




The ABC's (and D's) of Medicare

An Educational Webinar



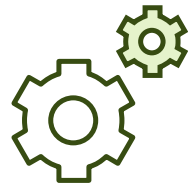
A man and a woman are smiling and standing with their bicycles on a paved path in a park. The man is on the left, wearing a light-colored t-shirt and shorts. The woman is on the right, wearing a light-colored top and shorts. They are both holding the handlebars of their bicycles. The background is filled with lush green trees and foliage. The entire image has a green overlay.

By understanding the Medicare options available, you can approach enrollment with confidence.

Introducing Fidelity Medicare Services®

Fidelity Medicare Services®

Get coverage
that meets your
health care
needs and
supports your
financial goals



Personalized choices

Understand which
Medicare plan type
is right for you and
your unique situation



High-quality coverage

Choose from plans
with a broad range
of options, reliability,
and top-tier
customer service



Expert support

Make sense of
available options
with experienced
Medicare advisors

Agenda

1



What Is
Medicare?

2



Do I Need
Additional
Coverage?

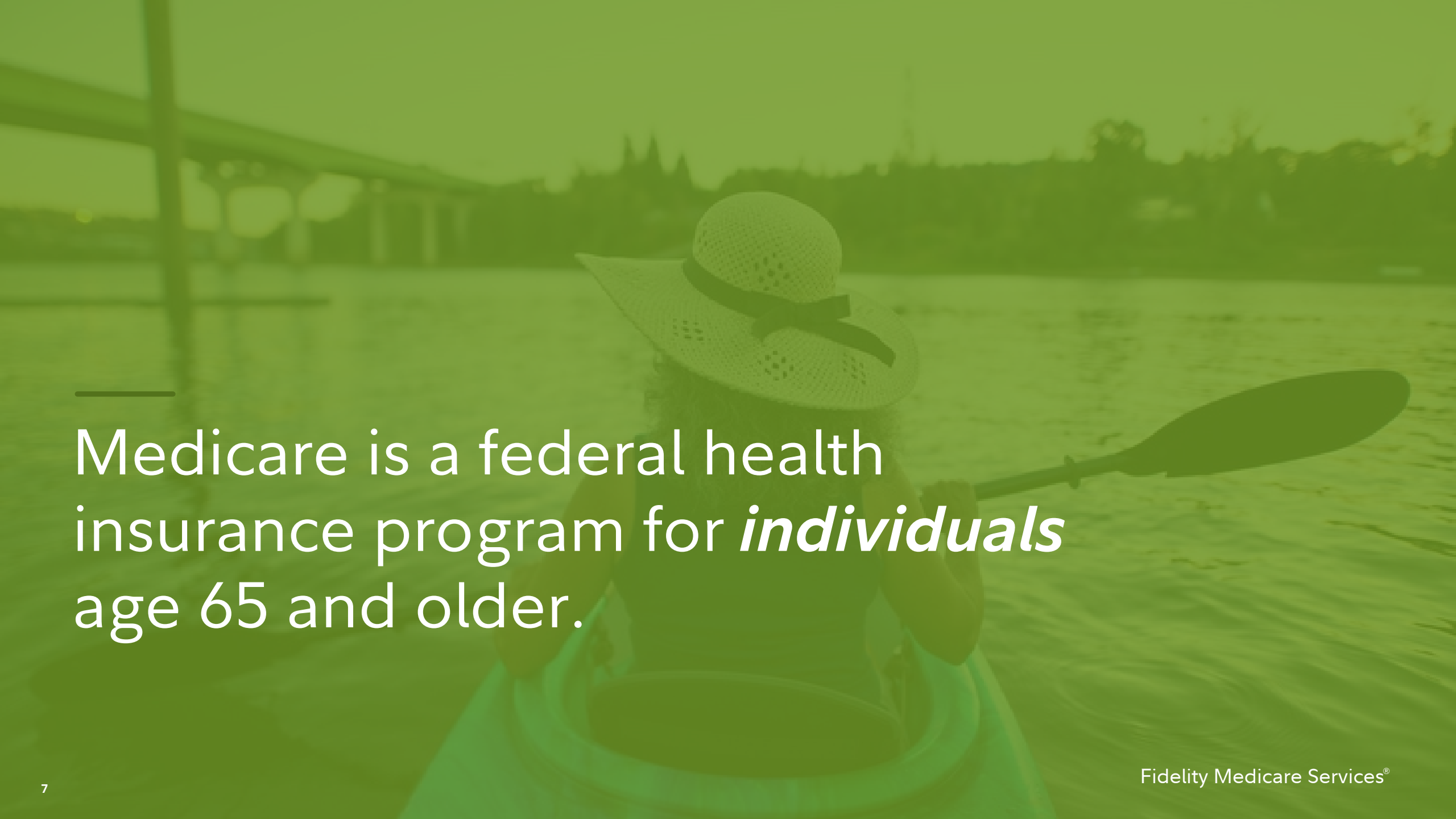
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How Do I
Avoid Costly
Mistakes?



