



# Welcome to Medicare 101!

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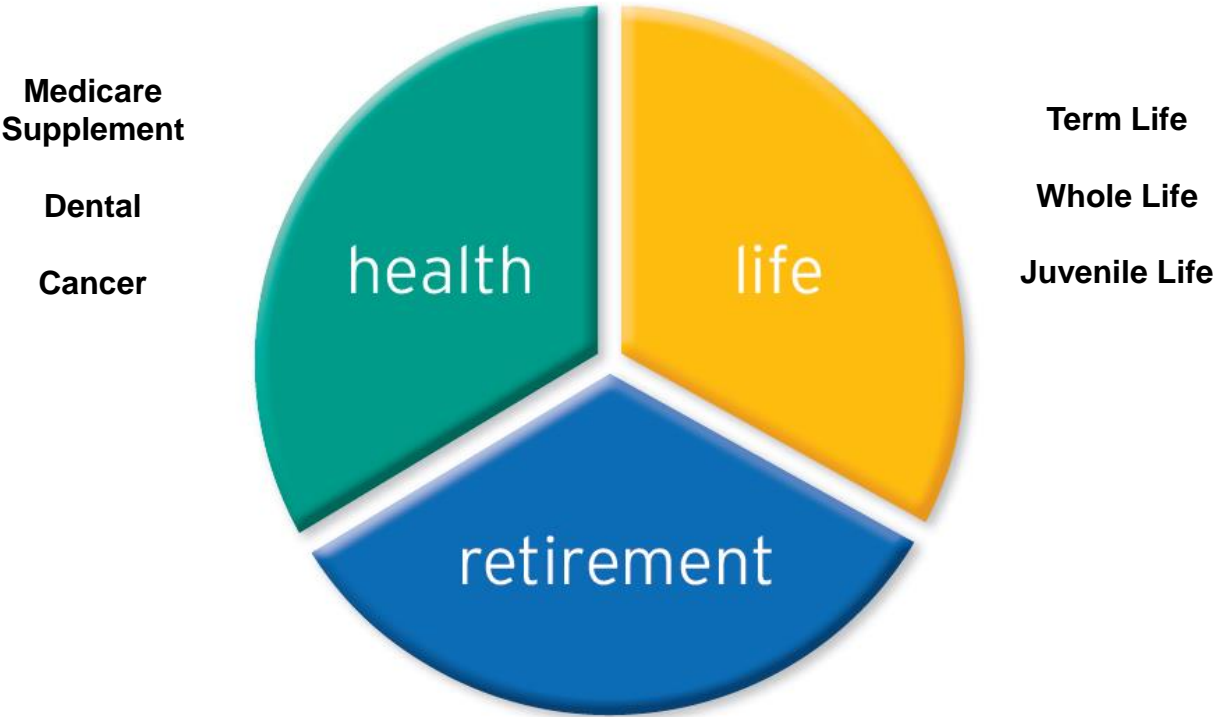
Physicians Mutual Insurance Company®  
Physicians Life Insurance Company®  
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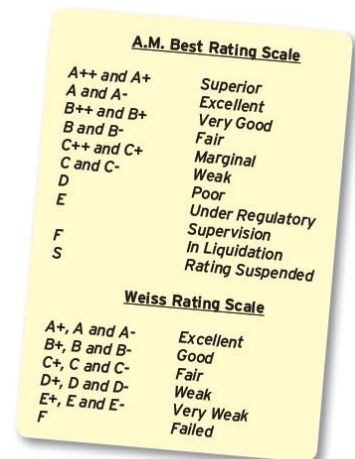
# What I do



**Safe money alternatives to  
Stocks, Bonds, Mutual Funds**

# Who are we?

- Physicians Mutual – 1902
- Physicians Life – 1970
- We have been in the Medicare Supplement Business for over [50] years
- We are not publicly owned or traded – it’s our customers’ needs that come first
- We’ve earned the following rankings based upon our financial strength:
  - “A Excellent” rating from A.M. Best  
([September 2020 Physicians Mutual Insurance Company and Physicians Life Insurance Company])
  - “A+ Excellent” rating from Weiss Ratings  
([September 2020 Physicians Mutual Insurance Company])
  - “A- Excellent” rating from Weiss Ratings  
([September 2020 Physicians Life Insurance Company])



