What Senior Professionals Need to Know About Medicare, Healthcare Costs, and Coverage Changes

SPEAKER

Mark Brownstein, CSA®

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(845) 358-1220

Toll-Free Nationwide

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PART A?
Out-of-pocket?
DENTAL CARE?
Retirement?
CO-PAYS?
Co-insurance
ADVANTAGE PLANS?
PART B?
SPECIAL ENROLLMENT?
Prescriptions?
VISION PLANS?
PART C?
The Big Bill
Deductibles?
Inflation Reduction Act
Medigap
Prescriptions?
PENALTIES?

Top Concern of Retirees remains Health Care Costs

Healthcare & Prescription Costs Top Retiree Financial Concerns

Topic of Concern	2025	2026
Health Care Costs	33%	31%
Maintaining Current Lifestyle	24%	23%
Running Out Of Money	22%	20%
Dental Concerns	17%	24%
Drug Costs	28%	30%

2026 Report on the Financial Confidence of America's Seniors & their Adult Children
https://www.seniorliving.org/finance/senior-financial-confidence



Social Security

Average Annual Cost-Of-Living Increase (*last 30 years*)

2.3%

Social Security Administration, Cost-of-Living adjustments; Jan '92- Jan '21

Medicare Part B

Average Annual Premium Increase (*last 30 years*)

5%

Centers for Medicare & Medicaid Services, Part B Premiums; Jan '92- Jan '21

Inflation + Cost-Of-Living Adjustments

Healthcare Statistics



- The average cost for healthcare in America is ~ **$15,000 per year**
- **$5.3 Trillion** is spent on health care in the U.S. eclipsing the GDP of all G7 nations
- 1 in 4 health care dollars are spent in America goes toward caring for people with diagnosed with diabetes
- 31% of all costs go toward hospital and inpatient costs
- The top 5% of healthcare consumers (often older adults with multiple complex chronic conditions) account for **~50% of all health spending** in any given year.
- **63% of people aged 65 and above consider health care out of pocket costs and affordability to be their number one personal concern.**

Health Insurance is Different for Everyone

Finding the Right Fit for your Health and Budget



Transitioning to retirement? Here's how to evaluate Medicare vs. your employer plan

- Compare your group / retirement coverage to Medicare options
  - Companies typically pay ~70% of premiums for employees – spouses less
  - Employers continue to face **rising healthcare and prescription costs** in their group health plans.
  - HSA plan are more popular as are self funded employers
- **Evaluate premium costs as an employee and spouse -** are there substantial savings?
- **Review current utilization of your health coverage**
  - *Co-Pays, deductibles, and out-of-pocket maximums*
- How does your transition to Retirement impact timing of Medicare enrollment?
- Offerings of supplemental coverage will vary by your state, and even by county
- Each year, evaluate coverage to ensure it's the best fit for your current budget & health

Healthcare Complexity is Affecting Patients and Families

Consumers today are facing:





- Rising healthcare costs
- Narrower provider networks – More focus on HMO, Less on PPO
  - Some physician practices and health systems are becoming more selective about the Medicare Advantage plans they participate with
  - PPO flexibility can be especially valuable
- More administrative complexity
  - Red tape, paperwork, and strict rules in a short amount of time
- Prior authorizations, claim denials
- More responsibility to navigate the system themselves

Hidden Mistakes That Cost People Money

COMMON MISTAKES:

- Missing Medicare enrollment deadlines
- Staying on COBRA too long before Medicare
- Not understanding HSA contribution rules
- Choosing plans based only on premium price
- Ignoring provider networks and prescription formularies

THESE TYPE OF MISTAKES OFTEN LEAD TO:

- *Lifetime* Medicare penalties
- Coverage gaps
- Unexpected out-of-pocket costs
- Prescription disruptions

Small Medicare mistakes can create **significant, long-term financial consequences.**