What Is Medicare?



Medicare is a federal health insurance program for *individuals* age 65 and older.

Medicare: Key Differences in Coverage

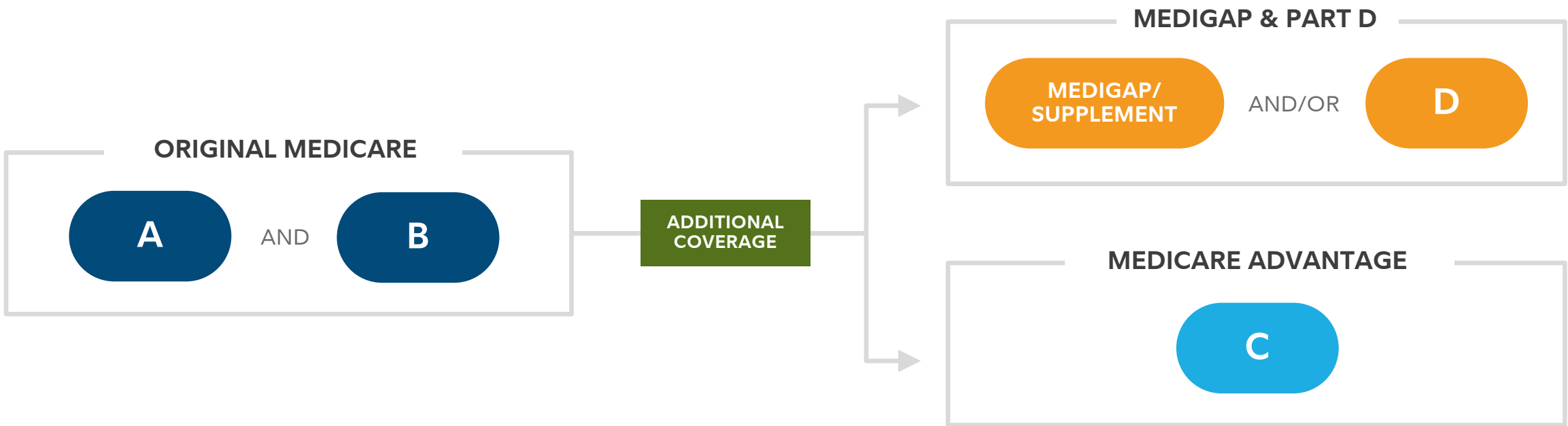
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How is Medicare different from the coverage you might have today?

Employer Health Care		Medicare
Individual or family coverage		Individual coverage
Curated by employers		Self-directed process
Short list of options	VS.	On average, more than 30 options ¹
Consistent from state-to-state		Varies by state and by zip code

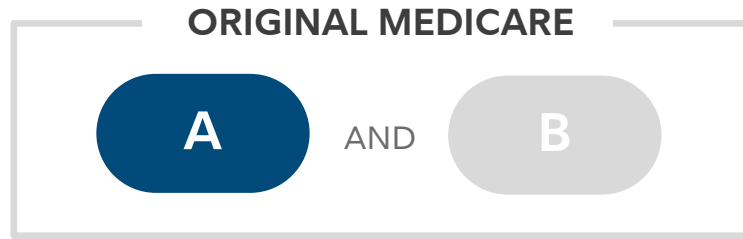
Medicare Is Made Up of Parts

Each part provides a different type of coverage



Original Medicare (Parts A and B) Explained

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Part A is hospital insurance.²

