Medicare RoadMap

CUSTOMIZED FOR

Sample Client

/9/2



YOUR MEDIC 35 DESTINATION:

PAGE 4
Recommended
Medicare Path

Part D prescription drug plan (On vinal Medicare).

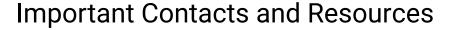
Please turn to page 4 for your unique Medicare-related action plan.

PROVIDED COURTESY OF:



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Official Medicare Websites and Phone Numbers

Checklist for online enrollment:

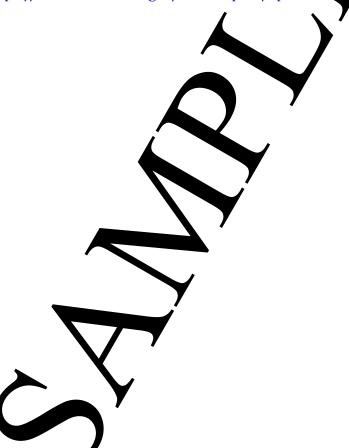
http://www.socialsecurity.gov/hlp/isba/10/isbt-checklist.pdf

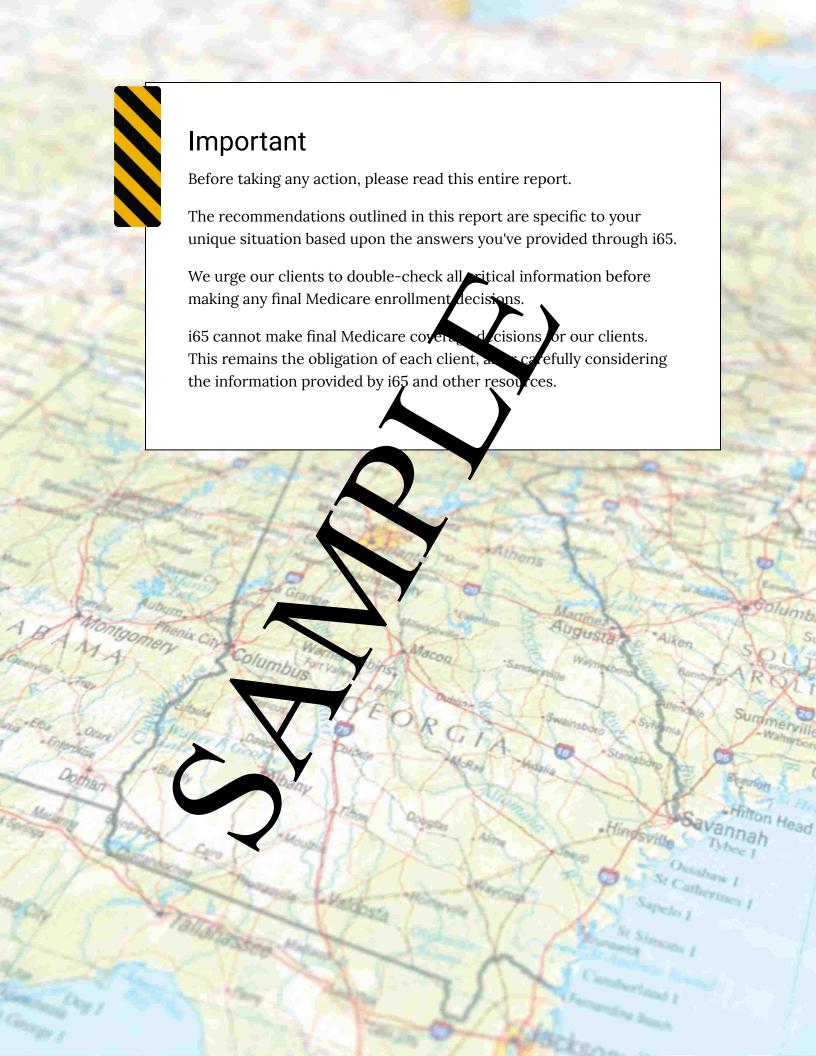
Online Medicare enrollment:

https://secure.ssa.gov/iClaim/rib

Medicare Planfinder:

