



# MEDICARE QUICK REFERENCE GUIDE

## 2024 EDITION

*LICENSED SALES AGENTS*

# HOW MEDICARE WORKS WITH OTHER COVERAGE

As seen in *Medicare & You 2023*

## HOW DOES MY OTHER INSURANCE WORK WITH MEDICARE?

|  |   |
|--|---|
| If you have <b>retiree</b> health coverage (like 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 <b>current</b> employment, and the employer has <b>20 or more employees</b> ...                            | Your group health plan pays first.  |
| If you're 65 or older, have group health plan coverage based on your or your spouse's <b>current</b> employment, and the employer has <b>fewer than 20 employees</b> ...                         | 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 <b>current</b> employment, and the employer has <b>100 or more employees</b> ...    | 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 <b>current</b> employment, and the employer has <b>fewer than 100 employees</b> ... | Medicare pays first.  |
| If you have a group health plan coverage based on your or a family member's employment or former employment, and you're eligible for Medicare because of End-Stage Renal Disease (ESRD)...       | Your group health plan pays first for the first 30 months after you become eligible for Medicare. Medicare pays first after this 30-month period. |
| If you have TRICARE...   | Medicare pays first, unless you're on active duty, or get items or services from a military hospital or clinic, or other federal health provider. |
| If you have Medicaid...  | Medicare pays first.  |



# DELAYING MEDICARE

## GROUPS GREATER THAN 20 EMPLOYEES...

If an employee is actively employed and covered by employer coverage or a creditable group, they may be able to delay their Medicare Part B coverage. Their Part A coverage will continue at \$0 per month, provided that 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 employer or group coverage, they may be penalized for not enrolling into their Medicare Part B coverage during their Initial Enrollment Period (IEP).

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## 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 1 through March 31**. This becomes effective the following month after enrollment. This penalty stays with the client for life.
- **Delaying Medicare Part D (prescription drug coverage)**, either through 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 15 through December 7** for a **January 1 effective date**.



# AFTER GROUP COVERAGE

## LEAVING ACTIVE EMPLOYMENT

When an employee leaves active employment and will no longer be able to participate in the group health coverage offered by that employer, they will need to show proof of credible coverage to the social security office using this form: [CMS - L564](#).

## MEDICARE INITIAL ELECTION PERIOD (IEP)

### AGING INTO MEDICARE

The IEP timeframe for a Medicare eligible person who is aging into Medicare is a 7-month window, beginning 3 months before their birth month (on the year they turn 65) and ending 3 months after that birth month.

For example — If Bob turns 65 on June 18th, his 7-month IEP window will be from March to September of that year.

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## COBRA

- **Medicare does not consider COBRA credible coverage.** If a past employee or spouse is covered by COBRA, is turning 65, or just turned 65 and chose not to enroll in Medicare Part B during their IEP, they will be penalized.
- **COBRA coverage will end once an individual enrolls into Medicare.** In some circumstances, individuals may be able to keep certain benefits through COBRA that Medicare does not cover (i.e. 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 PART D**

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

### ALREADY HAVE MEDICARE PART B...

(AFTER 6 MONTHS FROM 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 received stating your coverage is ending (if applicable)
- Date on claim denial

#### **MEDICARE PART C AND/OR PART D**

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

# YOUR MEDICARE OPTIONS

As seen in *Medicare & You 2023*

When you first sign up for 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).
- You can join a separate Medicare drug plan to get Medicare drug coverage (Part D).
- You can use any doctor or hospital that takes Medicare, anywhere in the U.S.
- To help pay your out-of-pocket costs in Original Medicare (like your 20% **coinsurance**), you can also shop for and buy supplemental coverage.

**PART A**

**PART B**



You can add:

**PART D**



You can also add:

**SUPPLEMENTAL COVERAGE**



This includes Medicare Supplement Insurance (**Medigap**). See section 5 of the *Medicare & You 2023* handbook (starting on page 75) to learn more about Medigap. Or, you can use coverage from a former employer or union, or **Medicaid**.

See Section 3 of the *Medicare & You 2023* handbook (starting on page 57) to learn more about Original Medicare.

