

# Medicare RoadMap

CUSTOMIZED FOR

Annie CA-IEP

4/6/2022

<small>EXIT NOW</small> <b>YOUR DESTINATION</b>	<b>YOUR MEDICARE DESTINATION:</b>
<b>PAGE 4</b> Recommended Medicare Path	Medicare Part A and Part B with a Medigap policy and Part D prescription drug plan (Original Medicare).
Please turn to page 4 for your unique Medicare-related action plan.	

The information on i65 is provided for educational purposes. Medicare has neither reviewed nor endorsed this information.

PROVIDED COURTESY OF:



**Sample Company**

Steve Sams, CPA  
Sample Company  
(000) 111-2233  
stevesams@i65.com

# Medicare Enrollment Resources

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## To Help You Purchase a Medicare Supplement Policy

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If you'd like the help of an insurance agent for selecting and getting enrolled in a policy, consider contacting the following resource(s):

Insurance Agent  
[sample@sampleinsureco.com](mailto:sample@sampleinsureco.com)  
543-321-0987  
<https://www.sampleinsure.com>



Advisors can customize i65 reports to include local insurance agents. If an advisor does not have any agents to refer to, the government resources will still be available.

## Government Resources

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Checklist for online enrollment:  
<https://www.ssa.gov/hlp/isba/10/isba-checklist.pdf>

Online Medicare enrollment:  
<https://secure.ssa.gov/iClaim/rib>

Medicare Planfinder:  
<https://www.medicare.gov/find-a-plan/questions/home.aspx>

## More About Sample Co.



Please put better info in here for your company.

Advisors can customize a page about their company, next steps in retirement planning, etc. *You could even include a picture of a gopher!*



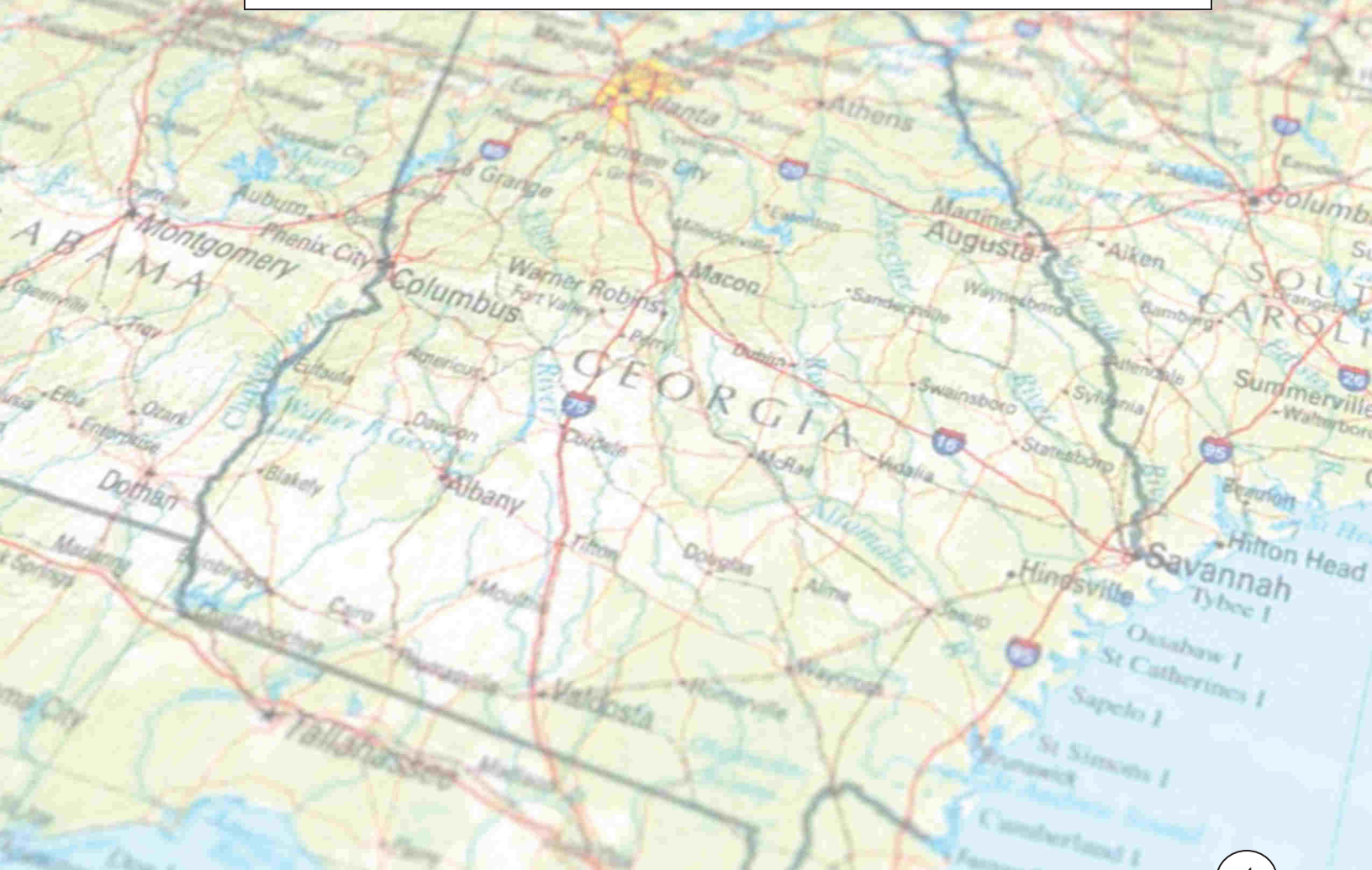
## Important

Before taking any action, please read this entire report.

The recommendations outlined in this report are specific to your unique situation based upon the answers you've provided through i65.

We urge our clients to double-check all critical information before making any final Medicare enrollment decisions.

i65 cannot make final Medicare coverage decisions for our clients. This remains the obligation of each client, after carefully considering the information provided by i65 and other resources.