https://www.medicare.gov/find-a-plan/questio. "ome.aspx





Your Medicare RoadMap

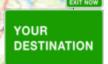


Prepared For: Sample Client Date of Birth: 9/2/1953 Date: 7/9/2018



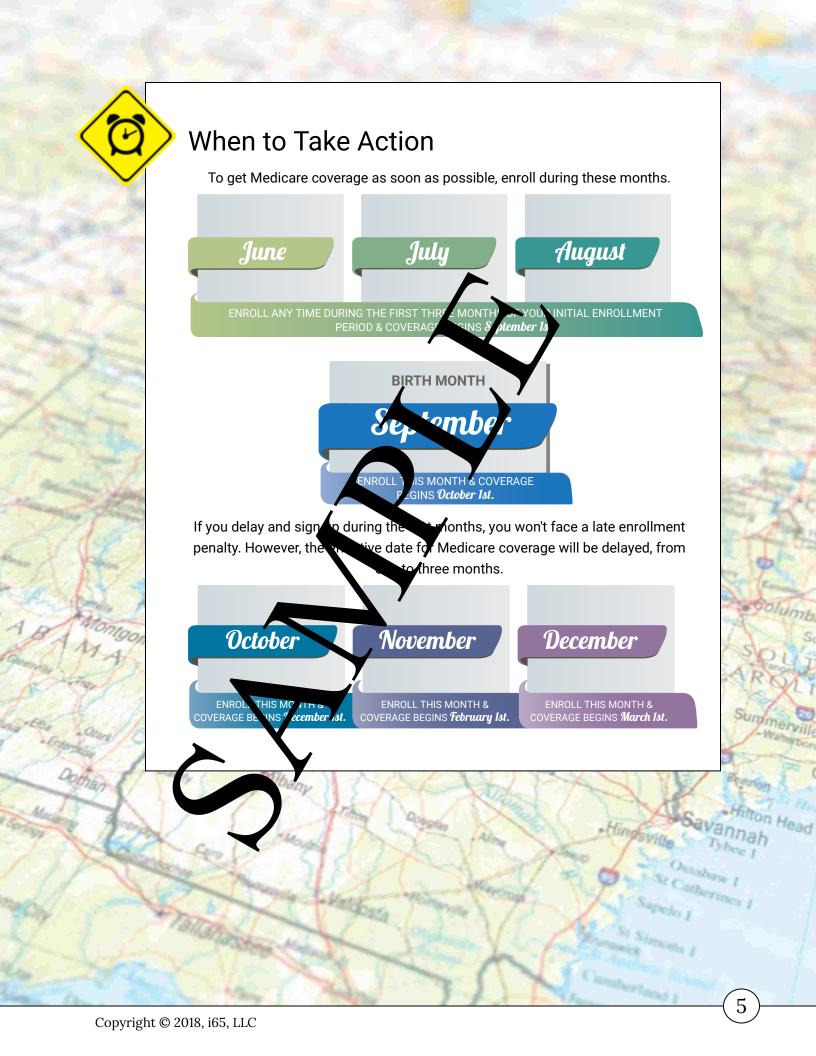
Current Status

- I am turning 65 and still working.
- I am not receiving Social Security benefits.
- I do not plan to enroll Social Security his time.
- I have an employer group health plan, sponsored by a company with 20 or more employ.
- I have decided not to ginue with y employer group health plan once I turn 65



Your Destination

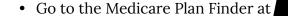
Medicare Part A and Part B with a Medigap policy and Part D prescrip for an analysis (Original Medicare).



