

# MEDICARE

# 2024

HELLO,  
CITY OF TEMPE  
EMPLOYEES!



## City of Tempe



MAKING HEALTHCARE AND RETIREMENT PLANNING 123EASY

# WHAT'S IN THIS GUIDE

This guide is a non-government resource prepared to educate and simplify your introduction to Medicare. This guide will only cover general information about Original Medicare, Medicare Advantage, Medicare Supplements and Prescription Drug Plans as everyone's needs are different. If you are interested in specific information about specific products, please request insurance company created product information approved by the department of insurance in your state. All information is sourced from [www.Medicare.gov](http://www.Medicare.gov).

## MEDICARE DEFINITION

### According to [medicare.gov](http://medicare.gov)

Medicare is the Federal health insurance program for people who are 65 or older, certain younger people with disabilities, and people with End-Stage Renal Disease (*permanent kidney failure requiring dialysis or a transplant, sometimes called ESRD.*)

## PARTS OF MEDICARE

### ORIGINAL MEDICARE:

#### PART A:



Medicare Part A is **Hospital Insurance**. Part A covers inpatient hospital stays, care in a skilled nursing facility, hospice care, and some home health care.

#### PART B:



Medicare Part B is **Medical Insurance**. Part B covers certain doctors' services, outpatient care, medical supplies, and preventive services.

Original Medicare is the base of your Medicare choices, for just about every other component beyond this point will require you to have parts A and B of Medicare. Keep in mind however, that if you are still working, and covered under your employer group health insurance, or covered under your spouse's group health coverage you **DO NOT NEED YOUR MEDICARE**. You can choose to delay your enrollment in Parts A and B of Medicare, and when you later decide to separate from that employee coverage, you will suffer no penalties or loss of options.

**[IMPORTANT]** Electing to take Part A of Medicare while you are working and covered by creditable employee health insurance will prevent you from legally contributing to a Health Savings Account (HSA). By electing Part A your HSA contributions from the effective date of Part A onward will be taxable.

#### PART C:



Medicare Part C is a **Medicare Advantage plan**. A Medicare Advantage Plan is a type of Medicare health plan offered by a private company that contracts with Medicare to provide you with all your Part A and Part B benefits. Medicare Advantage Plans include Health Maintenance Organizations (HMO), Preferred Provider Organizations (PPO), Private Fee-for-Service Plans (PFFS), Special Needs Plans (SNP), and Medicare Medical Savings Account Plans (MSA). If you're enrolled in a Medicare Advantage Plan, you transfer your Medicare benefits to that plan.



## **PART D:**

Medicare Part D is **prescription drug coverage**. Part D adds prescription drug coverage to Original Medicare, some Medicare Cost Plans, some Medicare Private-Fee-for-Service Plans, and Medicare Medical Savings Account Plans. These plans are offered by insurance companies and other private companies approved by Medicare. Medicare Advantage Plans may also include prescription drug coverage that follows the same rules as Medicare Prescription Drug Plans.



## **Medicare Supplement:**

Medicare Supplements are also called **Medigap Plans**. A Medicare Supplement Insurance (Medigap) policy, sold by private companies, can help pay some of the health care costs that Original Medicare doesn't cover, like copayments, coinsurance, and deductibles. Some Medigap policies also offer coverage for services that Original Medicare doesn't cover, like medical care when you travel outside the U.S. If you have Original Medicare and you buy a Medigap policy, Medicare will pay its share of the Medicare-approved amount for covered health care costs. Then your Medigap policy pays its share, as much as the entire balance of the bill. With a Medicare Supplement, Medicare is your insurance company, the Medigap simply pays the balance between what Medicare will pay for a service and what the provider charges for that service.

A Medigap policy is different from a Medicare Advantage Plan. A Medicare Advantage Plan replaces your Medicare benefits with benefits considered to be as good as Medicare, while a Medigap policy supplements your Original Medicare benefits.

# THE COST OF MEDICARE

It is important to remember that Medicare itself is only composed of Original Medicare (Part A and Part B). The other parts of Medicare are offered by private insurance companies with various costs attributed to each of them.

**PART A:** Part A is **\$0**,

This is the cost so long as you have worked in the United States and paid your taxes for at least 10 years, or are married to someone for at least 10 years that has worked and paid their taxes for at least 10 years.

**PART B:** Part B in 2024 **\$174.70\***.

This cost for Part B is income sensitive based on your adjusted gross income from 2 years ago. Included below is the chart showing the additional charges for various income levels (see chart below).

