

MEDICARE

What you need to know | Navigating your options | Where you can get help

Original Medicare, Parts A & B

Medicare was signed into law in 1965. It's provided by the federal government and pays fees for your care directly to the doctors and hospitals you visit. Part A helps with hospital costs and Part B helps with doctor and outpatient care.

Medicare Part A: Hospital Coverage

Part A helps with the cost of inpatient hospital stays and skilled nursing care after a hospital stay. Medicare Part A premium is free, as long as you have worked at least 10 years in the U.S. Although the monthly premium is free, the deductibles and copays are not.

Medicare Part B: Doctor Visits

Part B covers doctor visits, including outpatient care and treatment at hospitals and clinics, lab tests and some skilled nursing care. There is a monthly premium for Part B which is usually \$164.90 per month, but if you're single and making more than \$97,000 per year, or married and filing jointly making over \$194,000, you will pay a higher monthly premium. Part B pays 80% of your doctor's fees and you are responsible for the remaining 20%.

Medicare Part D: Prescription Drugs

Part D helps with the cost of prescription drugs. Part D plans are sold by private insurance companies and range in price.

Note: You may read that Part D is optional, and many people do not take prescription medications or very few, so they decide not to enroll. The problem is, if you don't sign up when you first become eligible, you will be



Medicare Basics

Heading into retirement brings a slew of new topics to grapple with, and one of the most confusing may be Medicare. Figuring out when to enroll in Medicare and which parts to enroll in can be daunting even for the savviest people. To help you wade into the waters of this federal health insurance program for retirement-age Americans, Versant Capital Management is here to help explain the things you should know and where to find resources.

Resources

Here are some resources to help you understand your Medicare plan and the benefits that come with it.

[Medicare.gov](https://www.medicare.gov) - Medicare's official website.

[MyMedicare.gov](https://www.mymedicare.gov) - Access to personalized information about your Medicare benefits and services.

[State Health Insurance Assistance Programs \(SHIP\)](#) - Provides free insurance counseling and service to people with Medicare and their families.

[Danielle Tantone, Medicare Specialist](#) - Danielle can walk you through Medicare plans and the best possible options for you.

[Versant Capital Management](#) - Financial planning professionals who can help you navigate Medicare's impact on your retirement and long-term financial plans.

assessed a penalty that will stay with you for life. For example, you turn 65 and don't take medications, so you don't enroll in Part D. When you turn 70, you need to take an expensive medication and want to then enroll into Part D. You will receive a letter from Medicare noting the late enrollment penalty. In this example, your penalty would be roughly \$25 per month, for life.

Medicare Advantage Plans: Part C

These plans are run by private insurance companies. The plans combine coverage for certain hospital costs, doctor visits and most include Part D coverage at no additional cost. You choose a primary doctor and have access to specialists and hospitals within the group. Many plans offer additional benefits not offered by Original Medicare, such as dental, hearing and gym memberships. Although you continue to pay your Part B premium, many Advantage plans offer low or even \$0 monthly premiums. These plans also offer an annual out-of-pocket limit to protect you financially. Each year you have a chance to change your coverage during the Annual Enrollment Period (AEP) which starts October 15th and runs through December 7th.

Medicare Supplement Plans

Supplement plans (also called Medigap plans) help cover some or all the costs that Medicare Parts A and B don't cover. A benefit is that you can see any doctor or specialist. As long as that doctor participates in Medicare, they will take this plan. You'll continue to pay your Part B premium (\$164.90). With a Supplement plan, your Part D premium is separate, like most Advantage plans. When you turn 65, you'll have a guaranteed issue in a Supplement plan that's "guaranteed renewable." That means the policy renews automatically from year to year, as long as you pay the premium on time.



Source: Danielle Tantone, danielle@danielletantone.com (602) 394-9838

Medicare Checklist

Once you've gone through the enrollment process, you may be wondering, "What are my next steps?" Here are 5 tips to help make your Medicare journey a smooth one.

✓ Schedule your Welcome to Medicare Visit

You should schedule your [Welcome to Medicare Visit](#) during the first 12 months you have Medicare Part B. This is a one-time exam that will give you a full review of your health and teach you about preventive services you may need.

✓ Learn how to pay Medicare Premiums

Medicare Parts A, B, C and D may all have premiums you need to pay. You will pay Medicare directly for Parts A and B, but if you have a private Medicare plan (like Part D), you will pay any premiums to the plan provider directly.