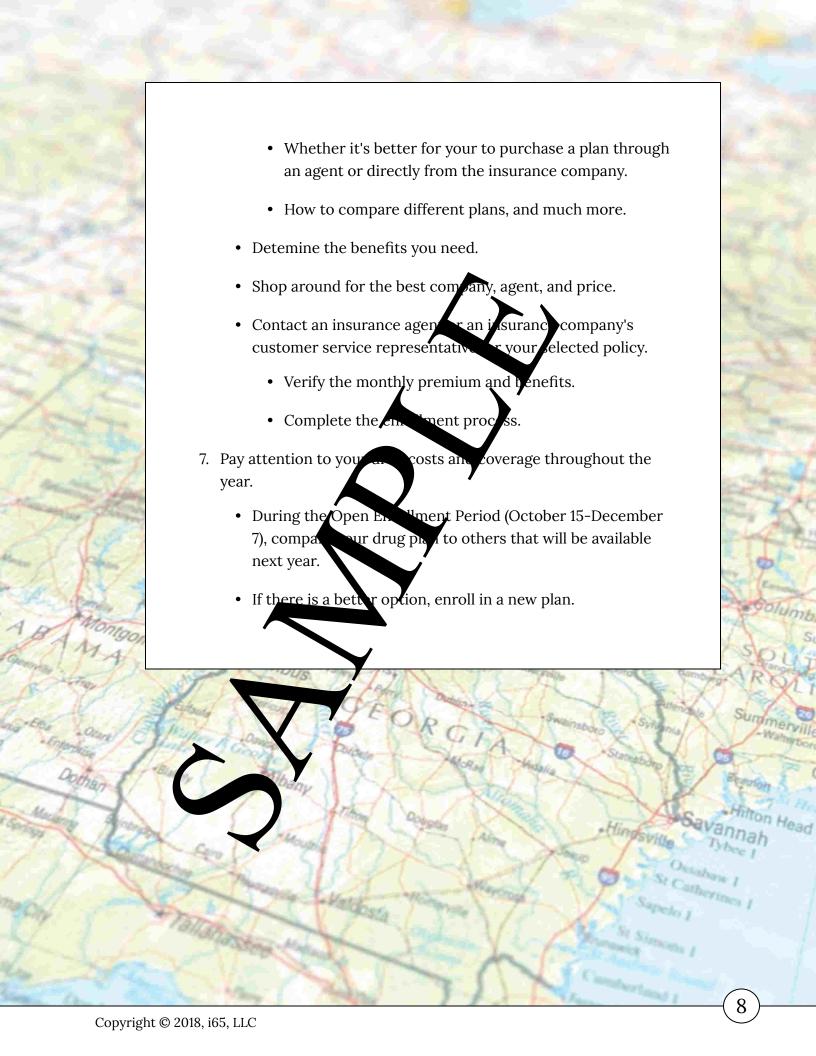


Step-by-step Directions

- 1. Pay attention to Medicare during your Initial Enrollment Period.
- 2. Enroll in Medicare Part A, hospital insurance, and Part B, medical insurance.
 - Start this process during your itial Enrollment Period.
 - Download a checklist for or ine enrollment at
 - Enroll online at
 - Click "More Inflation uneed a ditional information.
 - Answer the conving que ins, as indicated.
 - Yes a So you wish to apply for Medicare ONLY, but not for muchly retirement cash benefits at this
 - Yes "Do, want to enroll in Medicare Part B?"
 - e you covered under a group health plan?"
 - Yes "Are you covered under a group health plan through your own current employment?"
 - Write down the confirmation number and print the receipt.
- 3. Watch for our Medicare card in the mail.
- . Notify the plan administrator about your decision to discontinue your current coverage and the effective date.
- 5. Enroll in a Part D prescription drug plan.



- Enter your zip code and answer the questions in Step 1.
- Enter your drugs in Step 2.
- Write down your drug ID number and password date for future reference.
- Select two pharmacies in 3.
- Check "Prescription Drug Plans" in Step 4.
- Select up to three sug plans to compare on "Your Plan Results" page.
- Contact an agent or costomer service representative of your selected plan to the work the monthly premium and other information.
- Complete the end ment process.
- 6. Select and enroll in a Medigap policy.
 - Download the booklet, "Purchasing a Medigap Policy: A
 Companion Gaile," applicable to your state of residence
 from the i65 account home page.
 - Sud, the guide and learn:
 - About the complete process for comparing and purchasing a Medigap policy.
 - How Medigap plans are structured in your state.
 - Which benefits are best for your unique needs.





Original Medicare or Medicare Advantage?

The following factors influenced your Medicare path decision.

- You have one or more medical conditions that are under control.
- You have not been hospitalized recently
- Keeping your doctors is important.
- You prefer reduced monthly premiums that come with the risk for out-of-pocket expense.
- You believe you can afford the of-locket costs if you were to be hospitalized.
- You plan to spend considerable time away from home.

You determined the riginal Med care with a Medigap policy and Part D prescription dug provise the best option.

Because Original Medicale does not utilize networks, finding new physicians and other healthcare providers who accept assignment anywhere in the United States or its territories. Coverage for foreign travel expression is an optional Medigap benefit.

You will likely pay more in monthly premiums; however, you'll face little or no our-of-pocket expense for medical care and have generally predictable medication costs.



Initial Enrollment Period for Medicare

Medicare provides a seven-month Initial Enrollment Period (IEP) to enroll in Medicare. This begins three months before and ends three months after the month of your 65th birthday. If your birthday falls on the first of the month, this period shifts one month earlier, beginning four months before and ending two months after your birth month.

The "When to Take Action" page of this Road cap identifies your IEP. Your individual circumstances will are your plan

If you missed your IEP, contact a trusted Medic e advisor to review your options.

Click these links for more informa-



Medicar Part A and Part B Enrollment

in Part A, h spital insurance, and Part B, medical insurance. This will ensure that you have complete coverage.