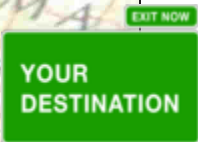
# Your Medicare RoadMap

Prepared For: Annie CA-IEP    Date of Birth: 5/22/1957    Date: 4/6/2022



## Current Status

- I am turning 65 and still working.
- I am not receiving Social Security retirement benefits.
- I do not plan to enroll Social Security at this time.
- I have an employer group health plan, sponsored by a company with 20 or more employees.
- I will not choose the employer group health plan.



## Your Destination

Medicare Part A and Part B with a Medigap policy and Part D prescription drug plan (Original Medicare).



## When to Take Action

To get Medicare coverage as soon as possible, enroll during these months.

*May*

*June*

*July*

ENROLL ANY TIME DURING THE FIRST THREE MONTHS OF YOUR INITIAL ENROLLMENT PERIOD & COVERAGE BEGINS *August 1st*.

SEPTEMBER 1ST BIRTHDAY

*August*

ENROLL THIS MONTH & COVERAGE BEGINS *September 1st*.

If you delay and sign up during the last months, you won't face a late enrollment penalty. However, the effective date for Medicare coverage will be delayed, from one to three months.

*September*

*October*

*November*

ENROLL THIS MONTH & COVERAGE BEGINS *November 1st*.

ENROLL THIS MONTH & COVERAGE BEGINS *January 1st*.

ENROLL THIS MONTH & COVERAGE BEGINS *February 1st*.

RoadMaps include critical and specific Medicare-related dates.



## Step-by-step Directions

1. Pay attention to Medicare during your Initial Enrollment Period.
2. Enroll in Medicare Part A, hospital insurance, and Part B, medical insurance.
  - Start this process during your Initial Enrollment Period.
  - Download a checklist for online enrollment at [www.ssa.gov/hlp/isba/10/isba-checklist.pdf](http://www.ssa.gov/hlp/isba/10/isba-checklist.pdf).
  - Establish a My Social Security account, if you do not have one (<https://secure.ssa.gov/RIL/SiView.action>).
  - Enroll online at <https://secure.ssa.gov/iClaim/rib>.
    - Log in to your My Social Security account.
    - Click "More Info," if you need additional information.
    - Write down or print the page with the re-entry number when it appears.
    - Answer the following questions, as indicated.
      - Yes - "Do you wish to apply for Medicare ONLY, but not for monthly retirement cash benefits at this time?"
      - Yes - "Do you want to enroll in Medicare Part B?"
      - Yes - "Are you covered under a group health plan?"
      - Yes - "Are you covered under a group health plan

These step-by-step directions for enrolling in (or delaying) Medicare are customized to the client's unique situation and specific needs.

through your own current employment?"

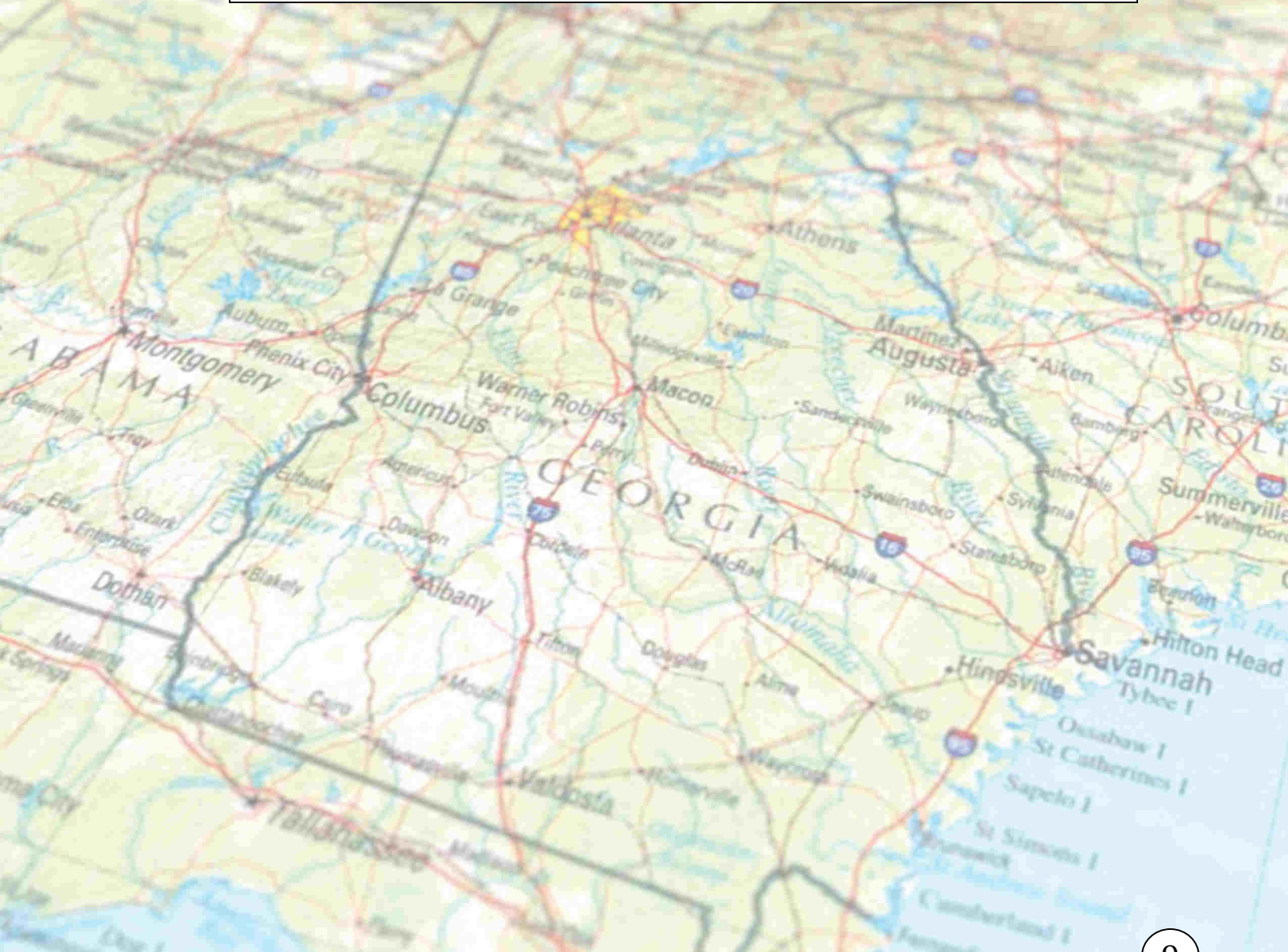
- Review and edit the information.
- Write down the confirmation number and print the receipt.

