

2023 MEDICARE PLANNER

Medicare consists of Hospital Insurance (Part A), Medical Insurance (Part B), Medical Advantage (Part C), and Prescription Drug Insurance (Part D). Medicare Beneficiaries choose between the traditional Medicare fee-for-service program (Part A and Part B) and the Medicare Advantage program. Medicare Advantage offers beneficiaries several health delivery models, including HMOs, Preferred Provider Organizations (PPOs), Provider Sponsored Organizations (PSOs), and Private fee-for-service Medicare.

Hospital Insurance (Part A) Benefits

If you are aged 65 or over and eligible for Social Security benefits, you are eligible for Hospital Insurance benefits. A person who has been entitled to disability benefits for 24 months can receive Medicare benefits under age 65. Most persons aged 65 or over who are ineligible for benefits can voluntarily enroll, provided they pay a \$506 monthly premium (\$278 for persons with credits for 30-39 quarters paid into the Social Security system).

- Hospitalization.** Covered services include bed and board in a semi-Private room (or a private room if medically necessary), nursing services (except private duty nursing), regular hospital supplies, equipment, drugs, and diagnostic or therapeutic services ordinarily furnished by a hospital. Medicare pays for hospitalization according to the following schedule:

	<u>Patient Pays</u>	<u>Medicare Pays</u>
First 60 days	\$1,600	All but \$1,600
Day 61-90	\$400 a day	All but \$400 a day
Days 90-150	\$800 a day	All but \$800 a day
Day 151 & After	All	Nothing

- Skilled Nursing Facility Care.** Covered services, include bed and board in semi-private accommodations, nursing care provided by a registered nurse, and drugs, supplies, and appliances for use in the nursing home. As a rule, the patient must have been hospitalized for at least 3 days and must have been admitted to the nursing home within 30 days after discharge from the hospital. Most nursing homes are not skilled nursing facilities. Medicare pays for skilled care according to the following schedule:

	<u>Patient Pays</u>	<u>Medicare Pays</u>
First 20 Days	Nothing	All
Days 21-100	Up to \$200 a day	All but \$200 a day
Day 101 & After	All	Nothing

- Hospice Care.** Covered services include nursing care, medical social services, home health aid services counseling and therapy and outpatient drugs for pain relief. Patients must be terminally ill with a life expectancy of six months or less. The benefit period consists of two 90-day periods followed by an unlimited number of 60-day periods. The patient pays limited costs for outpatient drugs and inpatient respite care, and Medicare pays the rest.

- Home Health Care.** Post- hospital home health services include part-time or intermittent skilled care, home health aide services, durable medical equipment, and supplies. Hospital insurance covers the cost of 100 home health visits made on an intermittent basis during a home health spell of illness under a plan of treatment established by a physician. A patient pays nothing for services and 20% of the approved amount for Durable Medical Equipment (DME). Medicare pays the approved amount for services and 80% of approved amount for DME.

Medical Insurance (Part B) Benefits

If you are a Social Security beneficiary and 65 or over, you are automatically enrolled for Medical Insurance benefits when you become entitled to Hospital Insurance, unless you elect not to be covered. Enrollees pay a monthly premium based on their most recently filed tax return (generally based on their 2020 yearly income). The patient is also required to pay one annual \$226 deductible for Part B services.

- **Income-adjusted Premiums.** In 2023, new enrollees with reported income above a threshold may pay higher Part B premiums.

Single Taxpayer	Married Filing Jointly	Total Premium
\$97K or below	\$194K or below	\$164.90
\$97K - \$123K	\$194K - \$246K	\$230.80
\$123K - \$153K	\$246K - \$306K	\$329.70
\$153K - \$183K	\$306K - \$366K	\$429.60
\$183K - \$500K	\$366K - \$750K	\$527.50
above \$500K	above \$750K	\$560.50

- **Medical Expenses.** Covered services include doctors' services, inpatient and outpatient medical and surgical services and supplies; physical and speech therapy; diagnostic tests; durable medical equipment and other services.

Dentists are considered doctors for certain dental surgeon functions. The patient pays 20% of approved amount. Medicare pays 80% of the approved amount. This is reduced to 50% for most outpatient mental health services.

- **Outpatient Hospital Services.** Covered services include such diagnostic and therapeutic services as x-ray and lab tests billed by a hospital; emergency or outpatient clinic services; supplies, casts, and splints; physical therapy and speech pathology services; and drugs and biologicals that cannot be self-administered. The patient pays 20% of the billed amount. Medicare pays the hospital based on hospital costs.

PRESCRIPTION DRUG (PART D) BENEFITS

Anyone entitled to Part A or B is eligible to participate in Part D.

- **Prescription Drug (Part D) Coverage.** In exchange for a monthly premium averaging about \$304 a year in 2023, a Part D beneficiary will receive coverage for prescription drugs comparable to the following:

<u>Drug Expenses</u>	<u>Patient Pays</u>	<u>Medicare Pays</u>
First \$505	100%	Nothing
\$435-\$4,660	25%	75%
\$4,600 – \$7,400	25%	Nothing
Above \$7,500	5%	95%

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