Medicare Card

Watch the mail for your Medicare card. When it arrives, verify the information on your card. If the card has any inaccuracies, **contact** Social Security at (800) 772-1213 (TTY number (800) 325-0778).

IMPORTANT: Never let anyone else use vour Medicare card. Keep the card and your Medicare number as safr as you would a credit card.

If your Medicare card is ever lost or then, visit <u>www.socialsecurity.gov</u>, or call Social occurity to receive a replacement card.

Check these links for more in rmation.

- Protect yourself from Medicare . <u>dvww.medicare.gov/Pubs/pdf/10111-Protecting-Yourself-and-Medicare.pdf.</u>
- Getting a replacement Medicare card



HSA Funds

You will not have your current health insurance plan once you turn 65. If you have a *Health Savings Account (HSA)*, you will no longer make contributions.

You may use any funds in your account to pay most Medicare expenses, such as the premiums for Part B, Part D, and a Medicare Advantage plan, along with copayments, coin again, and deductibles. However, you cannot use SA funds to pay the premiums for a Medigap policy (Medicare supplement, sourance).

Check these links for more information.

- Health Savings Accounts
- HSA funds

• Qualified medical expenses <u>www.irs.gov/pub/irs-pdf/p502.pdf</u>.



Drug Plan Enrollment

Based on your answers to *i65* questions, you will need to select a Part D prescription drug plan. The plan should cover all your prescribed medications, be cost effective, and have a good quality rating. *Medicare.gov* has three resources that provide an introduction to Medicare drug plans.

- Your Guide to Medicare Prescription Dr E Coverage
- Medicare Drug Plans
- Comparing Drug Planter w.medic v..gov/Pubs/pdf/ 11163-Compare-Medicare-Prug-Coverage.pdf.

i65 put together a video program including handouts, featuring nationally recognized fedicare expert, Diane J. Omdahl, RN, MS, on using the Medicare Pan Rober. This program will help you learn how to use the Finder and find the light plan for your unique needs and budget. Acceptable program at

After learning about the basics, start the search for a drug plan by using the Medicare Plan Finder at

This tool can help narrow down the number of plans to consider.

Once you've round a drug plan that will cover all your medications and meets your crit, ria, contact a plan customer service representative to discrete the premium, coverage of your medications, costs, and any questions you have. Or, if you prefer, contact an agent who sells Medical, drug plans.

Part D Drug Plan Payment Stages

Medicare drug plans have out-of-pocket costs. How much one pays depends on the number and type of prescribed medications.

Regardless of how one gets drug coverage (a stand-alone plan or prescription drug coverage in a Medicare Advantage plan), a Part D prescription drug plan has four payment stages.

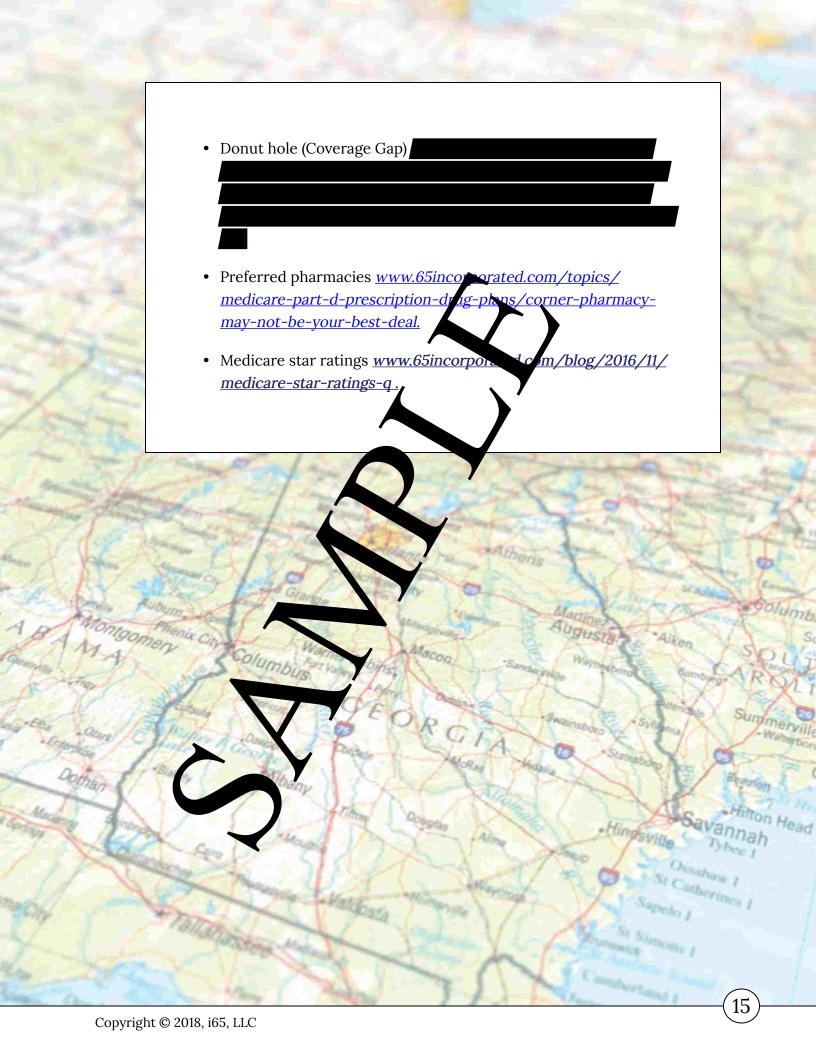
- 1. *Deductible:* This is the amount you could pay out-of-pocket before the plan starts paying. The standard deductible in 2018 is \$405. Plans can charge no deductible or any amount up to the maximum. Over two-thirds of drug pass have a deductible.
- 2. *Initial Coverage Stage:* In a standard drug plan, the beneficiary pays 25% of the cost of radications. Most plans choose to charge a copayment (a fixed amount of as \$7 or \$10) in this stage.

