



MEDICARE BASICS

LIFE | FINANCIAL | HEALTH | SUPPLEMENTAL | GROUP

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A photograph of a hospital hallway with medical staff and patients. A female nurse in white scrubs is on the left, a female patient in blue scrubs is in the center, and a male medical professional in blue scrubs is on the right pushing a gurney. The hallway is bright and modern.

Medicare Basics

Presented by Empower Brokerage

We can help you answer questions big and small.

Medicare, Health, Life, Retirement, Disability, Dental/Vision/Hearing,
Long-Term Care, and more.

Empower Brokerage can help!

Empower Brokerage has been helping consumers find the best price on life and health insurance plans for many years. We exist to help others.



- Located in Southlake, Texas
- One of the largest insurance brokerage firms in the US
- Serving Consumers for the past 35 years
- Licensed and operating in 45 states
- Offer comprehensive line of life & health insurance products
- Appointed with over 100 carriers
- National Call Center
- Bilingual Support

Have you ever asked...

1. What is Medicare?
2. Will Medicare be there for me?
3. What does Medicare cover?
4. How much will it cost?
5. What if I can't afford it?
6. Are there other options?



What is Medicare?

Government health insurance program for three groups of people:

- 65 and older
- Under 65 with certain disabilities
- Any age with ESRD (End-Stage Renal Disease)

Administered by:

Centers for Medicare & Medicaid Services



Enrollment Periods



Initial Enrollment Period (IEP)

7-month period surrounding your
65th birthday month

Special Enrollment Period (SEP)

8-month period beginning the month after you
retire or lose employer-based coverage
(whichever comes first)

General Enrollment Period (GEP)

January 1 – March 31 each year.

Plan becomes effective July 1. A 10% penalty may be incurred
for every 12-month period eligible, but didn't enroll.



What Does Medicare Cover?

There are 4 Parts to Medicare:



What Are Your Options?

Most people get their Medical Health
Coverage in one of two ways:

Original Medicare

Part A – Hospital

Part B – Medical
+ add a standalone

Medicare Supplement
+ add a standalone

Part D – Rx Drug Plan

OR

Medicare Advantage

Part C – Health Plan

+ Benefits at least
as good as Original
Medicare, but can
include additional
benefits not otherwise
available through
Parts A & B.



Part A: Hospital Insurance

- Inpatient Hospital Care
- Inpatient Rehabilitation Centers
- Long-term Care - in the Hospital
- Skilled Nursing Facility (SNF)
- Hospice
- Home Health Care
- Blood



(Long-term Nursing Home Care is NOT covered)

Part A: Eligibility

Most people ages 65 or older who are citizens or permanent residents of the United States are eligible for free Medicare hospital insurance (Part A).

NOTE: Even though the full retirement age is no longer 65, you should sign up for Medicare three months before your 65th birthday.

You are eligible at age 65 if:

- You receive or are eligible to receive Social Security benefits; or
- You receive or are eligible to receive railroad retirement benefits; or
- Your spouse is eligible; or
- You or your spouse (living or deceased, including divorced spouses) worked long enough in a government job where Medicare taxes were paid.

*If you do not meet the requirements, you may be able to get Medicare hospital insurance by paying a monthly premium. Usually, you can sign up for this hospital insurance only during designated enrollment periods.

Before age 65, you are eligible for free Medicare hospital insurance if:

- You have been entitled to Social Security disability benefits for 24 months; or
- You receive a disability pension from the railroad retirement board and meet certain conditions; or
- If you receive Social Security disability benefits because you have Lou Gehrig's disease (amyotrophic lateral sclerosis); or
- You worked long enough in a government job where Medicare taxes were paid, and you meet the requirements of the Social Security disability program.



Part B: Medical Insurance

- Doctor's Services
- Outpatient Care
- Home Health Services
- Preventative
- DME
- Outpatient Mental Health Care
- Outpatient hospital services
- Physical Therapy
- Transplant and Immunosuppressive Drugs



Part B: Medical Insurance

Part B Eligibility: If you are eligible for Medicare Part A, you are also eligible for Medicare Part B.