**A.M. Best Rating Scale**

A++ and A+	Superior
A and A-	Excellent
B++ and B+	Very Good
B and B-	Fair
C++ and C+	Marginal
C and C-	Weak
D	Poor
E	Under Regulatory Supervision
F	In Liquidation
S	Rating Suspended

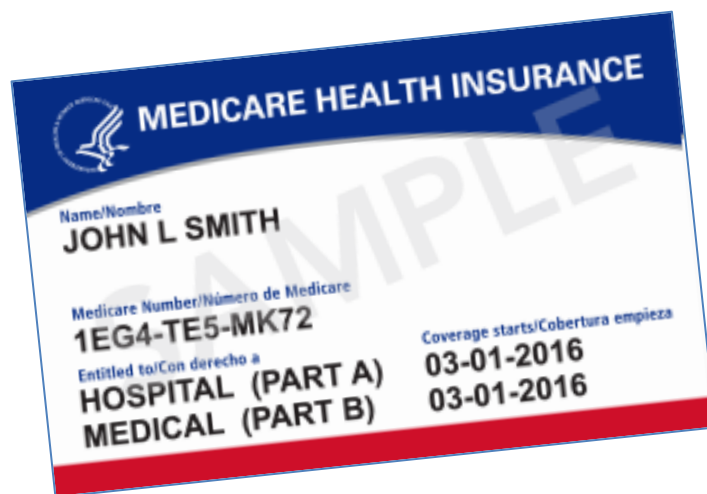
**Weiss Rating Scale**

A+, A and A-	Excellent
B+, B and B-	Good
C+, C and C-	Fair
D+, D and D-	Weak
E+, E and E-	Very Weak
F	Failed

OH: This does not represent a recommendation by the commercial rating companies. The rating refers to the overall financial status of the company and is not a recommendation of the specific insurance policy, rates or practices of the insurance company.

# What Will We Talk About Today?

- [Transitioning from employee to retiree]
- Enrolling in Medicare
- What are the different parts of Medicare
- How will I pay for health care when I'm retired?



# What is Medicare?



- **Medicare** is a Federal health insurance program for seniors and other individuals with certain medical conditions and disabilities.
- It is often confused with **Medicaid**, a Federal-State health insurance program for people with limited resources.

# The Basics of Medicare ...



- It was created to help pay medical bills:
  - Started in 1965 and run by CMS
  - Mostly for seniors
  - Medicare Modernization Act of 2003
  - Affordable Care Act of 2010
  
- For more information, refer to:
  - “Medicare & You” booklet
  - “Choosing a Medigap Policy” booklet

# Transitioning to Medicare



- When am I eligible for Medicare?
- Can I start Medicare when I go on Social Security?
- What are my options if I retire early?
- What happens if I keep working past age 65?
- If I go on Medicare, what happens to my spouse if he or she is not yet eligible?

# How Do You Sign Up For Social Security Benefits?

- Apply online at [www.socialsecurity.gov](http://www.socialsecurity.gov)
- By phone at 1-800-772-1213
- Apply in person at your local Social Security office
- Be sure to have your:
  - Social Security number
  - Birth certificate
  - W-2 or Self-Employment Tax Return from last year
  - Name of bank and account number for deposits
  - Military discharge papers if applicable
  - Spouse's social security number and birth certificate if applying
  - Children's Social Security number and birth certificate if applying
  - Proof of U.S. citizenship if not born in U.S.



# Should I Enroll in Medicare?



- If you/your spouse are currently working AND you receive your health insurance through an employer **you are NOT required to enroll in Medicare at age 65**
- When you/your spouse retire, you will have a special opportunity to enroll in Medicare without penalty
- Do I need coverage for my spouse/family?
  - Medicare will not cover family members unless they qualify on their own
  - If spouse is younger, may need to keep work coverage to insure spouse

# Signing Up for Part A



- You are automatically enrolled for Part A when you're receiving Social Security benefits and you turn 65 years old.
  - Most Medicare beneficiaries pay no premium
    - Only people who paid fewer than 40 quarters (10 years) of FICA taxes pay Part A premium
    - If you don't buy Part A when you are first eligible, your monthly premium may go up 10%
  - Everyone pays deductibles and copays when using Part A services
- If you're not taking Social Security and you're 65 years old, you need to sign up for Part A by contacting your local Social Security office.