3. Watch for your Medicare card in the mail.
4. Notify the plan administrator about your decision to discontinue your current coverage and the effective date.
5. Enroll in a Part D prescription drug plan.
  - Check the resources on page 2 of this RoadMap to identify an agent who can help with selection of a Part D drug plan.
  - Verify the monthly premium and other information.
  - Complete the enrollment process.
6. Select and enroll in a Medigap policy.
  - Determine the benefits you need.
  - Check the resources on page 2 of this RoadMap to identify an agent who can help with selection of a Medigap policy.
  - Verify the monthly premium and other information.
  - Complete the enrollment process.
7. Pay attention to your drug costs and coverage throughout the year.

**Medicare RoadMaps are fiduciary documents. They do NOT recommend specific insurance plans or carriers. Advisors can add the contact information of insurance agents to reports or use i65 resources to help clients pick specific plans.**



- During the Open Enrollment Period (October 15-December 7), compare your drug plan to others that will be available next year.
- If there is a better option, enroll in a new plan.
- If you decide to continue with your current plan, take no action.





## Original Medicare or Medicare Advantage?

The following factors influenced your Medicare path decision.

- You have one or more medical conditions that are under control.
- You plan to spend considerable time away from home.
- You prefer predictable monthly premiums.

You determined that **Original Medicare with a Medigap policy and Part D prescription drug plan** is the best option.

You'll be able to see physicians and other healthcare providers who accept assignment anywhere in the United States or its territories. Coverage for foreign travel emergencies is an optional Medigap benefit.

You will pay monthly premiums, and have little or no out-of-pocket expense for medical care and generally predictable medication costs.

After the Step-by-Step section, the remainder of the i65 Medicare RoadMap report is a “lifetime document.” People file it away and refer to it later in life whenever Medicare questions arise...



## Initial Enrollment Period for Medicare

Medicare provides a seven-month Initial Enrollment Period (IEP) to enroll in Medicare. This begins three months before and ends three months after the month of your 65th birthday. If your birthday falls on the first of the month, this period shifts one month earlier, beginning four months before and ending two months after your birth month.

The "When to Take Action" page of this RoadMap identifies your IEP. Your individual circumstances will dictate your plan.

*If you missed your IEP, contact a trusted Medicare advisor to review your options.*

Click these links for more information.

- Medicare and You 2022 [www.medicare.gov/pubs/pdf/10050-Medicare-and-You.pdf](http://www.medicare.gov/pubs/pdf/10050-Medicare-and-You.pdf).
- Initial Enrollment Period [www.medicare.gov/sign-up-change-plans/get-parts-a-and-b/when-sign-up-parts-a-and-b/when-sign-up-parts-a-and-b.html](http://www.medicare.gov/sign-up-change-plans/get-parts-a-and-b/when-sign-up-parts-a-and-b/when-sign-up-parts-a-and-b.html) and [www.65incorporated.com/topics/enrolling-medicare/when-should-i-apply-medicare](http://www.65incorporated.com/topics/enrolling-medicare/when-should-i-apply-medicare).



## Medicare Part A and Part B Enrollment

Medicare will be the primary payer, once you turn 65. You must enroll in Part A, hospital insurance, and Part B, medical insurance. This will ensure that you have complete coverage.



## Medicare Card

Watch the mail for your Medicare card. When it arrives, verify the information on your card. If the card has any inaccuracies, contact Social Security at 1-800-772-1213 (TTY number (800) 325-0778).

**IMPORTANT:** Never let anyone else use your Medicare card. Keep the card and your Medicare number as safe as you would a credit card.

If your Medicare card is ever lost or stolen, visit [www.socialsecurity.gov](http://www.socialsecurity.gov), or call Social Security to receive a replacement card.

Check these links for more information.

- Protect yourself from Medicare fraud [www.medicare.gov/Pubs/pdf/10111-Protecting-Yourself-and-Medicare.pdf](http://www.medicare.gov/Pubs/pdf/10111-Protecting-Yourself-and-Medicare.pdf).
- Getting a replacement Medicare card [www.hhs.gov/answers/medicare-and-medicaid/how-do-i-replace-my-medicare-card/index.html](http://www.hhs.gov/answers/medicare-and-medicaid/how-do-i-replace-my-medicare-card/index.html).

... Such as, when they lose their Medicare card and need to know how to get a new one!



## HSA Funds

You will not have your current health insurance plan once you turn 65. If you have a *Health Savings Account (HSA)*, you will no longer make contributions.

You may use any funds in your account to pay most Medicare expenses, such as the premiums for Part B, Part D, and a Medicare Advantage plan, along with copayments, coinsurance, and deductibles. However, you cannot use HSA funds to pay the premiums for a Medigap policy (Medicare supplement insurance).

Check these links for more information.

- Health Savings Accounts [www.irs.gov/pub/irs-pdf/p969.pdf](http://www.irs.gov/pub/irs-pdf/p969.pdf).
- HSA funds [www.65incorporated.com/topics/out-pocket-medicare-costs/heath-savings-account-distributions-medicare-premiums](http://www.65incorporated.com/topics/out-pocket-medicare-costs/heath-savings-account-distributions-medicare-premiums) and [www.65incorporated.com/topics/out-pocket-medicare-costs/can-i-withdraw-money-my-hsa-cover-medigap-premiums](http://www.65incorporated.com/topics/out-pocket-medicare-costs/can-i-withdraw-money-my-hsa-cover-medigap-premiums).
- Qualified medical expenses [www.irs.gov/pub/irs-pdf/p502.pdf](http://www.irs.gov/pub/irs-pdf/p502.pdf).



