

Social Security and Medicare 101

Retirement Benefits

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Welcome

Welcome! It's great to meet you.



I am an experienced local independent agent, here to serve you.

I am available to help you explore your Medicare health plan options and to ensure that you make a decision you can feel good about.

Welcome! It's great to meet you.



My experience as an independent agent has taught me that everyone's situation is unique. Your healthcare needs, your finances and where you live and seek care are all things that need to be considered when choosing the best-fit Medicare health plan for you.

Welcome! It's great to meet you.



- I am licensed, certified and trained about Medicare parts A, B, C, and D. I must pass an annual AHIP exam which covers the basics of Medicare, in addition to mandatory Fraud, Waste and Abuse Training.
- Every year I spend more hours than most professionals in other fields educating myself about Medicare and obtaining certifications from a wide variety of carriers.
- I am trained to compare your prescription drug coverage options and to find you a plan that suits your needs and budget.
- If for some reason I can't answer your questions, I have the resources to get you the answers you need before you make your choice.

Welcome! It's great to meet you.

My goal is to help each of my clients make a decision they can feel good about. I am not tied to any one company, and my compensation is equivalent across the insurance carriers I represent.

I am here for the long haul, ready to serve you at the start of your Medicare journey, and for as long as you need my help, year after year.



Agenda

Agenda: What we'll cover



Social Security Overview

- What is Social Security and who can participate?
- Social Security basics and benefits.
- Considerations for collecting Social Security early.
- How Social Security and Medicare work together.
- Turning 65 and working.

Agenda: What we'll cover



Medicare 101—Understanding your options

- Medicare Parts A-D and what they cover
- Federal health insurance programs and private plans
- Your Medicare options
 - Original Medicare compared to Medicare Advantage
- Dual Eligible Special Needs Plans (D-SNP)
- Prescription drug coverage
- Medicare Supplement insurance
- How to get started
 - Enroll in Medicare when eligible
 - Choose additional coverage that's right for you
- Frequently asked questions

Social Security

Social Security Overview

The main requirement of the original Social Security act was to pay financial benefits to retirees based on lifetime payroll tax contributions.

It was intended to be a federal safety net providing aid and benefits for the elderly, unemployed, victims of industrial accident, dependent mothers and children, the blind and disadvantaged Americans.

Qualifications to receive full benefits:

- Must be a U.S. citizen or resident.
- Must have paid into the Social Security system for 10 years.



Social Security Basics



Before you apply for retirement benefits, here are the Social Security basics you need to know:

- Your full “retirement age” depends on your date of birth.
 - **Example:** If your birthday falls on 11/1/1958, your full retirement age would be 66 plus 8 months (we’ll go into more detail later).
- You can start receiving benefits as early as 62.
- Benefits (monthly payments) may be reduced if you choose to receive benefits earlier.
- You may choose to continue working while receiving benefits, if you elect to receive benefits before full retirement age.
- Delayed retirement credits may be added to your benefits if you start after your full retirement.

Considerations for Collecting Social Security Early



Working

- Will you work, even part-time, before full retirement age (FRA)?

Longevity

- How is your health? Is there an expectation of longevity?
- Have you saved enough money in your retirement accounts (401k, pension, personal savings, etc.)?

Spouse/Children

- Are you married?
 - If so, what is the age difference between spouses?
- Whose benefits can the spouse and/or children collect?
- Do you have children under 19 or in college?

Full Retirement Age

Age to receive full Social Security benefits

(called “full retirement age” or “normal retirement age”)

Year of birth*	Full Retirement Age
1943-1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months

If you delay your retirement benefits until after full retirement age, you may be eligible for *delayed retirement credits* that would increase your monthly benefit. Even if you decide to delay your retirement, be sure to sign up for Medicare at age 65.

Source: <https://www.ssa.gov/planners/retire/retirechart.html>

* If you were born on January 1 of any year, you should refer to the previous year (if you were born on the 1st of the month, your birthday is considered part of the previous month, and your eligibility window will be shifted accordingly). The earliest you can start receiving Social Security benefits will remain age 62.

How Social Security and Medicare Work Together

The Social Security Administration determines who is eligible for Social Security benefits as well as Medicare.

They also carry many of the administrative functions for Medicare.

Medicare is available to some younger Americans with disabilities.

Social Security

AND

Medicare

are social safety programs that Americans pay into during their working years, through taxes.

Social Security Covers Original Medicare (Parts A and B)



Social Security enrolls you in Part A. Medicare Part A (hospital insurance) helps pay for inpatient care in a hospital or limited time at a skilled nursing facility (following a hospital stay). Part A also pays for some home health care and hospice care.