 Once total drug costs that the included and plan have paid) reach \$3,750, the bineficially passes into the Coverage Gap.
- 3. Coverage Gap: Also knowns the donut hole, the drug plan pays very little in the stage. The buteficiary is responsible for most or all of the costs. The same discounts on medications. In 2018, there is a 65% discount of generic medications. Once the beneficiary's total costs reach \$5,000, its auto the last payment stage.
- 4. *Catastrophic Cover ge*: Fewer than 5% of all those who have drug plants of this stage. Cost sharing is minimal. The individual pays the gleater of 5% or \$3.35 for some generic medications and \$8.25 for all other drugs.

Check these links for more information.

Medicat on tiers

• Part D deductible





Medigap Policy

You have chosen the path of Original Medicare, also called Traditional Medicare.

Medicare Part A, hospital insurance, and Part B, medical insurance, are the core components of coverage. However, there are significant out-of-pocket costs associated with Part A and Part B, such as a \$1,340 deductible for hospitalization and 20% coinsurance for doctors' visits in 2018. There is no limitate the costs for these two parts of Medicare. That is why it's important as select a Medigap policy. Also known as Medicare supplement insurance, a Medigap policy helps cover the costs Medicare does not cover.

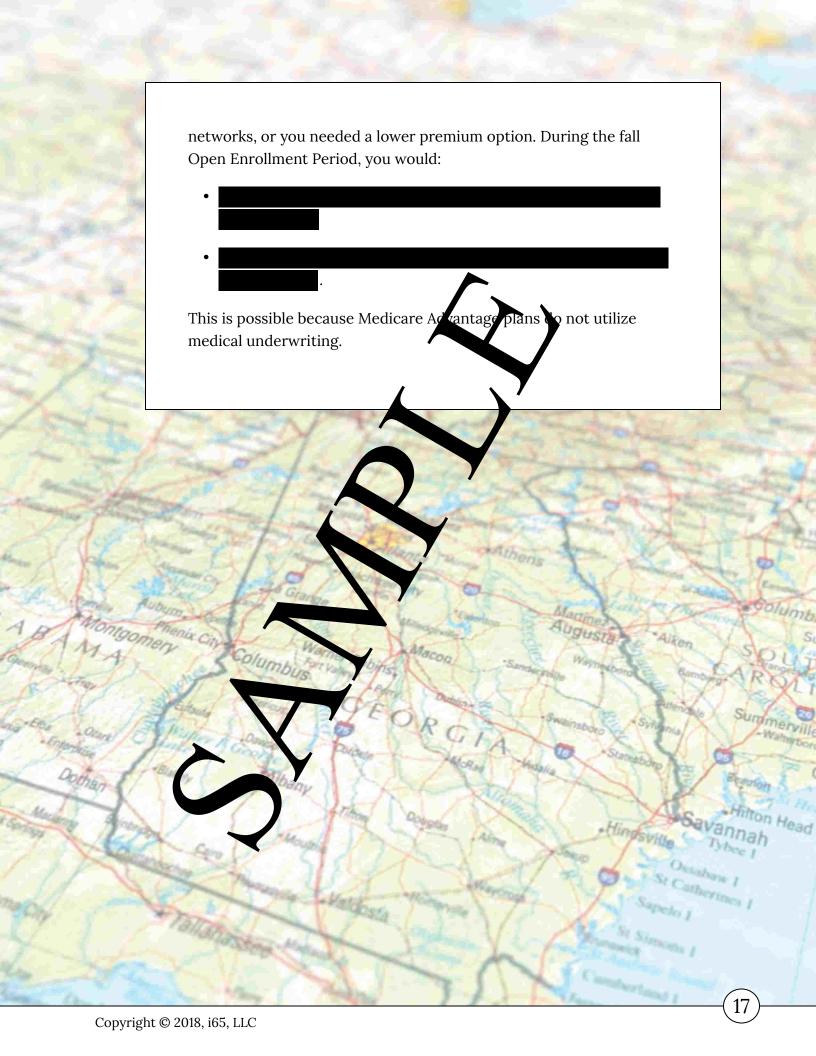
Policies are standardized. Any company selling Medicare supplement insurance must offer the same enefits. That means once you pick the package of benefits you need, cost will usually be the most significant difference between policies. Id by different companies.