## Drug Plan Enrollment

Based on your answers to *i65* questions, you will need to select a Part D prescription drug plan. Check the Part D drug plan resources on page 2 of this RoadMap to find a Part D drug plan agent. This agency can help you find a plan that will cover all your prescribed medications, be cost effective, and have a good quality rating. During the enrollment process, discuss the premium, coverage of your medications, costs, and any questions you have.

### Part D Drug Plan Payment Stages

Medicare drug plans have out-of-pocket costs. How much one pays depends on the number and type of prescribed medications.



Regardless of how one gets drug coverage (a stand-alone plan or prescription drug coverage in a Medicare Advantage plan), a Part D prescription drug plan has four payment stages.

1. **Deductible:** This is the amount you pay out-of-pocket before the plan starts paying. The standard deductible in 2022 is \$480. Plans can charge no deductible or any amount up to the maximum. Over two-thirds of drug plans have a deductible.
2. **Initial Coverage Stage:** In a standard drug plan, the beneficiary pays 25% of the cost of medications. Most plans choose to charge a copayment (a fixed amount such as \$3 or \$10) in this stage. Once total drug costs (what the individual and plan have paid) reach \$4,430, the beneficiary passes into the Coverage Gap.

... Or when they need to know what the “Donut Hole” is.

3. *Coverage Gap*: Also known as the donut hole, the plan pays very little in this stage. The beneficiary is responsible for most or all of the costs. There are discounts on medications. In 2022, there is a 75% discount on all prescription medications. Once the beneficiary's total costs reach \$7,050, it's onto the last payment stage.
4. *Catastrophic Coverage*: Fewer than 5% of all those who have drug coverage reach this stage. Cost sharing is minimal. The individual pays the greater of 5% or \$3.95 for some generic medications and \$9.85 for all other drugs.

Check these links for more information.

- Medication tiers [www.65incorporated.com/blog/2016/04/tier-medication-determines-your-cost](http://www.65incorporated.com/blog/2016/04/tier-medication-determines-your-cost).
- Part D deductible [www.65incorporated.com/blog/2016/02/heres-how-part-d-deductible-works](http://www.65incorporated.com/blog/2016/02/heres-how-part-d-deductible-works).
- Donut hole (Coverage Gap) [www.65incorporated.com/topics/medicare-part-d-prescription-drug-plans/qa-medicare-donut-hole](http://www.65incorporated.com/topics/medicare-part-d-prescription-drug-plans/qa-medicare-donut-hole) and [www.65incorporated.com/topics/medicare-part-d-prescription-drug-plans/know-about-drug-discounts-coverage-gap](http://www.65incorporated.com/topics/medicare-part-d-prescription-drug-plans/know-about-drug-discounts-coverage-gap).
- Preferred pharmacies [www.65incorporated.com/topics/medicare-part-d-prescription-drug-plans/corner-pharmacy-may-not-be-your-best-deal](http://www.65incorporated.com/topics/medicare-part-d-prescription-drug-plans/corner-pharmacy-may-not-be-your-best-deal).
- Medicare star ratings [www.65incorporated.com/blog/2016/11/medicare-star-ratings-q](http://www.65incorporated.com/blog/2016/11/medicare-star-ratings-q).



## Medigap Policy

You have chosen the path of Original Medicare, also called Traditional Medicare.



Medicare Part A, hospital insurance, and Part B, medical insurance, are the core components of coverage.

However, there are significant out-of-pocket costs associated with Part A and Part B, such as a \$1,556 deductible for hospitalization and 20% coinsurance for doctors' visits in 2022. There is no limit on the costs for these two parts of Medicare. That is why it's important to select a Medigap policy. Also known as Medicare supplement insurance, a Medigap policy helps cover the costs Medicare does not cover.

Policies are standardized. Any company selling Medicare supplement insurance must offer the same benefits. That means once you pick the package of benefits you need, cost will usually be the most significant difference between policies sold by different companies.

Every Medigap policy must follow Federal laws designed to protect you. State laws also can have an impact on Medigap policies. For instance, Wisconsin, Minnesota and Massachusetts are standardized differently. In other states, such as Arizona, Florida, and Georgia, to name just a few, insurance companies cannot sell attained-age-rated policies.

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Every Medigap policy must follow Federal laws designed to protect you. State laws also can have an impact on Medigap policies. For instance, policies in Massachusetts are standardized differently than those in New York and Connecticut. And, in these three states, insurance companies can only sell community-rated policies.

As discussed earlier in this RoadMap, you also have opportunities, beyond the first six months, to change your Medigap policy.

