

10

Things You Need To Know About Medicare

With various plans, costs and coverage, understanding the Medicare system can be a bit confusing. Let's start with the top 10 facts to help you decide which plan might best suit your lifestyle, budget and health needs.





1

Basic Medicare Coverage Includes Medicare Part A & Medicare Part B

Medicare Parts A and B include coverage for hospital stays, inpatient visits, outpatient care, preventative care, rehab, equipment and testing. One thing it **doesn't cover is prescription drugs**, which is covered under Medicare Part D. Everyone enrolled in a Medicare plan of any kind is legally required to have the things Medicare Parts A and B covered somehow, whether directly through enrollment in Medicare Parts A and B or through a comparable plan like Medicare Advantage.


2

Sometimes Supplemental Medicare Plans Can **Save You Money**

Supplemental Medicare plans sound like they're simply an add-on to basic Medicare coverage, but in fact depending on your individual needs they can sometimes turn out to be **cheaper in the long run**. For example, for someone who has to take regular prescription medication, the cost of buying into Medicare Parts A, B and D—rather than buying a supplemental plan or Medicare Advantage plan that bundles these costs together—may end up paying more in copayments to access their medications over time.



3



November

Best Time to Sign Up for Almost Any Plan is the **Open Enrollment Window**

During the Medicare open enrollment window, all individuals regardless of health status are **eligible to purchase any Medicare plan**, including supplemental plans and Medicare Advantage plans, at the same price. This means even someone with a chronic condition that will cost Medicare more money to treat will not be charged a higher rate than anyone else. The open enrollment period for most individuals is three months before turning 65, and three months after turning 65.



4

Usually a **Tradeoff** Between Premium and Deductible Copayment/Cost

Premiums are the standard monthly cost associated with any insurance plan. Deductibles are the fees paid at the point of service, such as when receiving a hospital bill. Copayments are the portion of a service put to the consumer, such as paying 20% of the cost of a prescription drug you buy. Typically, a Medicare plan with a **high premium will have a lower deductible**, and vice versa. This means a healthy person who doesn't anticipate using hospital services very often can often benefit by buying into a plan with a very high deductible.

5

Medicare Advantage is a **replacement** of Standard Medicare

Supplemental Medicare plans like Medicare Plan G are, as the name suggests, supplemental to the basic coverage provided in Medicare Parts A and B. Medicare Advantage, however, also known as Medicare Part C means going through a private insurer to replace all aspects of that coverage. Medicare Advantage plans can be cheaper or more expensive than buying into Medicare Parts A and B plus a supplement. **Medicare Advantage plans typically offer more coverage**, but what they cover exactly varies.



Medicare
Advantage
Plans



6

Medicare Advantage Plans Typically Help Save on **Drug Costs**

Medicare Advantage—also known as Medicare Part C—plans typically **save consumers money on out-of-pocket drug costs**, because they're structured differently than buying into Medicare Part D. Medicare Part D includes a pay structure that can create very high out-of-pocket expenses for people who use prescription drugs regularly. This became known as the "Medicare Part D donut hole." As of 2020, the "Medicare Part D donut hole" closed, making standard Medicare with Medicare Part D a more affordable option for most people than it was before.



7

Medicare Plan G is a High-Deductible, Low-Premium Option

Medicare Plan F used to be the most popular Medicare plan because it offers a high deductible and lower monthly premiums, which is more manageable for most people, especially **if they're generally healthy**. However, because Medicare Plan F doesn't cover the Medicare Part B deductible, it's no longer available for people turning 65. Medicare Plan G is the new lowest-premium option out of all the Medicare supplement plans, though it's not quite as cost effective as Plan F.



8

People Taking **Social Security** Are Automatically Enrolled in Medicare

People who take out social security benefits are automatically **enrolled in Medicare Parts A and B**, though it's possible to opt out of the monthly premiums for Part B. People who choose to wait to take out social security until after they turn 65 need to enroll themselves in Medicare in order to take advantage of the open enrollment window that begins three months before and after you turn age 65. However, people who are still working when they turn 65 are able to delay the open enrollment window and keep the insurance.

9

Medicare Can Be **Changed** During the Annual Open Enrollment Period

People with Medicare plans can make adjustments to some aspects of their plans during the annual open enrollment period that lasts from **October 15 to December 7 each year**. Typically the changes will be to Medicare Part D, the prescription drug part of the coverage. Sometimes it's possible to switch to other Medicare supplemental plans during this period, although outside of the open enrollment window around turning 65, the cost can vary depending on age and health status.



10

Basic Medicare Plans **Don't Cover Everything**

Basic Medicare plans—buying the minimum required coverage which is Medicare Parts A and B—**don't cover things such as eye exams, hearing aids, and dental services.** Getting a Medicare Advantage plan or buying a Medicare supplement is the best way to get additional coverage for these types of needs.



Want to learn more?

Speak with a Health IQ
licensed insurance agent.

(855) 604-3929 TTY 711

Mon-Fri, 8 am - 10 pm | Sat-Sun, 10 am - 4 pm ET

Copyright ©2022 Hi.Q, Inc.
Health IQ Insurance Services - CA License No. OK27284,
AR License No. 100132134.
5465 Legacy Dr Suite 650, Plano, TX 75024

