


# Medicare for the Self Employed

A Medicare Scholar Presentation



As of January 2023, approximately 10.1% of the United States' workforce is self employed. That's almost 16.2 million people!

As these individuals approach Medicare eligibility, it's important to understand when to sign up for Medicare, what Medicare may cost, and what are their coverage options.



# Medicare Basics

Medicare is broken down into 4 main parts:

- Part A – Hospital Insurance
- Part B – Medical Insurance
- Part C – Medicare Advantage Plans
- Part D – Prescription Drug Coverage

# Medicare Part A

- Most people get Part A for free, but some have to pay a premium for this coverage
- To be eligible for premium-free Part A, an individual must have paid the FICA tax for at least 40 quarters or are entitled to receive Medicare based on the earnings of a spouse, parent, or child that has satisfied the 40-quarter requirement

# Medicare Part A

- Individuals who qualify for premium-free Part A and are receiving monthly Social Security benefits at least 4 months prior to turning 65 will get Part A automatically
- Individuals who are not receiving monthly Social Security payments or do not qualify for premium-free Part A will need to file a separate application for Part A by contacting the Social Security Administration

# Medicare Part B

- Individuals already receiving Social Security benefits at least 4 months prior to their 65<sup>th</sup> birthday month and are eligible for premium-free Part A will automatically be enrolled in Part B
- People who are automatically enrolled have the choice of whether or not they want to keep or refuse their Part B coverage



# Medicare Part B

- Part B is a voluntary program that requires the payment of a monthly premium for all parts of coverage
- Part B premiums are means tested, meaning that higher income earners may pay a higher premium

# Medicare Part B

If your Modified Adjusted Gross Income (MAGI) on your tax return from 2 years ago is above certain amounts, you'll pay a higher Part B premium.

If your yearly income in 2021 was			
File individual tax return	File joint tax return	File married & separate tax return	You pay (in 2023)
\$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 and less than \$500,000	above \$366,000 and less than \$750,000	above \$97,000 and less than \$403,000	\$527.50
\$500,000 or above	\$750,000 or above	\$403,000 or above	\$560.50



# When to Sign Up

- If you're receiving Social Security benefits at least 4 months prior to turning 65 and are eligible for premium-free Part A, you'll be automatically enrolled in both Part A and Part B
- If you are not receiving Social Security benefits or are not eligible for premium-free Part A, you can sign up:
  - During the Initial Enrollment Period – 3 months before, the month of, and three months after your 65<sup>th</sup> birthday month
  - During the General Enrollment Period – January 1<sup>st</sup> through March 31<sup>st</sup> each year

# Impact on Current Coverage

- If you're insured through the Affordable Care Act marketplace or your state-based exchange and are receiving an Advanced Premium Tax Credit subsidy, that subsidy will end once any part of Medicare starts
- If you're insured through a Short Term Medical plan, your coverage ends at the end of your premium period on or after your 65<sup>th</sup> birthday



# Medicare Options

Once your Part A and Part B benefits begin, you can explore all healthcare options in your area

- Medigap
- Medicare Advantage
- Prescription Drug Plans

# Medigap Plans

- Medigap plans, or Medicare Supplements, cover the gaps in original Medicare Part A and Part B
- Offered through private insurance companies
- Carry a premium that can change throughout the year
- Can see any provider or facility that accepts Medicare across the nation
- Does not offer drug coverage

# Medicare Advantage

- Also known as Part C of Medicare
- Offered through private insurance companies
- Covers all Part A and Part B services, but are administered through the insurance company
- Utilizes a network of doctors and hospitals, but may provide coverage outside the network
- Has copays and coinsurances for covered services
- Many plans include drug coverage

# Prescription Drug Plans

- Also known as Part D of Medicare
- Available through private insurance companies
- Carriers a monthly premium
- Utilizes a formulary (list of covered drugs) that can vary by plan
- Pay copays and/or coinsurances for covered drugs at the pharmacy
- Cannot be combined with a Medicare Advantage plan



# Helpful Tips

- As you approach age 65, it's important to understand whether you qualify for premium-free Part A or not
- Decide if you are or will be collecting Social Security benefits
- Investigate your local Medicare health plan options



# Questions?





Thank you for  
attending!



# Sources

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