

# PLANNING FOR MEDICARE

Countdown to 65

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# AGENDA

## Health Plan Options

- Section I: Medicare and Medicare-Related Options
- Section II: Options if Retiring Before Medicare Eligibility

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# SECTION I: MEDICARE AND MEDICARE-RELATED OPTIONS

# Medicare and Medicare-Related Options

Medicare health care coverage is available to you in two ways, but both ways require you to pay your Medicare Part B premium.

Original Medicare Starting Point Parts A & B



Medicare Supplement Plans:  
Optional Add-on



Medicare Prescription  
Drug Plan  
Part D Optional Add-on

OR

Medicare Advantage Plans

Part C  
Optional replacement  
to Medicare

Most include Part D  
and additional benefits

# Original Medicare

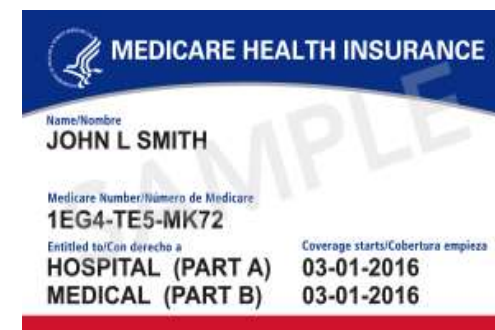
## What is Original Medicare?

Health Insurance provided by the Federal Government

- **Part A** pays for inpatient care
  - Premium free for most people
- **Part B** pays for doctor services and outpatient care
  - 174.70 per person per month in 2024 (for most people)
  - Higher annual income will increase Part B premium

## How Medicare Works

- See any provider who accepts Medicare
- No primary care provider or referrals necessary
- You pay deductibles and co-insurance



# When and How to Enroll

## **If you turn 65 and are collecting Social Security:**

- You should automatically receive your Medicare card three months prior to your 65th birthday.
- Coverage starts on the 1st of the month of your 65th birthday, unless you were born on the first of the month then coverage begins 1st of previous month.

## **If you turn 65 and are not collecting Social Security and you want your Medicare coverage:**

- Contact Social Security 3 months prior to your 65th birthday.
- Your initial enrollment period to sign up for Medicare is the 3 months prior to your 65th birthday, the month of your 65th birthday, and three months after your 65th birthday.

# When and How to Enroll (continued)

## If you continue to work past age 65:

- Contact Social Security to enroll in Part A (optional). You can delay signing up for Part B beyond age 65 with no penalty for as long as you have group insurance from an employer that has 20+ employees for whom you or your spouse are actively working.
- If the employer has less than 20 employees, check with the Benefits Administrator about the options you have to continue with your employer coverage after Medicare initial eligibility.
- When you or your spouse stops working or your health coverage ends, you'll be entitled to a special enrollment period. Contact Social Security to ask about your personal enrollment period.

NOTE: Once you're on Medicare, you can no longer contribute to an HSA but you can use the funds you already have in an HSA to pay for any medical expenses. You can also use the funds to pay for premiums for Medicare parts A, B, D, and C, but not for Medigap premiums. Check with the IRS ([irs.gov](https://www.irs.gov)) for specific information.

**This is a general overview, Please contact Social Security at 1-800-772-1213 for more details on your personal situation.**

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# Original Medicare 2024

Medicare Part A	Covered Days Are Per Benefit Period
Inpatient Hospital	• Days 1–60: Covered after you pay <b>\$1,632</b> deductible
	• Days 61–90: Covered after you pay <b>\$408</b> co-insurance per day
	• Days 91–150 (60 Lifetime Reserve Days): Covered after you pay <b>\$816</b> co-insurance per day
	• Days 151+: No coverage
Skilled Nursing Facility	• Days 1–20: 100% coverage
	• Days 21–100: Covered after you pay <b>\$204</b> co-insurance per day
	• Days 101+: No coverage



