



Understanding Medicare 2025

A Hospitalization

No Cost for most Americans

The deductible for Part B for 2025 is \$1676.00 which covers the 1st 60 days. 61-90 days is \$419 per day. Lifetime reserve is \$838 per day.

Buy in to Part A is \$285 per month premium for people with 30 quarters of coverage and \$518 per month premium for those with less than 30 quarters of coverage.

Coverage refers to # of quarters of participation in social security.

Part B Outpatient

\$185.00 Month for anyone new to Medicare in 2025; anyone on Medicare plus any income related surcharge on Parts B & D. The Part B deductible for 2025 is \$290.

Part D Prescriptions

Price varies, based on the plan chosen. The 2025 maximum out-of-pocket has been reduced from \$8,000 in 2024 to \$2,000 in 2025.

Part C Offered from Private Insurance & Includes Parts A, B & D

Original Medicare is a fee for service program where the recipient pays 20% and Medicare pays 80%. There is no maximum out-of-pocket under Original Medicare. If you have a claim for \$100,000, you owe \$20,000. You can see any Doctor, in any hospital, if they take Medicare. With Original Medicare you also must contend with Medicare Assignment of Benefits which means the Doctor or facility bills Medicare directly.

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If they do not take assignment of benefits, they can bill you the excess charges that Medicare disallows. (Usually around 15% of adjusted bill)

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Original Medicare requires Parts A & B and a separate drug plan

If you are working beyond age 65 and your employer has more than 20 employees, you can keep your group health plan and take Medicare Part A only. This is because your group health plan will pay first, and Medicare will pay second. If your employer has less than 20 employees, you must take Medicare Part A & B because then Medicare pays first. The group insurance must also include a creditable drug plan. If not, there are **lifetime fines** of 10% of the Part B premium calculated each year and 1% on the drug plans.

Part C is run by private insurance companies and is referred to as an MAPD (Medicare Advantage Prescription Drug plan)

2 most popular types of plans in Nevada

HMO Must have a primary care physician. Referrals are required to see a specialist. If you go out of network, you pay the entire bill. These plans typically have no premium. For 2025 there are two HMOs that do not have a referral requirement.

PPO No referrals required, see any physician if they take the plan. In Nevada monthly premiums range from \$0-150 per month depending upon the carrier.

If you go out of network, the cost sharing is greater than staying in network. Some plans have a deductible and additional maximum out of pocket for seeing non-network providers. These plans also have nationwide networks.

Medicare Advantage plans are run by insurance companies and the plans are based on the county where you live. If you move out of your home county, you must change your plan.

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There are a combined over 60 different MAPD plans offered in Nevada. They include HMO's, PPO's, MSA's and SNP (Special Needs Plans). These SNP are offered for medical conditions such as Diabetes, Heart Conditions, COPD, or other breathing problems and for End Stage Renal Disease or Kidney Dialysis.

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Understanding Medicare Supplements

Medicare Supplements are plans that work with Original Medicare and pay part or all of what Original Medicare does not cover.

Medicare Supplement plans are designated by a letter; the plans range from plan A through plan N. The government decides what each plan's benefits are and the insurance carriers decide what rate to charge. Therefore, rates can vary as much as \$100 per month for the same plan.

Plan F appears to be the most popular plan (Plan F, High Deductible F & C were grandfathered in 2021 and will no longer be available for new sales. Anyone on those plans may keep them.)

With Plan F, when you visit a provider, you need your Original Medicare card and your Medicare Supplement card. All Medicare approved services are covered without any payments from you. Also, all excess charges that Medicare disallows are covered in the Plan.

There is also a high deductible Plan F & G. Their pricing varies by carrier. The deductible for 2025 is \$2870. You pay the first \$2870 and the plan pays everything else for the calendar year.

Some carriers offer a G Plan. The G Plan has a Part B deductible which for 2025 is \$290 annually. Once that deductible is satisfied, there are no other charges. The difference in premium between Plan F & G is around \$30-70 per month, depending upon the carrier. It is anticipated that since Plans C & F & High Deductible F are exiting the market that Plan G will become the plan of choice. Remember those that have Plan C, F or High Deductible F can keep it. Plan C, F and High Deductible F will ultimately end up costing more because the pool of participants will decrease over time, thus rates will increase. The impact on the high deductible plans will be less due to the high deductible.

Plan N has 3 charges. The 1st is the annual Part B deductible of \$290; then Doctor Visits are \$20. (Remember that the Doctor will have to take Medicare Assignment of benefits, or the Doctor can bill you what Medicare does not pay.) Lastly, emergency room services are \$50 and waived if you are admitted. All other services are covered at 100%. The

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cost difference between Plan F and Plan N is about \$60-\$80 per month. Some Plan Ns in Nevada are guaranteed issued while others are not. Meaning if the plan does not have guaranteed issue, you are subject to underwriting and you could be declined.

When you take Medicare Part B after retiring; you are in an open enrollment or guarantee issue period where there are no medical questions asked to obtain coverage. That is an 8-month window. (For those already 65)

If you are turning 65 and go onto Medicare there is a 7-month window which means 3 months before your birthday month, the month of your birthday and 3 months after your birthday month where you can apply for Medicare without lifetime penalties.

Choosing the right plan for you is critical to your financial future. Make sure you have the right information before deciding. Unlike Medicare Advantage, you are required to prove insurability if not in the guaranteed issue period.

Since Medicare Supplements do not cover prescription medications, you will need a separate drug plan.

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Understanding Medicare Part D

Part D:

Stand-alone prescription plans are provided so recipients can get price breaks on their medications. All plans follow the Medicare guidelines which have changes significantly for 2025. The changes came from the Inflation Reduction Act which reduced the maximum out-of-pocket from \$8,000 in 2024 to \$2,000 in 2025. The donut hole and catastrophic have been removed as well.

The number of Part D plans has been reduced by 35% due in part to the reduction in the maximum and that the insurance companies and the drug plans will be paying most of that cost that was previously paid by the Medicare recipient. This has also caused some price increases on certain drugs and the loss of some pharmacies within the plan. It is best to talk with a broker to help you navigate the Part D maze caused by the Inflation reduction Act.

Change is a concern for most people, especially seniors who are usually set in their ways. As a senior myself, I understand their situation, but I choose to look at the bright side, the maximum is lower by \$6,000 for 2025. That is a good thing for most seniors, especially those with lots of medications that previously put them into the donut hole and higher costs of medications.

A very small percentage of seniors will have issues with the new plan designs for 2025, the rest will just save money.

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