2024		IRMAA* Rates for Medicare Beneficiaries			
<i>*income-related monthly adjustment amount</i>					
Beneficiaries who file individual tax returns with income:	Beneficiaries who file joint tax returns with income:	IRMAA PART B	Total monthly Part B	IRMAA* PART D	Total Part's A & B + Surcharges
Individual	Married				
\$103,000 or less	\$206,000 or less	\$0.00	\$174.70	\$0.00	\$174.70
above \$103,000 up to \$129,000	above \$206,000 up to \$258,000	\$69.90	\$244.60	\$12.90	\$257.50
above \$129,000 up to \$161,000	above \$258,000 up to \$322,000	\$174.70	\$349.40	\$33.30	\$382.70
above \$161,000 up to \$193,000	above \$322,000 up to \$386,000	\$279.50	\$454.20	\$53.80	\$508.00
above \$193,000 and less than \$500,000	above \$386,000 and less than \$750,000	\$384.30	\$559.00	\$74.20	\$633.20
\$500,000 or above	\$750,000 and above	\$419.30	\$594.00	\$81.00	\$675.00

Source: CMS.gov <https://www.cms.gov/newsroom/fact-sheets/2024-medicare-parts-b-premiums-and-deductibles#:~:text=The%20annual%20deductible%20for%20>  
Filed in Google Sheets

**PART C (Medicare Advantage):** The cost and availability of Medicare Advantage plans vary depending on the county you live in. Some counties like Maricopa in Arizona have over 41 different Medicare Advantage plans to shop. Premiums for these plans may be \$0, however you will need to look at the co-pays and co-insurance, as Medicare Advantage plans function much like the employer group plans you have had most of your life.

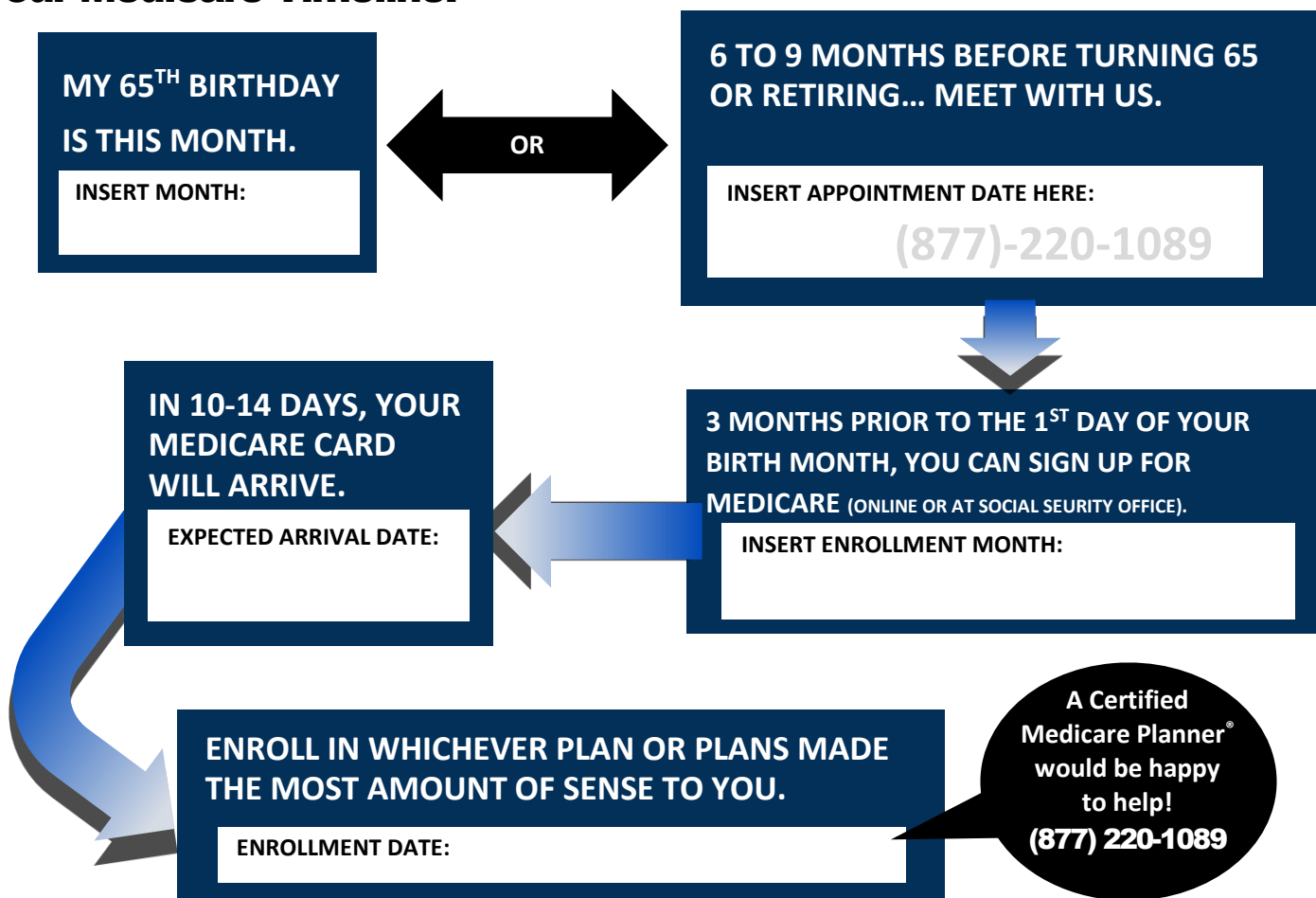
**PART D (Prescription Drugs):** The cost of prescription drug plans, much like Medicare Advantage plans, varies by county. The cost of a prescription drug plan should be based on the prescriptions you are taking. A good way to shop for these plans is using Medicare.gov, where you will be able to enter your drug list and get the costs of your medications, and all the plans available to you in your area (some plans are zip code specific).