# Signing Up for Part A



- If you need to sign up for Part A, you can sign up during the following times:
  - Initial Enrollment Period
  - General Enrollment Period
  - Special Enrollment Period

# Signing Up for Part B



- If you get Social Security Benefits, you will automatically get Part B starting on the first day of the month you turn age 65.
  - Open Enrollment for Medigap
- If you don't want Part B, follow the instructions that come with the card and send the card back.

# Signing Up for Part B



- If you didn't sign up for Part B when you first became eligible, you may be able to sign up during one of these times:
  - General Enrollment Period
  - Special Enrollment Period
- If you are age 65 or older after you sign up for Part B, you have a six-month Medigap open enrollment period which gives you a guaranteed right to buy a Medigap insurance policy.

# Part B Premiums

- Deducted from Social Security
- Premium is indexed to beneficiaries' earnings

<b>Individual Annual Income</b>	[\$88,000 or less]	[Above \$88,000 up to \$111,000]	[Above \$111,000 up to \$138,000]	[Above \$138,000 up to \$165,000]	[Above \$165,000 and less than \$500,000]	[\$500,000 or above]
<b>Joint Annual Income</b>	[\$176,000 or less]	[Above \$176,000 up to \$222,000]	[Above \$222,000 up to \$276,000]	[Above \$276,000 up to \$330,000]	[Above \$330,000 and less than \$750,000]	[\$750,000 or above]
<b>Premium</b>	[\$148.50]	[\$207.90]	[\$297.00]	[\$386.00]	[\$475.20]	[\$504.90]

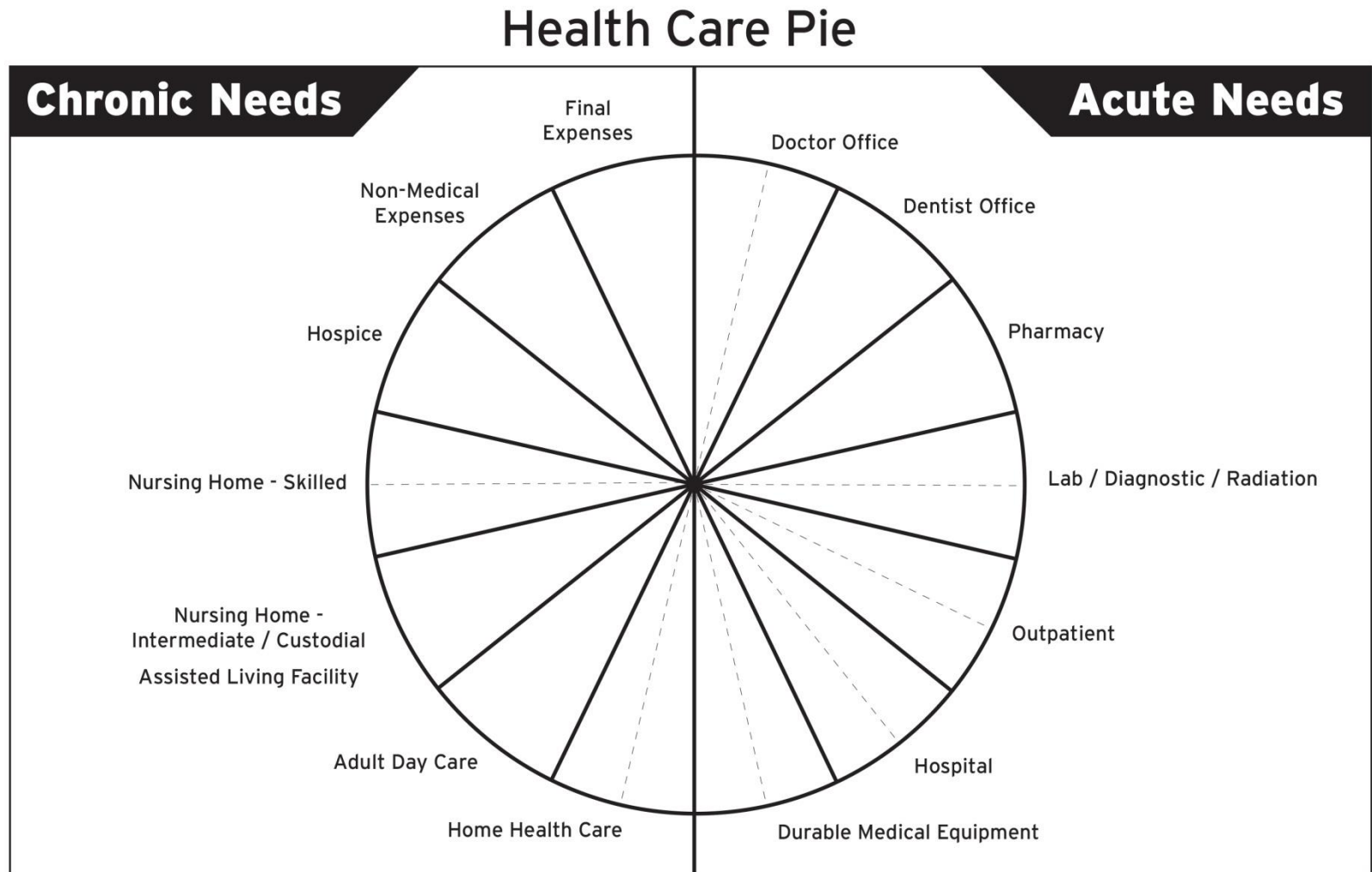
Amounts shown are for the [2021] calendar year for new Part B enrollees and are subject to change each year. A different premium rate chart is available for those who filed a separate return from their spouse and lived with their spouse at some time during the taxable year. Other guidelines may apply.