It helps cover:

—
Inpatient hospital care

—
Hospice care

—
Home health care

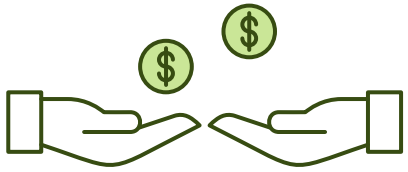
Part B is medical insurance.³

It helps cover:

—
Doctor visits

—
Ambulance

—
Durable medical equipment



A Common Medicare Misconception

Medicare is not free.

It has always been a
cost-sharing program.

What Does Medicare Cost?

A simple question without a straightforward answer

Parts A and B have a monthly premium, deductibles, and coinsurance.

Most people have already paid their Part A premium through employment taxes.⁴

Most pay the Part B premium.⁵

Any additional insurance, on top of Parts A and B, also comes at a cost.

Part B Premiums Scale with Income

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(2019) YEARLY INCOME

Filed individual tax return	Filed joint tax return	(2021) Monthly Payment ⁶
\$88,000 or less	\$176,000 or less	\$148.50
Above \$88,000 up to \$111,000	Above \$176,000 up to \$222,000	\$207.90
Above \$111,000 up to \$138,000	Above \$222,000 up to \$276,000	\$297.00
Above \$138,000 up to \$165,000	Above \$276,000 up to \$330,000	\$386.10
Above \$165,000 and less than \$500,000	Above \$330,000 and less than \$750,000	\$475.20
\$500,000 or above	\$750,000 and above	\$504.90

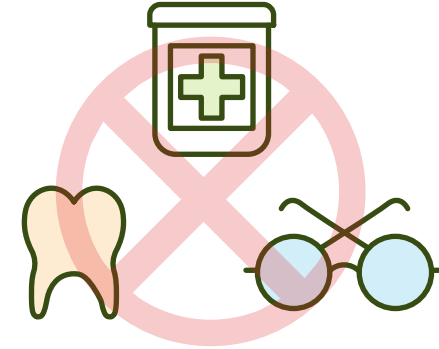
As of 04/01/21

Original Medicare doesn't cover everything

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Original Medicare covers about 80% of your health care costs; you are responsible for the other 20%. ⁷



Original Medicare does not cover prescription drugs, vision, or dental.



Do I Need Additional Coverage?



What Does
20% of
Health Care
Costs Look
Like?

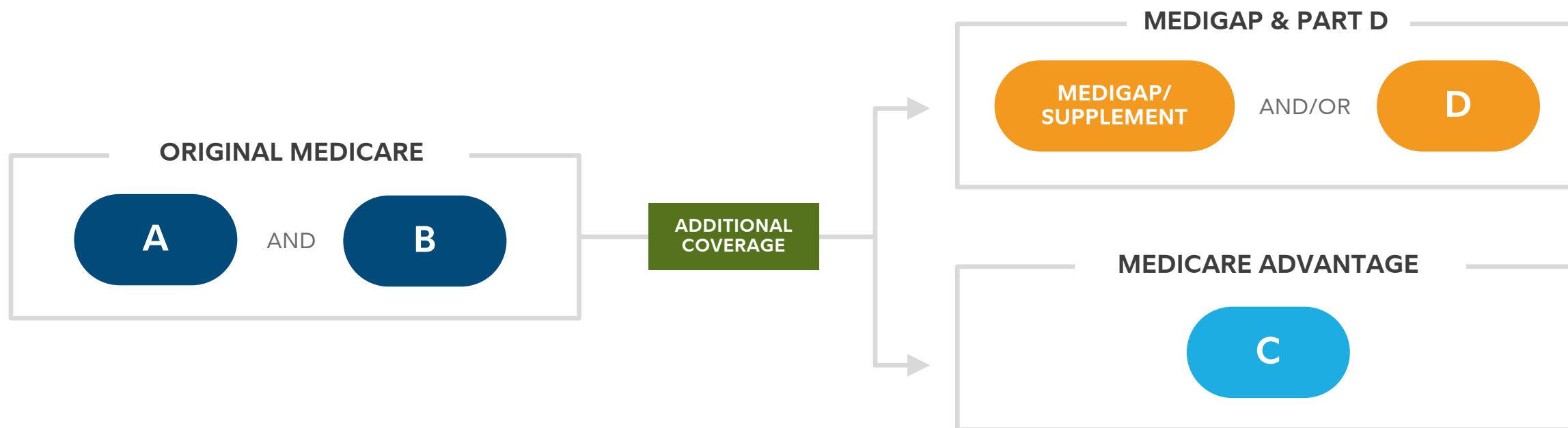
20% of a doctor's visit co-pay?
Maybe \$5.

