

Medicare 101

Understanding Your Medicare Options

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Costs as shown are for 2026

REV 11.2025

Who Is Eligible for Medicare?

WAYS TO BECOME ELIGIBLE

- **Age:**
  65 and older
- **Disability:**
  Under 65 and receiving Social Security Disability Insurance (SSDI) payments for more than 24 months
- **Illness:**
  Any age with end-stage renal disease or ALS
- **And, you must have qualified residency:**
  U.S. citizen or permanent resident for five consecutive years



MEDICARE ENROLLMENT

If you have Social Security when you turn 65
You will be automatically enrolled into Medicare. You will receive your Medicare card three months prior to your birthday.

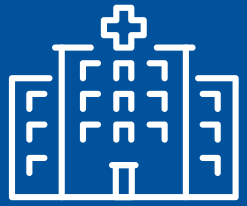
If you do not have Social Security when you turn 65
You will need to take the step to sign up for Medicare.

Three ways to join Medicare:

- ✔ Apply online at www.ssa.gov
- ✔ Call Social Security at 1-800-772-1213 (TTY 1-800-325-0778) to apply over the phone or to request an application
- ✔ Apply at your local Social Security office

The Medicare Basics

ORIGINAL MEDICARE



Part A (Hospital Insurance)



Part B (Medical Insurance)

You have options for additional coverage:



Medicare Supplement

and/or



Part D (Prescription Drug)

OR



Part C (Medicare Advantage)

ORIGINAL MEDICARE: PART A — HOSPITAL INSURANCE

Provides coverage for:

- Inpatient hospital care
- Skilled nursing facilities
- Hospice care
- Limited home health care

This is not a complete list of coverage available.



PART A COSTS

Eligible and paid into Social Security for 40 quarters:
Pay $0 monthly premium for Part A

Eligible and paid at least 30 quarters:
Reduced cost: $311 monthly premium

Eligible and paid less than 30 quarters:
Full cost: $565 monthly premium

Don’t qualify on your own?
You may be eligible based on your spouse’s work history when you turn 65.

ORIGINAL MEDICARE: PART B — MEDICAL INSURANCE

Provides coverage for:

- Doctor visits and preventive services
- Outpatient surgery
- Diagnostic screenings
- Emergency care
- Durable medical equipment

This is not a complete list of coverage available.



PART B COSTS

Standard Premium: $202.90 each month (or higher depending on your income)

You'll pay a higher premium if your income is more than:

- $109,000 (if you file an individual tax return or are married and file separately)
- $218,000 (if you are married and file a joint tax return)

https://www.medicare.gov/basics/costs/medicare-costs

PART B — LATE ENROLLMENT PENALTY

- **Did not sign up for Part B when first eligible and not covered by credible employer plan?** You may have to pay a late enrollment penalty for as long as you have Part B.

- **Monthly cost may go up 10% for each full 12-month period** that you could have had Part B but did not enroll.

- **Exception:** You do not have to pay a late enrollment penalty if you meet certain conditions that allow you to sign up for Part B during a Special Enrollment Period.

https://www.medicare.gov/basics/costs/medicare-costs/avoid-penalties

ORIGINAL MEDICARE GENERALLY COVERS 80% OF YOUR HOSPITAL AND MEDICAL EXPENSES.

Original Medicare does not cover:

- Deductibles
- Copays/coinsurance
- Outpatient prescription drugs
- Health care outside the U.S.
- Hearing aids, exams, screenings
- Routine eye exams and most glasses
- Routine dental exams

Link to source for what Medicare covers: https://www.medicare.gov/providers-services/original-medicare

MEDICARE SUPPLEMENT (ALSO CALLED MEDIGAP)



Can fill some of the gaps that Original Medicare does not cover

- Can cover deductibles, copays and coinsurance
- Freedom to choose any Medicare-appointed doctor in the U.S.
- Standardized plan letter with associated services
- Has a monthly cost and will vary based on insurance company

MEDICARE SUPPLEMENT PLANS DO NOT COVER:

- Prescription drugs

Drug coverage can be added separately through:

- A prescription drug plan (PDP)

OR

- Other creditable coverage



PART D — PRESCRIPTION DRUG PLAN



Two types of Part D coverage:

- Stand-alone prescription drug plan
  - Must have Original Medicare Part A, Part B or both
- As part of a Medicare Advantage plan
  - Medicare Advantage plans must include Part A and Part B coverage

Part D coverage information:

- Covers some prescription drug costs
- You must continue to pay your Part B premium (if applicable)
- You must live within the Part D plan's service area

PART D — LATE ENROLLMENT PENALTY

- **Did not sign up for Part D when first eligible and did not have creditable coverage for more than 63 days?** You may have to pay a late enrollment penalty for as long as you have Part D.

