

# MEDICARE RESOURCE GUIDE



Medicare is the U.S. federal health insurance program established in 1965. It helps cover hospital stays, outpatient care, prescription drugs, and more for people 65 and older and certain younger individuals with disabilities or conditions. It is primarily funded through payroll taxes and monthly premiums and helps offset major healthcare costs, making quality care more accessible and affordable for millions.

## Medicare Parts Explained

The lists below cover commonly covered services and items, but it is not a complete list. Medicare does not usually pay the full cost of care, and the individual is responsible for some portion of the cost-sharing (deductibles, coinsurances, copayments, etc.) for Medicare-covered services.

### Part A (Original Medicare): Hospital Care

- **Inpatient hospital care:** This care is received after being formally admitted to a hospital by a physician. Each benefit period covers up to 90 days in a general hospital, plus a lifetime reserve of an additional 60 days. Medicare will also cover care in a psychiatric hospital for up to 190 lifetime days if it is a Medicare-certified facility.
- **Skilled Nursing Facility (SNF):** This entails room, board, and a range of services provided in an SNF (administration of medications, tube feedings, and wound care). The coverage duration lasts up to 100 days for each benefit period for qualified people. A qualified individual is defined as having spent at least 3 consecutive days as a hospital inpatient within 30 days of entering the SNF and needing skilled nursing or therapy services.
- **Home health care:** If a qualified individual is homebound and requires skilled nursing, they will be covered for up to 100 days of daily care or an unlimited amount of intermittent care. To qualify, a person must have spent at least 3 consecutive days as a hospital inpatient within 14 days of receiving home health care.
- **Hospice care:** This is a type of care that an individual may elect to receive if a provider determines them to be terminally ill. Once the determination is made, they will be cared for as long as the provider certifies that they need care.

Most individuals do not pay a monthly premium for Part A because they or a spouse has 40 or more quarters of Medicare-covered employment. See the chart below for more information on Part A premiums under costs & coverage.

### Part B (Original Medicare): Medical Insurance

Part B is the second portion of Original Medicare. It helps to fill the gaps, primarily covering services and items that are medically necessary, but are not covered under Part A.

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|--|-----------------------------------|
| • Covers doctor visits                 | • Mental health services          |
| • Outpatient care, preventive services | • X-ray & lab tests               |
| • Home health care                     | • Chiropractic care for the spine |
| • Durable medical equipment            | • Select prescription             |
| • Ambulance services                   | • Preventative services           |
| • Therapy services                     |                                   |

**Part C (Medicare Advantage):** Medicare Advantage Plans are supplemental insurance provided by private companies as an alternative to Original Medicare. These private plans are “bundled” to include Part A, Part B, and usually Part D Coverage. While these plans can offer some benefits that Original Medicare does not, they come with some restrictions. For example, doctors are limited to those in the plan’s network, which have different out-of-pocket costs than Original Medicare, and an individual might pay a monthly premium for this coverage, in addition to a Part B premium.

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**Part D (Prescription Drug Coverage):** Helps cover the costs of prescription drugs (can also include recommended shots or vaccines) but is only provided through private insurance companies that have contracts with the federal government. (Note: it is never provided directly by the government). An enrollee can join a private Medicare prescription drug plan (PDP) in addition to joining Original Medicare, or by joining a Medicare Advantage Plan (MAPD). Plans that offer Medicare drug coverage are run by private insurance companies that are subject to rules set by Medicare.

Enrollment is optional, but recommended to avoid any future penalties, and is only allowed during the approved enrollment periods. It is circumstantial if an individual should sign up for the Medicare Part D plan. An enrollee might have creditable drug coverage from an employer or retiree insurance. If this is the case, then they do not need to enroll in a PDP until they lose this coverage.

**Medicare Supplement Plan:** These plans are health insurance policies that offer standardized benefits to work with Original Medicare (Parts A & B), but not with Medicare Advantage (Part C). Private insurance companies sell these, and they pay all or part of certain remaining costs after Original Medicare pays first. These plans may cover outstanding deductibles, coinsurance, copayments, and potentially other costs that Medicare does not cover at all (like care received when abroad).

Depending on where an individual lives, there are up to 10 different Medicare Supplement policies to choose from: A, B, C, D, F, G, K, L, M, and N (policies in Wisconsin, Massachusetts, and Minnesota have different names). Each policy offers a different standardized benefit, meaning that policies with the same letter name will offer the same benefits, but premiums can vary from company to company.

## Eligibility & Enrolling

Medicare is health insurance for individuals age 65 and older. May be eligible to receive Medicare before age 65 if they have a disability, End-Stage Renal Disease (ESRD), or ALS (Lou Gehrig's disease).

**Claiming Social Security before turning 65:** If an individual applies to begin receiving retirement benefits from Social Security at least 4 months before they turn 65, they will automatically be enrolled in Part A (Hospital Insurance) and Part B (Medical Insurance) when they turn 65.

**Initial Enrollment Period (IEP):** For those turning 65. Enrollment lasts for 7 months, starting 3 months before they turn 65, and ending 3 months after the month they turn 65.

**General Enrollment Period (GEP):** This sign-up window opens on January 1st and remains open until March 31st. Coverage starts the month that the individual signs up. If an individual does not qualify for a Special Enrollment Period, there is a monthly late enrollment penalty.

