

MEDICARE 101

Insight from industry leaders and business professionals that own a statewide medicare health insurance agency.

WHAT YOU NEED TO KNOW
TO MAKE SOUND DECISIONS



WWW.FGIALA.COM



MEDICARE 101

Insight from an industry leader and business professional Medicare health insurance agency owner.

WHAT YOU NEED TO KNOW TO MAKE SOUND DECISIONS

TABLE OF CONTENTS

- Introduction - p. 3
- About the Authors - p. 4

INFORMATION

- What is Medicare? - p. 5
- Medicare A, B, C and D - p. 6
- How Do I Enroll in Medicare? - p. 7

MEDICARE COVERAGE A, B, C and D - p. 8-28

PART C - MEDICARE ADVANTAGE PLAN - p. 29-35

PART D - MEDICARE PRESCRIPTION DRUG PLAN INFORMATION - p. 36-47

MEDICARE 101

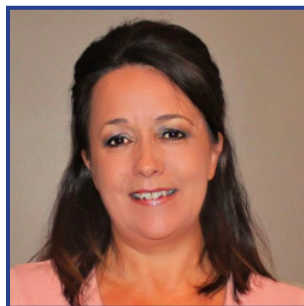
Insight from an industry leader and business professional Medicare health insurance agency owner.

Introduction

We started Fussell & Goodyear because we wanted to be able to do something different and provide consumers Medicare options from multiple major insurance providers in the market, giving our clients more options and better prices. Together, we have over 40 years experience in the Medicare health insurance industry and the thing that keeps coming up over and over is how complicated Medicare is to everyone who ultimately enters the market. The bottom line is that no one pays attention to Medicare until it is too late and clients often just take an option that may not work for their situation. Questions are constantly asked that we think everyone should know about Medicare, but in this day and age, people are simply occupied with life, family, and all of the things that keep us busy. No one wants to stop and figure out what they need to know about Medicare. This is one of the main reasons that we ended up writing this book. We wanted to have a simple outline that covers all of the basics when it comes to Medicare. In creating this book we break down everything in easy, understandable terms and give you resources that you need to know to understand Medicare without having to digest thousands of pages of legal-ease.

We hope that you can use this as a resource to give you a better understanding of the Medicare market and everything you need to know in simple terms.

-Tyler & Nicole



by
Tyler Fussell
Agency Owner



by
Nicole Goodyear
Agency Owner



MEDICARE 101

Insight from an industry leader and business professional Medicare health insurance agency owner.

About the Authors

Tyler Fussell & Nicole Goodyear, began their Medicare training as career agents with the leading Medicare health plan carrier, Humana. In the beginning stages of their careers with Humana, they went through a three week stringent training class away from their families. This training included the in depth knowledge of the workings of Medicare A, B, C and D, as well as the various types of Medicare health plans and prescription drug plans. During the fall of 2008 through the summer of 2012, Tyler and Nicole both worked as career agents with Humana. During this time they continued to strengthen their knowledge of Medicare and ways to assist clientele with their Medicare health plans. Both participated in numerous sales seminars and later brought seminar presentations to their own agency. In July of 2012, they decided it was time to take on their own agency and opened Summit Insurance Agency. Summit began with five agents and quickly grew into 30.

Tyler and Nicole began writing their own training materials for agents, both seasoned and new, to explain and share their knowledge of Medicare and Medicare health plans, as well as their skills on presenting the material to large groups of people. In 2015, Tyler and Nicole were commissioned by Blue Cross Blue Shield of Louisiana to assist in writing training materials for the newly formed Medicare Advantage Plan, Blue Advantage. Tyler and Nicole went on to write training materials for Blue Advantage's newly hired career agents, in addition to participating in various training classes with these agents. In March 2017, Tyler and Nicole changed the name of their agency to represent who they are...Fussell & Goodyear Insurance Agency. By this time, the agency had grown significantly to include over 100 licensed and certified Medicare agents. Today, Fussell & Goodyear Insurance Agency has over 180 agents assisting seniors throughout the state of Louisiana. Each new agent with Fussell & Goodyear is put through a vigorous training, similar to what Nicole and Tyler experienced in their early years with Humana. Fussell & Goodyear Insurance advisors are known throughout the Medicare industry as well-trained and knowledgeable about Medicare, as well as, the numerous health and prescription health plans.



MEDICARE 101

Insight from an industry leader and business professional Medicare health insurance agency owner.