Cost: Part A is free in most cases; Part B is not.

The fee can be taken right out of your Social Security check.

In 2025, the standard Part B Premium is \$185.00.

If your income is higher than \$106,000 or you are married and your combined household income is higher than \$212,000, you will pay a higher monthly premium for Part B. This is called the Income Related Monthly Adjustment Amount (IRMAA) and ranges from \$74 - \$443.90 depending on your income level. This additional premium amount is added onto the standard Part B Premium.

Then, you must pay a yearly Part B deductible, which in 2025 is \$257. After you pay \$257 yourself, your benefits kick in.



Part B: Cost Chart

Source: 2025 Medicare Part A & B Premiums and Deductibles/2025 Medicare Part D Income-Related Monthly Adjustment Amounts | CMS

Beneficiaries who file individual tax returns with income:	Beneficiaries who file joint tax returns with income:	Income-related monthly adjustment amount	Total monthly premium amount
Less than or equal to \$106,000	Less than or equal to \$212,000	\$0.00	\$185.00
Greater than \$106,000 and less than or equal to \$133,000	Greater than \$212,000 and less than or equal to \$266,000	\$74.00	\$259.00
Greater than \$133,000 and less than or equal to \$167,000	Greater than \$266,000 and less than or equal to \$334,000	\$185.00	\$370.00
Greater than \$167,000 and less than or equal to \$200,000	Greater than \$334,000 and less than or equal to \$400,000	\$295.90	\$480.90
Greater than \$200,000 and less than \$500,000	Greater than \$400,000 and less than \$750,000	\$406.90	\$591.90
Greater than or equal to \$500,000	Greater than or equal to \$750,000	\$443.90	\$628.90

Part B is Optional: If you don’t want it, for any reason, you can opt out by specific request.

Keep in mind, there’s a penalty for signing up late. If you don’t sign up for Part B when you first become eligible, your monthly Medicare premium may be higher than \$185.



Part C: Medicare Advantage

Part C is a type of Medicare health plan offered by private companies that contract with Medicare to provide you with all your Part A and Part B benefits. If you have Part A & B, you're eligible for Part C.

**If you have Part A & B, you're eligible for Part C*

Benefits:

- Covers all Medicare services.
- Most Medicare Advantage plans include Part D – Prescription Drug Coverage.
- May include extra benefits.

**Extra Benefits will vary with the type of plan and the private company.*

Different types of Medicare Advantage Plans fit different types of needs. They include:

- HMO (Health Maintenance Organization),
- PPO (Preferred Provider Organization),
- PFFS (Private Fee-for-Service Plan),
- SNP (Special Needs Plan), and
- Medicare Medical Savings Account Plans



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Health Maintenance Organization (HMO)

In most HMO Plans, you can only go to doctors, other health care providers, or hospitals on the plan's list except in an emergency. You may also need to get a referral from your primary care doctor. In most cases, prescription drugs are covered in HMO Plans. If you want Medicare prescription drug coverage, (Part D), you must join an HMO Plan that offers prescription drug coverage.

Preferred Provider Organization (PPO)

In a PPO Plan, you can use services in or out of the plan's network. However, you will pay less if you use providers in the plan's network. In most cases, prescription drugs are covered in PPO Plans. If you want drug coverage, you must join a PPO Plan that offers it. If you join a PPO Plan that doesn't offer prescription drug coverage, you can't join a Medicare Prescription Drug Plan (Part D).

Private Fee-for-Service (PFFS) Plans

PFFS plans aren't the same as Original Medicare or Medigap. The plan determines how much it will pay doctors, other health care providers, and hospitals, and how much you must pay when you get care. You can go to any Medicare-approved doctor, other health care provider, or hospital that accepts the plan's payment terms and agrees to treat you. Not all providers will. If you join a PFFS Plan that has a network, you can also see any of the network providers who have agreed to always treat plan members. You can also pay more to use an out-of-network doctor, hospital, or other provider, who accepts the plan's terms. Prescription drugs may be covered in PFFS Plans. If your PFFS Plan doesn't offer drug coverage, you can join a Medicare Prescription Drug Plan to get coverage.

