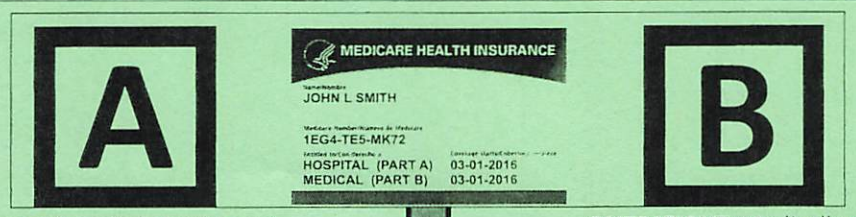
HICAP

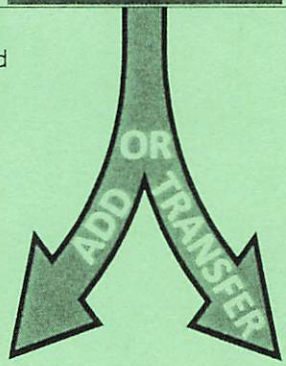
COUNTY of VENTURA
Human Services Agency
Area Agency on Aging

Parts and Paths of Medicare — 2025



INPATIENT: Medically necessary hospital, equipment, mental health, skilled nursing (SNF), home health, and hospice

- Premium = $0 (if worked 40+ quarters)
- Deductible = $1,676/stay of care
- Copay (days 1-60) = $0
- Copay (days 61-90) = $419/day
- Copay (days 91+) = $838/day
- First 3 pints of blood (Bank or ~$900)
- SNF copay (days 21-100) = $210/day



OUTPATIENT: Medically necessary doctor visits, preventive exams, labs, mental health, x-ray, ambulance, and durable medical equipment.

- Premium = $185/month
- Deductible = $257/year
- Copay = 20% Medicare approved rate
- Excess = <15% only if MD does not accept *"Medicare Assignment"*

Penalties if you do not enroll on time

Higher premiums *for income >$106,000 single or $212,000 couple (MAGI on 2023 income tax)*

PRESCRIPTION DRUG PLAN (PDP): Plan to provide prescription medication to Medicare beneficiaries.

- Choose from many non-standardized plans.
- Plans change formulary, premiums, deductible, copays, and restrictions every year.
- PENALTIES unless you have "creditable coverage" from another source like employer health plan or the VA or a Part C plan that includes drug coverage.

D

C

MEDICARE ADVANTAGE (MA) PLAN: Private insurance companies contract with Medicare to provide all your Medicare benefits. NOT a Medicare Supplement.

- Low premiums; copays/co-insurance when you use services.
- Most include prescription drug coverage (with copays).
- Limits to out of pocket costs (not including prescription costs).
- HMO must use plan's network doctors/hospitals.
- PPO network with out-of-network covered, but higher cost.
- Referral required before seeing specialists (except PPO).
- Prior Authorization by plan for some treatments.
- One year contract — Plans can change doctors, hospitals, copays, deductibles, premiums and other benefits each year.
- Switch to another MA plan 10/15-12/7 & ONE TIME January-March or a 5-star plan ONCE during the year.
- Includes additional non-Medicare benefits (varies by plan).
- Special Needs Plans for Medi-Medi and Chronic Diseases.

\+ MediGap

MEDIGAP (MEDICARE SUPPLEMENT): Optional coverage sold by insurance companies that help pay some or all of the deductibles, copays and other charges that Medicare Parts A & B do NOT pay.

- 10 STANDARDIZED plans/policies with varying coverage.
- Go to any MD, specialist or hospital who accepts Medicare.
- "Guaranteed Right" in IEP and a few other guaranteed issue periods (i.e. SEP) means they cannot refuse to cover you if you have health problems. *Underwriting (health questions)* can occur later; they can refuse to cover you, charge you more, or make you wait for coverage.

For more information, see HICAP Comparison Chart, How to Shop, and HICAP Part C/Medicare Advantage handout.

A B D Medi Gap

A B C

Ventura County Area Agency on Aging • Health Insurance Counseling & Advocacy Program (HICAP)
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SMP California Department of AGING SHIP

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2025 — Medicare Parts

Part A
Hospital Insurance

Deductible: $1,676/stay of care
Coverage for hospital, skilled nursing, some home health & hospice.

Part B
Outpatient Medical Insurance

Monthly premium: $185
Deductible: $257/year
Cost-Sharing: 80% Medicare, 20% You
Doctors, ambulance, labs, x-rays, medical equipment and supplies.

TRANSFER

Part C
Medicare Advantage

HMO plans contract with Medicare; must have Medicare A&B; most include Medicare Part D prescription drug coverage. All have annual Maximum Out-of-Pocket (MOOP) limits. Some have **Premiums** and **Deductibles**. All have **Copays**. Must use contracted hospitals, doctors, and specialists. Expect pre-approval/referral for specialist, hospital, or certain treatments. Can appeal decisions against you.

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Part D
Prescription Drugs

Premiums, Deductibles and Copays:
Must have Medicare A **OR** B. Penalty if no creditable coverage since Part B effective date.

\+ *Optional*

Medigap
Private Supplemental Insurance

Standardized private insurance policies that pay some or all of your Part A deductible, copays and coinsurance.

