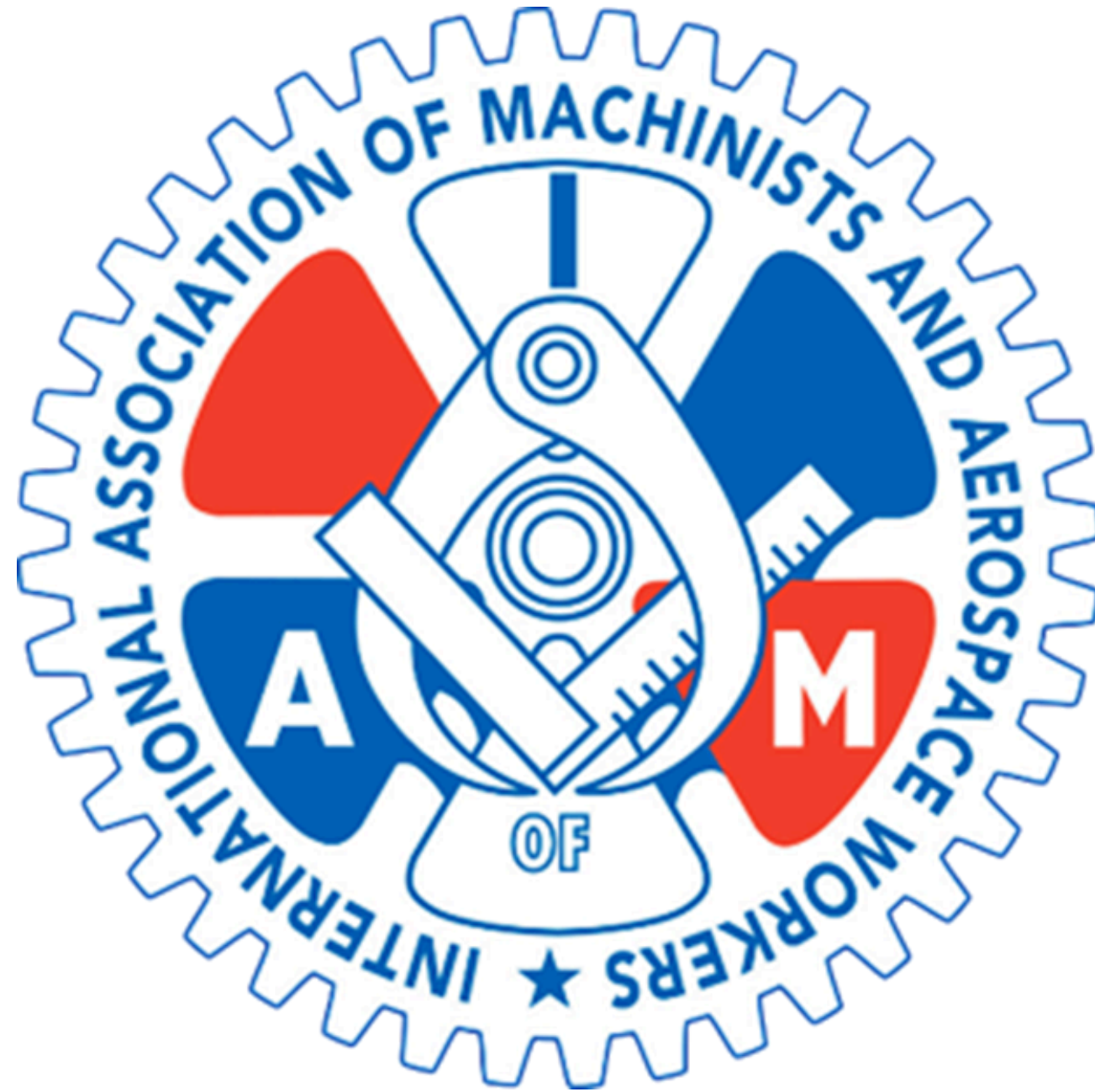


# 2026 MEDICARE

101 







The National IAM Union, in partnership with  
Employee Benefit Systems (EBS) and TLC Insurance Group