vs.

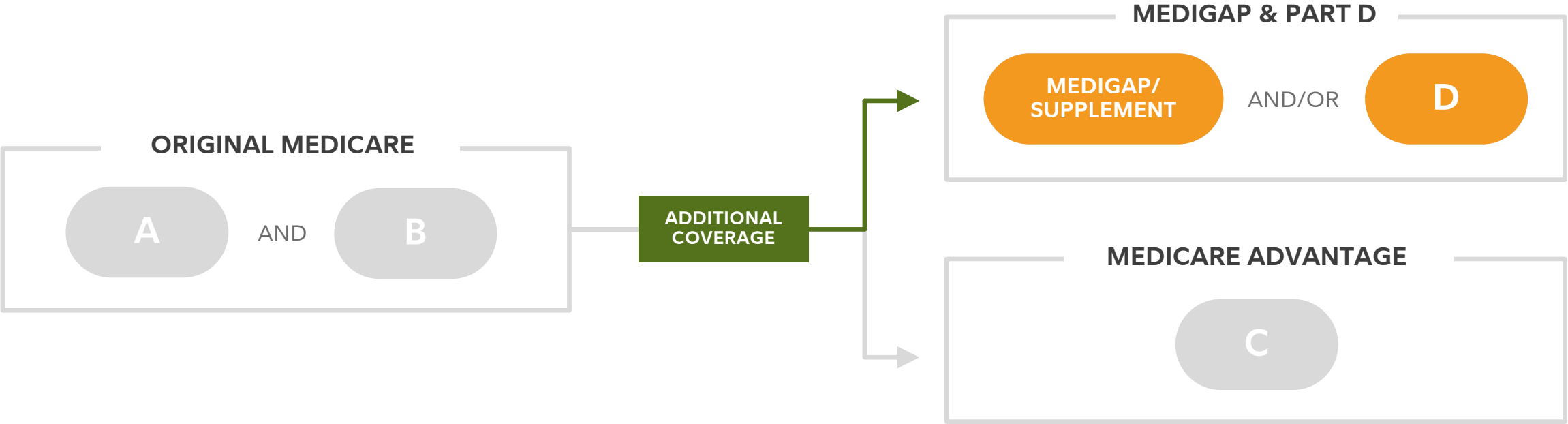
20% of a knee replacement?
Potentially thousands more.

Your Additional Coverage Options Under Medicare

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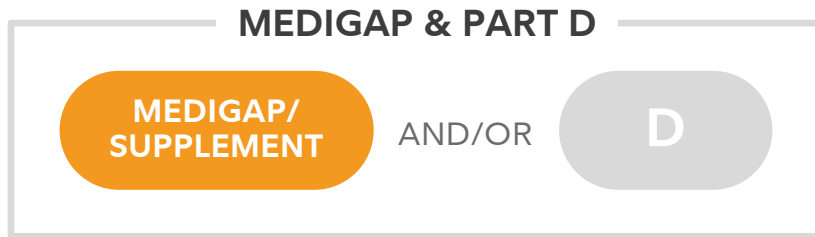


Medigap and Part D



What Is Medigap?

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Standalone supplement plans that are regulated by state governments

Open network—choose any hospital or doctor that accepts Medicare

Charge a monthly premium, but you pay little to nothing to use the coverage⁸

What Is Part D?