# What are the Different Parts of Medicare?

- **Part A** – Hospital Insurance
  - **Part B** – Medical Insurance
  - **Part C** – Medicare Advantage Plans
  - **Part D** – Prescription Drug Coverage
- Original Medicare



# How does the Healthcare System Work?





# [2021] Part A Benefits

## Hospital Inpatient Benefits

- You have a benefit period deductible of **[\$1,484]**. After it's paid ...
  - Medicare will pay **100%** for the first **[60]** days
  - Medicare will pay all but **[\$371]**/day for days **[61-90]**
  - Medicare will pay all but **[\$742]**/day for days **[91-150]** [(These count as lifetime reserve days)]
  - Medicare pays **[\$0]** for days **[151 and beyond]**

# [2021] Part A Benefits

## Skilled Nursing Facility Care

- Must meet Medicare's requirements
  - Hospital stay of at least three days
  - Enter a skilled facility generally within 30 days after leaving the hospital
  - Must need skilled nursing care seven days a week or skilled therapy services at least five days a week
- Medicare pays ...
  - **[100%]** for days **[1-20]**
  - All but **[\$185.50]** for days **[21-100]**
  - **[\$0]** after **[100 days]**

# Part A Benefits

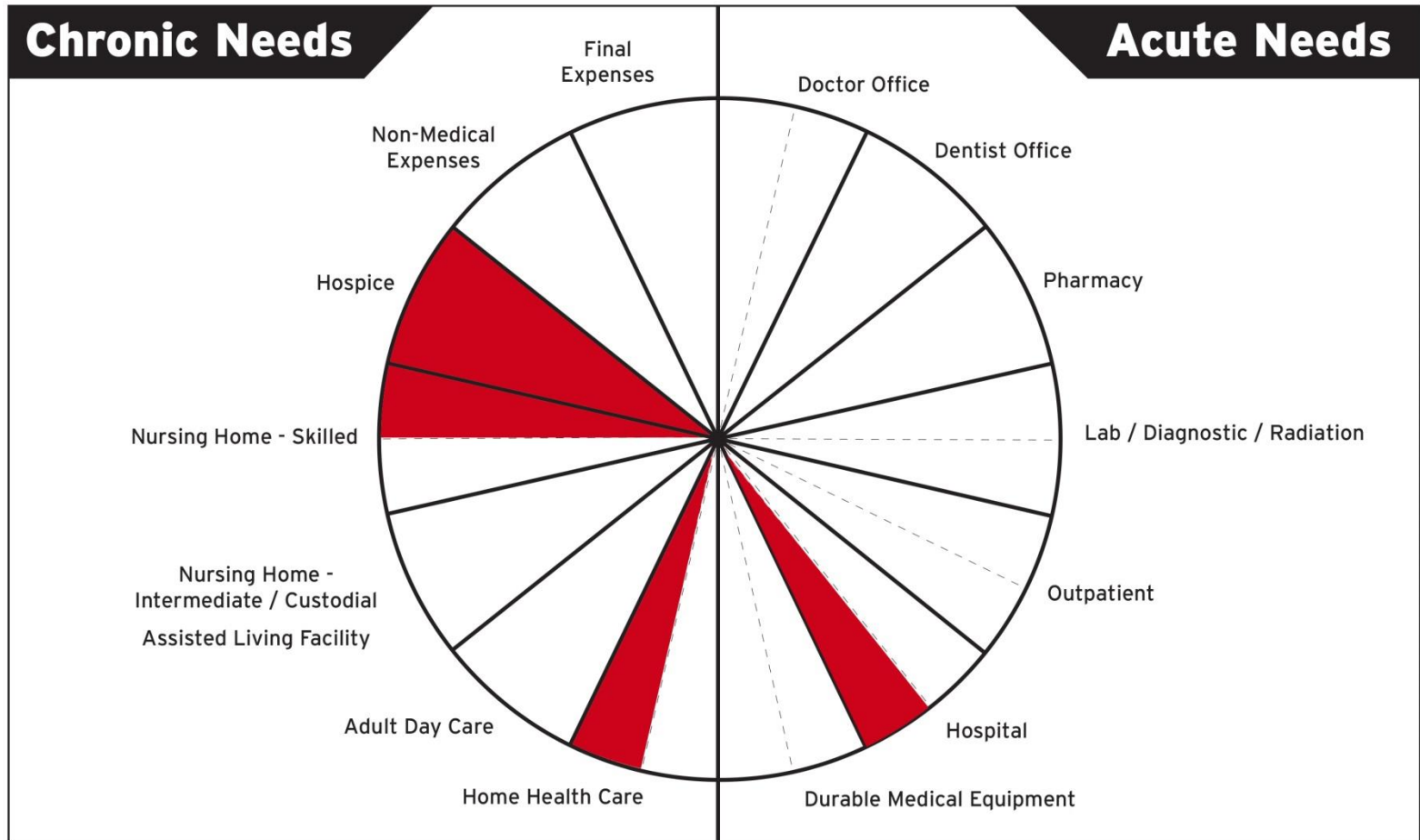


## Additional Benefits

- **Blood**
  - Benefits after the first three pints
- **Home Health Care**
  - Benefits for medically-necessary skilled care and medical supplies
- **Hospice**
  - Benefits for inpatient respite care and related outpatient drugs

# How does the Healthcare System Work?

## Health Care Pie



Medicare Part A

Medicare Part B

# Part B Benefits



## Medical Benefits

- “Welcome to Medicare” visit