# Original Medicare (continued)

Medicare Part B	
Doctor visits; Lab; X-ray; Emergency Room; Ambulance; Physical/Speech/Occupational Therapy; Diabetic supplies; Durable medical equipment; Certain preventive services paid in full	<ul style="list-style-type: none"> <li>Coverage begins after you pay <b>\$240 Part B calendar year deductible</b></li> </ul>
	<ul style="list-style-type: none"> <li>Then, Medicare pays 80% of the Medicare-Approved amount. You pay <b>20% co-insurance.</b></li> </ul>
Not Covered by Original Medicare	
Outpatient Prescription Drugs	Most outpatient prescription drugs aren't covered. Coverage can be obtained by purchasing Medicare Part D.
Care received outside of U.S.; Routine vision and routine hearing exams; Routine dental care	No coverage

# Medigap Plans

## What Is a Medigap Plan/ Medicare Supplement Plan

- A plan that you add to Original Medicare
- It pays Medicare's deductible, co-insurance cost for you
- In Massachusetts, Minnesota, and Wisconsin, Medigap policies are standardized in their own way. The rest of the country has 10 standardized plans.

## How you receive care:

- Show both your Original Medicare and private insurance cards.
- Medicare pays first, then insurer pays the balance based on plan design.

## Key Points:

- See any Medicare provider nationwide, no referrals, no copayments.

# Medigap Plans in Massachusetts

Medigap Plans in MA	Supplement Core ✓ = Plan Pays	Supplement 1A ✓ = Plan Pays	Supplement 1 ✓ = Plan Pays Medicare eligible prior to 1/1/20*
Part A Inpatient Hospital Deductible <b>\$1,632</b>		✓	✓
Part A Inpatient Hospital Co-insurance Days 61–90 <b>\$408/day</b> ; Days 91–150 <b>\$816/day</b>	✓	✓	✓
Part A Skilled Nursing Co-insurance Days 21–100 <b>\$204/day</b>		✓	✓
Part B Deductible <b>\$240</b> per calendar year, although certain preventive services are paid in full			✓
Part B Co-insurance* 20% of Medicare Approved amount	✓	✓	✓
Outpatient Prescription Drugs			
Care Received Outside of U.S.		✓	✓

\*Medicare Access and CHIP Reauthorization Act of 2015 states, beginning January 1, 2020, eligibility for Medigap plans that cover 100% of Medicare costs is limited to those who were eligible for Medicare prior to 1/1/2020.

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# Medigap Plans Outside Massachusetts

Medicare’s guide “Choosing a Medigap Policy” includes the chart below. This chart shows basic information about different benefits that Medigap plans cover.

Call your state’s SHIP office for more information since each state may have different underwriting guidelines, pricing and offerings.

Medicare Supplement Insurance (Medigap) Plans										
Benefits	A	B	C	D	F*	G*	K	L	M	N
Medicare Part A coinsurance and hospital costs (up to an additional 365 days after Medicare benefits are used)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Medicare Part B coinsurance or copayment	100%	100%	100%	100%	100%	100%	50%	75%	100%	100% ***
Blood (first 3 pints)	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
Part A hospice care coinsurance or copayment	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
Skilled nursing facility care coinsurance			100%	100%	100%	100%	50%	75%	100%	100%
Part A deductible		100%	100%	100%	100%	100%	50%	75%	50%	100%
Part B deductible			100%		100%					
Part B excess charges					100%	100%				
Foreign travel emergency (up to plan limits)			80%	80%	80%	80%			80%	80%
							Out-of-pocket limit in 2024**			
							\$7060	\$3530		

# Medicare Prescription Drug Plans

## What is Medicare Part D?

- Prescription drug insurance offered by private insurance companies contracted with the Centers for Medicare and Medicaid Services (CMS) that covers outpatient prescription drugs.
- You pay monthly premiums to the insurer.
- All Medicare Part D plans follow a standard outline of coverage as determined by CMS. These include:

### **Initial Coverage | Coverage Gap | Catastrophic**

- The plan designs within these levels such as deductible, cost share, formulary, and pharmacy network help determine the monthly premium.