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Standalone drug plans offered by private insurance companies

Help pay for medications you buy from a pharmacy or mail-order service

Charge a monthly premium⁹

Summary: Medigap and Part D

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MEDIGAP & PART D

MEDIGAP/
SUPPLEMENT

AND/OR

D

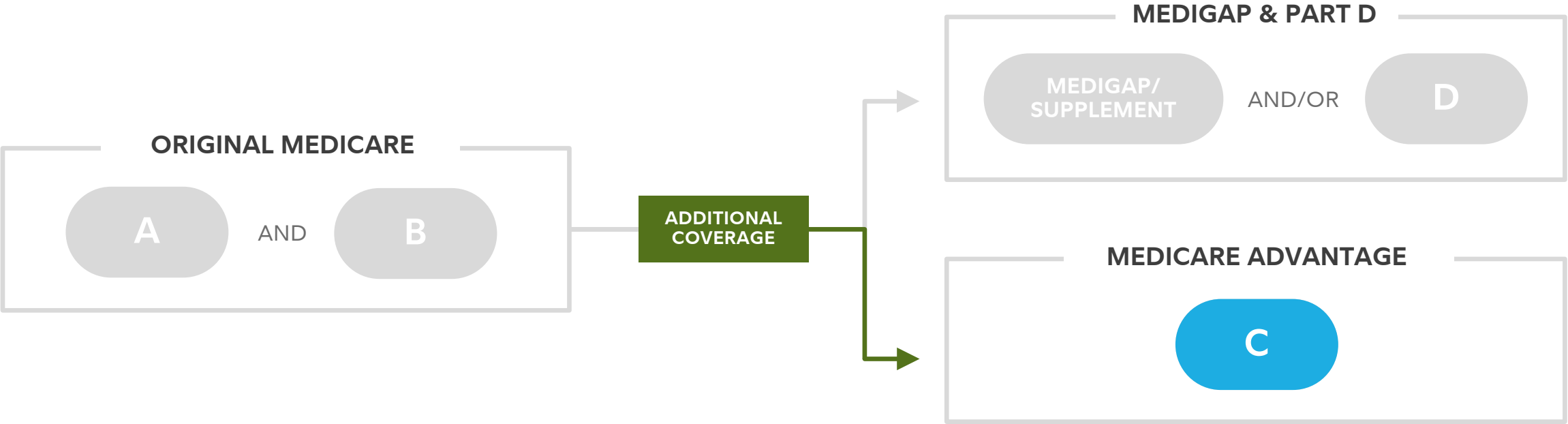
May reduce out-of-pocket costs for hospital, medical care, and prescriptions

No network restrictions seeing a doctor or going to the hospital

Separate monthly premiums for Medigap and Part D

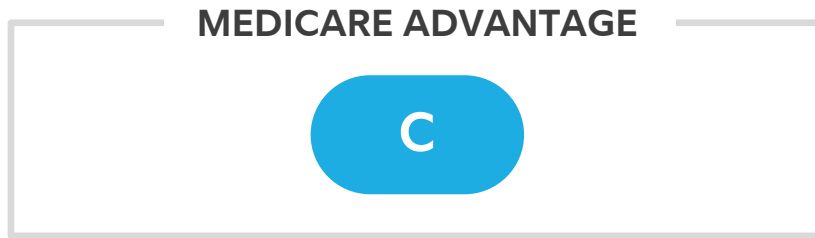
Extra benefits (dental, vision, hearing, etc.) must be purchased separately

Medicare Advantage (Part C)



What Is Medicare Advantage?

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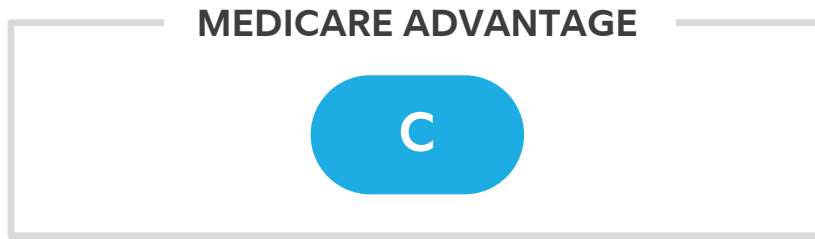
Offered by private health insurance companies that contract with the government

Combine Original Medicare services with additional coverage and benefits, such as vision, dental, hearing, and/or prescription drug coverage

Medicare Advantage costs and coverage can differ from plan to plan¹⁰

Summary: Medicare Advantage

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Premiums as low as \$0

Maximum out-of-pocket limit for hospital and medical care

Network restrictions for seeing doctors or going to the hospital

Part D prescription drugs and other extra benefits are often included

Which Option Is Right for Me?

