

WELL 
INFORMED

MEDICARE

Understand how Medicare works and how to make the choice that's right for you.



WELL INFORMED

Everyone deserves straightforward and clear information about healthcare.

Well+Informed is a health literacy series dedicated to providing patients and providers with clear explanations to complicated healthcare topics.



Takeda is dedicated to providing accessible education for patients and healthcare personnel.



Medicare and **you**



You are eligible for Medicare if:



You are at least 65 years old¹



You have collected Social Security Disability Insurance for 24 consecutive months^{2*}



You have been diagnosed with end-stage renal disease¹

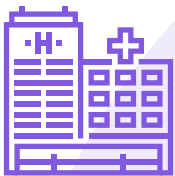
¹With some exceptions for patients with amyotrophic lateral sclerosis (ALS).²

Medi+care = The sum of its 4 parts



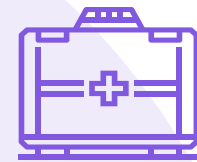
You have choices when it comes to your Medicare coverage. Parts A and B are known as Original Medicare. To get prescription drug coverage, you can purchase a Part D plan. Part C is a Medicare-approved plan that bundles Parts A and B (sometimes D).²

ORIGINAL MEDICARE



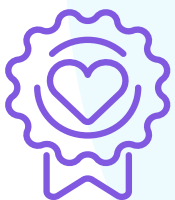
PART A: Hospital Insurance¹

- Inpatient care
- Limited stays in nursing facilities
- Some home healthcare
- Hospice care



PART B: Medical Insurance^{1,2}

- Medically necessary doctor services and covered preventive services
- Durable medical equipment like wheelchairs and walkers
- Provider-administered prescription drugs



PART C: Medicare Advantage²

- Medicare parts A and B, plus sometimes D, through private insurance companies
- Can offer services beyond Original Medicare and make different rules for how you can get care



PART D: Prescriptions¹

- Prescription drugs not covered in Part B
- Medical supplies like needles and syringes
- Vaccines covered under the Public Health Service Act

Sharing the **cost**



Most Medicare plans include cost sharing. This means that you and your insurer will each pay a portion of your medical costs. Below is an example of what cost sharing looks like between a patient and Medicare.



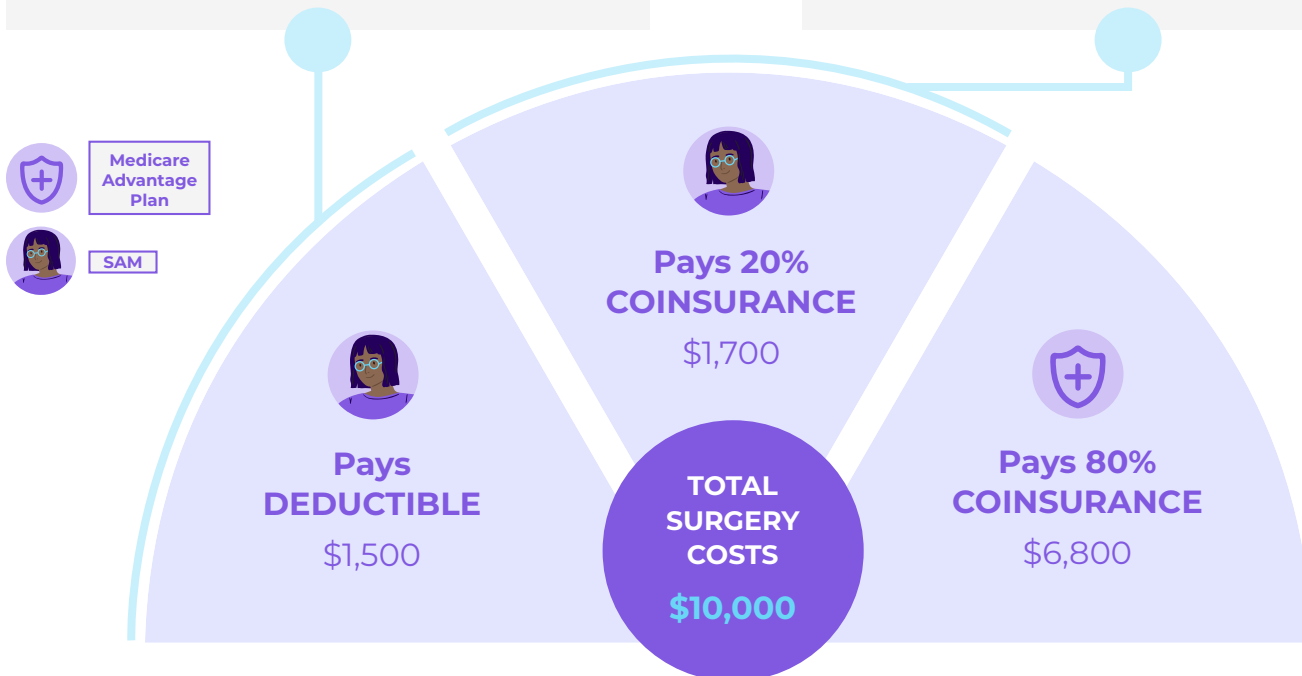
Sam had surgery.