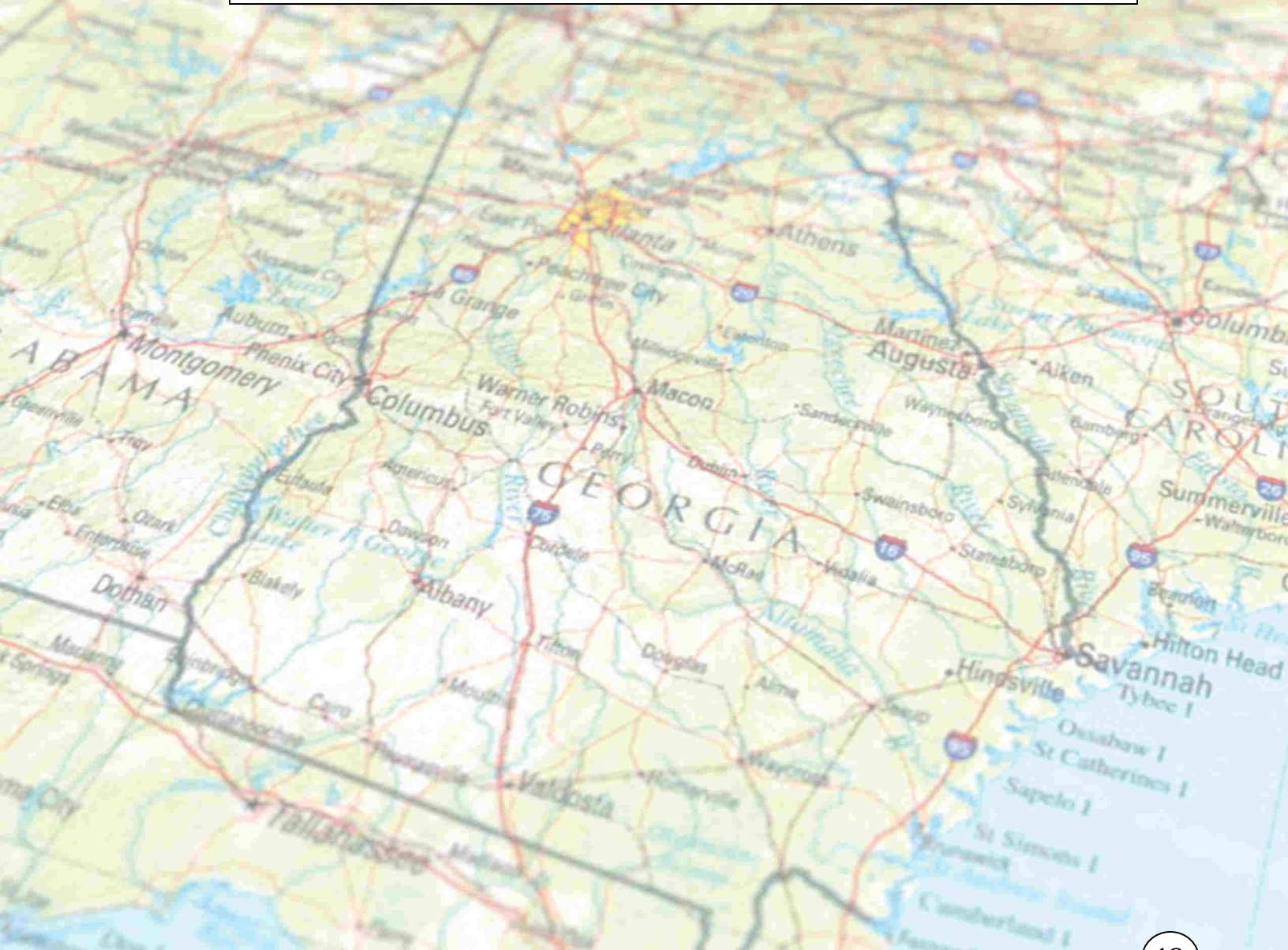
On page 2 of this RoadMap, you can find an agent to help you with policy selection. The agent will have more information about pricing, discounts, and enrollment.

### **What If Things Change?**

Perhaps, down the road, you decide you no longer want a Medigap policy? Perhaps, you would no longer travel, you would okay with networks, or you needed a lower premium option. During the fall Open Enrollment Period, October 15-December 7, or the Medicare Advantage Open Enrollment Period, January 1-March 31, you would:

- Drop Medicare Part A and B, the Medigap policy, and the Part D drug plan, and
- Select and enroll in a Medicare Advantage plan with prescription drug coverage.

This is possible because Medicare Advantage plans do not utilize medical underwriting.





## Open Enrollment

Pay attention to your drug costs and coverage throughout the year. Then, during Open Enrollment (October 15-December 7), two actions are very important.



- Review the changes in your Part D prescription drug plan for the upcoming year.
- Compare the plan's benefits and costs with other drug plans that will be available.

If you are satisfied with the next year's version of your plan, do nothing; your current plan will renew automatically. If there is a better option, contact a customer service representative of that plan during the Open Enrollment Period. The new drug coverage will take effect January 1.

Studies have shown that, on average, people who do not participate in Open Enrollment over-spend on their coverage by \$368 per year.

There is no open enrollment period for Medigap policies (Medicare supplement insurance). Generally, the plan you select initially will be the one you have for life.

Check this link for more information.

- Open Enrollment [www.65incorporated.com/topics/medicare-open-enrollment-period](http://www.65incorporated.com/topics/medicare-open-enrollment-period).



## Living with Original Medicare

There are some essential points to know about this Original Medicare.

### Physicians and Healthcare Providers

Original Medicare does not have networks of physicians. Instead, it has physicians and healthcare providers who accept assignment. These doctors and other providers, including hospitals, outpatient clinics, therapists, and more, have agreed to Medicare's terms of service. They will accept Medicare's allowed charges as payment-in-full for all of their Medicare patients. They cannot bill a beneficiary in excess of Medicare's allowed copayment or coinsurance. While these providers must accept assignment on all Medicare claims, they do not have to accept every Medicare beneficiary as a patient.

Medicare has a national database, Physician Compare, to find physicians and other healthcare providers who accept assignment. Find that database at [www.medicare.gov/physiciancompare/search.html](http://www.medicare.gov/physiciancompare/search.html).

Besides doctors who accept assignment, there are two other categories of physicians.

- They may elect to be non-participating. These doctors make decisions about accepting Medicare assignment on a case-by-case basis. If they don't accept assignment but still see the beneficiary as a patient, they can add on up to 15% more than the Medicare allowance. Some Medigap policies offer an optional benefit to cover this amount, known as Part B excess charges.
- They may opt out of Medicare entirely. These physicians have not

enrolled in Medicare and must establish contracts with their patients to bill them directly. Neither the physician nor the beneficiary can bill Medicare or receive any payment from Medicare.

Check these links for more information.