# What is Medicare?

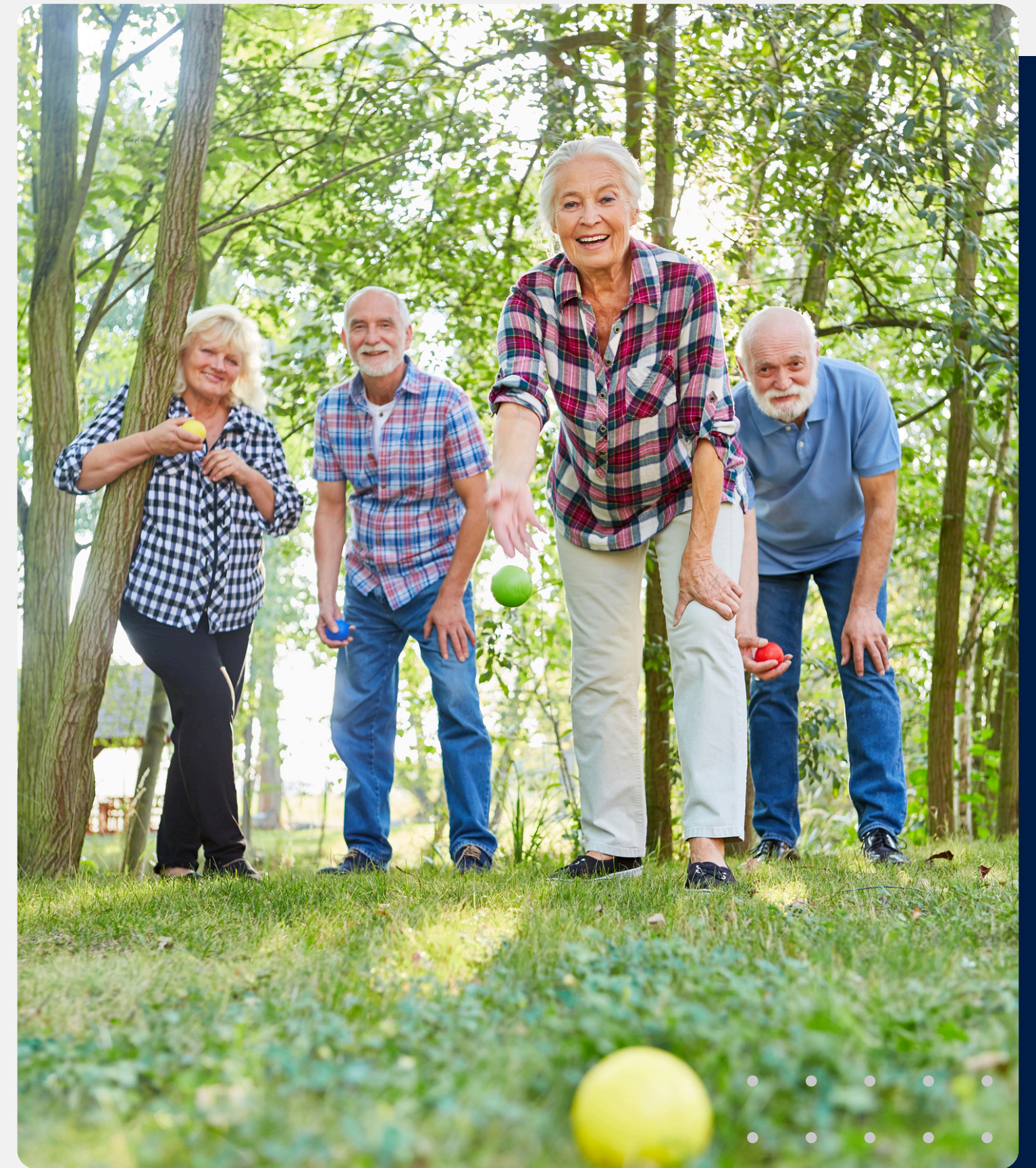


- A federal health insurance program for eligible U.S. citizens and legal residents
- Individual health insurance
- Funded in part by the taxes you pay while working



# Who is eligible?

- You must be age 65 or older, **and** you, or your spouse, worked and paid Social Security taxes for at least 40 quarters (10 years).
  - **Or** under age 65 with a qualifying disability
  - **Or** any age with a diagnosis of end-stage renal disease or ALS
- U.S. citizens and legal residents:
  - Legal residents must have lived in the U.S. for 5 consecutive years, including the 5 years immediately preceding their application for Medicare.





# Applying for Original Medicare

If you are receiving Social Security or Railroad Retirement Board (RRB) at least 4 months before being eligible for Medicare or after receiving Social Security disability benefits for 24 months, you will be automatically enrolled in Original Medicare Part A and Part B.

If you are delaying collecting these retirement benefits, you must actively apply with Social Security (or Railroad Retirement) during your **7-month Initial Enrollment Period (IEP), which occurs:**

- 3 months before your 65<sup>th</sup> birthday
- Month of your 65<sup>th</sup> birthday
- 3 months after your 65<sup>th</sup> birthday

Contact your local Social Security office or visit [ssa.gov/benefits/medicare](https://ssa.gov/benefits/medicare).

Railroad Retirees: call (877) 772-5772.



