

Fairhaven Whitepaper

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Medicare Enrollment Options and Choices

There are two primary routes to take when enrolling in Medicare – Original Medicare or Medicare Advantage Plan. This executive summary will attempt to provide a brief synopsis of these two options.

- **Original Medicare** – Each component is purchased separately
 - Part A, Part B, Prescription Drug Part D, Medicare Supplement
- **Medicare Advantage Plan** – Components of Original Medicare are bundled into a single plan

You generally have a seven-month window to select Medicare Coverage. It is important to enroll on-time to avoid a gap in health coverage or permanent premium penalties. Your Medicare eligibility window begins three months *prior* and continues three months *following* your eligibility birthday month. Exceptions may apply for those who work beyond age 65 and have access to a group insurance plan.

Original Medicare

- **Part A** – Inpatient/Hospital Coverage
- **Part B** – Outpatient/Doctor Coverage (patient responsible for 20-35% of approved costs *after* satisfying annual deductible)
- **Prescription Drug Coverage** – Part D (declining to enroll in prescription drug coverage when you are initially eligible for Medicare *may* result in a late enrollment penalty unless you have other prescription drug coverage).

Consider your current prescription drugs, pharmacy preference and geographic location. Plans to consider:

- AARP Medicare Rx Saver Plus
- AARP Medicare Rx Walgreens PDP
- Humana Walmart Rx Plan

Medicare Supplement (Medigap)

- Medicare Supplement policies are sold by private companies and they can help pay for certain health care expenses not paid by Original Medicare (i.e. copayments, coinsurance, and deductibles). You must have Medicare Part A & B in order to be eligible for a Medicare Supplement Policy. Supplement Policies only cover 1 person – for married couples, each spouse would have to have their own policy. There are a wide range of monthly premiums so it is important to evaluate the alternatives.

Historically the “F” plan has been most popular. Plan availability and structure vary both by providers and zip codes. However, for Illinois residents, we have found the “G” Plan to be an attractive solution.



Medigap Benefits	Medigap Plans									
	A	B	C	D	F*	G	K	L	M	N
Part A coinsurance and hospital costs up to an additional 365 days after Medicare benefits are used up	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Part B coinsurance or copayment	Yes	Yes	Yes	Yes	Yes	Yes	50%	75%	Yes	Yes
Blood (first 3 pints)	Yes	Yes	Yes	Yes	Yes	Yes	50%	75%	Yes	Yes
Part A hospice care coinsurance or copayment	Yes	Yes	Yes	Yes	Yes	Yes	50%	75%	Yes	Yes
Skilled nursing facility care coinsurance	No	No	Yes	Yes	Yes	Yes	50%	75%	Yes	Yes
Part A deductible	No	Yes	Yes	Yes	Yes	Yes	50%	75%	50%	Yes
Part B deductible	No	No	Yes	No	Yes	No	No	No	No	No
Part B excess charge	No	No	No	No	Yes	Yes	No	No	No	No
Foreign travel exchange (up to plan limits)	No	No	80%	80%	80%	80%	No	No	80%	80%
Out-of-pocket limit**	N/A	N/A	N/A	N/A	N/A	N/A	\$5,120	\$2,560	N/A	N/A

Source: <https://www.medicare.gov/supplement-other-insurance/compare-medigap/compare-medigap.html>

OR

Medicare Advantage – Part C

Medicare Advantage Part C is an alternative to Original Medicare in which private insurance companies combine all of your coverage into a single plan. These are similar to employer sponsored plans and can provide simplified benefits. Many plans include Dental, Vision and/or Hearing services. These plans typically have geographic limitations associated with their particular HMO or PPO network. Therefore, it may not be the best option if you reside in multiple states, check plan for details. Plans to consider:

- Humana Choice PPO
- Aetna Medicare Value Plan PPO
- Humana Gold Plus HMO

This executive summary intends to provide a brief outline of Medicare Benefits. The information contained herein has been obtained from sources we believe to be reliable, however we do not guarantee the accuracy of this information. Options listed here may not be available to you. Medicare plans change from year to year and you may need to re-evaluate these changes. This document is not intended to make or imply specific recommendations. Please refer to www.medicare.gov for additional information.

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For more information, please contact:

Marc Horner, CFP®, CIMA®
Wealth Advisor
President
mhorner@fairhavenw.com
630.990.9000