✓ Fill out an authorization form

If you want a family member or friend to call Medicare on your behalf. Before Medicare will give personal health information about you to anyone, you must first give Medicare your written permission.

✓ Sign up at [MyMedicare.gov](#)

Medicare's secure online service provides access to your personal Medicare information 24 hours a day.

✓ Sign up for your plan provider's member portal

Many Medicare providers offer online portals specific to the insurance company and your Medicare plan benefits. These portals can be helpful for quickly finding answers about coverage questions, getting help with your plan and other plan-related tasks.

Medicare.gov | MyMedicare.gov

Medicare.gov is a federal government website that provides detailed information about:

- Creating your Medicare account
- Finding health and drug plans
- Finding care providers
- Talking to experts
- Important news and updates

MyMedicare.gov is an online portal that is part of the Medicare.gov website. It allows you to view personalized details regarding your Medicare coverage, including your eligibility and enrollment information, the status of claims, and benefits information.

Income Related Monthly Adjustment Amount (IRMAA) for 2023 Medicare Part B & Part D Premiums

If you have Medicare Part B and/or Medicare Part D (prescription drug coverage), you could owe a monthly surcharge based on your annual income.

What is IRMAA?

- IRMAA is a surcharge that people with income above a certain amount must pay in addition to their Medicare Part B and Part D premiums.
- The Social Security Administration (SSA) determines who pays an IRMAA based on the income reported 2 years prior. So, for 2023, the SSA looks at your 2021 tax returns to see if you must pay an IRMAA.
- IRMAA is calculated every year. That means if your income is higher or lower year after year, your IRMAA status can change. If the SSA determines you must pay an IRMAA, you'll receive a notice with the new premium amount and the reason for their determination.

Income brackets for Part B & Part D IRMAA

For 2023, the income brackets for Part B and Part D are the same. Here's how income affects the Part B premium and Part D IRMAA:

Single	Married Filing Jointly	Married Filing Separately	Part B Premium	Part D IRMAA
\$97,000 or less	\$194,000 or less	\$97,000 or less	\$164.90	\$0 + your plan premium
\$97,000 to \$123,000	\$194,000 to \$246,000	N/A	\$230.80	\$12.20 + your plan premium
\$123,000 to \$153,000	\$246,000 to \$306,000	N/A	\$329.70	\$31.50 + your plan premium
\$153,000 to \$183,000	\$306,000 to \$366,000	N/A	\$428.60	\$50.70 + your plan premium
\$183,000 and under \$500,000	\$366,000 and under \$750,000	\$97,000 and under \$403,000	\$527.50	\$70.00 + your plan premium
\$500,000 or above	\$750,000 and above	\$403,000 and above	\$560.60	\$76.40 + your plan premium

Note: If you pay a Medicare late enrollment penalty, these amounts may be higher.

How to pay your Part B & Part D IRMAA

Part B IRMAA is automatically added to your monthly premium bill. Here are 4 ways you can pay your Part B premium:

1. Online through your secure Medicare account
2. From your bank's online bill payment service
3. Signing up for Medicare Easy Pay
4. Mailing your payment to Medicare

Part D IRMAA must be paid directly to Medicare, not your plan or employer. It's your responsibility to pay it even if your employer or a third party (e.g., retirement system) pays your Part D plan premiums. You'll get a bill each month from Medicare for your Part D IRMAA and can pay it the same way you pay your Part B premiums.

How to appeal an IRMAA

If you disagree with an IRMAA notice you've received, you can appeal it for several reasons:

- The tax information used by the SSA to decide the IRMAA may have been incorrect or outdated
- You've experienced a life changing event such as a loss of income, death of a spouse, marriage or divorce
- You have 60 days from receiving a notice to file an appeal
- To get started, contact the SSA at 800-772-1213

IRMAA Sources

"Premiums: Rules for Higher-Income Beneficiaries," Social Security Administration, last accessed October 5, 2022, <https://www.ssa.gov/benefits/medicare/medicare-premiums.html>.

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"What to know about IRMAA: Notice, appeals, and more," MedicalNewsToday, last accessed October 5, 2022, <https://www.medicalnewstoday.com/articles/how-to-avoid-irmaa>.

"What to know about IRMAA: Notice, appeals, and more."

Other Sources

Danielle Tantone, danielle@danielletantone.com, (602) 394-9838; medicare.gov; Kiplinger; AARP

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24th St. & Camelback Rd. at the Biltmore Financial Center, Phoenix, AZ | (602) 635-3760 | versantcm.com