Every Medigap policies as the continuous ederal laws designed to protect you. State laws also can have no impact on Medigap policies. For instance, Wisconsin, Michesot, and Massachusetts are standardized differently. Very such as Arizona, Florida, and Georgia, to name just a few, a surance companies cannot sell attained-age-rated policies.

To learn the late electing a Medigap policy in your state of residence, return to the <u>i65 home page</u> and download the <u>i65 "Purchasing" Medigap Policy: A Companion Guide"</u> for your state. This guide will the you understand how plans are structured, determine the ther you have a guaranteed issue right, choose the latest you heed, compare different policies, and more.

What It sings Change?

Perhaps, down the road, you decide you no longer want a Medigap policy? Perhaps, you would no longer travel, you would okay with





Open Enrollment

Pay attention to your drug costs and coverage throughout the year. Then, during Open Enrollment (October 15-December 7), two actions are very important.

- Review the changes in your Part D prescription drug plan for the upcoming year.
- Compare the plan's benefits an analysts with other drug plans that will be available.

If you are satisfied with the next year's version of your plan, do nothing; your current plan was renew automatically. If there is a better option, contact a customer a vice representative of that plan during the Open Enrollman riod. The new drug coverage will take effect January 1.

Studies have shown that, on a sage people who do not participate in Open Enrollment of spend on a gir coverage by \$368 per year.

There is no open enrol ment, and for Medigap policies (Medicare supplement insurance). Cenerally, the plan you select initially will be the one you have for me.

Check this link for mon information.

• Op '1 ----



Living with Original Medicare

There are some essential points to know about this Original Medicare.

Physicians and Healthcare Providers

Original Medicare does not have networks of physicians. Instead, it has physicians and healthcare providers who accept assignment. These doctors and other providers, a luding hospitals, outpatient clinics, therapists, and more, have agreed. Medicare's terms of service. They will accept Medicare's allowed can ges as payment-infull for all of their Medicare patients. They cannot bill a beneficiary in excess of Medicare's allowed as syment or coinsurance. While these providers must accept assignment and Medicare claims, they do not have to accept every Merican meneficiary as a patient.

Medicare has a national cobyse, Physician Compare, to find physicians and other healthca. Providers who accept assignment. Find that database a www.medica/e.gov/physiciancompare/search.html.

Besides doctors who accept assignment, there are two other categories of physicians.

- They may elect to be non-participating.
 - Medicare allowance. Some Medigap policies offer an optional benefit to cover this amount, known as Part B excess charges.
 - They may opt out of Medicare entirely. These physicians have not entired in Medicare and must establish contracts with their patients to bill them directly. Neither the physician nor the beneficiary can bill Medicare or receive any payment from Medicare.

Check these links for more information.

Original Medicare

Opted-out physicians

Preventive Services

Medicare covers many preventive services that help detect health problems early and preventices and diseases. These services include flu and pneumonia vaccinations, many params, colonoscopies, glaucoma and PSA screenings, or name arew, along with health monitoring, counseling and education. Many of these preventive services are free.

Check these links fo. h. sinformation.

- Preventive services <u>www.nedicare.gov/Pubs/pdf/10110.pdf</u>.
- "Welcome a Medicare and annual wellness visits www.medicare.g w/overage/preventive-visit-and-yearlywellness-exams.html.

Vision, Dental, and Fearing Services

Medicare's coverage of these services is very limited.