# Working beyond age 65 – Medicare Coordination Basics



## **Group Health Coverage**

- 20+ Employees: The group plan pays first, and Medicare is secondary
- <20 Employees: Medicare pays first, and the group plan is secondary

## **COBRA & Retiree Plans**

- COBRA does not delay the need for Part B
- Retiree plans often require Medicare to pay first

## **Avoiding Late Enrollment Penalties**

- Part B: Enroll when you lose active group coverage
- Part D: Ensure creditable drug coverage or face penalties

## **When to Enroll**

- Delay Part B only if covered by active employer plan (not COBRA or retiree)
- Enroll in Medicare within 8 months of losing active group coverage



# Medicare Part A: Hospital Insurance

You qualify for “**premium-free Part A**” if you or your spouse worked and paid Social Security taxes for at least 40 quarters (10 years).

- If you don't qualify for premium-free Part A, you may pay up to **\$565** each month.

## Hospital Stay:

- **\$1,736 deductible** per benefit period (up to 60 days)
- After the deductible is met, **days 1-60** are **\$0 per day**
- **\$434 per day** for **days 61-90** of each benefit period
- \$868 per lifetime reserve day (maximum of 60 days)

## Skilled Nursing Confinement:

- **Medicare pays** all eligible expenses for the **first 20 days**.
- Copay of **\$217 per day, days 21-100** of each benefit period.
- You are responsible for all costs from day 101 of the benefit period and beyond.

There is NO out-of-pocket maximum limit.



# Medicare Part B: Medical Insurance

## Premium:

- **\$202.90 per month** standard monthly premium
- Premiums are adjusted based on household income.
- A premium penalty is assessed for late enrollment without a qualifying SEP.

## Deductible:

- **\$283 per year** (annual deductible)
- Subject to change annually.

## After the Deductible:

- You must pay **20%** of the Medicare-approved amounts for qualifying medical services, plus **Excess Charges** (if applicable).

There is **NO** out-of-pocket maximum limit.





# Medicare Part D: Prescription Drug Coverage

- Provides coverage for prescription drugs and certain vaccines (not covered by Part B)
- Two ways to get coverage:
  - Stand-alone Prescription Drug Plan (PDP)
  - Medicare Advantage – Prescription Drug Plan (MAPD)
- Tiered Formulary
  - Drugs are grouped into tiers based on cost
  - In general, the lower the tier, the lower the cost
  - Deductibles may be charged by tier
- Prescription drug costs depend on the formulary tiers of medication(s) and the coverage stages entered throughout the year. **Costs are subject to change annually.**





# 2026 Medicare Part D: Prescription Drug Stages

Deductible Stage	Initial Coverage Stage	Catastrophic Coverage Stage
<p><b>You will pay 100% up to \$615.</b></p> <p>A deductible is the amount you owe before the insurance carrier begins to cover its portion.</p> <p>Some plans have a lower deductible or no deductible.</p>	<p><b>You will pay 25%</b></p> <p>A copay (\$) or coinsurance (%) based on each drug's tier.</p> <p>You stay in this stage until your true out-of-pocket costs reach <b>\$2,100</b>, which includes costs paid during the deductible stage.</p>	<p><b>You will pay 0%</b></p> <p>\$0 for covered drugs on the plan's formulary for the duration of the calendar year.</p> <p>Maximum copays across all phases: \$2,100.</p>

\*\* TrOOP (True Out-of-Pocket) refers to the total amount paid (what you and others pay on your behalf) for covered prescription drugs, including deductibles, copayments, and coinsurance, before reaching the catastrophic coverage phase.

\*\* Depending on your plan's coverage design, and each drug's tier, you could pay more or less than 25% of the cost in the Initial Coverage phase



# Medicare Part D: Prescription Drug Stages

Plan Year	Deductible Stage	Initial Coverage Stage	Catastrophic Coverage Stage
2025	<p><b>You will pay 100% up to \$590.</b></p> <p>A deductible is the amount you owe before the insurance carrier begins to cover its portion.</p> <p>Some plans have a lower deductible or no deductible.</p>	<p><b>You will pay 25%</b></p> <p>A copay (\$) or coinsurance (%) based on each drug's tier.</p> <p>You stay in this stage until your true out-of-pocket costs reach <b>\$2,000</b>, which includes costs paid during the deductible stage.</p>	<p><b>You will pay 0%</b></p> <p>\$0 for covered drugs on the plan's formulary for the duration of the calendar year.</p> <p>Max Copays Through All Phases: \$2,000.</p>
2026	<p><b>You will pay 100% up to \$615.</b></p> <p>A deductible is the amount you owe before the insurance carrier begins to cover its portion.</p> <p>Some plans have a lower deductible or no deductible.</p>	<p><b>You will pay 25%</b></p> <p>A copay (\$) or coinsurance (%) based on each drug's tier.</p> <p>You stay in this stage until your true out-of-pocket costs reach <b>\$2,100</b>, which includes costs paid during the deductible stage.</p>	<p><b>You will pay 0%</b></p> <p>\$0 for covered drugs on the plan's formulary for the duration of the calendar year.</p> <p>Max Copays Through All Phases: \$2,100.</p>



# Initial Enrollment Period (IEP)

When you turn 65 (or after your 25th disability check), you have a 7-month window to sign up for Medicare. This is called your Initial Enrollment Period (IEP).

