



MEDICARE PART B

Topics

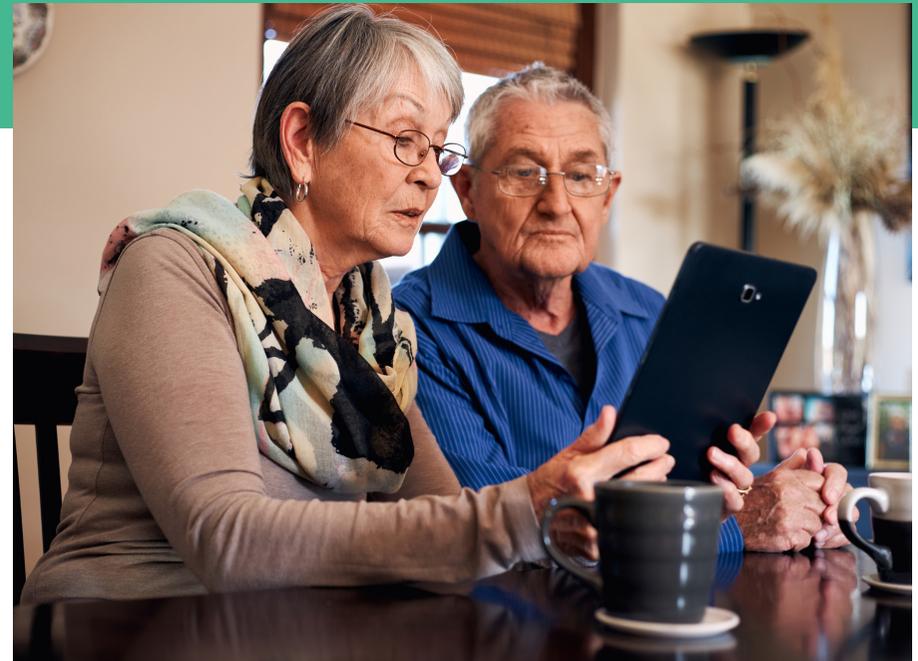
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Medicare Part B Overview

Medicare Part B

Medicare Part B is medical insurance. Along with Medicare Part A (hospital insurance), it makes up Original Medicare, the federal health insurance program. Part B is optional however, if an individual does not sign up for Part B when first eligible, they may have to pay a late enrollment penalty if they sign up at a later date.



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Medicare Part B Coverage



Part B Coverage

Medicare Part B (medical insurance) helps cover medical services that Part A does not cover and includes two types of services. Services or supplies that are needed to diagnose or treat medical conditions and that meet accepted standards of medical practice, and preventive services --health care to prevent illness (like the flu) or detect it at an early stage, when treatment is most likely to work best. Examples listed below are not a full list of services available:

- Doctor visits
- Certain cancer screenings
- Certain lab tests
- An annual wellness visit with a primary care provider
- A one-time Welcome to Medicare visit with a primary care provider
- Diabetes screening, supplies, and certain services
- A diabetes prevention program for those who qualify
- Alcohol abuse screening and counseling for those who qualify
- Flu shots
- Pneumonia shots
- Depression screenings
- Second opinion when surgery is recommended by a physician