Medicare Special Needs Plans (SNP)

Medicare SNPs limit membership to people with specific diseases or characteristics, and tailor their benefits, provider choices, and drug formularies to best meet specific needs. You can join a Medicare SNP if you have Medicare Part A (Hospital Insurance) and Medicare Part B (Medical Insurance), live in the plan's service area, and meet the plan's eligibility requirements.

The plan is like other Medicare Advantage (Part C) plans but may offer extra benefits tailored to the groups it serves.

SNP Eligibility: Chronic Condition SNP (C-SNP): Depending on specific carrier requirements, if you have one or more of the following conditions, you may be eligible:

- Autoimmune disorders
- Cancer
- Cardiovascular disorders
- HIV/AIDS
- Chronic heart failure
- Dementia
- Diabetes mellitus
- End-stage liver disease
- End-stage renal disease (ESRD)
- Severe hematologic disorders
- Chronic alcohol/drug dependence
- Chronic and disabling mental health conditions
- Neurologic disorders
- Stroke
- Institutional SNP (I-SNP: live in institution or require home nursing care.
- Dual Eligible SNP (D-SNP: have both Medicaid and Medicare

*If you think you may qualify for Medicaid or Low-Income Subsidy, please contact your State Medical Assistance (Medicaid) office to learn more.

Medicare Medical Savings Account (MSA) Plans

Medicare MSA Plans combine a high-deductible insurance plan with a medical savings account that you can use to pay for your health care costs.

1. High-deductible Medicare Advantage (Part C). The first part of the plan will only begin coverage once you meet a high yearly deductible, which varies by plan.
2. Medical Savings Account (MSA): The second part is a special type of savings account. The Medicare MSA Plan deposits money into your account. You can choose to use money from this savings account to pay your health care costs before you meet the deductible.

* If you join a Medicare MSA Plan and need drug coverage, you'll have to join a Medicare Prescription Drug Plan.

Medicare Advantage Plans (Part C) Cost:

Your out-of-pocket costs in a Medicare Advantage Plan (Part C) depend on:

- Whether the plan charges a monthly premium.
- Whether the plan pays any of your monthly Medicare Part B (Medical Insurance) premium.
- Whether the plan has a yearly deductible or any additional deductibles.
- How much you pay for each visit or service (copayment or coinsurance). For example, the plan may charge a copayment, like \$10 or \$20 every time you see a doctor. These amounts can be different than those under Original Medicare.
- The type of health care services you need and how often you get them.
- Whether you go to a doctor or supplier who accepts assignment (if you're in a PPO, PFFS, or MSA plan and you go out-of-network).
- Whether you follow the plan's rules, like using network providers.
- Whether you need extra benefits and if the plan charges for it.
- The plan's yearly limit on your out-of-pocket costs for all medical services.
- Whether you have Medicaid or get help from your state.

Part D: Prescription Drug Coverage

- Helps pay for medications doctors prescribe for treatment.
- These plans (sometimes called “PDPs”) add drug coverage to Original Medicare.
- Approved by Medicare and offered by private companies.
- Plans change every year
- Can be Stand-Alone (PDP), or combined with Medicare Advantage (MAPD)



Part D: Prescription Drug Coverage

Part D Eligibility: To get Medicare drug coverage, you must join a plan run by an insurance company or other private company approved by Medicare. Each plan can vary in cost and drugs covered.

Medicare offers prescription drug coverage to everyone with Medicare. If you decide not to join a Medicare Prescription Drug Plan when you're first eligible, and you don't have other creditable prescription drug coverage, or you don't get Extra Help, you'll likely pay a late enrollment penalty.

Cost: You must pay a monthly premium and annual deductible to get prescription drug coverage from Medicare. Since there are many different plans, the costs can widely vary. \$590 Deductible in 2025.

Through 2024, most Medicare drug plans have a coverage gap ("donut hole"), meaning a temporary limit on drug coverage.

This gap ends on December 31, 2024.