Your IEP includes:

- The month you turn 65
- The 3 months before your birthday month
- The 3 months after your birthday month

*Example: If your 65th birthday is June 7, your IEP runs from March 1 through September 30.*



**Medicare coverage generally begins the 1st day of your birthday month.**

**Special rule:** If your birthday is on the 1st, Medicare treats the month before as your birthday month. In this case, coverage generally begins the 1st day of the month prior to your actual birthday month.



# Additional Enrollment Periods

## **Annual Enrollment Period (AEP)**

Oct. 15<sup>th</sup> - Dec. 7<sup>th</sup>

- Opportunity to review your current coverage for the upcoming plan year
- Coverage begins January 1<sup>st</sup>

## **MA Open Enrollment Period (OEP)**

Jan. 1<sup>st</sup> – Mar. 31<sup>st</sup>

- Only available to those enrolled in a Medicare Advantage Plan
- Coverage begins on the first of the month after you enroll

## **Special Enrollment Periods (SEP)**

Typically triggered by life events like moving to a new service area, losing group coverage, or changes in Medicaid/LIS status.





### **Medicare Supplement Plan**

- Helps pay some of the out-of-pocket costs that come with Original Medicare



### **Stand-alone Prescription Drug Plan (PDP)**

- Helps cover the cost associated with Part D Medications and certain vaccines



### **Individual Dental or Vision**

# MEDICARE COVERAGE OPTIONS

## **Medicare Supplement Plans (Medigap)**

**OPTION 1**





## Medicare Advantage Plan

- Medicare-approved plans offered by private insurance companies
- These “bundled” plans include Part A and Part B



## Part D

- Many advantage plans include Part D prescription drug coverage.



## Extra Benefits

- Some plans offer “extra” benefits that Original Medicare doesn’t cover, like vision and dental services

# MEDICARE COVERAGE OPTIONS

## Medicare Advantage Plans (Part C)

**OPTION 2**



# MEDICARE SUPPLEMENT

- ✓ **PAY NOW** for lower costs later.
- ✓ Monthly premiums, lower out of pocket expense.
- ✓ Plan pays for all or most medical deductibles, coinsurance and copayments.
- ✓ **You can typically use any doctor or hospital that accepts Medicare.**
- ✓ You will need to add a stand-alone drug plan **for an additional premium.**
- ✓ Typically does not cover ancillary benefits such as dental, vision, and hearing

# MEDICARE ADVANTAGE

- ✓ **PAY AS YOU GO.**
- ✓ Low monthly premium.
- ✓ Member is subject to deductibles, coinsurance, and copayments for services.
- ✓ Have a network of health care providers, including doctors, hospitals, and facilities.
- ✓ Most plans include prescription drug coverage.
- ✓ Some plans cover ancillary benefits such as dental, vision, and hearing



# Original Medicare does not cover the following:



- Prescription Drugs (Part D)
- Dental, Vision, and Hearing Aids
- Emergency coverage while traveling outside of the U.S.
- Additional benefits and services may be available to those who qualify financially or medically, such as meal delivery, transportation, utility assistance, and an allowance for over-the-counter items.



# MEDICARE SCAMS

## WHAT TO LOOK FOR

---



**Aggressive or  
Threatening Tactics**



**Unsolicited Phone  
Calls**



**Identity  
Verification**



**Email Solicitation**



**Mail Solicitation**



**Door-to-door  
Sales**

### **If you suspect Medicare fraud, do any of these:**

- Call 1-800-MEDICARE (1-800-633-4227). TTY users can call 1-877-486-2048.
- Contact the Department of Health and Human Services Office of the Inspector General's fraud hotline at 1-800-HHS-TIPS (1-800-447-8477). TTY users can call 1-800-377-4950.
- Visit [tips.oig.hhs.gov](https://tips.oig.hhs.gov) to file a complaint online.



# Have Questions?



**Call the TLC Retiree Service Center today!**  
**1-800-719-3751**

Speak with a licensed agent to receive your free personalized review of your Exclusive IAMAW Group Medicare Plan. No obligation.

Learn more about the exclusive benefits available to IAMAW Medicare-eligible Retirees, Spouses, Surviving Spouses, and their Medicare-eligible Dependents.