Part B Coverage

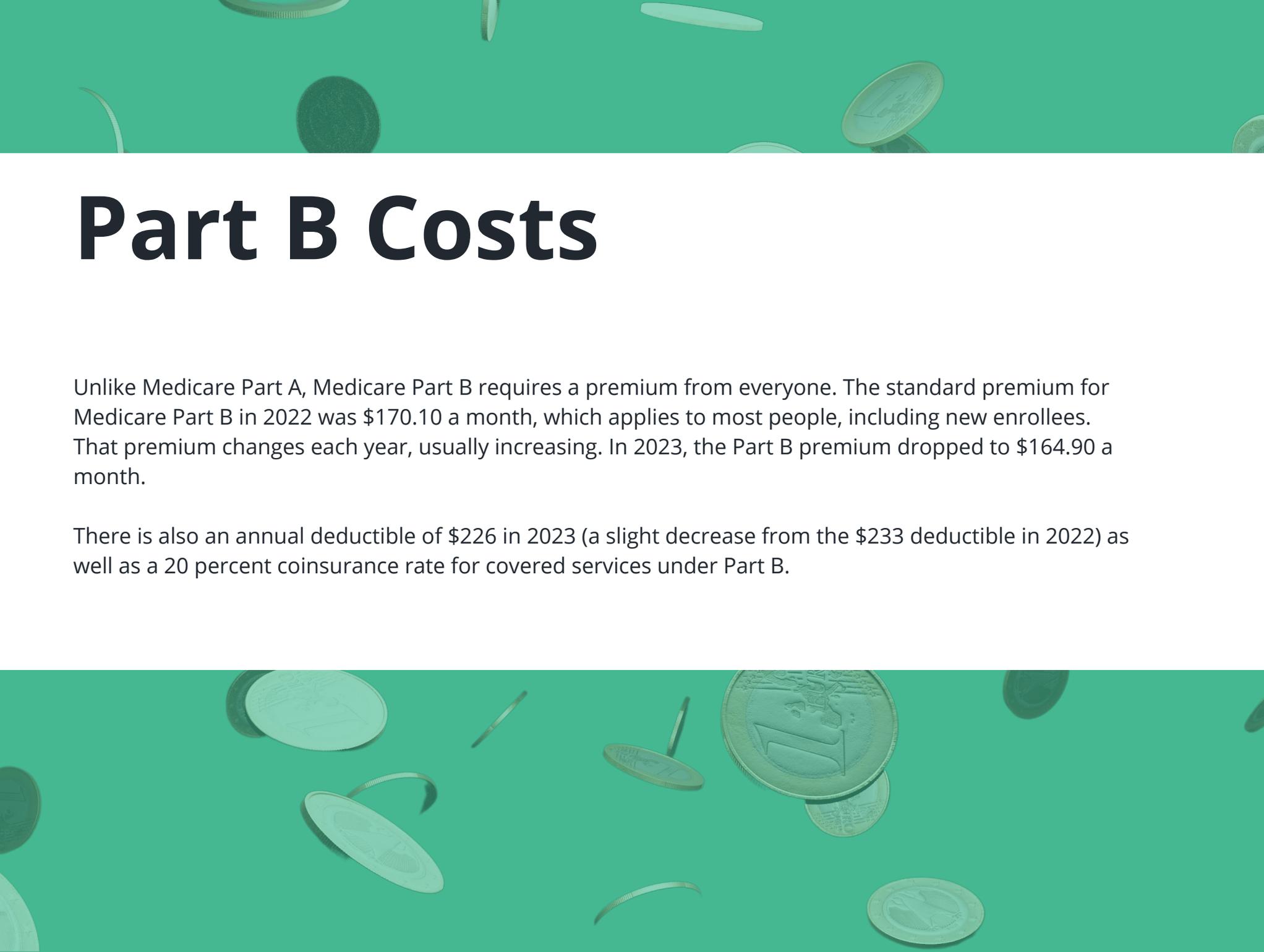
As of the 2019 plan year, the Centers for Medicare and Medicaid Services lifted coverage caps on critical services covered under Medicare Part B. These include physical therapy, speech language pathology and occupational therapy. But original Medicare doesn't cover everything. Supplemental insurance, such as Medigap, could help a beneficiary if coverage is needed for services not covered under original Medicare. Check **Medicare Supplement** benefits carefully to verify available benefits **that could include:**

- Acupuncture
- Cosmetic procedures
- Custodial or long-term care
- Dental care and dentures
- Eye examinations needed for prescriptions
- Hearing aids, along with their fitting exams
- Routine care for foot treatments