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C

MEDICARE ADVANTAGE

May be good for those who...

Want a lower monthly premium and are comfortable paying co-pays and deductibles for health care services

Are comfortable seeking care within a defined provider network

Want prescription drug coverage and extra benefits included

OR

MEDIGAP/
SUPPLEMENT

D

MEDIGAP & PART D

May be good for those who...

Are comfortable paying higher monthly premiums in order to limit out-of-pocket spending on health care

Want the freedom to access doctors/hospitals throughout the U.S.

Are willing to buy extra benefits separately

Coverage Can Come in Many Forms

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Medicare Options

Medigap supplements

Part D
prescription drug plans

Medicare
Advantage Plans

Other Options

Current or former employer

Spouse employer

State or federal government

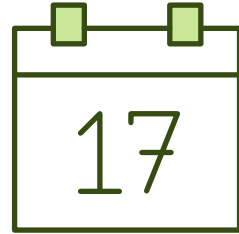
Veteran Affairs



How Do I Avoid Mistakes And Minimize My Costs?



Avoiding Mistakes & Minimizing Costs



Enroll at the right time to avoid penalties



Leverage state assistance programs and savings

Enrollment Windows

1

Initial
Enrollment
Period

2

Special
Enrollment
Period

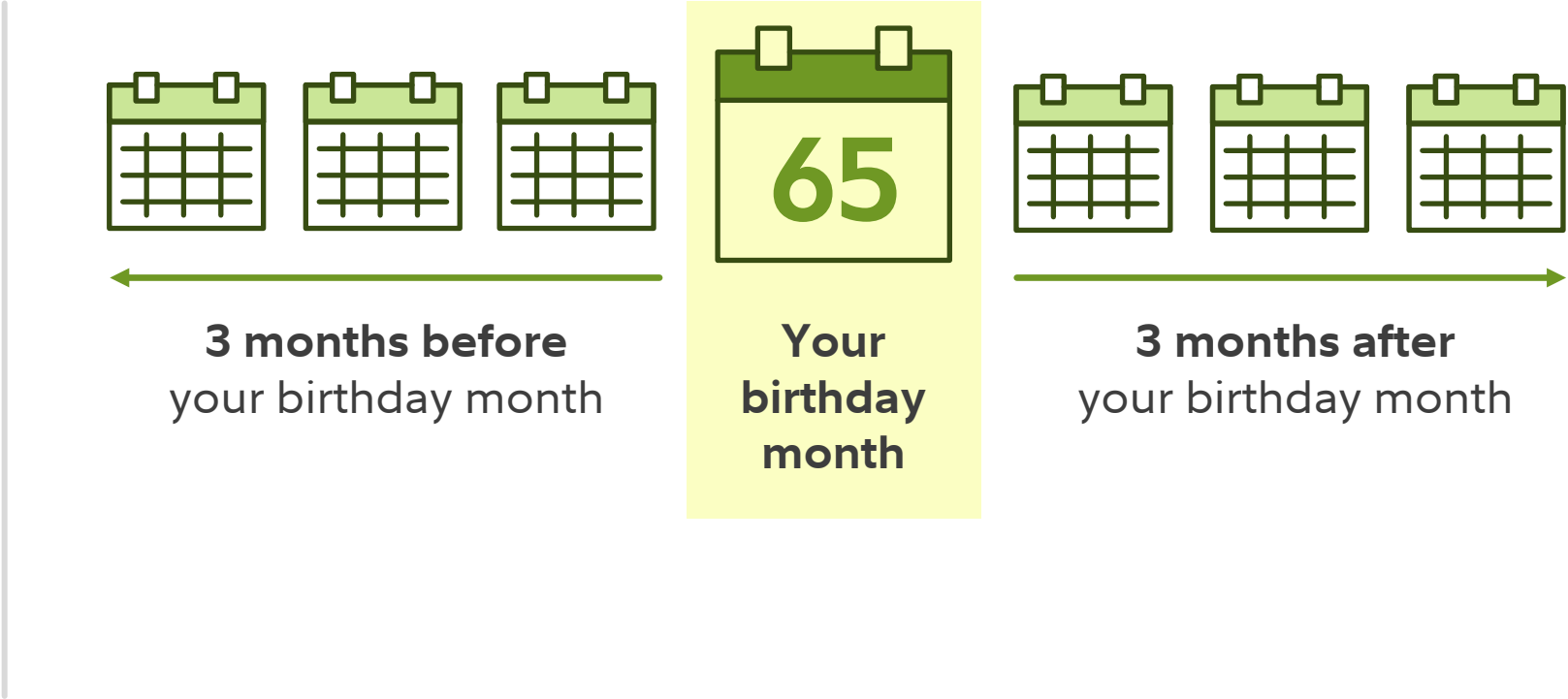
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Annual
Enrollment
Period

