

Human Resources Guide



Medicare Quick Reference Guide

2023 Edition

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How Medicare works with other coverage:

Excerpt from the Medicare & You publication

How does my other insurance work with Medicare?

When you have other insurance and Medicare, there are rules for whether Medicare or your other insurance pays first.

If you have retiree insurance (insurance from your or your spouse's former employment)...	Medicare pays first.
If you're 65 or older, have group health plan coverage based on your or your spouse's current employment, and the employer has 20 or more employees ...	Your group health plan pays first.
If you're 65 or older, have group health plan coverage based on your or your spouse's current employment, and the employer has fewer than 20 employees ...	Medicare pays first.
If you're under 65 and have a disability, have group health plan coverage based on your or a family member's current employment, and the employer has 100 or more employees ...	Your group health plan pays first.
If you're under 65 and have a disability, have group health plan coverage based on your or a family member's current employment, and the employer has fewer than 100 employees ...	Medicare pays first.
If you have Medicare because of End-Stage Renal Disease (ESRD)...	Your group health plan will pay first for the first 30 months after you become eligible to enroll in Medicare. Medicare will pay first after this 30-month period.
If you have Medicaid...	Medicare pays first.



DELAYING MEDICARE

GROUPS GREATER THAN 20 EMPLOYEES

If an employee is actively employed and covered by a creditable group / employer coverage with greater than 20 employees, they may be able to delay their Medicare Part B coverage. Their Part A coverage will continue at \$0 per month provided they have worked 40 quarters (10 years) or can draw off benefits from someone who has.

GROUPS WITH LESS THAN 20 EMPLOYEES

If an employee is actively employed by group / employer coverage with fewer than 20 employees, they may be penalized by not enrolling into their Medicare Part B coverage during their Initial Enrollment Period (IEP).

Medicare Penalties

Delaying Medicare Part B coverage without current active employment creditable coverage will result in a 10% annual penalty for each year they were eligible. They may enroll in Medicare Part B from January 1st through March 31st each year. (Starting January 1, 2023, your coverage will start the month after you sign up.) If you are assigned the penalty, it stays for life.

Delaying Medicare Part D (prescription drug coverage) either through a stand alone plan or a Medicare Advantage (Part C) plan will result in a 1% per month penalty based on the average national premium of a Medicare Part D plan. They can enroll into a plan during Medicare's Annual Election Period (AEP) occurring October 15th through December 7th for a January 1st effective date. This penalty also stays for life.

AFTER GROUP COVERAGE

Leaving Active Employment

When an employee is leaving active employment and will no longer be participating in the group health coverage, they will have to show proof of credible coverage to the Social Security office.

[CMS FORM L564](#)

Medicare Initial Election Period (IEP):

Aging into Medicare

3 months before, the month of, and 3 months after their 65th birth month. If their birthday is the first of the month, their Medicare will begin the month prior to their 65th birth month.

COBRA

Medicare does not consider COBRA credible coverage. If a past employee or spouse is covered by COBRA and is aging into Medicare and choose to not enroll in their Medicare Part B during their IEP, they will be penalized.

COBRA coverage will end once an individual enrolls into Medicare, but in some circumstances, individuals may be able to keep certain benefits through COBRA that Medicare does not cover, such as dental care.

MEDICARE ENROLLMENT OPTIONS

Medicare Plan Enrollment off Group Coverage

Obtaining Medicare Part B:

Medicare Supplement:

Medicare beneficiaries can enroll into a Medicare Supplement plan guaranteed issue within 6 months of their Part B start date.

Medicare Part C and/or D:

May enroll into any Medicare Part C and/or D plan within 2 months from the end of their group / employer credible coverage.

Already have Medicare Part B:

(post 6 months of the start date)

Medicare Supplement:

Medicare beneficiaries can enroll in select Medicare Supplement guaranteed issue within 63 days of the latest of these 3 dates:

- Date the group coverage ends
- Date on the notice you get telling you coverage is ending (if applicable)
- Date on a claim denial, if this is the only way you know that your coverage ended

Medicare Part C and/or D:

May enroll into any Medicare Part C and/or D plan within 2 months from the end of their group / employer credible coverage.