- Original Medicare [www.65incorporated.com/topics/original-medicare](http://www.65incorporated.com/topics/original-medicare) and [www.medicare.gov/sign-up-change-plans/decide-how-to-get-medicare/original-medicare/how-original-medicare-works.html](http://www.medicare.gov/sign-up-change-plans/decide-how-to-get-medicare/original-medicare/how-original-medicare-works.html).
- Opted-out physicians [www.65incorporated.com/topics/about-medicare-basics/what-does-it-mean-if-physician-has-opted-out-medicare](http://www.65incorporated.com/topics/about-medicare-basics/what-does-it-mean-if-physician-has-opted-out-medicare).

### Preventive Services

Medicare covers many preventive services that help detect health problems early and prevent certain diseases. These services include flu and pneumonia vaccinations, mammograms, colonoscopies, glaucoma and PSA screenings, to name a few, along with health monitoring, counseling, and education. Many of these preventive services are free.

Check this link for more information.

- Preventive services [www.medicare.gov/sites/default/files/2018-10/10110-Medicare-Preventive-Services.pdf](http://www.medicare.gov/sites/default/files/2018-10/10110-Medicare-Preventive-Services.pdf).

### Vision, Dental, and Hearing Services

Medicare's coverage of these services is very limited.

- Dental: Medicare does not cover routine dental services, which includes the regular appointments for cleaning and exams, along with dentures, fillings, braces, and the like. Stand-alone dental plans are available.
- Vision: Medicare will cover some vision-related services for medical conditions, such as glaucoma, cataracts, and diabetic retinopathy. Medicare will not cover routine services, including annual exams, glasses, or contact lenses.
- Hearing: Medicare doesn't cover hearing exams, hearing aids, or exams for fitting hearing aids.

Check these links for more information.

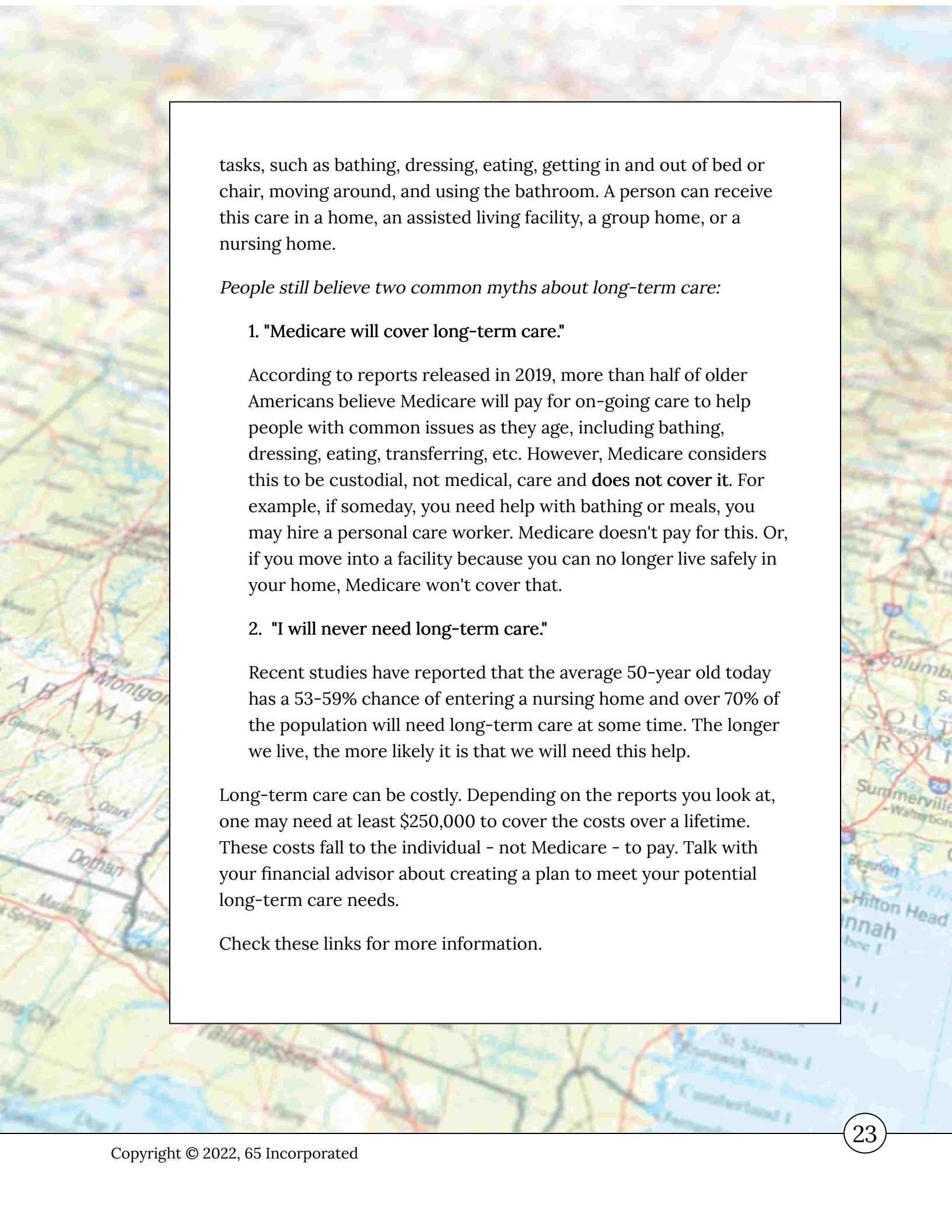
- Dental services [www.65incorporated.com/topics/about-medicare-open-enrollment/does-medicare-cover-dental-care](http://www.65incorporated.com/topics/about-medicare-open-enrollment/does-medicare-cover-dental-care) and [www.medicare.gov/coverage/dental-services.html](http://www.medicare.gov/coverage/dental-services.html).
- Vision services [www.medicare.gov/coverage/eye-exams.html](http://www.medicare.gov/coverage/eye-exams.html).
- Hearing services [www.medicare.gov/coverage/hearing-and-balance-exam-and-hearing-aids.html](http://www.medicare.gov/coverage/hearing-and-balance-exam-and-hearing-aids.html).

