

Quick Guide to Medicare

THE PARTS OF MEDICARE

Part A: Hospital Insurance. Includes hospital care, skilled nursing facilities, nursing homes, hospice, and home health services.

Part B: Medical Insurance. Includes services from doctors, preventive care, outpatient care, lab tests, mental health care, ambulance services, and durable medical equipment.

Part C: Advantage Plans. Part C is an alternative to Parts A and B, and it includes the benefits and services covered under Parts A and B, and usually Part D. You can select a PPO or HMO plan that is run by a Medicare-approved private insurance company. Make sure to select a plan that covers your health care providers.

Part D: Prescription Drug Coverage. You have different plans to choose from, depending on where you live, along with different premiums and formularies. Make sure to select a plan that covers the prescriptions you take.

MEDICARE COST IN 2023

Part A: If you have paid into Medicare while working over your lifetime, the monthly premium is free.

Part B: The Part B monthly premium is generally \$164.90 (see chart below for exceptions) and there is a deductible of \$226 per year. The cost share for Part B coverage is 80/20, which means that once you have paid your deductible, Medicare will cover 80% of your health care costs, and you will be responsible for 20%. With Part B coverage, there is NO out-of-pocket maximum.

If your yearly income in 2021 was			You pay (in 2023)
File individual tax return	File joint tax return	File married, separate tax return	
\$97,000 or less	\$194,000 or less	\$97,000 or less	\$164.90
above \$97,000 up to \$123,000	above \$194,000 up to \$246,000	Not applicable	\$230.80
above \$123,000 up to \$153,000	above \$246,000 up to \$306,000	Not applicable	\$329.70
above \$153,000 up to \$183,000	above \$306,000 up to \$366,000	Not applicable	\$428.60
above \$183,000 up to \$499,999	above \$366,000 up to \$749,999	above \$97,000 up to \$402,999	\$527.50
\$500,000 or above	\$750,000 or above	\$403,000 or above	\$560.50

Part C: As an alternative to Parts A and B, and sometimes D, the premiums for this plan are usually at least the same as Part B (\$164.90) or more, but vary based on the plan you chose. The deductibles, cost share, and out-of-pocket maximums will vary based on the insurance plan you select.

Part D: The premiums for prescription drug coverage vary by plan (average cost = \$33.37/month). Premiums are also higher for those with higher income levels.

Prescription Drug Expenses	You Pay	Medicare Pays
\$1 - \$505	\$505 deductible	\$0
\$506 - \$7,049 (total out-of-pocket costs)	25% brand name and generic	75% brand name and generic
\$7,400+	greater of 5% or \$4.15 for generic; \$10.35 for brand name	95%

MEDIGAP PLANS

A Medigap plan is a supplemental insurance plan that helps pay for your deductibles, copayments, and cost share amounts. Plans are labeled as A through N, and each A through N plan must offer the same basic benefits. The premiums and deductibles vary with each plan. If you have chosen original Medicare (Parts A and B), there is a 20% coinsurance amount, so a Medigap plan can help pay for that expense. For more information about Medigap plans click [here](#).

MEDICARE LIMITS

Medicare does not cover certain services, such as: long-term care, most dental care, eye exams related to prescription glasses, dentures, cosmetic surgery, acupuncture, hearing aids, and routine foot care. These services may be covered by some Medicare Advantage (Part C) or Medigap plans.

WHEN TO ENROLL

Pepperdine employees covered under a University medical plan are not required to enroll in Medicare when they turn 65. While currently employed and covered under a group plan, Medicare coverage would only provide secondary coverage, and Medicare enrollment may make you ineligible for certain benefits.

If you enroll in Medicare Part A and/or B, you can no longer contribute pretax dollars to a Health Savings Account. Please be aware that if you choose to delay Medicare enrollment because you wish to continue to contribute to an HSA, you must also wait to collect Social Security retirement benefits. You cannot decline Part A while collecting Social Security.

When planning for retirement after age 65, you should contact Human Resources to request a completed [Request for Employment Information Form](#) that will allow you to enroll in Medicare coverage without a penalty. This form should be requested from Human Resources at least 3 months prior to your planned retirement date. You will have an eight month Special Enrollment Period to sign up for Part A and Part B following the end of your Pepperdine coverage.

ADDITIONAL RESOURCES

- Obtain direct assistance through the [Medicare Plan Finder](#) and by calling 1.800.633.4277.
- Contact Health Advocate, 866.799.2728, for help with supplemental Medicare plans based on unique needs you may have.
- If you are eligible¹ for Pepperdine's Retiree Health Plan, contact BPAS, 866.401.5272 or U.BPAS.COM to access available funds for eligible healthcare expenses during your retirement years.

Disclaimer: This handout is prepared by Pepperdine Human Resources and intended to provide general information on the topics presented.

¹ Vesting for Retiree Health Plan funds occurs at either 1) 55 years of age and 10 years of continuous service, or 2) 65 years of age and 5 years of continuous service.