MEDICARE ENROLLMENT OPTIONS

When you first enroll in Medicare and during certain times of the year, you can choose how you get your Medicare coverage. There are 2 main ways to get Medicare:

Original Medicare

- Original Medicare includes Medicare Part A (Hospital Insurance) and Part B (Medical Insurance).
- If you want drug coverage, you can join a separate Medicare drug plan (Part D).
- To help pay your out-of-pocket costs in Original Medicare (like your 20% **coinsurance**), you can also shop for and buy supplemental coverage.
- Can use any doctor or hospital that takes Medicare, anywhere in the U.S.

Part A



Part B



You can add:

Part D



You can also add:

Supplemental coverage



This includes Medicare Supplement Insurance (Medigap). Or, you can use coverage from a former employer or union, or Medicaid.

Medicare Advantage (also known as Part C)

- Medicare Advantage is an “all in one” alternative to Original Medicare. These “bundled” plans include Part A, Part B, and usually Part D.
- Plans may have lower out-of-pocket costs than Original Medicare.
- In many cases, you’ll need to use doctors who are in the plan’s network.
- Most plans offer extra benefits that Original Medicare doesn’t cover—like vision, hearing, dental, and more.

Part A



Part B



Most plans include:

Part D



Extra benefits

Some plans also include:

Lower out-of-pocket costs

MEDICARE PREMIUMS

Most people will not have a Medicare Part A monthly premium provided they have worked 40+ quarters (10 years) or can draw benefits off someone who has. If they do not qualify, they may have a monthly premium up to \$506.00.

Medicare Part B has a monthly premium of \$164.90 (2023). This will automatically be deducted from a beneficiary's Social Security check. If the beneficiary is not receiving a Social Security check, they will be billed quarterly for the premium. If the beneficiary is a higher income earner, their Part B premium will be adjusted according to the chart below.

If your yearly income in 2021 was			
File individual tax return	File joint tax return	File married & separate tax return	You pay (in 2023)
\$97,000 or less	\$194,000 or less	\$97,000 or less	\$164.90
above \$97,000 up to \$123,000	above \$194,000 up to \$246,000	not applicable	\$230.80
above \$123,000 up to \$153,000	above \$246,000 up to \$306,000	not applicable	\$329.70
above \$153,000 up to \$183,000	above \$306,000 up to \$366,000	not applicable	\$428.60
above \$183,000 and less than \$500,000	above \$366,000 and less than \$750,000	above \$97,000 and less than \$403,000	\$527.50
\$500,000 or above	\$750,000 or above	\$403,000 or above	\$560.50

MEDICARE PART D

Most Medicare beneficiaries will pay the Medicare Part D plan premium. Those with higher modified adjusted gross incomes for 2021 will pay the following:

If your yearly income in 2021 was			
File individual tax return	File joint tax return	File married & separate tax return	You pay (in 2023)
\$97,000 or less	\$194,000 or less	\$97,000 or less	Your plan premium
above \$97,000 up to \$123,000	above \$194,000 up to \$246,000	not applicable	\$12.20 + your plan premium
above \$123,000 up to \$153,000	above \$246,000 up to \$306,000	not applicable	\$31.50 + your plan premium
above \$153,000 up to \$183,000	above \$306,000 up to \$366,000	not applicable	\$50.70 + your plan premium
above \$183,000 and less than \$500,000	above \$366,000 and less than \$750,000	above \$97,000 and less than \$403,000	\$70.00 + your plan premium
\$500,000 or above	\$750,000 or above	\$403,000 or above	\$76.40 + your plan premium

2023 Part D National Base Beneficiary Premium - \$32.74

This is the amount used to calculate the Medicare Part D late enrollment penalty. If an individual is eligible for Medicare Part D without creditable coverage and does not enroll, they will be subject to a premium penalty when they do choose a plan.



RESOURCES

QUESTIONS? NEED HELP WITH GROUP TO
MEDICARE TRANSITIONS? CALL US FOR A
PERSONALIZED APPOINTMENT.

ADDITIONAL RESOURCES

Medicare Publication: Who Pays First

<https://www.medicare.gov/sites/default/files/2021-10/02179-Medicare-and-other-health-benefits-your-guide-to-who-pays-first.pdf>

Medicare

[Medicare.gov](https://www.medicare.gov)

(800) 633-4227

Social Security

[Ssa.gov](https://www.ssa.gov)

(800) 772-1213

U.S. Department of Veterans Affairs

<https://www.benefits.va.gov/benefits/>