Sam's surgery cost* a total of \$10,000. After factoring in her insurance coverage under a Medicare Advantage Plan (Part C), she owed a total of \$3,200.

Here's how Sam's cost sharing worked.

A **deductible** is the amount you need to pay toward your healthcare costs before your Medicare plan begins to pay.³

Coinsurance is a percentage you pay for your medical expenses after you've paid your deductible.⁴






With some Medicare plans, you may also have a co-pay for certain services and prescription drugs. A co-pay is usually the set amount you pay for a drug after you have met your pharmacy benefit deductible⁵

*Cost is defined by the allowed amount by the health plan.



Break it down

There are some important differences between **Original Medicare (Parts A and B)** and **Medicare Advantage (Part C)**.²

	ORIGINAL MEDICARE	MEDICARE ADVANTAGE
 HEALTHCARE PROVIDER	Any provider who accepts Medicare	In many cases, providers in their plan's network
 OUT-OF-POCKET (OOP) COSTS	<ul style="list-style-type: none">• No yearly limit on what patient pays out of pocket, unless they have supplemental coverage—like Medicare Supplement Insurance (Medigap), Medicaid, employer, retiree, or union coverage• Pay monthly premium for Part B coverage	<ul style="list-style-type: none">• Plans have a yearly limit on what patients pay for covered Part A and Part B services; however, no supplemental coverage is allowed• Patient pays the monthly Part B premium and may also have to pay the plan's premium
 PRESCRIPTIONS	Full cost of many medications, unless you enroll in Part D*	Partial cost of most medications depending on their plan's coverage

*Starting in 2025, if you are enrolled in Medicare Part D, your OOP prescription costs will not exceed \$2,000.² This amount may increase each year based on inflation and Medicare costs.⁶

Changes coming to Medicare Part D



The Inflation Reduction Act was signed into legislation in 2022 and aims to lower prescription drug costs for patients enrolled in Medicare Part D.

Changes you can expect include:

Capped total out-of-pocket costs⁷

Your annual out of pocket will be capped at \$2,000 for covered brand-name and generic drugs. This amount may increase each year due to inflation and Medicare costs.

Reduced insulin treatment co-pays⁸

All Medicare Part D enrollees will pay no more than \$35 a month for covered insulin product.

The ability to pay for prescriptions in capped monthly payments through the Medicare Prescription Payment Plan (M3P) Program⁹

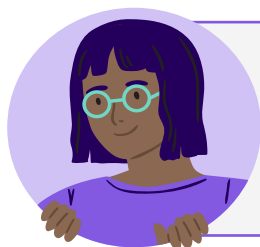
The M3P is an optional program that allows you to pay for your prescriptions in capped monthly payments instead of all at once.





Medicare Part D Prescription Payment Program (aka M3P)

Starting in 2025, this program will help patients enrolled in Medicare Part D manage their OOP costs.



Not enrolled in M3P

Remember Sam? Sam did not enroll in the M3P program. She was prescribed a medication covered by Medicare Part D after her surgery that **cost \$1,500** and needed to **pay \$500 later** in the year for a refill.

**Paid \$1,500
up front**



**Remaining \$500 cost
incurred later in the year**

Sam was responsible for paying for her prescription and refill when they were filled at her pharmacy.⁹



Enrolled in M3P

Meet Roger. Roger opted in for M3P so he can make monthly payments for his prescriptions. Roger is prescribed the same medication as Sam and has the same OOP costs.

