

# Understanding Medicare and Your Healthcare Options



**KEY RETIREMENT**  
**— SOLUTIONS —**

UNLOCKING YOUR INSURANCE AND RETIREMENT POTENTIAL

POWERED BY AMERICAN SENIOR BENEFITS, AN INTEGRITY COMPANY

# Medicare's Healthcare Coverage

*The basics on your benefits.*



Hospital

Medical



Prescription Drug

## Your out-of-pocket expenses.

- Monthly premiums
- Annual deductibles
- Coinsurance
- Co-payments
- Services or supplies not approved by Medicare
- Charges above the Medicare-approved amount
- Dental care
- Vision care and eyeglasses
- Long-term care
- Ongoing home healthcare

# Two ways to help cover costs Medicare doesn't.

## Original Medicare

### Medicare Part A Medicare Part B

- Provides your basic hospital and medical coverage

### Medicare Supplement Insurance

- Offers standardized benefits to help fill coverage gaps in Original Medicare
- Provided by private insurance companies

### Medicare Part D *Prescription Drug Coverage*

- Provided by private insurance companies approved by Medicare

OR

## Medicare Advantage (MA) Plan

### Medicare Part C

- Includes benefits equal to Part A and Part B
- Offers additional benefits that vary depending on the company and plan you choose

### Medicare Part D Prescription Drug Coverage

- Available only if you do not select an MA-PD

# Medicare Part A

Your **hospital** benefits at-a-glance.

## Covered Services

- Inpatient hospital stays
- Inpatient skilled nursing facility care, except for custodial or long-term care
- Hospice Care
- Home health services for part-time care, including:
  - ✓ Skilled nursing care
  - ✓ Physical therapy
  - ✓ Speech therapy

## Coverage Requirements Specific to Part A

Service	Medicare Pays for Care if
Hospital Stay	<ul style="list-style-type: none"><li>-Your doctor prescribes the hospital stay</li><li>-Hospital agrees with your doctor that you need the care</li></ul>
Skilled Nursing Facility Care	<ul style="list-style-type: none"><li>-Your doctor certifies that you need daily care</li><li>-Skilled care follows a three-day hospital stay for a related illness</li><li>-You require skilled nursing care for up to 100 days</li></ul>
Homes Health Services	<ul style="list-style-type: none"><li>-You are confined to your home</li><li>-Services are limited to part-time skilled nursing care or approved therapies</li></ul>
Hospice Care	<ul style="list-style-type: none"><li>-Your doctor certifies that you have six months or less to live</li></ul>



## Out-of-Pocket Part A Costs in 2020

	You Pay
Monthly Premium	<b>\$0</b> Most people paid Medicare taxes while working
Part A Deductible (per Benefit Period)	<b>\$1,364</b>
Coinsurance and Co-Pays	Amounts vary per service
Hospital Stay Co-Pays	
Up to 60 Days	<b>Nothing</b>
Days 61 to 90	<b>\$341</b> per day
Day 91 to 150	<b>\$682</b> or more per day
After 150 Days	<b>100%</b>
Skilled Nursing Stay Co-Pays	
Day 1 to 20	<b>Nothing</b>
Day 21 to 100	<b>\$170.50</b> per day
After 100 days	<b>100%</b>

# Medicare Part B

Your **hospital** benefits at-a-glance.

## Covered Services

- Doctors' services
- Outpatient hospital services
- Medical services and supplies
- Home health services
- Certain preventative care

## Keep in Mind

Even for services covered under Medicare, you still pay:

- Deductible
- Coinsurance
- Charges above the Medicare-approved amount
- All costs in the provider or expenses is not approved by Medicare

## Coverage Requirements Specific to Part B

	Usually Covered	Usually Not Covered
<b>Doctors' Services</b>	<ul style="list-style-type: none"> <li>• Medically-necessary doctors' services or covered preventive services</li> <li>• Physician assistant services</li> <li>• Nurse practitioner services</li> <li>• <b>Welcome to Medicare</b> preventive visit and <b>Yearly Wellness</b> visit every 12 months</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Dental Care</b></li> <li>• <b>Routine vision care and eyeglasses</b></li> <li>• <b>Routine foot care</b></li> <li>• <b>Chiropractic services</b></li> </ul>
<b>Outpatient Hospital Services</b>	<ul style="list-style-type: none"> <li>• Emergency room</li> <li>• Immediate care clinics</li> <li>• Physical therapy</li> <li>• Lab tests and X-rays</li> </ul>	<ul style="list-style-type: none"> <li>• Cosmetic surgery</li> <li>• Non-emergency healthcare outside the United States</li> </ul>
<b>Medical Services &amp; Supplies</b>	<ul style="list-style-type: none"> <li>-Ambulance services</li> <li>-Wheelchairs and walkers</li> <li>-Diabetes supplies</li> <li>-Casts and splints</li> </ul>	<ul style="list-style-type: none"> <li>-Prescription medications</li> <li>-Hearing aids</li> <li>-Dentures</li> </ul>
<b>Home Health Services</b>	<ul style="list-style-type: none"> <li>-Intermittent skilled nursing care</li> <li>-Medically-necessary physical therapy and speech therapy</li> </ul>	<ul style="list-style-type: none"> <li>-Home health services not prescribed by a doctor</li> <li>-Long-term care</li> <li>-Custodial care</li> </ul>



## Out-of-Pocket Part B Costs in 2020

	You Pay
Monthly Premium	<b>\$135.50</b> for most people*
Annual Deductible	<b>\$185</b>
Coinsurance	<b>20%</b> of approved expenses after you meet the deductible

\*Beneficiaries who file an individual tax return with income greater than \$85,000 or who file a joint tax return with income greater than \$170,000 will pay a higher premium

# Medicare Supplement Insurance

Cover more of your health care costs.

