90

SAMPLE: PREMIUMS PLUS COPAYS

Advantage Premiums (\$232.90 * 12)	\$2,794.80	Original Premiums (\$407.93 *12)	= \$4,895.16
3 Doctor visits (3* \$0)	\$0.00	3 Doctor visits	\$283.00
2 specialist visits (2 *\$45)	\$90.00	2 specialist visits	\$0.00
1 outpatient MRI	\$190.00	1 outpatient MRI	\$0.00
1 flu shot	\$0.00	1 flu shot	\$0.00
5-day hospitalization	\$2,275.00	5-day hospitalization	\$0.00
<u>30-day SNF stay</u>	<u>\$2,616.00</u>	<u>30-day SNF stay</u>	<u>\$0.00</u>
Total out-of-pocket	\$7,965.80	Total out-of-pocket	\$5,178.16

\$2,787.64 total out-of-pocket difference

* Advantage comparison based off UHC/AARP Choice Plan 002



MEDICARE AND THE VA

- Some service members are eligible for TriCare for life which will act like a supplemental to Medicare
- May be eligible for VA Health Benefits – allowing access to the VA health services.
 - Important to still take Medicare A & B to avoid a penalty
 - This offers credible drug coverage
- Specialized advantage plans often offering a “give-back” on Part B premiums. Plans typically do not offer drug coverage.



VA

U.S. Department
of Veterans Affairs



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WHEN & WHERE TO ENROLL IN MEDICARE?



AGENCIES RESPONSIBLE FOR MEDICARE

ENROLLMENT, PREMIUMS
AND REPLACEMENT CARDS



ADMINISTRATION



MEDICARE ENROLLMENT

- If you don't have work insurance (through yourself or a spouse), enroll at age 65
- If you delay enrollment after age 65 and do NOT have work insurance (creditable coverage), there can be permanent late enrollment premium penalties.
- Not necessary to “register” for anything upon age 65 if still working



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WORKING AFTER AGE 65

- You can keep work insurance (creditable coverage)/ delay Medicare (includes spouse on your work insurance or you on spouse's work insurance)
- So long as work insurance is from your/spouse's current employer of 20+ people
 - Small employers can require Medicare at 65. Retiree health plans/COBRA/MarketPlace are not creditable coverage



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STARTING MEDICARE

- Apply for Parts A & B
 - If starting at 65, may apply online @ www.ssa.gov or at local SSA office or at Aging Partners. (If drawing SS benefits, card mailed automatically)
 - Best time to apply is 3 months before 65th birth month
 - If delaying Medicare
 - Can apply for Part A only (not with HSA plan)
 - Do not start Part B at 65 (preserve guaranteed issue for supplement)
 - Apply with paper forms



MEDICARE INFORMATION AND HELP

- Aging Partners offers individual appointments
- Counsels people age 60 and over/ADRC helps with under 60
- Serves Lincoln and eight surrounding counties
- 2 benefits counselors – Molli Stolz & Clint Solano

Call 402-441-7070 or 800-247-0938

600 S 70th St

Lincoln, NE 68510



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Nebraska SHIP

- Nebraska SHIP
 - Federally funded program for Medicare education and counseling
 - Based in Nebraska Department of Insurance
 - 7 locations statewide

Call 402-471-2841 or 800-234-7119

<https://doi.nebraska.gov/ship-smp>



SOCIAL SECURITY HELP

- Aging Partners can assist with online SS account creations**
 - Online applications
- Identity verification measures
 - Valid ID
 - Smart phone with ability to scan face



FULL RETIREMENT AGE

- SSA has raised the full retirement age to 67.
- Still eligible for benefits starting age 62 or age 60 for survivor's benefits.
- If taking benefits before full retirement age, annual earnings cap is \$24,480 in 2025.
- Benefits grow 7% every year delayed



HELPFUL HINTS

- Online applications are the easiest way to apply for benefits currently
 - Create an account at ssa.gov before you need to apply
- Identity can be verified at USPS offices**
- If Login.gov issues, try id.me
- Set up Advanced Designation of Representative Payee during account creation



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