**Roger fills his prescription at his pharmacy and
is billed in monthly payments (for example, \$250 a month)
until he pays a total of \$2,000 OOP.**

Roger's costs are spread across the year. This reduces his up-front cost burden, making budgeting easier and his expensive medications more affordable in the short term.⁹

These numbers are for illustrative purposes only and do not reflect actual deductibles or coinsurance requirements for any Medicare or Medicare Advantage plan.

A little help from programs

If you are enrolled in Medicare and have concerns about paying for your prescriptions and/or medical treatments, the following programs may be able to offer support.²



NEED EXTRA HELP?

Low-income households may be able to get help paying Medicare prescription drug coverage's (Part D) monthly premium, any yearly deductible, coinsurance, and co-payments through the Extra Help program.

To find out more and apply:



Call 1-800-772-1213 (TTY 1-800-325-0778)



Go online to <https://secure.ssa.gov/i1020/start>



Visit your local Social Security Administration office

+ DUAL ELIGIBILITY

If you qualify for coverage from both Medicare and Medicaid you are considered “dual eligible.” Medicare and Medicaid work together to lower healthcare costs for dual eligible individuals.

+ STATE HEALTH INSURANCE ASSISTANCE PROGRAM (SHIP)

SHIP provides unbiased help to Medicare beneficiaries, their families, and caregivers. SHIP counselors are members of your community who have been screened, trained, and certified as Medicare experts.

Find your local SHIP

shiphelp.org

1-877-839-2675

Open enrollment season

You can sign up for Medicare at different times of the year depending on your situation.²



Initial Enrollment Period (IEP) 7 Months

You can enroll in Medicare for the first time during this 7-month period:

- 3 months before you turn 65
 - The month you turn 65
 - 3 months after you turn 65
- You may pay a monthly penalty if you do not sign up for Part B when you are first eligible for Medicare.



Open Enrollment Period (OEP) Oct 15 - Dec 7

You can make changes to your Medicare medical and prescription drug coverage.



General Enrollment Period (GEP) Jan 1 - Mar 31

You can enroll in Part A, Part B, and Medicare Advantage plans during this period.



Special Enrollment Period (SEP)

You can change your coverage when certain events happen in your life, like if you move or lose other insurance coverage.



You can enroll in M3P during open enrollment or in any month during the plan year⁹

References: 1. Medicare 101: your guide to Medicare. BlueCross BlueShield of Tennessee. Accessed September 19, 2024. <https://www.bcbst-medicare.com/docs/Medicare-101-Guide.pdf> 2. Medicare & you 2025. Medicare.gov. Accessed September 19, 2024. <https://www.medicare.gov/publications/10050-medicare-and-you.pdf> 3. Deductible. HealthCare.gov. Accessed September 19, 2024. <https://www.healthcare.gov/glossary/deductible/> 4. Coinsurance. HealthCare.gov. Accessed September 19, 2024. <https://www.healthcare.gov/glossary/co-insurance/> 5. Copayment. HealthCare.gov. Accessed September 19, 2024. <https://www.healthcare.gov/glossary/co-payment/> 6. Sayed BA, Finegold K, Olsen TA, et al. Medicare Part D enrollee out-of-pocket spending: recent trends and projected impacts of the Inflation Reduction Act. July 7, 2023. Updated January 30, 2024. Accessed October 7, 2024. <https://aspe.hhs.gov/sites/default/files/documents/1b652899fb99dd7e6e0edebbcc917cc8/aspe-part-d-oop.pdf> 7. Final CY 2024 Part D redesign program instructions fact sheet. Centers for Medicare & Medicaid Services. April 1, 2024. Accessed September 19, 2024. <https://www.cms.gov/newsroom/fact-sheets/final-cy-2025-part-d-redesign-program-instructions-fact-sheet> 8. Cubanski J, Neuman T, Freed M. Explaining the prescription drug provisions in the Inflation Reduction Act. Kaiser Family Foundation. January 23, 2023. Accessed September 19, 2024. <https://www.kff.org/medicare/issue-brief/explaining-the-prescription-drug-provisions-in-the-inflation-reduction-act/> 9. Centers for Medicare & Medicaid Services. Fact sheet: Medicare Prescription Payment Plan final part one guidance. February 2024. Accessed September 19, 2024. <https://www.cms.gov/files/document/fact-sheet-medicare-prescription-payment-plan-final-part-one-guidance.pdf>