In 2025, Medicare plans will include a \$2,000 cap on out-of-pocket costs for covered drugs. After reaching this cap (with certain payments included), you'll get "catastrophic coverage" and won't pay out-of-pocket for covered Part D drugs for the rest of the year.

During Medicare Open Enrollment (October 15 – December 7), compare plans to ensure your plan meets your needs and covers your medications. In 2024, once you and your plan spend \$5,030, you're in the coverage gap, but only reach catastrophic coverage if out-of-pocket costs hit \$8,000.

Medigap (Medicare Supplement)

(A Supplement to Original Medicare Parts A & B)

One way to help cover what Medicare does not cover is through a Medigap, or Medicare Supplement policy, supplemental health insurance, provided by private insurance companies. Medigap can cover some, or most, of the costs Medicare doesn't, including co-pays and deductibles.



Medigap (Medicare Supplement)

Medigap Eligibility: Your open enrollment period to apply for Medicare Supplements begins the first day of the month in which you are eligible for Part B of Medicare and continues for 6 additional months. You must have Parts A & B to obtain a Medicare Supplement. We cannot stress how important it is to take advantage of this time to do your research and obtain your Medigap insurance plan, because during open enrollment you cannot be turned down for Medigap regardless of your health. (The 6-month period that starts on the 1st day of the month that you are both 65 or older and enrolled in Medicare part B).

Cost: To join a private Medigap or Medicare Supplement plan, you pay a monthly fee to an insurance company in addition to the premium you pay to the government for Medicare Part B.

* The costs of Medigap plans vary significantly, depending on the coverage, the company, your location, and your age. Some plans may charge you more if you have any pre-existing health problems. Keep in mind that different companies may charge different rates for the exact same Medigap plan.



Medigap: Coverage By Plan

Medigap Benefits	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)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Part B (Coinsurance or Copayment)	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%***
Blood (first 3 pints)	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
Part A Hospice Care (Coinsurance or Copayment)	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
Skilled Nursing Facility Care (Coinsurance)	×	×	100%	100%	100%	100%	50%	75%	100%	100%
Part A Deductible	×	100%	100%	100%	100%	100%	50%	75%	50%	100%
Part B Deductible	×	×	100%	×	100%	×	×	×	×	×
Part B Excess Charge	×	×	×	×	100%	100%	×	×	×	×
Foreign Travel Emergency (up to plan limits)	×	×	80%	80%	80%	80%	×	×	80%	80%
Out-of-pocket Limit in 2025**	N/A	N/A	N/A	N/A	N/A	N/A	\$7,220	\$3,610	N/A	N/A

*Plans F & G offer a high deductible plan in some states.

**Plans K & L show how much they'll pay for approved services before you meet your out-of-pocket yearly limit and Part B deductible. After you meet them, the plan will pay 100% for approved services.

***Plan N pays 100% of the costs of Part B services, except for copayments for some office visits and some emergency room visits.

Medigap: Coverage By Plan

The Most Common Plans

One of the greatest concerns for seniors today, especially if they are on a fixed income, are the “out-of-pocket” expenses of health care. There are ways to help protect you against some of the out-of-pocket expenses.

- Hospital Indemnity – Provides a fixed daily benefit for each day you are hospitalized, which can help cover expenses your plan doesn't.
- Dental, Vision, Hearing – Covering one or more of these areas is helpful to avoid excess expense out-of-pocket.
- Final Expense – This is the bare minimum everyone should provide to help their families pay for final funeral and burial costs.
- Long-Term Care – Medicare only covers care up to a certain number of days. After that, you'll need a Long-Term Care Plan to kick in and provide a daily benefit to help counteract the fees. Some provide a monthly benefit, and some provide a lump sum.

No single plan is right for everyone.

It's important to use the help of a licensed agent to help tailor your plan for you.

*Note – Insurance agents are paid by the carriers they represent, not by the client.

Schedule an appointment with an agent today.



Notes

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

Notes

This image shows a full page of blank white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page, providing a template for writing or drawing. There are no margins, text, or other markings present.



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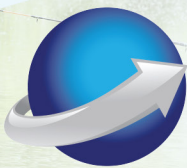
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