OR

Medi-Cal
California's Medicaid Program

Public insurance program that provides health care services for certain individuals with limited income and assets including older adults and people with disabilities.

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Turning 65? Retiring?

You have several important decisions to make BEFORE you turn 65 or retire ...

SHOULD YOU ...

- Enroll in Medicare Part A and/or Part B?
- Join a Medicare Prescription Drug Plan?
- Buy a Medigap policy?
- Enroll in a Medicare Advantage Plan? OR
- Keep employee or retiree coverage? OR
- Apply for COBRA benefits instead of Medicare? Watch Out!

By understanding your choices, you can avoid pitfalls, penalties, and paying too much to get the health coverage that meets your needs.

TURNING 65? If you are collecting Social Security before turning 65, you will be automatically enrolled in Medicare A&B at 65. You are eligible to enroll in Part A, usually with $0 premium, if you worked 40 quarters. **If you work for an employer with less than 20 employees, you need Medicare at age 65 <u>even if working</u>.** Medicare is primary. If you are under spouse health insurance or you work beyond age 65 with health coverage and want to **decline or postpone** Part B benefits, contact Social Security.

Watch Out! Understand how your employee coverage works with Medicare. The expert on your employee coverage is your Employer Benefits Coordinator.

ATTENTION RETIREES — What happens with your health coverage when you retire? Your first step is to make an appointment, months in advance of your planned retirement date, with the Benefits Coordinator at your company (usually part of Human Resources). Learn about your options. Understand special rules regarding COBRA and Medicare. Know your coverage and your cost. Ask questions.

You have a Special Enrollment Period to enroll in Medicare Part A, B & D (or A, B & C, if you want a Medicare Advantage plan) if you are 65+ when you retire. It only lasts **63 days** after your employment or your retiree coverage stops. You have **six months** after enrolling in Part B to enroll in a Medigap without underwriting. However, you will want to coordinate your enrollment to coincide with your retirement/loss of coverage date, so there are no gaps in coverage.

Watch Out! No matter how you receive retiree health benefits, at age 65, you should enroll in Medicare Part A and *probably* Part B. Some exceptions to needing Part B enrollment are Retired Civil Service plans and perhaps a very small number of Union or Employee/Retiree Group Health Plans. **NOTE:** You cannot contribute to a Health Savings Account (HSA) up to six months before receiving Medicare Part A.

Be sure to include Medicare in your retirement planning.

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Pre-Retirement Checklist

- ☐ Make an appointment with your Benefits Coordinator several months before your planned retirement date.
- ☐ How may additional family coverage be affected? Can you continue vision and dental?
- ☐ Learn what your retiree coverage choices are, the benefits, and how much it will cost you out of pocket, so you can accurately compare it with Medicare options.
- ☐ Think about what you like and dislike about your current health insurance.
- ☐ If you consider COBRA coverage, learn about the COBRA election period, your Part B enrollment period, Part B Late Penalties and your Medigap Open Enrollment Period. *COBRA US Dept Labor 626-229-1000*
- ☐ Make an appointment with HICAP well in advance to learn about Medicare and review your options.

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ask Questions for Your Benefits Coordinator

- ★ **How many employees does your company have?** *Medicare works differently depending on the number of workers a company has. In companies with less than 20 employees, Medicare is Primary, even for **active workers 65+**. For most **Retirees 65+**, Medicare is Primary and your company insurance is Secondary (unless your company provides an exception).*
- **How does your employer/retiree coverage work with Medicare? What does it cost?**
- **How are prescription drugs covered?** *Often employer coverage can be better than Medicare Part D.*
- **Does your employer provide coverage for retirees?** *Retiree coverage may be the same or different from employee coverage. Employers are not required to provide coverage for retirees. Companies can change benefits or premiums and even cancel coverage. Retiree coverage without Medicare Part B can result in a late enrollment penalty that lasts a lifetime should you decide to leave that coverage a year or more after retirement. Retiree coverage could refuse to pay for medical services if you are over 65 and do not have Medicare. Does your retiree coverage include other family members? Does it coordinate with Medicare?*
- **If you drop your retiree employer coverage, can you get it back?** *Most won't let you back in if you drop.*
- **If you are 65+, complete form CMS-L564 for HR** showing "continuous employee health insurance coverage from _____ to _____." *You can only be without coverage for 63 days or may face a late penalty.*
- **If 65+, and you have Part A, complete Form CMS-40B "Application for Part B" or enroll online.** Often letters are sent by employers every September stating you have Creditable Coverage. **KEEP THEM.** You may need this if Medicare thinks you should pay a late enrollment penalty.

  • **Know Medicare deadlines** so that you avoid gaps and delayed coverage or lifetime late enrollment penalties. You have eight months after work or insurance stops — WHICHEVER IS FIRST — to enroll in "B".

  • CAUTION: Enrolling in Part D could result in losing your retiree health benefits OR affect employer coverage. **For more information on who pays first:**

  https://www.medicare.gov/supplements-other-insurance/how-medicare-works-with-other-insurance

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SMP Senior Medicare Patrol — Preventing Medicare Fraud
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