- Choice of several standardized plans\*
- No provider networks**
- No specialist referrals**
- All plans pay for:
  - **Part A co-pays and coinsurance**
  - **365 additional days** hospital coverage
  - **Part B co-pays and coinsurance**
  - Hospice care coinsurance
- Certain plans pay for:
  - Skilled nursing facility coinsurance
  - **Part A deductible**
  - **Part B deductible**
  - Part B charges over the Medicare-approved amount
  - Foreign travel emergency care
- Prescription drug coverage available under Medicare Part D



**No networks, no referrals  
and plans with virtually no  
out-of-pocket expenses.**

# Medicare Part D

Your Prescription drug benefits at-a-glance.

## Features and Benefits

- Provides savings on the most widely used prescription drugs, including insulin
- Covers both brand-name and generic medications
- Accepted by pharmacies nationwide

## Out-of-Pocket Part D Costs in 2020

<u>Drug Costs</u>		
Over \$7,653.75	5%* You pay	95% Covered by Medicare prescription drug plan
\$3,820 to \$7,653.75	<p><b>Coverage Gap</b> No drug coverage</p> <p>In plan year 2019, Medicare beneficiaries who reach the Coverage Gap (Donut Hole) will receive a 63% discount on <b>generic</b> drugs purchased and continue to receive a 75% (70% paid by the drug manufacturer and 5% paid by the Medicare Part D plan) discount on <b>brand name</b> drugs.</p>	
\$415 to \$3,820	25% You pay	75% Covered by Medicare prescription drug plan
\$0 to \$415	<p><b>Annual Deductible</b> No drug coverage</p>	

\*Payment is percentage of the Medicare-approved amount or \$3.40 for generic drugs and \$8.50 for brand-name drugs, whichever is greater.

# Medicare Advantage Plans

Discover a **cost-effective alternative** to Original Medicare.

- Offered as managed care plans, such as:
  - Health Maintenance Organizations (HMOs)
  - Preferred Provider Organizations (PPOs)
  - Private Fee-for-Service (PFFS)
- May have provider networks
- May require specialist referrals
- Usually charge co-pays for services
- May Offer **additional coverage benefits**, such as:
  - Low or no deductible
  - Lower coinsurance
  - Vision or dental care
- Plan benefits vary by company and the county you live in
- Often **includes prescription drug coverage** (MA-PD)
- Usually **less expensive** than supplemental insurance

**Low Monthly premiums** and plans that even  
Include prescription drug coverage

# Medicare Supplement Plans in 2020

This chart shows the benefits included in each of the standard Medicare Supplement plans. Every company must make Plan “A” available. Some plans may not be available in your state. Only applicants first eligible for Medicare before 2020 may purchase plans C, F and high deductible F.

Note: A ✓ means 100% of the benefit is paid. • indicates plans currently available for sale.

## Basic Benefits

- **Hospitalization:** Part A coinsurance plus coverage for 365 additional days after Medicare benefits end.
- **Medical Expenses:** Part B coinsurance (generally 20% of Medicare-approved expenses) or co-payments for hospital outpatient services. Plans K, L, and N require insureds to pay a portion of Part B coinsurance or co-payments.
- **Blood:** First three pints of blood each year.
- **Hospice:** Part A coinsurance.

Benefits	Plans Available									Medicare First Eligible before January 1, 2020	
	A•	B•	D•	G1•*	K•	L•	M•	N•	C	F1•	
Medicare Part A coinsurance and hospital coverage (up to an additional 365 days after Medicare benefits are used up)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Medicare Part B coinsurance or copayment	✓	✓	✓	✓	50%	75%	✓	✓ Copays apply <sup>3</sup>	✓	✓	
Blood (first three (3) pints)	✓	✓	✓	✓	50%	75%	✓	✓	✓	✓	
Part A hospice care coinsurance or copayment	✓	✓	✓	✓	50%	75%	✓	✓	✓	✓	
Skilled nursing facility coinsurance			✓	✓	50%	75%	✓	✓	✓	✓	
Medicare Part A deductible		✓	✓	✓	50%	75%	50%	✓	✓	✓	
Medicare Part B deductible									✓	✓	
Medicare Part B excess charges				✓					✓	✓	
Foreign travel emergency (up to plan limits)			✓	✓			✓	✓	✓	✓	
Out-of-pocket limit in 2020 <sup>2</sup>					\$5,880 <sup>2</sup>	\$2,940 <sup>2</sup>			✓	✓	

<sup>1</sup> Plan F also has an option called a High Deductible Plan F. This high deductible plan pays the same benefits as Plan F after one has paid a calendar year \$2,340 deductible. Benefits from High Deductible Plan F will not begin until out-of-pocket expenses exceed \$2,340. Out-of-pocket expenses for this deductible are expenses that would originally be paid by the policy. These expenses include the Medicare deductibles for Part A and Part B, but do not include the plan’s separate foreign travel emergency deductible.

1 Plans F and G also have a high deductible option which require first paying a plan deductible of \$2,340 before the plan begins to pay. Once the plan deductible is met, the plan pays 100% of covered services for the rest of the calendar year. High deductible plan G does not cover the Medicare Part B deductible. However, high deductible plans F and G count your payment of the Medicare Part B deductible towards meeting the plan deductible.

\*Note: High Deductible Plan G is NOT a plan currently available for sale from Colonial Penn.

2 Plans K and L pay 100% of covered services for the rest of the calendar year once you meet the out-of-pocket yearly limit,

3 Plans N pays 100% of the Part B coinsurance, except for a co-payment of up to \$20 for some office visits and up to a \$50 co-payment for emergency room visits that do not result in an inpatient admission.



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