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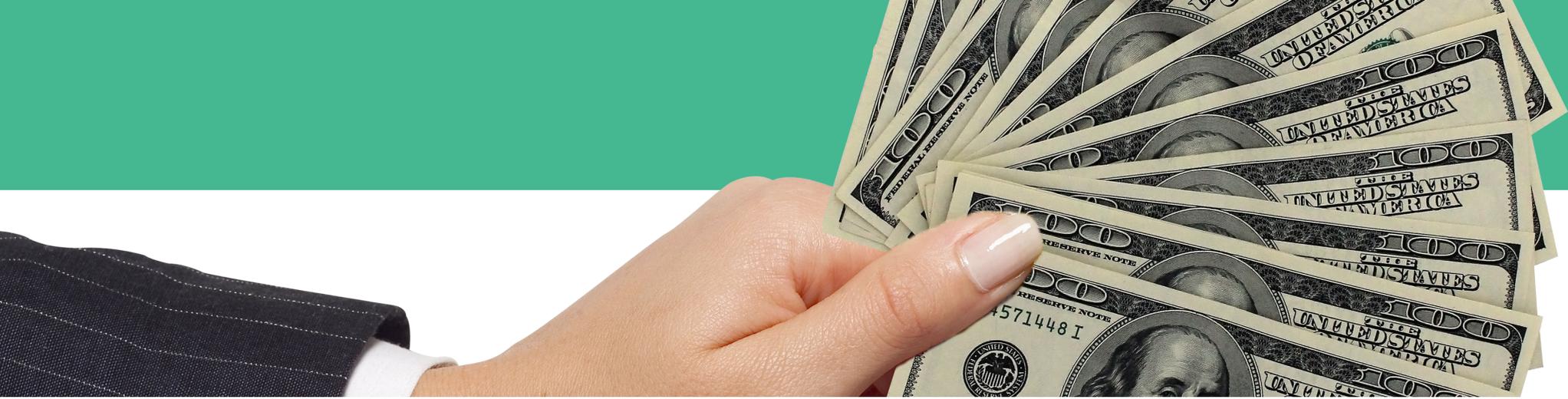
Medicare Part B Costs



Part B Costs

Unlike Medicare Part A, Medicare Part B requires a premium from everyone. The standard premium for Medicare Part B in 2022 was \$170.10 a month, which applies to most people, including new enrollees. That premium changes each year, usually increasing. In 2023, the Part B premium dropped to \$164.90 a month.

There is also an annual deductible of \$226 in 2023 (a slight decrease from the \$233 deductible in 2022) as well as a 20 percent coinsurance rate for covered services under Part B.



Part B Costs

While most people pay the standard amounts for premiums and deductibles, some people will pay more, depending on their income. The extra fee per month is called the Income Related Monthly Adjustment Amount (IRMAA).

The Medicare.gov website offers a chart on the rates for those with higher incomes, which is updated annually.

There are four Medicare Savings Programs available for people that may find it difficult to pay for the monthly costs associated with this portion of Medicare but only three of them relate to Medicare Part B.

- The Qualified Medicare Beneficiary Program (QMB)
- The Qualifying Individual Program (QI)
- The Specified Low-Income Medicare Beneficiary Program (SLMB)



Cost Sharing (2023)

Inpatient hospital care:

- Medicare Part A deductible: \$1,600 for each benefit period
- Medicare Part A coinsurance:
 - \$0 coinsurance for the first 60 days of each benefit period
 - \$400 a day for the 61st to 90th days of each benefit period
 - \$800 a day for days 91 and beyond per each lifetime reserve day of each benefit period (up to 60 lifetime reserve days)
 - After lifetime reserve days are used up: all costs

Skilled nursing facility care:

- \$0 for days 1 to 20 for each benefit period
- Up to \$200 coinsurance per day for the 21st to 100th days (skilled nursing facility coinsurance of each benefit period)
- Days 101 and beyond: all costs
- Patients must have a qualifying hospital stay (usually at least three days) before entering a skilled nursing facility.