- **Note:** For those who have not worked 40 quarters or 10 years, you may purchase Part A.
- You can also sign up for Part B. Medicare Part B (medical insurance) helps pay for services from doctors and other health care providers, outpatient care, home health care, durable medical equipment and some preventive services.

How to determine your Medicare Part B premium* based on income level in 2023

File Individual Tax Return	File Joint Tax Return	File Married & Separate Tax Return	Part B Monthly Premium Amount
\$97,000 or less	\$194,000 or less	\$97,000 or less	\$164.90
\$97,001 up to \$123,000	\$194,001 up to \$246,000	N/A	\$230.80
\$123,001 up to \$153,000	\$246,001 up to \$306,000	N/A	\$329.70
\$153,001 up to \$183,000	\$306,001 up to \$366,000	N/A	\$428.60
\$183,001 up to \$499,999	\$366,001 up to \$749,999	\$97,001 up to \$402,999	\$527.50
\$500,000 and above	\$750,000 and above	\$403,000 and above	\$560.50

**The Part B premium can be automatically deducted from your monthly Social Security check, or you can choose to pay the premium out-of-pocket via quarterly statement.*

Should you enroll in Medicare if you are still working?

Working
past 65 with
Medicare
Benefits

Questions to ask:

- If your employer offers health coverage, do you need to enroll in Medicare?
- What about Medicare's prescription drug benefit?
- Can I save money using Medicare instead of what my employer group offers?

Should you enroll in Medicare if you are still working?

Working
past 65 with
Medicare
Benefits

Things to know:

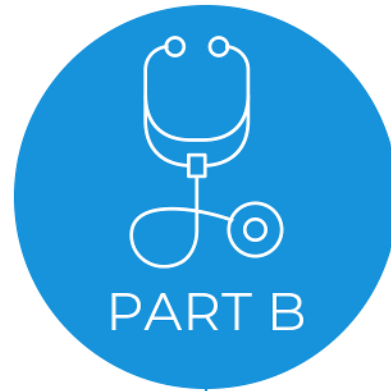
- Most workers should remain enrolled in Medicare Part A, which is free for most people and covers institutional care in hospitals, skilled nursing facilities and other caregiving agencies.
- Individuals who don't sign up for Part B when they first become eligible may have to pay a 10 percent premium penalty for each year that enrollment is delayed.

Medicare

Medicare Parts A-D

Let's start at the beginning.

The 4 Parts of Medicare



Original Medicare



Private medical plans that typically include Part A, Part B and often Part D



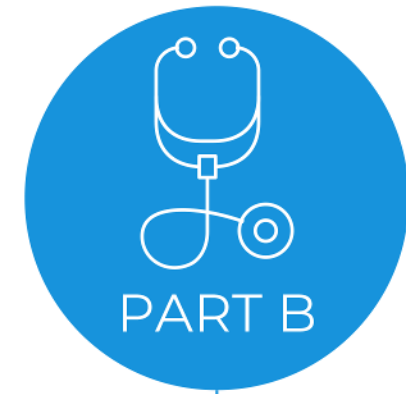
Medicare prescription drug coverage plans

Medicare Parts A and B: Original Medicare



Covers
Hospital
Insurance

Covers Medical
Insurance like
Doctor Visits



- Medicare Parts A and B make up Original Medicare. They're provided by the federal government.
- Original Medicare is for people 65 and older, or those under 65 with certain disabilities.

Medicare Parts C and D:

Medicare Advantage and Prescription Drug Plans



This is called
Medicare
Advantage

You can buy Part C from private insurance companies.

- Medicare advantage combines Parts A and B and sometimes offers Part D.
- It can include extra benefits that Original Medicare alone does not cover.

This helps pay for
prescription drugs.
It's only offered through private
insurance companies. We'll talk
more about Part D later.



You can buy a Medicare Advantage Plan (Part C) if you:

- Are enrolled in Parts A and B.
- Live in the plan's service area.

Federal Health Insurance Programs and Private Plans

Can I just rely on Parts A and B—what the government pays for?

You can rely on Parts A and B, but Original Medicare does not cover all services

- Original Medicare has a deductible and only covers about 80% of your Part B services.
- It covers hospital and doctor visits, along with some prescription drugs.



When you choose Medicare Advantage (Part C), the plan will cover:



- Medicare Part A and Part B (Original Medicare).
- Prescription drug coverage (Part D), with most plans.
- Part C has an annual limit on out-of-pocket costs for covered medical services, unlike Original Medicare.