What is Medicare?

Medicare is a health benefits plan for U.S. Citizens. Medicare Parts A and B are called “Original Medicare” and are administered and provided by the federal government (CMS).

Who qualifies:

- Age 65 or Older
- Any age with End State Renal Disease (ESRD) permanent Kidney failure requiring dialysis or transplant
- Under age 65 with certain disabilities



MEDICARE 101

Insight from an industry leader and business professional Medicare health insurance agency owner.

Medicare A, B, C and D

Original Medicare

Part A – Hospital

Part B - Medical Services

Plans Offered by Private Insurance Companies

Part C – Medicare Advantage Plan

Part D – Medicare Prescription Drug Plans



MEDICARE 101

Insight from an industry leader and business professional Medicare health insurance agency owner.

How do I Enroll in Medicare

If you are receiving Social Security when you turn 65, you should be automatically enrolled

If you are NOT getting Social Security when you turn 65, you will need to enroll. You may do so by contacting your local Social Security Office 3 months in advance of turning 65. If you are/were employed by the Railroad, you will need to contact the Railroad Retirement Board

You have a 7-month window in which you can enroll in Parts A and B.... It includes the three months before you turn 65, the month of your birth, and three months after. This is called Initial Enrollment Period

You have the same 7-month window in which you can enroll in Medicare Parts C, D and/or Medicare Supplemental Insurance Plan. However, you must first have your Medicare Card showing effective dates of A&B



MEDICARE 101

Insight from an industry leader and business professional Medicare health insurance agency owner.

MEDICARE COVERAGE A, B, C & D



MEDICARE 101

Insight from an industry leader and business professional Medicare health insurance agency owner.

What is a Benefit Period

Medicare's definition of a benefit period is:

Original Medicare measures your use of hospital and skilled nursing facility (SNF) services as beginning the day you are admitted as an inpatient to a hospital or SNF. The benefit period ends when you have not received any inpatient care (hospital or SNF) for 60 days in a row.



MEDICARE 101

Insight from an industry leader and business professional Medicare health insurance agency owner.

Medicare Part A

Medicare Part A (Hospital)

- Most people are automatically entitled based on Medicare Taxes paid by you or your spouse during working years (Premium Free Part A)
- If you are under 65 and disabled and receive benefits from Social Security Disability for 24 months
- IF you do not qualify for Premium Free Part A, you will be responsible for a monthly premium.
- Premium for 2020 can be as high as \$458.00 per month



MEDICARE 101

Insight from an industry leader and business professional Medicare health insurance agency owner.

What is Covered by Medicare Part A

Part A – Hospital: 2020 - \$1408.00 deductible per benefit period

- After you pay the deductible, per benefit period, you pay nothing for the 1st 60 days
- Days 61-90 - \$352 per day of each benefit period
- Over 90 days you have a 1-time lifetime reserve, which has a maximum of 60 additional days – You pay \$704 per day



MEDICARE 101

Insight from an industry leader and business professional Medicare health insurance agency owner.

What is Covered by Medicare Part A

Part A – Hospital: 2020 - \$1408.00 deductible per benefit period

- After you pay the deductible, per benefit period, you pay nothing for the 1st 60 days
- Days 61-90 - \$352 per day of each benefit period
- Over 90 days you have a 1-time lifetime reserve, which has a maximum of 60 additional days – You pay \$704 per day



MEDICARE 101

Insight from an industry leader and business professional Medicare health insurance agency owner.

What is Covered by Medicare Part A

Part A – Skilled Nursing

Days 1-20 : You pay \$0 per benefit period

Days 21-100: You pay \$176.00 per benefit period

After day 100: You pay ALL COST



MEDICARE 101

Insight from an industry leader and business professional Medicare health insurance agency owner.

What is Covered by Medicare Part A

Part A – Home Health

- \$0 payment for medically necessary services. This must be ordered by a physician and be provided by a Medicare-certified home health agency

Part A – Hospice Care

- To qualify: Your physician in conjunction with a hospice physician must certify that you are terminally ill



MEDICARE 101

Insight from an industry leader and business professional Medicare health insurance agency owner.

Medicare Part B

Medicare Part B has:

Monthly Premium

** Premium based on income is on the following slide

Yearly Deductible - \$198.00



MEDICARE 101

Insight from an industry leader and business professional Medicare health insurance agency owner.