## Special Situations (Special Enrollment Period):

*Have or Had Health Insurance Through Your Job, or a Spouse's Job:* This starts the first month after the Initial Enrollment Period ends. It ends between the earlier of 8 months after the group health plan coverage or the employment. COBRA is not considered group health plan coverage, and being covered under COBRA does not change when this Special Enrollment Period ends. Coverage for this period typically begins the first month after signing up. If signing up for Part B while still working, or within the first full month after losing employer coverage, a request can be made to delay the start date of Part B for up to 3 months. This Special Enrollment Period does not apply if the individual is eligible for Medicare based on ESRD or if they are still in the Initial Enrollment Period.

*Volunteer or Serve in a Foreign Country:* The period begins on the first day of the month that any of the following events happen and lasts for 6 months: no longer a volunteer outside the United States, the volunteering organization no longer has tax-exempt status or no longer has health insurance that provides coverage outside the United States. Coverage will begin the month after signing up.

More Special Enrollment Period scenarios can be found on the official [Medicare.gov](https://www.medicare.gov) website.

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## Costs & Coverage

Monthly premiums for Parts A, B, and D are deducted from monthly Social Security benefits. If the enrollee does not get benefits or if the premiums exceed their monthly benefit amount, then Medicare will bill them. The costs below are based on current annual figures from Medicare and are subject to change.

### Part A: Hospital Care

**Premiums:** \$0 for most people – if an enrollee has less than 40 quarters of Medicare-covered employment, then they will pay an increased premium.  
*39-30 quarters:* \$285  
*Less than 30:* \$518

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**Deductible:** \$1,676 for each benefit period, before Original Medicare begins to pay. There is no limit to the number of benefit periods available.

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**Copayments:** *Days 1-60:* \$0 after paying Part A deductible  
*Days 61-90:* \$419 each day  
*Days 91-150:* \$838 each day while using 60 lifetime reserve days  
*150+:* Person pays all costs

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### Part B: Medical Insurance

**Premiums:** \$185 per month. This premium is paid even if no Part B services are rendered. This can be higher depending on income; refer to the IRMAA section below to see possible additional premiums.

There is a penalty for late enrollment in Part B. It is an extra 10% for each year of enrollment that was possible but did not occur. This penalty is added to the monthly premium and is added for as long as the premiums are paid.

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**Deductible:** \$257 before Original Medicare begins to pay. This renews annually.

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**Coinsurance:** Usually, it is 20% of the cost after paying the deductible.

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### Part D: Drug Coverage

**Premiums:** Monthly amounts will vary based on which plan is selected, and the amount can change each year. It is also subject to IRMAA. Like Part B, there can be a penalty if not enrolling in a drug plan when first getting Medicare and if 63 or more days pass without creditable drug coverage. This penalty is an extra 1% for each month where enrollment was possible but did not occur. This penalty is added to the monthly premium and is added for as long as the premiums are paid.

Income-Related Monthly Adjusted Amount (IRMAA)

For high-income Medicare beneficiaries, Part B and Part D premiums include an additional charge based on the modified adjusted gross income (MAGI). While most individuals do not pay premiums for Medicare Part A, there are no income-related surcharges; so Part A premiums are unaffected by income. The income threshold for the premium surcharges is indexed for inflation each year.

IRMAA is determined by income from tax returns from the previous two years and recalculated annually. For example, for 2024 Medicare premiums, 2022 income tax returns are used, and for 2025 premiums, 2023 tax returns will be used.

People who pay the IRMAA surcharge are excluded from the “Hold Harmless” provision. The “Hold Harmless” provision is a policy that limits the Medicare Part B premium increase to ensure that beneficiaries’ Social Security checks do not decrease. It is only necessary in years when the cost-of-living adjustment (COLA) is not sufficient to cover the full amount of the standard Part B premium increase. It can still affect a small fraction of enrollees even in a year where most enrollees are not affected by this provision.

Part B IRMAA Premiums (2025)			Part D IRMAA Premiums (2025)		
2023 Individual MAGI	2023 Joint MAGI	Monthly Premium	2023 Individual MAGI	2023 Joint MAGI	Monthly Premium
\$106,000 or less	\$211,000 or less	\$185 (no IRMAA)	\$106,000 or less	\$211,000 or less	your premium (no IRMAA)
> \$106,000 – \$133,000	\$211,000 – \$266,000	\$259	> \$106,000 – \$133,000	\$211,000 – \$266,000	\$13.70 + your premium
> \$133,000 – \$167,000	\$266,000 – \$334,000	\$370	> \$133,000 – \$167,000	\$266,000 – \$334,000	\$35.30 + your premium
> 167,000 – \$200,000	\$334,000 – \$400,000	\$480.90	> 167,000 – \$200,000	\$334,000 – \$400,000	\$57 + your premium
> \$200,000 – \$500,000	\$400,000 – \$750,000	\$591.90	> \$200,000 – \$500,000	\$400,000 – \$750,000	\$78.60 + your premium
Greater than \$500,000	Greater than \$750,000	\$628.90	Greater than \$500,000	Greater than \$750,000	\$85.80 + your premium

Getting Started

Depending on an individual’s situation there are different processes that need to be taken to enroll in the different types of Medicare. The different scenarios and their corresponding step-by-step processes can be found on the official [Medicare.gov](https://www.medicare.gov) website. The recommended action for those looking to enroll is to call their local Social Security office for the guidance that best suits their specific situation.

The information provided herein is believed to be accurate; however, it is not guaranteed and may be subject to change without notice due to periodic updates in tax law, medical regulations, or other applicable standards. This material is provided for general informational purposes only and should not be construed as legal, tax, or medical advice. It is not a substitute for consultation with qualified professionals who can assess your individual circumstances. This information is offered solely as an incidental service in the course of our business as insurance professionals, financial planners, investment advisors, and registered representatives.