## MEDICARE ADVANTAGE

- Medicare Advantage is a Medicare-approved plan from a private company that offers an alternative to Original Medicare for your health and drug coverage. These “bundled” plans include Part A, Part B, and usually Part D.
- In most cases, you can only use doctors who are in the plan’s network.
- In many cases, you may need to get approval from your plan before it covers certain drugs or services.
- Plans may have lower out-of-pocket costs than Original Medicare.
- Plans may offer some extra benefits that Original Medicare doesn’t cover — like vision, hearing, and dental services.

**PART A**

**PART B**



Most plans include:

**PART D**

**SOME EXTRA BENEFITS**



Some plans also include:

**LOWER OUT-OF-POCKET COSTS**

See Section 4 of the *Medicare & You 2023* handbook (starting on page 61) to learn more about Medicare Advantage.

# MEDICARE PREMIUMS

Most people will not have a Medicare Part A monthly premium provided that they have worked 40+ quarters (over 10 years) or draw benefits off of someone who has. If they do not qualify, they may have a monthly premium up to \$505.

Medicare Part B has a monthly premium of up to \$174.70. 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 2022 WAS...      |   |   |                   |
|---|---|---|-------------------|
| File individual tax return                | File joint tax return                     | File married & separate tax return      | You pay (in 2024) |
| \$103,000 or less                         | \$206,000 or less                         | \$103,000 or less                       | \$174.70          |
| Above \$103,000 (up to \$129,000)         | Above \$206,000 (up to \$258,000)         | Not applicable                          | \$244.60          |
| Above \$129,000 (up to \$161,000)         | Above \$258,000 (up to \$322,000)         | Not applicable                          | \$349.40          |
| Above \$161,000 (up to \$193,000)         | Above \$322,000 (up to \$386,000)         | Not applicable                          | \$454.20          |
| Above \$193,000 (and less than \$500,000) | Above \$386,000 (and less than \$750,000) | Above \$103,000 and less than \$397,000 | \$559.00          |
| \$500,000 or above                        | \$750,000 or above                        | \$397,000 or above                      | \$594.00          |

# MEDICARE PART D

Most Medicare beneficiaries will pay the Medicare Part D plan premium. Those with higher modified gross incomes for 2022 will pay the following:

| <b>IF YOUR YEARLY INCOME IN 2022 WAS...</b> |   |   |                             |
|---|---|---|-----------------------------|
| <b>File individual tax return</b>           | <b>File joint tax return</b>              | <b>File married &amp; separate tax return</b> | <b>You pay (in 2024)</b>    |
| \$103,000 or less                           | \$206,000 or less                         | \$103,000 or less                             | Your plan premium           |
| Above \$103,000 (up to \$129,000)           | Above \$206,000 (up to \$258,000)         | Not applicable                                | \$12.90 + your plan premium |
| Above \$129,000 (up to \$161,000)           | Above \$258,000 (up to \$322,000)         | Not applicable                                | \$33.30 + your plan premium |
| Above \$161,000 (up to \$193,000)           | Above \$322,000 (up to \$386,000)         | Not applicable                                | \$53.80 + your plan premium |
| Above \$193,000 (and less than \$500,000)   | Above \$386,000 (and less than \$750,000) | Above \$103,000 and less than \$397,000       | \$74.20 + your plan premium |
| \$500,000 or above                          | \$750,000 or above                        | \$397,000 or above                            | \$81.00 + your plan premium |

## **2024 PART D NATIONAL BASE BENEFICIARY PREMIUM —\$34.70**

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



# RESOURCES

**QUESTIONS?** CONTACT US FOR A  
SPECIALIZED APPOINTMENT TODAY!

LICENSED SALES AGENTS

(217)599-1202 | [sherri@americancentralins.com](mailto:sherri@americancentralins.com)  
(217)698-9000 | [michelle@americancentralins.com](mailto:michelle@americancentralins.com)

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## OTHER HELPFUL 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

<https://www.medicare.gov/>  
(800) 633-4227

### The United States Social Security

<https://www.ssa.gov/>

### The U.S. Department of Veteran Affairs — the Veterans Benefits Administration

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