#### Medicare and Long-term Care



When the aging process begins to take effect, a person may need long-term care, abbreviated LTC. This is a range of services and support to meet health or personal care needs over an extended period of time. Most of this care involves assistance with personal

**This portion of an i65 Medicare RoadMap makes it EASY for advisors to start a long-term care conversation with clients.**



tasks, such as bathing, dressing, eating, getting in and out of bed or chair, moving around, and using the bathroom. A person can receive this care in a home, an assisted living facility, a group home, or a nursing home.

*People still believe two common myths about long-term care:*

**1. "Medicare will cover long-term care."**

According to reports released in 2019, more than half of older Americans believe Medicare will pay for on-going care to help people with common issues as they age, including bathing, dressing, eating, transferring, etc. However, Medicare considers this to be custodial, not medical, care and **does not cover it**. For example, if someday, you need help with bathing or meals, you may hire a personal care worker. Medicare doesn't pay for this. Or, if you move into a facility because you can no longer live safely in your home, Medicare won't cover that.

**2. "I will never need long-term care."**

Recent studies have reported that the average 50-year old today has a 53-59% chance of entering a nursing home and over 70% of the population will need long-term care at some time. The longer we live, the more likely it is that we will need this help.

Long-term care can be costly. Depending on the reports you look at, one may need at least \$250,000 to cover the costs over a lifetime. These costs fall to the individual - not Medicare - to pay. Talk with your financial advisor about creating a plan to meet your potential long-term care needs.

Check these links for more information.

- Long-term care [www.forbes.com/sites/dianeomdahl/2022/01/14/does-medicare-pay-for-long-term-care-dont-make-a-big-mistake/#423a843e11f3](http://www.forbes.com/sites/dianeomdahl/2022/01/14/does-medicare-pay-for-long-term-care-dont-make-a-big-mistake/#423a843e11f3) and [www.medicare.gov/what-medicare-covers/part-a/other-long-term-care-choices.html](http://www.medicare.gov/what-medicare-covers/part-a/other-long-term-care-choices.html).
- Will Medicare Pay for Care in My Home? An Infographic [www.65incorporated.com/partners/medicare-home/will-medicare-pay-care-my-home](http://www.65incorporated.com/partners/medicare-home/will-medicare-pay-care-my-home).

### Other Medicare Issues

Foreign travel: Generally, Medicare does not cover care outside the United States or its territories. There are a few rare exceptions. (See [www.65incorporated.com/blog/2016/09/medicare-and-foreign-travel-what-you-should-know](http://www.65incorporated.com/blog/2016/09/medicare-and-foreign-travel-what-you-should-know).) Some Medigap policies provide coverage for foreign travel emergencies (up to 80% of the cost of emergency care abroad with a deductible of no more than \$250 and up to \$50,000 in a lifetime).

Moving: Your Medigap policy will move with you. Inform the company of your new address. There could be a premium adjustment.

When you move out of the Part D drug plan's pharmacy network, you will need to select and enroll in a new plan. Your chance to switch plans begins the month before the month you move and continues for 2 full months after you move.

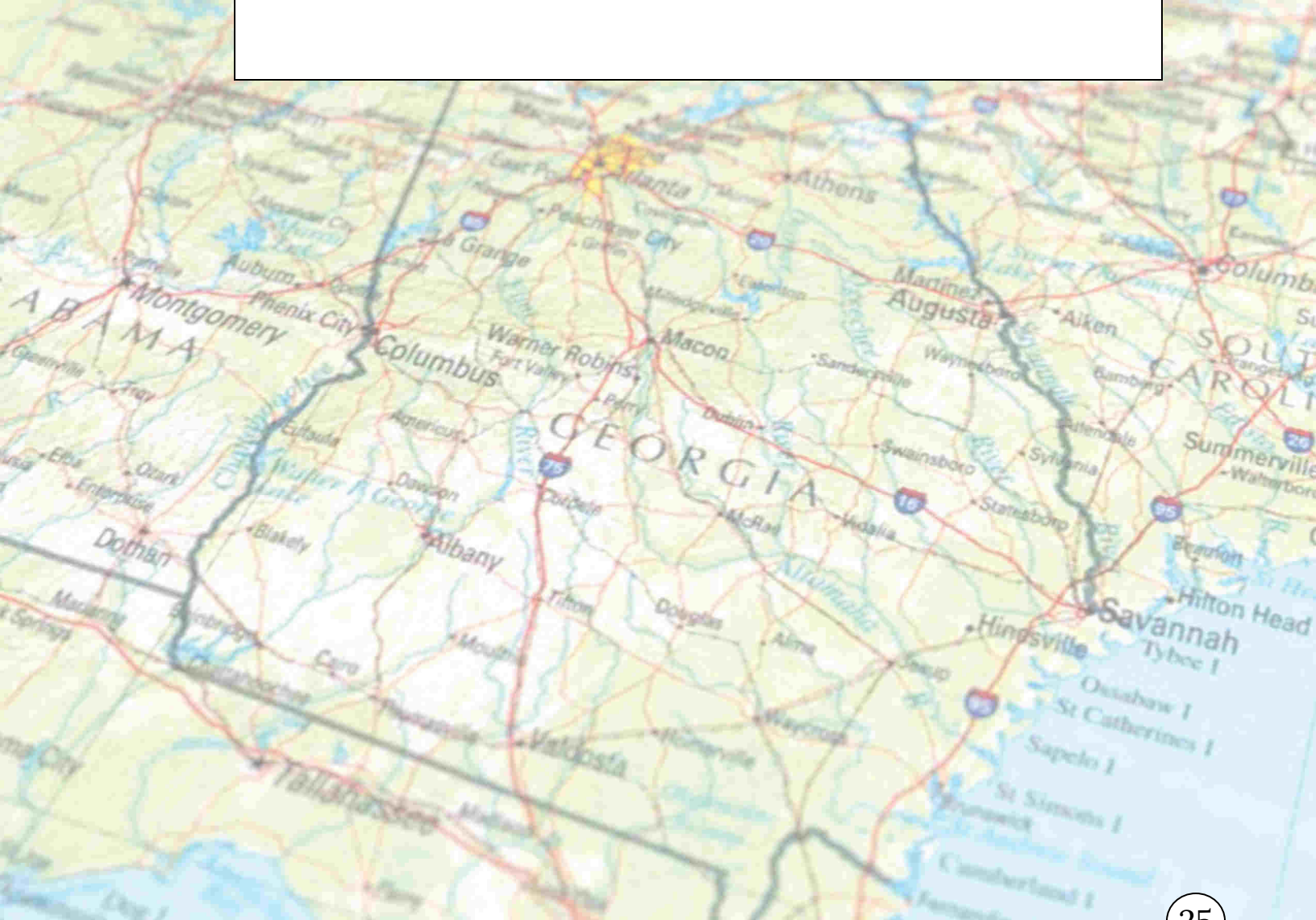
Remember to notify Social Security of your new address. You can do this through your "My Social Security" account ([www.ssa.gov/myaccount](http://www.ssa.gov/myaccount)) or by calling Social Security at 1-800-772-1213.