- Preventive services
- Inpatient and outpatient doctor services
- Surgical services and supplies
- Speech and Physical Therapy
- Diagnostic tests
- Durable Medical Equipment
- Ambulance services

# Part B – Preventive Services



## “Welcome to Medicare” visit

- One-time review of your health
- Receive education and counseling about preventive services
- Go within the first 12 months of Part B coverage
- Not a physical exam

## Annual “Wellness” visit

- Yearly wellness visit to develop or update your personalized prevention plan
- Provided free, one-time every 12 months (not subject to the deductible)
- Not a physical exam

# Part B – Preventive Services

Medicare will pay for some, but not all, of your preventive services. Your doctor may recommend you have certain exams more frequently than Medicare allows. This chart outlines just a few of the preventive services Medicare may cover if you meet their specified conditions.

Exam	Frequency
Abdominal aortic aneurysm screening	One time only
Breast cancer screening (mammogram)	Once every 12 months
Cardiovascular disease screenings (blood tests)	Once every 5 years
Colonoscopy	Once every 120 months (shorter duration for high risk individuals)
Flu Shots	Once per flu season

# Part B Details



- **[\$203]** annual deductible for [2021]
- After you meet the deductible, Medicare pays:
  - **[80%]** of eligible covered charges
  - **[100%]** of Medicare-covered clinical laboratory services (blood tests for diagnostic services)
  - Varying amounts for covered preventive services
  - Nothing for any charges in excess of the Medicare-approved amount

