

The Balog Group at Morgan Stanley

Medicare Frequently Asked Questions

When do I qualify to receive Medicare and when should I apply?

Age 65, or if you are suffering from end stage renal disease or ALS or receive Social Security disability. Enrollment is NOT automatic, initial enrollment can begin 3 months prior to turning 65, and should be completed no later than 3 months after turning 65. Coverage is INDIVIDUAL and so enrollment does NOT cover spouses or family members. There is an annual election period from 10/15 - 12/07 where you may make changes to select coverages. There is a penalty that exists if you sign up late - however if you are employed and have creditable health care coverage through an employer or spouse's employer you may delay filing.

What are the different parts to Medicare?

Part A	(aka Hospital Insurance) Covers hospitals, skilled nursing facilities and hospicare care.
Part B	(aka Medical Insurance) Covers physician services, preventative care, medical equipment, hospital outpatient, mental health and ambulance services.
Part C	(aka Medicare Advantage) A private insurance alternative to original medicare. MA plans generally incorporate parts A, B and D into a single plan option.
Part D	(aka Drug Coverage) Covers prescription medications through plans issued by private companies. Can be a standalone package under original medicare, or bought as part of a MA offering.
Medigap	Any supplemental coverage for certain expenses not covered by original medicare such as deductibles, copays, coinsurance etc. These are private insurance offerings.

What are the costs for Medicare Part A?

Premium	Free (if you or your spouse paid enough years of taxes). Otherwise \$278 or \$506/mo.
Deductible	\$1,600 for each inpatient hospital benefit period. A benefit period ends after 60 consecutive days of no inpatient or skilled nursing care.
Inpatient Stay	Days 1-60: \$0 after the deductible Days 61-90: \$400 copayment/day Days 91-150: \$800 copayment/day (each day during this period counts towards your 60 lifetime reserve days) Days 151+: You pay all costs.
Skilled Nursing Stays	Days 1-20: \$0 copayment Days 21-100: \$200 copayment/day Days 101+: You pay all costs.
Home Health Care	\$0 covered for home health care services For medical equipment they'll cover 20% of the Medicare-Approved amount
Hospice Care	\$0 for covered hospice care services

What are the costs for Medicare Part B?

Premium	\$164.90/mo (or higher depending on your income - see High Income Surcharge Table below)
Deductible	\$226 annually
Copayments	Generally 20% after the deductible \$0 for preventative care

What are the costs for Medicare Part C?

This varies as these are issued by private insurance companies, but will not be less than Part B

What are the costs for Medicare Part D?

Premium	Varies by plan and location and income, but national base charge is \$32.74. If you make above certain thresholds there is a High Income Surcharge - see Table below
Deductible	Varies - \$505/yr maximum
Copayment	May vary, but generally 75% covered after the deductible until total out of pocket expenses reach \$7,400 - then 95% covered.

What are the 'High Income Surcharges'?

Modified Adjusted Gross Income Limits (as reported on your IRS tax returns from 2 years prior)		Monthly Premiums	
Filing Individually	Filing Married/Jointly	Part B	Part D
\$0 - \$97,000	\$0 - \$194,000	\$164.90	Plan Premium
\$97,001 - \$123,000	\$194,001 - \$246,000	\$230.86	\$12.20 + premium
\$123,001 - \$153,000	\$246,001 - \$306,000	\$329.80	\$31.50 + premium
\$153,001 - \$183,000	\$306,001 - \$366,000	\$428.74	\$50.70 + premium
\$183,001 - \$500,000	\$366,001 - \$750,000	\$527.68	\$70.00 + premium
\$500,001+	\$750,001+	\$560.66	\$76.40 + premium

Sources:

- [Medicare.gov – Medicare Basics](#)
- [Medicare.gov – Medicare Costs](#)

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