### Medigap Policy and Drug Plan Premiums



The insurance companies sponsoring the Medigap policy and Part D prescription drug plans will send invoices for the monthly premiums. Contact the plans if you wish to arrange auto-payment. It's also possible to have Social Security benefits pay the drug plan premiums. Contact a drug plan representative to arrange this.

Know that if you don't pay the premiums in a timely fashion, the insurance companies can cancel your policies. You would have to wait until the Open Enrollment Period to re-enroll in a drug plan. You may also have to pay the overdue premiums. If late with the Medigap premiums, the sponsoring company may refuse to issue another policy.





## Part A and Part B Premiums

Part A, hospital insurance, is premium-free for those who have worked and paid Medicare taxes for 10 years (40 quarters), or whose spouse has paid taxes. Those who do not have enough quarters can purchase Part A.

The standard Part B monthly premium in 2022 is \$170.10. For those enrolled in Social Security, the premium amount will come out of the monthly benefit payment.

Those not receiving Social Security benefits will get an invoice in the mail. There two ways to pay the Part B premium.

- Set up an Easy Pay account. (Get the details at [www.65incorporated.com/topics/out-pocket-medicare-costs/how-do-i-pay-part-b-premium](http://www.65incorporated.com/topics/out-pocket-medicare-costs/how-do-i-pay-part-b-premium).)
- Send in a check or credit card information with the statement.

As with any other coverage, failing to pay the premium will lead to cancelation. If that happens, the beneficiary must wait until the General Enrollment Period (January 1–March 31) to reenroll in Part B. Coverage won't be effective until July 1 and a late enrollment penalty can apply.

Check these links for more information.

- Medicare costs [www.medicare.gov/your-medicare-costs/costs-at-a-glance/costs-at-a-glance.html](http://www.medicare.gov/your-medicare-costs/costs-at-a-glance/costs-at-a-glance.html).
- Part B premiums [www.65incorporated.com/medicare-premium](http://www.65incorporated.com/medicare-premium).

An i65 Medicare RoadMap also includes information about higher Medicare premiums for higher income Medicare beneficiaries.



## IRMAA

Higher income beneficiaries are subject to IRMAA (Income-related Monthly Adjustment Amount). These beneficiaries will pay more in premiums for Part B, medical insurance, and Part D, prescription drug coverage.

Social Security uses two items from your income tax statement two years prior to the current year to identify higher-income beneficiaries. For example, for those enrolling in Medicare in 2022, Social Security would use the tax return from 2020. The two items they will look at are the tax-exempt interest income line and adjusted gross income line. If these two total \$182,000 for an individual filing jointly or \$91,000 for a single filer, Social Security will send a letter stating you need to pay higher premiums.

Use the IRMAA calculator at [app.i65.com/IRMAA](http://app.i65.com/IRMAA) to determine whether you are subject to IRMAA, and, if so, how much extra you may have to pay.

Know that your circumstances may change in the future, leading to a drop in income. If this happens and the drop is related to a life changing event, such as work stoppage or reduction, marriage, divorce, death of a spouse, etc, file a life-changing event notice to ask Social Security to base your current Medicare premiums on the expected income for this year. **Important:** Know that significant one-time financial transactions, such as converting an IRA to a Roth, withdrawing IRA funds, or selling property do not count as life-changing events.

Each and every year, Social Security will continue look back two years to determine the premiums for that current year. As a result, you may

need to file a life-changing event notice multiple times.

Here are three more important points about IRMAA.

- The Centers for Medicare and Medicaid Services sends an invoice for the amount due.
- The beneficiary pays this amount to the government, not the companies sponsoring plans.
- Failing to pay IRMAA can lead to cancellation of Part B, medical insurance, and Part D, prescription drug coverage.

If you have questions, consult your trusted financial or tax advisor.

Check these links for more information.

- IRMAA [www.65incorporated.com/topics/paying-more-medicare](http://www.65incorporated.com/topics/paying-more-medicare).
- Medicare premiums for higher-income beneficiaries [www.ssa.gov/pubs/EN-05-10536.pdf](http://www.ssa.gov/pubs/EN-05-10536.pdf).
- Life-changing event form and instructions [www.ssa.gov/forms/ssa-44-ext.pdf](http://www.ssa.gov/forms/ssa-44-ext.pdf).



## Disclaimer

i65 provides guidance and information to our users, based primarily on third-party sources, so that our users can make informed decisions after reviewing their options. Clients should investigate plans and address any specific concerns about premiums, costs, and coverage with a trusted advisor.

i65 does not make decisions or choices as to which option is best for a particular user; that is the obligation of each client, after carefully considering the information contained within this document and from other sources. We urge our users to study all the options carefully. i65 disclaims responsibility for any option chosen by a user, and for the information prepared by third party sources. In the event of any claim by a user against i65, the liability of i65 shall be limited to the consideration paid by such client to i65.

i65 does not sell insurance and is not associated with or endorsed by Medicare or the Centers for Medicare and Medicaid Services.

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