

ST. LUKE'S 50 NORTH EDUCATIONAL WORKSHOP

The ABCD's of Medicare

A Clear, Simple Guide to Understanding Your Medicare Options

Presented by Roger & Gina Masterson | Masterful Solutions

Event Overview & Focus

Who Should Attend

- ✓ Individuals approaching age 65 and preparing for initial enrollment.
- ✓ Current beneficiaries looking to understand upcoming 2026 changes.
- ✓ Adult children and family caregivers assisting aging parents with choices.
- ✓ Anyone needing clarity on avoiding lifetime late-enrollment penalties.

What You'll Learn

- ✓ The fundamental differences between Original Medicare, Medicare Advantage, and Medigap/Medicare Supplement plans.
- ✓ How Medicare Supplement (Medigap) plans such as Plan G and Plan N work.
- ✓ Navigating Prescription Drug coverage (Part D) and out-of-pocket caps.
- ✓ Understanding critical enrollment timelines including IEP, SEP, and IRMAA.

Medicare Basics



Part A: Hospital

Covers inpatient hospital stays, skilled nursing facility care, hospice care, and select home health services. Typically premium-free for qualified workers.



Part B: Medical

Covers outpatient doctor visits, preventive care, lab tests, durable medical equipment, and outpatient therapies with a monthly premium paid to Social Security that varies with income.



Part D: Drugs

Run by private Medicare-approved insurers to help cover outpatient prescription medications and avoid costly future penalty calculations. Some higher-income beneficiaries will pay Social Security for this benefit.

Part C: Medicare Advantage Plans

An "all-in-one" alternative to Original Medicare (Parts A & B) offered by private, Medicare-approved insurance companies. This option often includes Part D coverage.

2026 Part B and Part D costs rise with income

2026 monthly amounts use 2024 modified adjusted gross income (MAGI)—a two-year lookback.

Individual return	Joint return	Married filing separately	Part B total / mo.	Part D add-on / mo.
≤ \$109k	≤ \$218k	≤ \$109k	\$202.90	Plan premium only
\$109k–\$137k	\$218k–\$274k	Not applicable	\$284.10	+ \$14.50
\$137k–\$171k	\$274k–\$342k	Not applicable	\$405.80	+ \$37.50
\$171k–\$205k	\$342k–\$410k	Not applicable	\$527.50	+ \$60.40
\$205k–<\$500k	\$410k–<\$750k	\$109k–<\$391k	\$649.20	+ \$83.30
≥ \$500k	≥ \$750k	≥ \$391k	\$689.90	+ \$91.00

Part D amounts are added to your plan premium. Late-enrollment penalties can increase totals.
Source: CMS, “2026 Medicare Costs” fact sheet (December 2025).

Understanding IRMAA

IRMAA

Income-Related Monthly Adjustment Amount

Who Is Affected by IRMAA?

Higher-income beneficiaries pay an extra surcharge for Medicare Part B and Part D premiums based on Modified Adjusted Gross Income reported on tax returns from two years prior.

If your income has significantly decreased due to a life-changing event such as retirement, divorce, or loss of income-producing property, you can file an appeal (Form SSA-44) to request a reduction.

Navigating Your Choices

- ✓ Medicare decisions are deeply personal and depend entirely on your health needs, travel habits, and budget.
- ✓ Independent guidance ensures you review options without being pressured toward a single carrier.
- ✓ Understanding your rights during transition periods prevents gaps in coverage and avoids unnecessary out-of-pocket costs.
- ✓ Objective education empowers beneficiaries to make informed choices with complete peace of mind.



Three ways to build your Medicare coverage

Compare who administers coverage, how prescriptions are covered and where cost-sharing lands.

01 OPTION 1

Original Medicare + Rx plan

- Parts A & B through the federal Medicare program
- Use any provider nationwide that accepts Medicare
- Add a standalone Part D prescription drug plan

Downside? No out-of-pocket Max

Upside? You retain Original Medicare cost-sharing and there are no networks.