- Proceeding Medicare does not cover routine dental services, which includes the regular appointments for cleaning and exams, along with dentures, fillings, braces, and the like. Stand-alone dental plans are available.
- Vision: Medicare will cover some vision-related services for medical conditions, such as glaucoma, cataracts, and diabetic

retinopathy. Medicare will not cover routine services, including annual exams, glasses, or contact lenses.

• Hearing: Medicare doesn't cover hearing exams, hearing aids, or exams for fitting hearing aids.

Check these links for more information.

- · Dental services
- Vision services
- Hearing services

Medicare and Long-te-Care

When the aging process begins to ke effect, a person may need long-term care, abb to ad LTC. This is a range of services and support to meet health or personal care needs over an extended period of time. Most of this care involves assistance with personal tasks, such as rauning, using, eating, getting in and out of bed or chair, moving around, and using the bathroom. A person can receive this care in a home, an a sisted living facility, a group home, or a nursin.

There are two common beliefs about long-term care.

- . Medicare fill cover long-term care.
- this care. However, Medicare considers this to be custodial, not medical, care and does not cover it. For example, if someday, you need help with bathing or meals, you may hire a personal care worker. Medicare doesn't pay for this. Of, if you move into a

facility because you can no longer live safely in your home, Medicare won't cover that.

2. I will never need long-term care.

Recent studies have reported that 50-year old has a 53-59% chance of entering a nursing home and over 70% of the population will need long-term care at some time. The longer we live, the more likely it is that we will need this help.

Long-term care can be costly. Experts with ate one may need at least \$250,000 to cover the costs over a lifetime. See costs will fall to the individual. Talk with your financial advisor about your plan to meet long-term care needs.

Check these links for more informat.

• Long-term care <u>www.med_care.gov/coverage/long-term-care.html</u> and <u>www.m. ware.gov/what-medicare-covers/part-a/other-long-erm-care-a-iors.html</u>.

Medigap Policy and Dug R Premiums

The insurance companies sponsoring the Medigap policy and Part D prescription of goplans will send invoices for the monthly premiums. Contact the plans if you wish to arrange auto-payment. It's also possible to have Social Security benefits pay the drug plan premiums. Contact the plans if presentative to arrange this.

Know that Is ou don't pay the premiums in a timely fashion, the invarance companies can cancel your policies. You would have to wait until the Open Inrollment Period to re-enroll in a drug plan. You may also save to say the overdue premiums. If late with the Medigap premiums, the sponsoring company may refuse to issue another policy.



Part A and Part B Premiums

Part A, hospital insurance, is premium-free for those who have worked and paid Medicare taxes for 10 years (40 quarters), or whose spouse has paid taxes. Those who do not have enough quarters can purchase Part A.

The standard Part B monthly premium in 2018 is \$134. For those enrolled in Social Security, the premium amount will come out of the monthly benefit payment.

Those not receiving Social Security benefits w. Let an invoice in the mail. There two ways to pay the Part B premium.

- Set up an Easy Pay account.
- Send in a check or credit card information with the statement.

As with any other codes of failing to pay the premium will lead to cancelation. If that happens, a beneficiary must wait until the General Enrollment Period (January 1-March 31) to reenroll in Part B. Coverage work the enecess until July 1 and a late enrollment penalty can apply.

Check those links for more information.

- Mediture costs <u>www.medicare.gov/your-medicare-costs/costs-at-a-glance/costs-at-glance.html</u>.
- Parameteriums <u>www.65incorporated.com/medicare-premium.</u>



IRMAA

Higher income beneficiaries are subject to IRMAA (Income-related Monthly Adjustment Amount). These beneficiaries will pay more in premiums for Part B, medical insurance, and Part D, prescription drug coverage.