# Medicare Part D (continued)

## Coverage Periods in 2024 Medicare Prescription Drug Plans

	Coverage Period	What You Pay with a Standard Medicare Prescription Drug Plan
Annual Deductible	Before benefits begin	100% of the cost of your prescription up to the first <b>\$545</b> in a year
I. Initial Coverage	Until total retail costs reach <b>\$5030</b>	You pay copay/co-insurance
II. Coverage Gap	After initial coverage, until Catastrophic Coverage begins	For covered generics, you pay 25% of the costs. For covered brand drugs, you pay 25% of the negotiated price (excluding dispensing fees)
III. Catastrophic Coverage	After yearly out-of-pocket costs reach <b>\$8,000</b>	<b>NO COST</b>

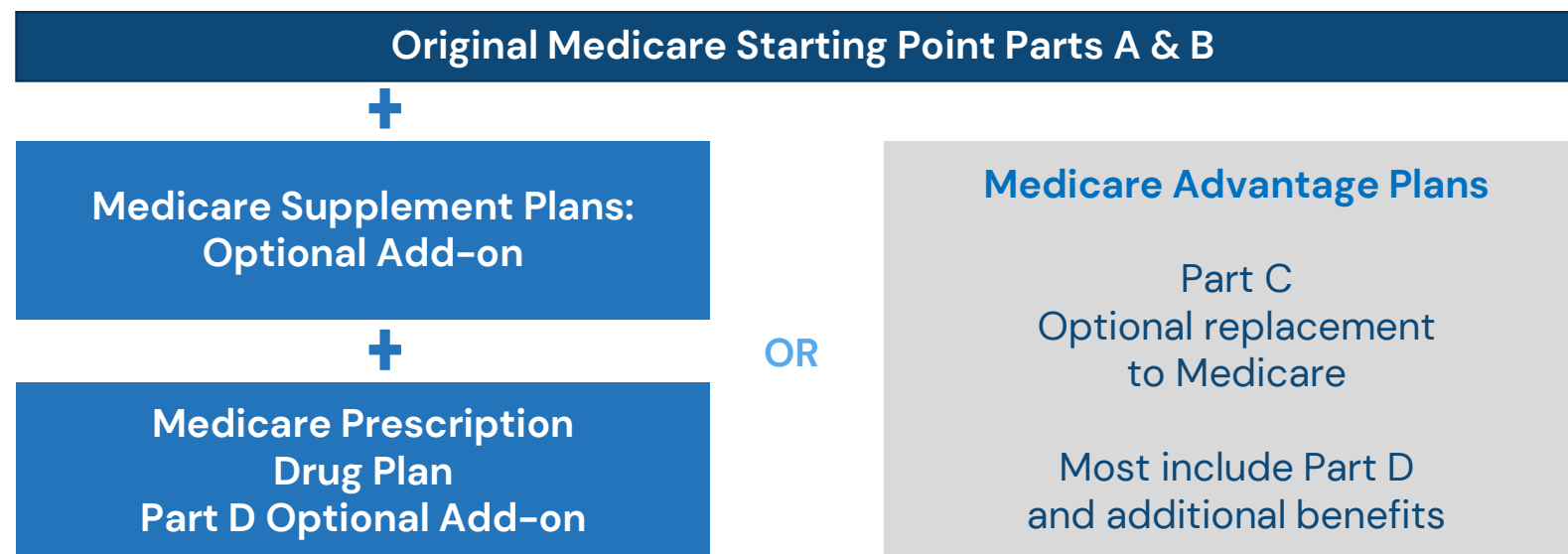
Benefits design (deductibles, cost share, and formulary) determine monthly premium.

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# Medicare and Medicare-Related Options