Part B Premium Based on 2018 yearly income

File Individual Tax Return	File Joint Tax Return	File married & separate tax return	What you pay in 2020
\$87,000 or less	\$174,000 or less	\$87,000 or less	\$144.60
Above \$87,000 up to \$109,000.00	Above \$174,000 up to \$218,000	N/A	\$202.40
Above \$109,000 up to \$136,000	Above \$218,000 up to \$272,000	N/A	\$289.20
Above \$136,000 up to \$163,000	Above \$272,000 up to \$326,000	N/A	\$376.00
Above \$163,000 up to \$500,00	Above \$326,000 less than \$750,000	Above 87,000 less than 413,000.	\$462.70
500,000 or above	\$750,000 and above	\$413,000 and above	\$491.60

*If you have questions about your Part B Premium, call:
Social Security at 1-800-772-1213*



MEDICARE 101

Insight from an industry leader and business professional Medicare health insurance agency owner.

Medicare Part B - Medical

Most people are automatically enrolled at age 65

*An individual can decline part B coverage if he/she will have a continuation of employment or spousal employment and credible insurance coverage is provided by the employer. i.e.: Group Health Plan

The month after an individual has been on Social Security Disability for 24 months.

*These individuals have the right to decline coverage, as well.



MEDICARE 101

Insight from an industry leader and business professional Medicare health insurance agency owner.

Medicare Part B - Medical

Most people are automatically enrolled at age 65

*An individual can decline part B coverage if he/she will have a continuation of employment or spousal employment and credible insurance coverage is provided by the employer. i.e.:
Group Health Plan

The month after an individual has been on Social Security Disability for 24 months.

**These individuals have the right to decline coverage, as well.*



MEDICARE 101

Insight from an industry leader and business professional Medicare health insurance agency owner.

What is Covered by Medicare Part B

Part B – Medical Insurance

- You pay annual deductible \$198.00 plus 20% of Medicare Approved Cost
- Part B covers medically necessary doctors services (primary and specialist), outpatient care, home health services, durable medical equipment and other medical services.

***You can find a complete listing in the 2020 Medicare and You book.*



MEDICARE 101

Insight from an industry leader and business professional Medicare health insurance agency owner.

Medicare Part C Medicare Advantage Plan

Only Offered by Private Insurance Companies

- Entitled to Part A and enrolled in Part B
- Must live in the plan's service area
- Do not have end stage renal disease (some exceptions apply)

**You must continue to pay your Part B premium.*

Some MA plans have premiums, copays and/or deductibles.



MEDICARE 101

Insight from an industry leader and business professional Medicare health insurance agency owner.

Medicare Part D Prescription Drug Plan

- Helps to pay for prescription drugs
- Only Offered by Private Insurance Companies
- Entitled to Part A and/or enrolled in Part B
- Plan premiums, deductible and copays (based on plan choice and availability)

***Part D plan premium increase is based on income.**



MEDICARE 101

Insight from an industry leader and business professional Medicare health insurance agency owner.

Items NOT covered by Medicare

Some items NOT Covered by Medicare:

- Dentures
- Routine Eye Care including refraction exam
- Routine Dental Care
- Cosmetic Surgery
- Acupuncture
- Hearing Aids or Exams for fittings



MEDICARE 101

Insight from an industry leader and business professional Medicare health insurance agency owner.

Original Medicare Only?

Should you rely on Parts A and B only?

- Both have deductibles
- Only pays about 80% of your Part B health care cost (i.e: hospital and doctor visits, etc..)
- Does not have a maximum out of pocket
- Does Not Cover Prescription Drugs



MEDICARE 101

Insight from an industry leader and business professional Medicare health insurance agency owner.

Ways to Control Your Exposure?

- Retiree Benefits
- Veterans Benefits
Note: VA Benefits is NOT considered credible coverage in lieu of Medicare Part B.
- Medicare Supplemental Insurance Plans
- Medicare Advantage Plans



MEDICARE 101

Insight from an industry leader and business professional Medicare health insurance agency owner.

Your 3 Options

- 1.) Original Medicare Part A & B (only)
With a Part D Plan (You purchase)

- 2.) Original Medicare A&B + Part D
Medicare Supplemental Insurance (You purchase)

- 3.) Medicare Advantage Plan (combines A&B)
Usually includes Part D



MEDICARE 101

Insight from an industry leader and business professional Medicare health insurance agency owner.