So, what's the bottom line?

Part C, or Medicare Advantage, combines Part A and Part B benefits, and usually Part D, in one plan.

There are plenty of options. We can help you weigh them.

Your Options

How to choose your plan.

Questions to consider

What monthly plan premium can I afford?

- Does the plan cover the services I need?
- Can I see the doctors I want?

What about a prescription drug plan?

- It helps pay for prescription drugs.
- It's only offered through private insurance companies.



You can choose from two paths:

1 Original Medicare

Part A: Hospital

Part B: Medical

Part D: A separate drug plan—
if you buy it.

Supplemental insurance—
if you buy it.

2 Medicare Advantage

Combines **Part A:** Hospital and
Part B: Medical. Most plans include
a prescription drug plan.

Medicare **Part D:** If your plan
doesn't include it, you may be able
to join a separate Part D plan

If you choose Medicare Advantage, here are two options:

1 A health maintenance organization (HMO)

You'll use doctors in the network.

You might need a referral to see a specialist.

2 A preferred provider organization (PPO)

You can use doctors and hospital outside of the network, but often for a higher share of cost.

What does a Medicare Advantage plan cover?



\$1,600

Part A

Deductible
(hospital insurance)

\$200 per day

Part A

Coinsurance
(skilled nursing
facility for days
21 through 100)

\$226

Part B

Annual
deductible
(medical insurance)

20%

Part B

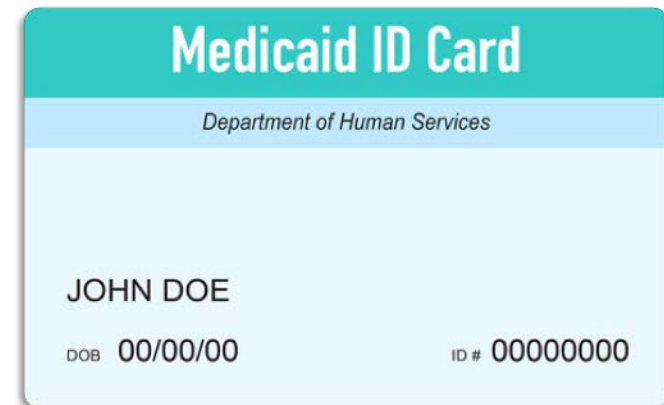
Coinsurance for
doctor services
the plan covers

D-SNP

Dual-Eligible Special Needs Plans.

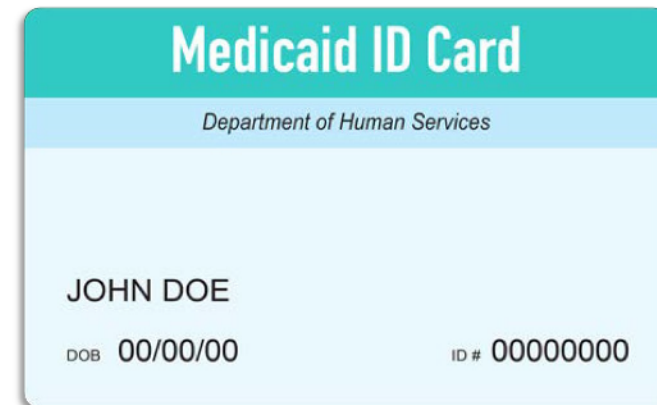
What is D-SNP?

- D-SNP stands for Dual Eligible Special Needs Plan.
- D-SNPs are specialized Medicare Advantage plans created for those who qualify for both Medicare Medicaid.
- You must have a state Medicaid plan and qualify for a Medicare Advantage plan to be able to enroll on a D-SNP.



How Do D-SNPs Work?

- Medicare is the primary payer for medical services, while Medicaid is the secondary payer.
- This means Medicare is the first to pay for covered medical services.
- Then Medicaid pays for most remaining qualified costs.
- Some members will have remaining out-of-pocket costs.



How Do D-SNPs Work?



Much like a traditional Medicare Advantage plan, a D-SNP can include extra benefits that Original Medicare and Medicaid alone may not cover.

Prescription Drugs

Let's look at Part D—the drug plan.

Here's How Part D Works

You can buy this in addition to Part A and/or Part B. You have two choices:

1 Stand-alone Medicare prescription drug plan (PDP)

2 Medicare Advantage that includes prescription drug (Part D) coverage

What you need to know about prescription drug coverage

Stage 1

DEDUCTIBLE

Until you have reached your deductible, you'll pay the full discounted cost for your covered drugs. Some plans have a \$0 deductible. The 2023 deductible is \$505.