02 OPTION 2

Medicare Advantage

- A private insurer administers your Parts A & B benefits
- Often bundles Part D and extras such as dental or vision
- Networks, copays and prior authorization vary by plan

Downside? Networks

Upside? One plan bundles your coverage. Acts like an employer plan.

03 OPTION 3

Medicare Supplement (Medigap) + Rx plan

- Original Medicare remains your primary coverage
- Use any provider nationwide that accepts Medicare
- Medigap helps pay deductibles and coinsurance gaps
- Add a standalone Part D prescription drug plan

Downside? An additional monthly premium that increases each year.

Upside? Supplement coverage makes costs more predictable and there are no networks.

Medigap: Plan G vs Plan N



Medigap Basics

Standardized Medicare Supplement policies designed to cover the 20% coinsurance, cap out-of-pocket costs and deductibles left behind by Original Medicare.



Plan G

The most comprehensive policy for new enrollees. Covers all Medicare cost-sharing gaps once you pay the small annual Part B deductible.



Plan N

Offers lower monthly premiums in exchange for modest copays (between \$20 & \$50) and non-coverage of Part B excess charges.

Key Enrollment Windows

1. IEP

Initial Enrollment Period: 7-month window surrounding your 65th birthday to sign up without penalty.

2. AEP

Annual Open Enrollment Period (Oct 15 – Dec 7)

- Switch from Original Medicare to a Medicare Advantage Plan,
- Switch from a Medicare Advantage Plan back to Original Medicare,
- Join, drop, or switch a Medicare Advantage Plan or a Medicare drug plan.

3. MA OEP

Medicare Advantage Open Enrollment (Jan 1 – Mar 31)

- Switch to another Medicare Advantage Plan (with or without drug coverage),
- Drop a Medicare Advantage Plan to return to Original Medicare, with the option to join a separate Medicare drug plan.

4. SEP

Special Enrollment Period: Triggered by qualifying life events like retirement or moving out of a service area.

Coverage Path Comparison

Feature	Original Medicare + Medigap	Medicare Advantage (Part C)
Doctor & Hospital Choice	Any provider nationwide accepting Medicare	Restricted to HMO / PPO network providers
Specialist Referrals	No referral required	Often required depending on plan type
Out-of-Pocket Predictability	High predictability; near-zero copays with Plan G	Copays/coinsurance apply up to annual max
Extra Benefits	Separate standalone dental/vision and drugs needed	Frequently packages dental, vision, hearing, and drugs

National Enrollment Trends



In 2026, 55% of eligible beneficiaries are enrolled in Medicare Advantage; 45% remain in Original Medicare, Medigap, or employer/retiree plans.

Source: KFF, "Medicare Advantage in 2026: Enrollment Update and Key Trends," updated July 1, 2026.

Top 5 Costly Mistakes

-  **Missing Your Initial Enrollment Period (IEP):** Incurring lifelong 10% Part B premium surcharges for every full 12-month period you were eligible but delayed without creditable group coverage.
-  **Skipping Part D Drug Coverage:** Assuming you do not need prescription insurance because you currently take zero medications, resulting in permanent Part D late enrollment fees.
-  **Missing Your Medigap Open Enrollment Window:** Forfeiting your 7-month guaranteed issue right where insurers cannot deny coverage or charge higher rates for pre-existing conditions. **NOTE:** If you decide to get a Medicare Advantage plan, you have 1 year to switch to a medigap/Medicare supplement + drug plan without underwriting.
-  **Ignoring the Annual Notice of Change (ANOC):** Overlooking yearly modifications to your plan's drug formularies, network doctors, or copayments sent every September.
-  **Not evaluating your income 2 years prior to going on Medicare:** Your part B and part D payments to the government are directly tied to your income you report 2 years prior to going on Medicare.

Questions & Discussion

Thank you for joining today's educational session!

St. Luke's 50 North | Youth Center

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