Medicare Supplemental Insurance Plan “Medigap”

A Medicare Supplemental Insurance Plan is offered by private health insurance companies to fill in the gaps, “supplement”, the out of pocket cost of Original Medicare.

i.e. co-insurance (20%) and deductibles



MEDICARE 101

Insight from an industry leader and business professional Medicare health insurance agency owner.

Medicare Supplemental Insurance Plan “Medigap”

- Most Medicare Supplemental Insurance Plans allow the consumer freedom to choose their own doctor or hospital
- Most Medicare Supplemental Insurance Plans cover the consumer anywhere they travel in the United States
- Medicare Supplemental Insurance Plans are sold as a “standardized” policy identified by the letters: A –D, F,G, K-N.

***Starting January 1, 2020, Medicare Supplement plans sold to people new to Medicare won't be allowed to cover the Part B deductible. Because of this, plans C and F will NOT be available to individuals who are NEW TO MEDICARE on or after January 1, 2020.*



MEDICARE 101

Insight from an industry leader and business professional Medicare health insurance agency owner.

Medicare Supplemental Insurance Plan “Medigap”

Medicare Supplemental Insurance plans have a monthly premium in addition to your monthly Medicare Part B.

Premiums are set annually and will increase based on age.

Prescription Drug Coverage must be purchased separately.

If not purchased in open enrollment period, you will be subjected to health questions.



MEDICARE 101

Insight from an industry leader and business professional Medicare health insurance agency owner.

PART C MEDICARE ADVANTAGE PLAN



MEDICARE 101

Insight from an industry leader and business professional Medicare health insurance agency owner.

Medicare Advantage Plan – Part C

A Medicare Advantage Plan must cover all parts of Original Medicare A&B. In addition, MA plans often cover Part D Prescription Drug coverage and additional benefits such as dental, vision and hearing and wellness programs.

A + B + D = MA - PD PLAN



MEDICARE 101

Insight from an industry leader and business professional Medicare health insurance agency owner.

Medicare Advantage Plans

- Offered through a private insurance company approved by Medicare.
- Medicare Advantage Plans are NOT Medicare Supplemental Insurance Plans

NOTE: *If you choose to participate in a Medicare Advantage Plan you still have Original Medicare and all of the rights and protections.*



MEDICARE 101

Insight from an industry leader and business professional Medicare health insurance agency owner.

Medicare Advantage Plans

- Medicare Advantage Plans have a yearly maximum out of pocket (MOOP).
- Covers the Original Medicare Part A and B deductible
- May have co-pays for hospital stays and medical services such as physician visits, outpatient testing, lab-work, etc.



MEDICARE 101

Insight from an industry leader and business professional Medicare health insurance agency owner.

Medicare Advantage Plans

In Addition, Medicare Advantage Plans MAY cover the following:
Emergency Medical Care outside the U.S.

- Yearly Routine Dental Exams
- Annual Hearing Exams
- Eyewear and hearing aids
- Part D Prescription Drugs



MEDICARE 101

Insight from an industry leader and business professional Medicare health insurance agency owner.

Types of Medicare Advantage Plans (Not All Plans Available In All Areas)

HMO - Health Maintenance Organization

In- network doctors and providers except in an emergency.

PPO – Preferred Provider Organization

You may see providers in and out of network. You will usually pay a higher co-pay for out of the network providers

SNP – Special Needs Plan

Medicare & Medicaid (dual eligible), Chronic Conditions This offers reduced or eliminated costs for the enrollee



MEDICARE 101

Insight from an industry leader and business professional Medicare health insurance agency owner.

Election Periods For Part C&D

When you can make changes to your Medicare plan?

Initial Coverage Election Period (ICEP)

7-month period upon your initial enrollment in Part B

Annual Election Period (AEP):

October 15th – December 7th each year

Open Enrollment Period (OEP)

January 1st – March 31st each year

Special Election Period (SEP)

Special period for people who move, receive government assistance, or lose employer coverage.



MEDICARE 101

Insight from an industry leader and business professional Medicare health insurance agency owner.

PART D - MEDICARE PRESCRIPTION DRUG PLAN INFORMATION



MEDICARE 101

Insight from an industry leader and business professional Medicare health insurance agency owner.