Initial Enrollment Period

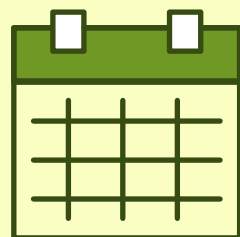
If you're aging in

Your Initial Enrollment Period is a 7-month window linked to your birthdate, where you can enroll in Parts A and B, as well as any additional coverage.¹¹



Special Enrollment Period

The Special Enrollment Period (SEP) is for individuals age 65 and older who experience an event that allows them to enroll in Medicare without penalty.



Month of SEP event
(e.g., loss of coverage)



8 months after
to enroll in original Medicare¹²



2 months after
to enroll to Medicare Advantage and add-on plans¹³

Enrollment Window



Annual Enrollment Period

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Your chance
to annually
review coverage

Once enrolled in Medicare,
you'll have the opportunity
each year to review your
coverage and switch.



Enrollment Window



Summary: Enrollment Dates

ENROLLMENT PERIOD	DATES
1 Initial Enrollment	7-month window linked to your 65 th birthday
2 Special Enrollment	Begins the month you lose creditable coverage; 8 months for Parts A and B enrollment, and 2 months for Medicare Advantage or Part D
3 Annual Enrollment	October 15 – December 7 (every year)



Minimizing health care costs

State programs provide financial assistance to certain eligible individuals

Health savings account (HSA) balances can be used for many Medicare expenses

Getting Help from State Programs

Medicaid, Medicare Savings Programs (MSPs), and Extra Help programs are designed to help with Medicare-related costs.

Medicaid helps cover medical costs and provides additional benefits for certain individuals with limited income.¹⁴

MSPs help lower premiums, and may also help pay for deductibles, coinsurance and copays.¹⁵

Extra Help, or Part D Low-Income Subsidy, is a program that helps with Part D prescription drug costs.¹⁶

Eligibility Guidelines for State Programs

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You may qualify for one of these programs if...

	Individuals	Couples
Annual Income ¹⁷	\$19,320 or less	\$26,130 or less
Asset Limits	\$14,790 or less	\$29,520 or less

Your State Medicaid or local State Health Insurance Assistance Program (SHIP) office can help.

Using a Health Savings Account

If you've been making contributions to a Health Savings Account (HSA), you can use your HSA to pay for qualified medical expenses.

Qualified Medical Expenses¹⁸

Medicare premiums (*except* for Medigap supplement plans), deductibles, and co-pays (including prescriptions)

Long term care insurance premiums

Ancillary health benefits, including vision and dental expenses

HSA contribution rules can be tricky for individuals who work past the age of 65.
Please reach out to your financial advisor for help.

Recap

1



What Is
Medicare?

2



Do I Need
Additional
Coverage?

3



How Do I
Avoid Costly
Mistakes?



How Fidelity Can Help



Work with the
Fidelity Medicare
Services Team

Make sense of available options with help from experienced Medicare advisors.

Enroll in Medicare coverage that suits your health needs, preferences, and budget.

Learn more about your health care expenses and adjust your retirement plan if needed.