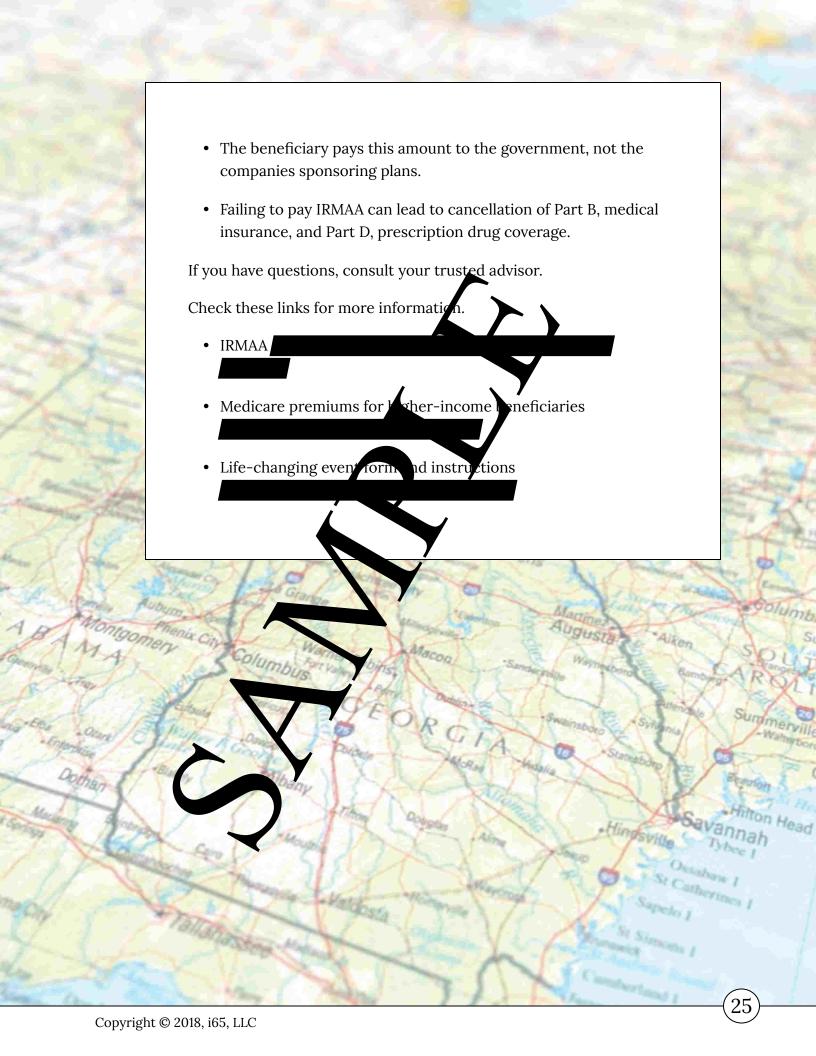
Social Security uses two items from your income tax statement two years prior to the current year to identify higher-income beneficiaries. For example, for those coulding in Medicare in 2019, Social Security would use the 2017 return. The two items are tax-exempt interest income (line 8B) and adjusted gloss income (line 37). If these two total \$170,000 for an individual rying jointly or \$85,000 for a single filer, Social Security when and a letter stating you need to pay higher premiums. Use the IPMAA can be to real app. i65.com/IRMAA to determine whether you are susect to IRMAA, and, if so, how much extra you may have to

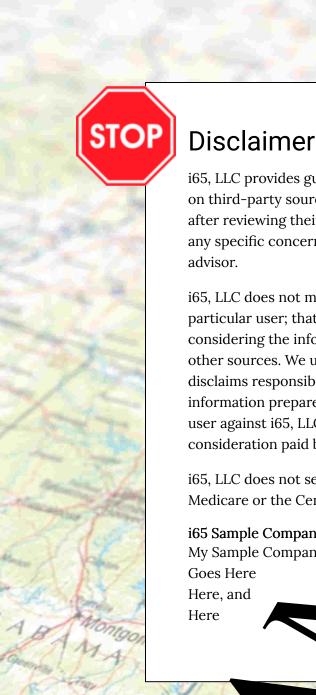
Circumstances may shange, lead to a drop in income. Social Security recognizes teach events to be life changing. These include work stoppage or reduction, triage, divorce, death of a spouse, loss of income-producing preparty or pension income, and employer settlement payment. It is of these events caused a drop in income, the individual can submit a life-changing event notice to ask Social Security to base premiums on the expected income for this year.

Every fall Societies of the will look back two years to determine the premiums for the next calendar year. Important: Know that significant francial transactions, such as converting an IRA to a Roth, withdrawing IRA funds, or selling property, can change your financial state and a bject you to IRMAA for one year.

Here are three more important points about IRMAA.

• The Centers for Medicare and Medicaid Services sends an invoice for the amount due.





i65, LLC provides guidance and information to our users, based primarily on third-party sources, so that our users can make informed decisions after reviewing their options. Clients should investigate plans and address any specific concerns about premiums, costs, and coverage with a trusted

i65, LLC does not make decisions or choices as to which option is best for a particular user; that is the obligation of each client, after carefully this docy ment and from considering the information contained w. other sources. We urge our users to study all to ns carefully, i65, LLC disclaims responsibility for any option chosen by a ser, and for the information prepared by third party sources. In the event of any claim by a 165, LLC shall be limited to the user against i65, LLC, the liability consideration paid by such client to ibs

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