Stage 2

INITIAL COVERAGE

After you have reached your deductible, you'll pay only part of the cost for your covered drugs.

Stage 3

COVERAGE GAP

After you and your plan have paid a total of \$4,660, you'll pay only part of the cost for your covered drugs until you reach \$7,400.

Stage 4

CATASTROPHIC COVERAGE

Once you have paid \$7,400 you are out of the coverage gap. You'll pay a set amount for your covered drugs for the remainder of the year.



Medicare Part D Formulary

- The formulary is a list of covered drugs, based on the most recent Medicare prescribed drugs.
- A plan formulary may change at any time, and you will receive notice if this happens.
- For the most up-to-date formulary, visit the plan's website or call their customer service phone number.

Adding More to Your Coverage

Medicare Supplement insurance.

Supplemental Insurance

Sometimes called Med Supp or Medigap.

- Original Medicare (Parts A & B) cover about 80% of medical costs.
- A Med Supp policy can help cover the remaining out-of-pocket expenses.



Supplemental Insurance

- Sold by private insurance companies.
- Has a monthly premium.
- Helps cover benefit gaps such as Part A and Part B deductibles, co-pays and coinsurance.
- Does not include Part D drug coverage—you buy that separately.
- Does cover visits to any doctor who accepts Medicare patients in the nation.



Next Steps

Bringing it all together.

Bringing it all together

Step 1

Enroll in Medicare Part A and Part B when you are first eligible.



Bringing it all together

Step 2

Now you have two ways to proceed:

- 1 Keep Original Medicare and add:**
 - Medicare Supplement Insurance.
 - Medicare Part D.

- 2 Buy a Medicare Advantage plan.**

This combines Medicare Part A, Part B and often Part D, plus adds additional benefits.

Frequently Asked Questions

Frequently Asked Questions

How do I enroll in Part A and Part B?

- If you are getting Social Security when you turn 65, you'll automatically be enrolled.
- If not, you'll need to sign up for Parts A and B. Contact Social Security three months before you turn 65. If you worked for a railroad, contact the Railroad Retirement Board.
- **Note:** People on Social Security disability will automatically be enrolled in their 25th month of disability.

Frequently Asked Questions

When can I enroll in Part A and Part B?

What if I don't enroll in that window?

- You can enroll in the window that begins three months before the month you turn 65, during your birthday month, and during the three months after the month you turn 65.
- If you don't enroll during that window, you may have to pay a penalty in the form of a higher premium.

Frequently Asked Questions

Are there other times I can enroll in Parts C and D?

- From October 15 to December 7 every year, all people with Medicare can change their health care plans.
- You can switch to Medicare Advantage or Original Medicare during this Annual Enrollment Period (AEP), join a Medicare prescription drug plan or change plans.

Frequently Asked Questions

Are there other times I can enroll in Parts C and D?

You can also enroll in Parts C and D during a Special Enrollment Period (SEP) for special circumstances such as:

- Losing your employer coverage.
- Moving to a new service area.
- Qualifying for Extra Help.

Frequently Asked Questions

What if I am late in signing up for Part D?

- You may face a late enrollment penalty.
- The penalty increases based on each month that you delay.
- This can get costly.

Frequently Asked Questions

When can I enroll in a Medigap insurance plan?

(also called Medicare Supplement)

- Medigap has a six-month Open Enrollment Period (OEP). It automatically starts the first full month you're 65 and are enrolled in Medicare Part B.
- *For example:* If you turn 65 on April 3 but don't join Medicare Part B until May 25, your Medigap Open Enrollment Period will start on June 1. This is the first day of the month in which you are both 65 and enrolled in Part B.
- During your six-month Open Enrollment Period, you can buy any Medigap policy sold in your state.

Frequently Asked Questions

What if I have health problems?

During the six-month Open Enrollment Period you can purchase a Medigap policy even if you have pre-existing health conditions.

Even if you have a disability or have health problems, an insurance company cannot do any of the following:

- Refuse to sell you a Medigap policy it offers.
- Charge you a higher premium than they charge others who are 65 or older.
- Delay the start of your coverage.

Frequently Asked Questions

What if I delay enrollment in a Medigap policy?

- You can apply for a Medigap policy after your Open Enrollment Period ends. However, there is no guarantee your application will be accepted if you don't meet medical underwriting requirements, except in certain limited situations.
- If you're able to buy a Medigap policy, there may be an additional cost in the form of a penalty. You incur this penalty from Medicare (not your insurance company).

THANK YOU!

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