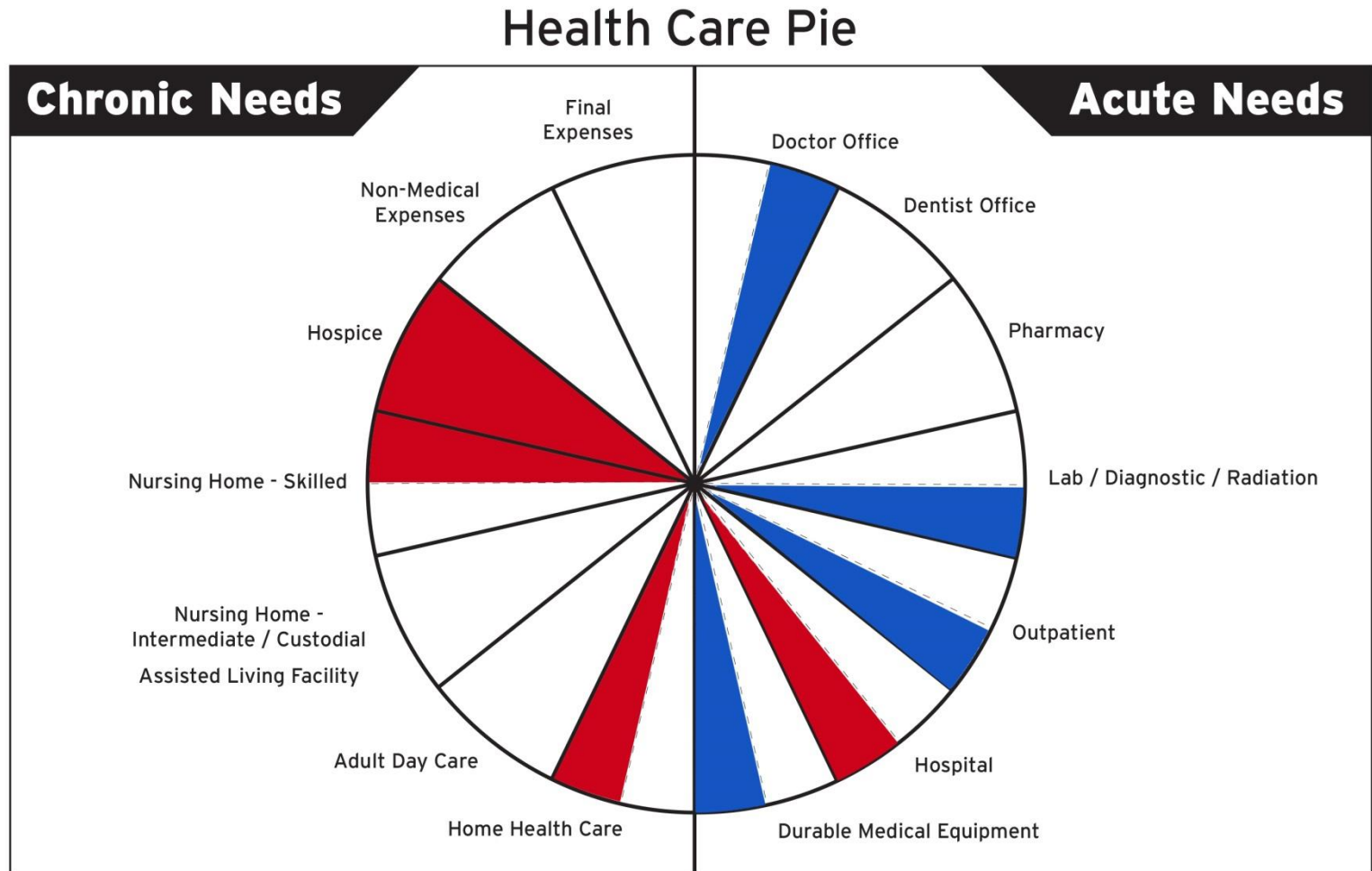



# What does Medicare not cover?


- Part A and B do **NOT** cover:
  - Routine dental, vision, hearing, and foot care
  - Long-term care (like nursing home)
  - Alternative medicine
  - Elective cosmetic surgery
  - Personal care
  - Healthcare outside of the U.S.
  - Prescription Drugs
  - Non-medical expenses



# How does the Healthcare System Work?



 Medicare Part A

 Medicare Part B

# Part C – Medicare Advantage (MA) Plans



- Once enrolled, you are removed from Original Medicare (Parts A and B)
- Private health plan, not supplemental insurance
- Normally come with network restrictions
  - Networks can change from year to year
- Optionally renewable every year
- Your out-of-pocket costs can change over time
- You cannot purchase Medicare Supplement Insurance to cover extra costs