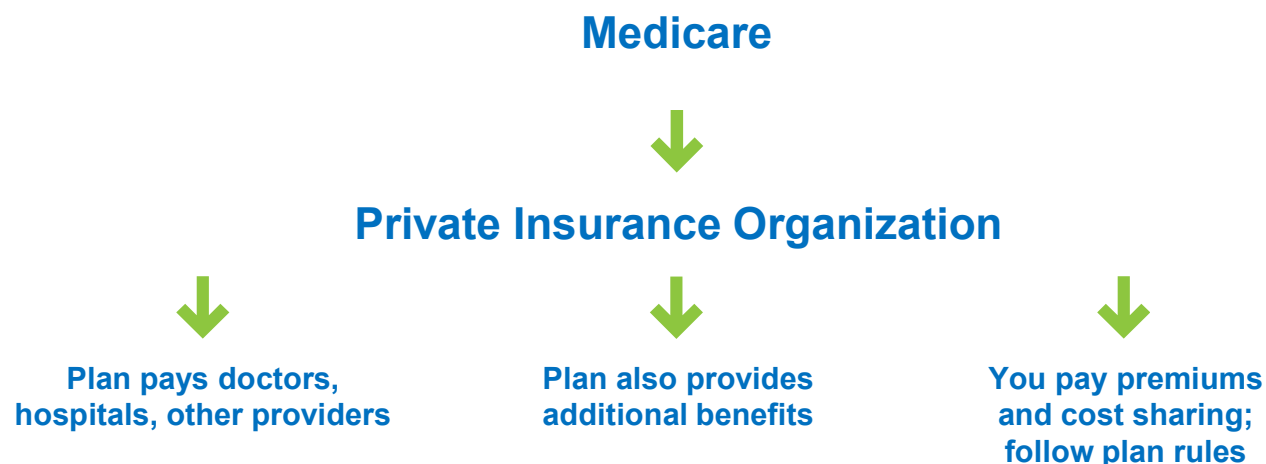
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# Medicare Advantage Plans



- Medicare pays the plan to provide your Medicare benefits.
- The plan will also provide additional benefits that Medicare doesn't cover, such as eyewear allowances.
- When you receive care, Advantage member ID card only, not your Original Medicare card. Medicare Advantage member ID card only
- You must continue to pay your Medicare premiums



# Medicare Advantage Plans (continued)

- Provides all Original Medicare benefits, Part A and Part B, in addition to extra benefits such as routine vision/hearing exams, preventive dental, could include prescription drugs
- Members pay copayments and/or co-insurance when services are received

Medicare HMO Plan	Medicare PPO Plan
<ul style="list-style-type: none"> <li>• Designate a Primary Care Provider (PCP)</li> </ul>	<ul style="list-style-type: none"> <li>• Designate a Physician-of-Choice (POC)</li> </ul>
<ul style="list-style-type: none"> <li>• Use In-Network providers for most care</li> <li>• Pay copayments and/or co-insurance</li> </ul>	<ul style="list-style-type: none"> <li>• Use either In-Network or Out-of-Network providers; generally pay more for Out-of-Network care</li> <li>• Pay copayments and/or co-insurance</li> </ul>

To view Medicare Advantage plans, please refer to the **Medicare and You** handbook.

# Medicare-Related Options Enrollment

Initial Eligibility	Annual Election Period	Medicare Advantage Enrollment Period	Special Open Enrollments
<ul style="list-style-type: none"> <li>3 months before your 65th birthday, the month of your birthday and up to 3 months after</li> <li>Medicare due to disability 3 months before to 3 months after your 25th month of disability</li> </ul>	Oct. 15–Dec 07, for a Jan 1 effective date	Jan.1–March 31st If you're in a Medicare Advantage Plan you can switch to Original Medicare or another Medicare Advantage plan. If you switch during this period, you'll have until March 31 <sup>st</sup> to join a different plan. Coverage will begin the first day of the following month after the plan receives your enrollment form	Special circumstances such as loss of health insurance; moved out of/into a Plan service area
Applies to	Applies to	Applies to	Applies to
<ul style="list-style-type: none"> <li>Medigap</li> <li>Medicare Advantage</li> <li>Medicare Part D</li> </ul>	<ul style="list-style-type: none"> <li>Medicare Advantage</li> <li>Medicare Part D</li> </ul>	<ul style="list-style-type: none"> <li>Medicare Advantage</li> </ul>	<ul style="list-style-type: none"> <li>Medigap</li> <li>Medicare Advantage</li> <li>Medicare Part D</li> </ul>

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Please contact CMS or Plan Carrier for additional information

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# Medicare Part B and D Premiums 2024