- **The penalty is** 1% of the national base premium ($38.99 in 2026) multiplied by the number of months you were not covered while eligible.
  - For example, the national base premium in 2026 was $38.99. If you signed up in 2026 after missing 10 months of coverage, your monthly penalty would be $3.90 per month ($38.99 X 10%, amount is rounded to the nearest $.10 and added to your monthly premium).

https://www.medicare.gov/providers-services/original-medicare
https://www.medicare.gov/health-drug-plans/part-d/basics/costs

YOUR PRESCRIPTION DRUG COSTS CHANGE BASED ON THE COVERAGE STAGE YOU ARE IN

Stage 1 Deductible	Stage 2 Initial Coverage	Stage 3 Catastrophic Coverage
The amount you pay before a plan covers your prescription drug costs.	The plan pays its share of the cost, and you pay your share (copays and coinsurance).	After you reach the maximum out-of-pocket, the plan will pay your covered drug costs for the rest of the year.
Deductible range: $0 – $615 (2026 amounts)	**Maximum out-of-pocket cost for covered drugs:** $2,100	No copay or coinsurance for covered drugs the remainder of the plan year.

NOTE: In 2026, the “Coverage Gap” stage has been eliminated.

https://www.medicare.gov/drug-coverage-part-d/costs-for-medicare-drug-coverage/yearly-deductible-for-drug-plans

SAVE ON DRUG COSTS

If you meet certain income and resource limits, you may qualify for **Extra Help** from Medicare to pay the costs of Medicare prescription drug coverage (Part D).

You can apply at: www.ssa.gov/benefits/medicare/prescriptionhelp/



Countable Assets

- Money in a checking/ savings/retirement account
- Stocks
- Bonds



Noncountable Assets

- Your home
- One car
- Burial plot
- Up to $1,500 for burial expenses if you have put that money aside
- Furniture
- Other household and personal items

PART C — MEDICARE ADVANTAGE PLAN

Medicare Advantage plans are offered by private insurance companies approved by Medicare and is an alternative option to Original Medicare. You must continue to pay your Part B premium.

Includes:



Part A — Hospital Coverage



Part B — Medical Coverage

Most Medicare Advantage plans include:



Part D — Prescription Drug Coverage



Part C
(Medicare Advantage)

https://www.medicare.gov/drug-coverage-part-d/how-to-get-prescription-drug-coverage

Enrollment Periods

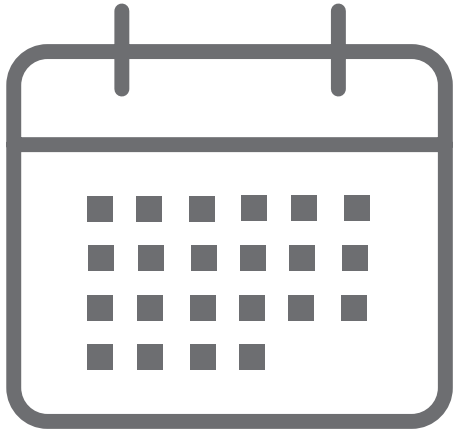
ENROLLMENT PERIODS

Original Medicare:

- **Initial Enrollment Period (IEP)**
  - 7-month “Turning 65” Election Period: Three months before your birthday month, the month of your birthday and three months after your birthday
- **Special Enrollment Period (SEP)**
  - Special circumstances within the year

Medicare Advantage:

- **Annual Enrollment Period (AEP)**
  - October 15 to December 7
- **Open Enrollment Period (OEP)**
  - January 1 to March 31



MEDICARE SUPPLEMENT ENROLLMENT PERIOD

- **A six-month window that begins on your Part B effective date or 65th birthday, whichever is later**
- No medical underwriting during the initial six-month enrollment period
- Can choose from any Medicare Supplement plan options



MEDICARE SUPPLEMENT GUARANTEED ISSUE (GI) SITUATIONS

- There are several other GI situations to enroll into a Medicare Supplement plan with no underwriting. For example:
  - Loss of coverage
  - Moving to a new area, and many more
- All plan options may not be available
- If you do not qualify for a GI situation, you may need to undergo medical underwriting



Star Ratings

EACH MEDICARE ADVANTAGE AND PRESCRIPTION DRUG PLAN IS ASSIGNED A STAR RATING FROM ONE TO FIVE STARS

- Member satisfaction surveys, plans and providers
- Performance measurements based on up to 40 key factors
- Additional information is available on Medicare.gov





MY SERVICE TO YOU

YOU HAVE MANY OPTIONS FOR COVERAGE

- Continue with your employer plan if you're still working for an employer with over 20 employees
- Continue with your retiree/military plan if applicable
- Enroll in a Part C, Medicare Advantage plan, which can include your Part D prescription drug coverage
- Enroll in Original Medicare and a Medicare Supplement plan and a stand-alone Part D prescription drug plan



DURING YOUR APPOINTMENT, WE'LL REVIEW YOUR NEEDS TO HELP FIND THE RIGHT PLANS FOR YOU TO CHOOSE FROM!

Questions may include:

- When does/did your Medicare start?
- What ZIP code do you live in?
- Do you have a primary doctor?
- Do you have a specialist?
- Do you take any medications?
- Are you looking for a certain service?



READY TO FIND THE PLAN THAT FITS YOUR NEEDS OR HAVE MORE QUESTIONS?

I am here to help you at no cost or obligation to you!

My contact information:

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By calling the number above, you will be directed to a licensed insurance agent.

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