**Medicare Supplement (Medigap):** Remember, Medicare Supplements are Federally standardized, so every single company offering a Medigap (A-N), will function the same. The only difference you will experience is the premium, so it is important to do your shopping. There are many tools out there, however we would recommend you use an actuarial service, to see all of your choices, rather than just a select few. Contact a Certified Medicare Planner® by calling **(877) 220-1089**.

## WHEN TO ENROLL

Enrolling in Medicare can happen at various times after you become eligible. Eligibility is based on the month of your 65<sup>th</sup> birthday. We have designed a simple exercise to help walk you through the timing to keep in mind.

### Your Medicare Timeline:



# HOW TO ENROLL

There are a variety of scenarios that would determine when the most appropriate time to enroll in Medicare would be. Below will be a breakdown a couple of the common ones.

## **NOT COLLECTING SOCIAL SECURITY:**

### **Turning 65, still working, covered under group health insurance:**

#### **[Staying on Employee Group]**

If you have done the math to determine that staying on that group health insurance is the most appropriate choice. Then **DO NOTHING**. When you later decide to separate from that employer health coverage, you will be able to enroll in Medicare with no penalties or loss of options.

#### **[Leaving Employee Group]**

90 days prior to the month of your 65<sup>th</sup> birthday, you can enroll in Medicare Parts A and B online at [www.Medicare.gov](http://www.Medicare.gov) or if you would rather meet in person you can call Social Security (1-800-772-1213) 100 days prior to the month of your birth, schedule a face to face appointment, and make sure that before you leave you ask them for an "Application Summary". Once you enroll in Medicare Parts A and B you can then enroll in either a Medicare Advantage plan, or a Medicare Supplement and Prescription Drug Plan. (We suggest doing a little shopping to see which of the 16,000+ different combinations will be most appropriate for you.) Or... you can ask one of our Certified Medicare Planners® to personally guide you through the process, just give them a call at 877-220-1089.

### **Turning 65, retired:**

Follow the same enrollment as [Leave Employee Group] above.

## **ALREADY COLLECTING SOCIAL SECURITY:**

If you are collecting any form of Social Security, your Medicare card will automatically arrive 3-4 months before your 65<sup>th</sup> birthday. It will look like junk mail! Be sure if you fall into this category that you start opening everything and just taking a peek for that red, white, and blue Medicare card.

The same scenarios apply as above if you were not collecting Social Security aside from your card automatically arriving. If you DO NOT want to start your Medicare yet, because you are working and covered under your employee group health insurance, your Medicare card will arrive with a self-addressed return envelope. Simply, sign the back of your card, and mail it back to Medicare.

# TIME TO TRANSITION?

If you have employee health insurance as an option, or are retired, and have retiree group health insurance as an option, this analysis was designed for you.

- 1) Have your current Summary of Benefits (employee/retiree)
- 2) Know your premium(s)
- 3) Meet with a Certified Medicare Planner® for a comprehensive comparison



We will do the math with you, comparing your employer/retiree insurance costs to your Medicare options and give you an idea as to whether it makes more sense to "stay" on your current insurance, or "go" to Medicare.

# HELPFUL RESOURCES

## WEBSITES

[www.Medicare.gov](http://www.Medicare.gov)  
[www.123EasyMedicare.com](http://www.123EasyMedicare.com)  
[www.AmericanRetire.com](http://www.AmericanRetire.com)  
[www.MedicareAtWork.com](http://www.MedicareAtWork.com)

## ELECTRONIC BOOKLETS

**Medicare & You 2024**  
<https://www.medicare.gov/medicare-and-you>

## TOLL-FREE NUMBERS

Certified Medicare Planners®: 1-877-220-1089  
Social Security: 1-800-772-1213  
Social Security TTY: 1-800-325-0778  
Medicare: 1-800-633-4227  
Medicare TTY: 1-877-486-2048

## DEDICATED MEDICARE HELP LINE:

Certified Medicare Planners®: **877-220-1089**

Your team of Certified Medicare Planners leverage more than 20 years of advisory experience serving over 20,000 clients. We know that the process of enrolling in Medicare is confusing.

Let us make it 123Easy!

**Use this exclusive link to start your Medicare journey.**

<https://themedicarearchitect.com/tempe>



## LOOKING FOR MORE?



Retirement Planning  
[AmericanRetire.com](http://AmericanRetire.com)



Free Workshops  
[123EasyWorkshops.com](http://123EasyWorkshops.com)



Expert Advice  
[CertifiedMedicarePlanner.com](http://CertifiedMedicarePlanner.com)

### Corporate Headquarters

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