Part D Premium Based on 2019 Yearly Income

File Individual Tax Return	File Joint Tax Return	File Married and separate tax return	You Pay in 2019
\$87,000 or less	\$174,000 or less	\$87,000 or less	Your Plan Premium
Above \$87,000 up to \$109,000	Above \$174,000 up to \$218,000	N/A	\$12.20+ your plan premium
Above \$109,000 up to \$136,000	Above \$218,000 up to \$272,000	N/A	\$31.50+ your plan premium
Above \$136,000 up to \$163,000	Above \$272,000 up to \$326,000	N/A	\$50.70 + your plan premium
\$163,000 up to \$500,00	\$326 less that \$750,000	Above 87,00 less than \$413,00	\$70.0+ your plan premium
500,000 and above	\$750,00 and above	\$413,000 and above	\$76.40+ your plan premium



MEDICARE 101

Insight from an industry leader and business professional Medicare health insurance agency owner.

Medicare PART D Prescription Drug Plan

- Plan that can be added to Original Medicare to cover prescription drug cost
- National average premium \$32.50 (2019)
- You may have to pay a late enrollment penalty if you do not enroll when you are first eligible, you do not have credible coverage or extra-help.

Formula for Penalty: 1% of premium national average X the number of months you have been without credible drug coverage once your Medicare Part B began= penalty amount added to your Part D premium

MEDICARE 101

Insight from an industry leader and business professional Medicare health insurance agency owner.

Medicare PART D Made Simple

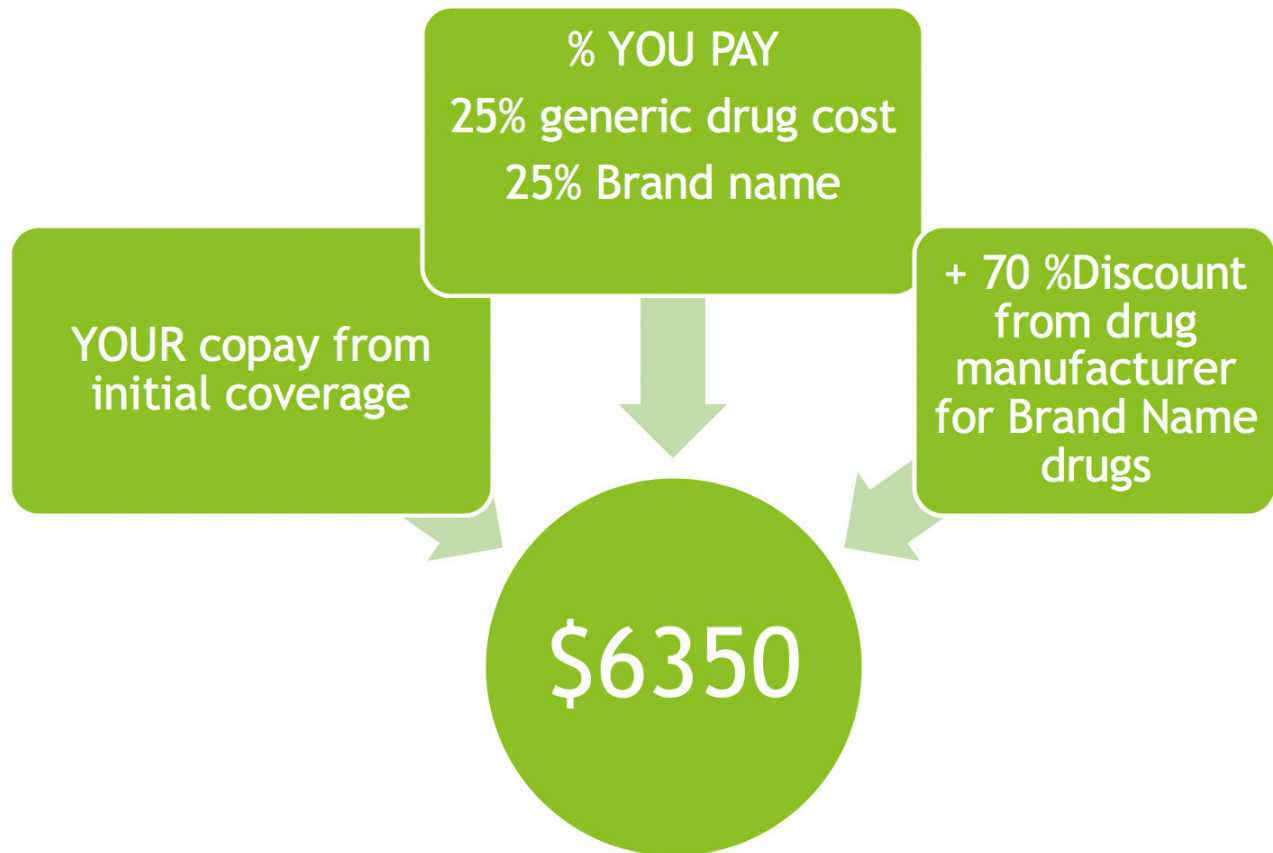
Phase 1	Phase 2	Phase 3	Phase 4
<p>YOU pay drug cost until you reach your deductible \$435.00</p>	<p>YOU pay a copay (25% of drug cost) and your plan pays the balance of actual drug cost until total combined spending reaches \$4020.00</p>	<p>Once \$4020 is reached, YOU are now responsible to pay 25% of brand name and 25% of generic. The drug manufacturer will pay 70% of on brand name medications via a discount. This discount for brand name drugs will count towards your out of pocket expense. IN PHASE 3 will count towards total out of pocket expense \$6350</p>	<p>After you spend \$6350- YOU will pay the greater of 5% or \$3.60 for generics and \$8.95 for all other medications.</p>