Next Steps

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The screenshot shows the Fidelity Appointment Scheduling interface. At the top is a green header with the Fidelity logo and the text "Appointment Scheduling". Below this is a green bar labeled "Appointment Details". The form is divided into three main sections: Meeting Method, Time Zone, and a calendar. The Meeting Method section has a dropdown menu currently set to "Phone". The Time Zone section has a dropdown menu set to "(GMT-05:00) Eastern Time (US & Canada)". The calendar section shows a calendar for April 2021, with the 1st of April highlighted in blue. To the right of the calendar is a vertical list of time slots from 7:00 AM to 2:30 PM in 30-minute increments. To the right of the time slots is a section titled "Contact Info" with a note "* Indicates required field". This section contains several input fields: First Name *, Last Name *, Date Of Birth *(Format: mm/dd/yyyy) with a calendar icon, Phone *(Format: xxx-xxx-xxxx, (xxx) xxx-xxxx, xxx xxx xxxx), Email address *, and Zip code *. Each field has a corresponding input box.

Fidelity Appointment Scheduling

Appointment Details

Meeting Method

Phone

Time Zone

(GMT-05:00) Eastern Time (US & Canada)

April 2021

Su	Mo	Tu	We	Th	Fr	Sa
28	29	30	31	1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	1

7:00 AM
7:30 AM
8:00 AM
8:30 AM
9:00 AM
9:30 AM
10:00 AM
10:30 AM
11:00 AM
11:30 AM
12:00 PM
12:30 PM
1:00 PM
1:30 PM
2:00 PM
2:30 PM

Contact Info * Indicates required field

First Name *

First Name

Last Name *

Last Name

Date Of Birth *(Format: mm/dd/yyyy)

mm/dd/yyyy

Phone *(Format: xxx-xxx-xxxx, (xxx) xxx-xxxx, xxx xxx xxxx)

Phone


Email address *

Email

Zip code *

Zip code

Visit Fidelity.com/TalkMedicare to schedule an appointment with a licensed Medicare advisor to begin your enrollment journey.

A man and a woman are standing on a paved path in a park, each with a bicycle. They are both smiling and looking towards the camera. The man is on the left, wearing a light-colored t-shirt and shorts. The woman is on the right, wearing a light-colored short-sleeved shirt and shorts. The background is filled with lush green trees and foliage. The entire image has a green tint.

By understanding all the Medicare options available, you can approach enrollment with confidence.

Citations

1. <https://www.kff.org/medicare/issue-brief/medicare-advantage-2021-spotlight-first-look/>
2. <https://www.medicare.gov/what-medicare-covers/what-part-a-covers>
3. <https://www.medicare.gov/what-medicare-covers/what-part-b-covers>
4. <https://www.medicare.gov/index.php/your-medicare-costs/part-a-costs>
5. <https://www.medicare.gov/your-medicare-costs/part-b-costs>
6. <https://www.medicare.gov/your-medicare-costs/part-b-costs>
7. <https://www.medicare.gov/Pubs/pdf/10116-your-medicare-benefits.pdf>
8. <https://www.medicare.gov/supplements-other-insurance/how-to-compare-medigap-policies>
9. <https://www.medicare.gov/drug-coverage-part-d/costs-for-medicare-drug-coverage>
10. <https://www.medicare.gov/your-medicare-costs/costs-for-medicare-advantage-plans>
11. <https://www.medicare.gov/sign-up-change-plans/how-do-i-get-parts-a-b/part-a-part-b-sign-up-periods>
12. <https://www.medicare.gov/sign-up-change-plans/how-do-i-get-parts-a-b/part-a-part-b-sign-up-periods>
13. <https://www.medicare.gov/sign-up-change-plans/when-can-i-join-a-health-or-drug-plan/special-circumstances-special-enrollment-periods>
14. <https://www.medicare.gov/your-medicare-costs/get-help-paying-costs/Medicaid>
15. <https://www.medicare.gov/your-medicare-costs/get-help-paying-costs/medicare-savings-programs>
16. <https://www.medicare.gov/your-medicare-costs/get-help-paying-costs/find-your-level-of-extra-help-part-d>
17. <https://www.ssa.gov/pubs/EN-05-10508.pdf>
18. <https://www.irs.gov/forms-pubs/about-publication-969>

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