Modified Adjusted Gross Income (MAGI)	Part B Premium with IRMAA	Prescription Drug Coverage Monthly Premium Amount
Individuals with a MAGI of \$103,000 or less Married couples with a MAGI of \$206,000 or less	standard premium \$174.70	Your plan premium
Individuals with a MAGI above \$103,001 up to \$129,000 Married couples with a MAGI above \$206,001 up to \$258,000	\$244.60	+ \$12.90
Individuals with a MAGI above \$129,001 up to \$161,000 Married couples with a MAGI above \$258,001 up to \$322,000	\$349.40	+ \$33.30
Individuals with a MAGI above \$161,001 up to \$193,000 Married couples with a MAGI above \$322,001 up to \$386,000	\$454.20	+ \$53.80
Individuals with a MAGI above \$193,001 up to \$500,000 Married couples with a MAGI above 386,001 to \$750,000	\$559.00	+ \$74.20
Individuals with a MAGI above \$500,000 Married couples with a MAGI above \$750,000	\$594.00	+ \$81.00

**This chart is for individuals or couples who file a joint tax return. These are 2024 amounts.**

**\*If you pay a late enrollment penalty, this amount is higher**

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# Helpful Resources

- Centers for Medicare and Medicaid Services (CMS): **1-800-MEDICARE (1-800-633-4227)** TTY: **1-877-486-2048** [www.medicare.gov](http://www.medicare.gov)
- Social Security Office: **1-800-772-1213** [www.ssa.gov](http://www.ssa.gov)
- State Health Insurance Assistance Programs [www.shiptacenter.org](http://www.shiptacenter.org)
- Serving the Health Information Needs of Everyone on Medicare (SHINE) **1-800-AGE-INFO (1-800-243-4636, press 3)**
- [www.800ageinfo.com](http://www.800ageinfo.com)
- Mass Med Line: Pharmacy Outreach, help with affording prescriptions, information about medications and side effects. Talk with a pharmacist or Case Manager. No cost to Massachusetts residents. Call: **1-866-633-1617**
- Prescription Advantage Program: Massachusetts state plan that supplements Medicare Part D. Call: **1-800-243-4636, press 2**
- Blue Cross Blue Shield of Massachusetts **1-800-678-2265**  
[www.bluecrossma.com/medicare](http://www.bluecrossma.com/medicare)

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## SECTION II:

# OPTIONS IF RETIRING BEFORE MEDICARE ELIGIBILITY

# Your Options Prior to Medicare

## These options may apply:

- When you retire younger than age 65
- When you need coverage for family members if you retire at or past age 65

Spouse/  
Partner's Plan

OR

COBRA

OR

Direct Pay

## Considerations

- Access to current or desired providers
- Benefits design for your needs
- Cost

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# Spouse / Partner's Health Plan

Consider Spouse / Partner's Employer-sponsored Group Plan

## Coverage

- Spouse's employer group plan design

## Eligibility

- Spouse's employer rules

## Premium

- Employee premium rate
- Payroll deduction

# COBRA

Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985

## Temporary Continuation of Group Coverage

- Current employer group benefit plan design
- Employees, former employees generally up to 18 months
- Spouses / dependent children generally up to 36 months

## Qualifying Events

- Termination of employment
- Divorce or legal separation, death
- Verify qualifying event with employer or plan sponsor

## Premium

- Group rate varies, member pays 100%+ of premium



# Direct Pay Plans

## Why Consider a Direct Pay Plan?

- If you aren't eligible for group employer coverage
- If you don't qualify for state or federal government program coverage (Medicare / Medicaid)

## Direct Pay Plans

- May include individual / 2-person / family health insurance
- Purchased direct from insurer
- Premiums are billed directly to the subscriber

## Massachusetts Health Connector

- The Health Connector is an independent state agency that helps Massachusetts residents find health care coverage **1-877-MA-ENROLL (1-877-623-6765)**  
[www.mahealthconnector.org](http://www.mahealthconnector.org)
- No-cost and subsidized plans available to those who qualify
- Connector-approved standardized plans.

**Are there any questions?**  
**Thank you for your time today!**