MEDICARE 101

Insight from an industry leader and business professional Medicare health insurance agency owner.

Medicare PART D - Made Simple

The Coverage Gap – a.k.a. The Donut Hole





MEDICARE 101

Insight from an industry leader and business professional Medicare health insurance agency owner.

Part D Prescription Drug Plan

Catastrophic Coverage:

Once your total OOP (out of pocket) = \$6,350 you will leave the Coverage Gap.

You pay \$3.60 for Generic Medication and \$8.95 of 5%, whichever is greater, for Brand Name Medication for the remainder of the calendar year.



MEDICARE 101

Insight from an industry leader and business professional Medicare health insurance agency owner.

Late Enrollment Penalty

If you do not enroll for Medicare Part A, B and D when you are first eligible at 65 you do risk having late enrollment penalties:

- Part B: Premium may increase 10% for each full 12-month period from time of eligibility to time of actual enrollment.

If you have questions regarding Late Enrollment Penalty please contact your local Social Security Office.



MEDICARE 101

Insight from an industry leader and business professional Medicare health insurance agency owner.

Part D Enrollment Penalty

The Part D enrollment penalty happens when, if at any time after your initial enrollment period is over, you have not enrolled in a Part D plan or there is a period of 63 days or more in a row that you do not have credible drug coverage

The penalty is 1% of the National Average Premium, which for 2019 is \$32.50. This penalty is calculated by multiplying the \$32.50 x 1% x # of days without coverage.



MEDICARE 101

Insight from an industry leader and business professional Medicare health insurance agency owner.

Government Programs For Limited Income Individuals

You may be able to get additional help to pay for your prescription drug premiums and cost.

To see if you qualify, contact:

- Your state Medicaid office

or

- The Social Security Administration
1-800-772-1213 (TTY: 1-800-325-0778)

Between 7a.m. and 7p.m., Monday - Friday



MEDICARE 101

Insight from an industry leader and business professional Medicare health insurance agency owner.

What Do I Do Now?

Realize that your specific situation might be different than other people you know. (Friends, Family, Neighbors, etc.)

Find a competent advisor to walk you through the process.

Make sure to look at the whole picture. (Medical Benefits, Rx benefits, Provider networks, etc.)



MEDICARE 101

Insight from an industry leader and business professional Medicare health insurance agency owner.

Thoughts to Consider

	Medicare Supplemental Plan	Medicare Advantage
Doctor Choice	Anyone that accepts Medicare	Possible Network Restrictions
Premium Cost	Higher Average Annual Premium 65 Male: \$1800.00	Low or \$0 additional premium
Additional Benefits	None	Yes on most plans
Cost Sharing	No- Copays on most plans	Copays



MEDICARE 101

Insight from an industry leader and business professional Medicare health insurance agency owner.

How Can Fussell & Goodyear Insurance Advisors Help?

Fussell & Goodyear Insurance Advisors have licensed, certified, and professional representatives that are skilled at guiding seniors through these decisions.

Don't hesitate to contact us directly at: 1-877-874-0711

For More Information:

Medicare

1-800-MEDICARE

www.medicare.gov

Social Security

1-800-772-1213

www.socialsecurity.gov

Medicaid

1-800-259-5301

www.medicaid.dhh.louisiana.gov

SHIIP

1-888-342-6207

www.ldi.state.la.us/Health/SHIIP