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Medicare Part B Enrollment

Part B Enrollment

Eligibility requirements for Medicare Part B are essentially the same as those for Medicare Part A. In this section, we'll highlight some important distinctions for Part B for enrollment purposes. For some people, enrollment in Medicare is automatic based on certain criteria. If they meet one of the following conditions below, then they will be enrolled in Medicare Parts A and B and sent a Medicare card automatically.

- Younger than 65 and have a disability.
- Already receive retirement benefits from the Railroad Retirement Board (RRB) or Social Security.
- Have amyotrophic lateral sclerosis (ALS), which is also called Lou Gehrig's disease.
- Live in Puerto Rico and receive benefits from Social Security or the RRB.

If enrolled automatically into Medicare Part B, but the individual does not want the coverage, then they will need to opt out of Part B as soon as they receive their Medicare card. Otherwise, they will be liable for the monthly premium that comes with it.

Outside of these parameters, an individual qualifies for Medicare Part B if they are 65 or older or have end-stage renal disease (ESRD). If they live in Puerto Rico, they will need to sign up for Part B coverage, because in Puerto Rico, individuals are only enrolled automatically into Medicare Part A.

Individuals can sign up for Medicare Part B three months prior to their 65th birthday by visiting the Social Security Administration (SSA) website. Or, by calling their local Social Security office or taking a trip to their local SS office to fill out an in-person application.

Part B Enrollment and Penalties

Medicare Part B is optional, but in some ways, it can seem mandatory, because there are penalties associated with delayed enrollment. Individuals do not have to enroll in Part B, particularly if they are still working when you reach age 65. However, if they do not qualify for a Special Enrollment Period (SEP), then they may incur penalty charges. These penalty charges are indefinite for as long as they keep Medicare Part B. If they are not automatically enrolled because of the aforementioned conditions, then here are the enrollment options:

- A seven-month initial period to enroll in Medicare Part B. The seven months include the three months prior to their 65th birthday, the month containing their 65th birthday and the three months that follow their birthday month.
- If enrollment is delayed they have to wait until the next general enrollment period begins. For Medicare Part B, this is from January 1 through March 31.

If they delay Medicare Part B enrollment, then they have to wait to enroll when the general enrollment period starts. Also, they have to pay a penalty of as much as 10 percent above the standard premium for every 12-month period that they didn't have coverage when they could have. The longer an individual waits to enroll the higher the percentage goes.

Special Circumstances

Once an individual stops working or loses work-based coverage, they have an eight-month period to enroll in Medicare Part B. If they don't enroll during this time, they may have to pay the late enrollment penalty every month they have Part B coverage – sometimes indefinitely. Also, they could face a serious coverage gap if they wait to enroll:

- Active duty military member can delay Medicare Part B coverage, as long as they remain active duty.
 - Before retiring from the military, they need to enroll in Part B during their SEP in order to avoid penalty fees later.
- TRICARE, health insurance for active and retired military people and their families, beneficiaries need both Medicare Part A and Part B to maintain TRICARE coverage.
 - For veterans, Medicare Part B offers additional coverage for medical treatments and services that veterans insurance doesn't cover; it may be helpful to enroll in Part B if a veteran.

Medicare Part B Summary

It is available to US citizens and legal permanent residents (5+ consecutive years). Individuals 65 and older or under age 65 with certain disabilities are eligible. Individuals with end-stage renal disease or ALS may qualify at any age.

Medicare Part B is referred to as the medical insurance portion of Medicare. It covers different aspects of healthcare than Medicare Part A, including medical treatments and services classified as "medically necessary services" and preventive services.

Medicare Part B is optional but there may be penalties associated with delayed enrollment. Enrollment may or may not be automatic. Individuals should review their situation carefully prior to eligibility.



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