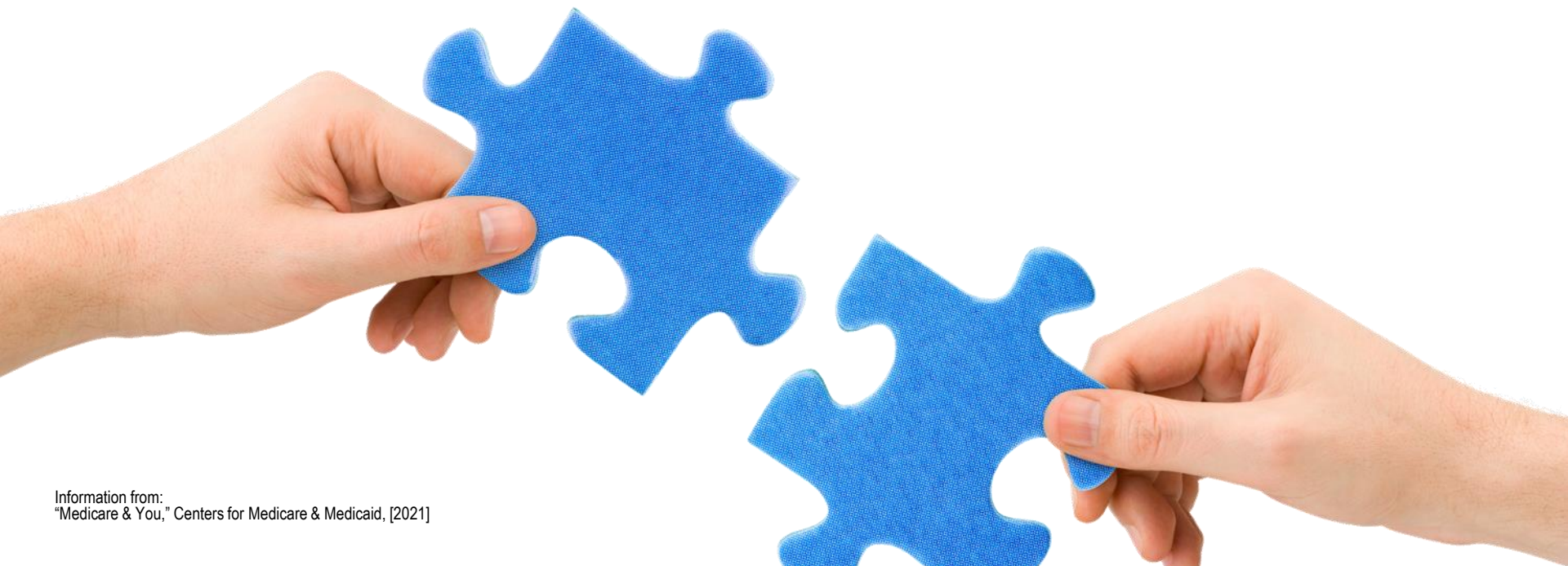
# Part D Explained

- A prescription drug option run by private insurance companies approved by and under contract with Medicare
- Helps cover the cost of prescription drugs only
  - Brand name and generic drugs
- May help lower your prescription drug costs and help protect against higher costs in the future
- Part D does not cover
  - Nonprescription drugs
  - Weight gain or loss
  - Fertility
  - Cough or cold
  - Hair growth or cosmetics
  - Most vitamins and minerals



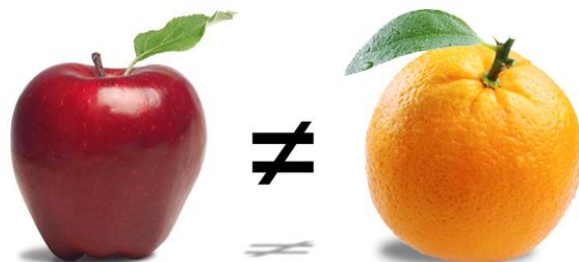
# Medicare alone may not be enough...

Medicare Part A and B have NO yearly limit for what you pay out-of-pocket



# Your options to help pay for medical expenses

- Original Medicare
- Original Medicare + Medicare Supplement Insurance
- Privatized Medicare (Part C)
- Prescription Drug Expenses (Part D)
- Different options meet different needs



# What do I do now?



- Everyone has different needs and situations
- As a licensed agent/producer I can help answer your questions
- When we meet I will help you choose the right solution for you