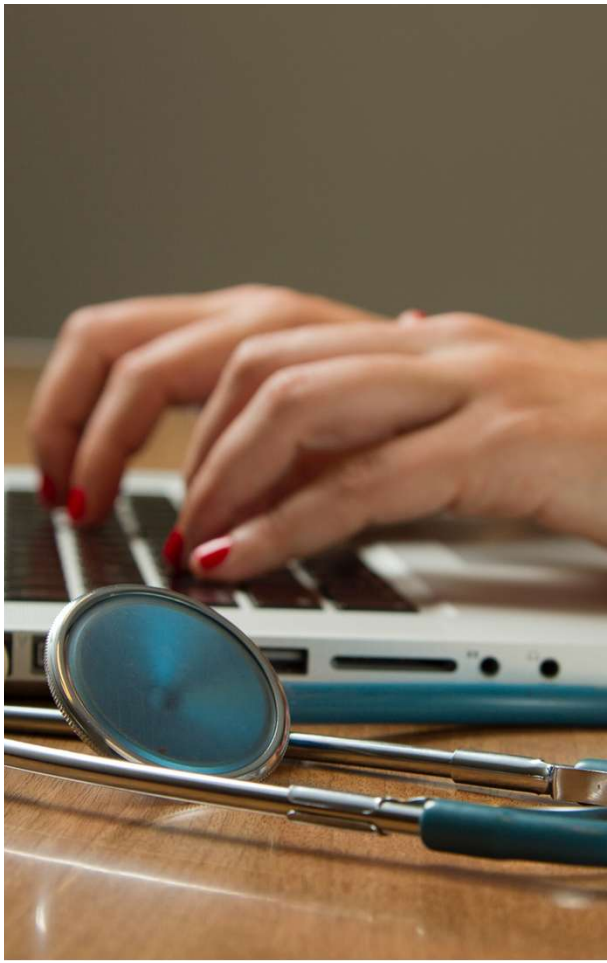
Automatic vs. Active Medicare Enrollment

If you **are** collecting Social Security at age 65

- **Enrollment is Automatic** in Part A
- **Optional return and decline** of Part B
  - *If you do not wish to start Medicare, you* **MUST REJECT** *Part B*

If you are **NOT** collecting Social Security at age 65

- Enrollment in Part A is not Automatic – 75% apply
- Signing up for Part B based on employment/company size
- Defer Part B if working for company >20 employees
- **Apply for Part B** if self-employed, unemployed, or working for company **less** than 20 employees



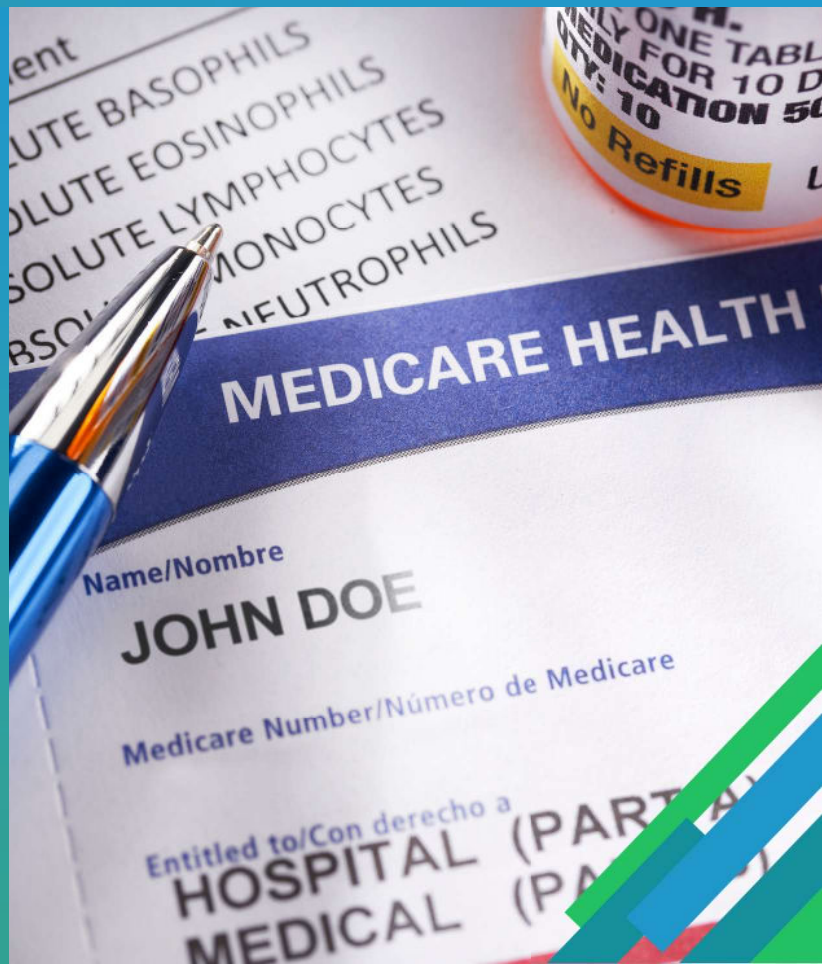
Enrollment Periods

Initial Enrollment Period - IEP
- 7 month “Turning 65” Election Period

Annual Enrollment Period - AEP
- October 15th - December 7th

Open Enrollment Period - OEP
- January 1st - March 31st
  - *Change to another MAPD or to Original Medicare*

Special Enrollment Period - SEP
- Timing Varies
  - Losing employer health group plan
  - Qualify for extra-help program (*LIS*)
  - Moving out of State / County
  - Eligible for dual-Medicare-Medicaid coverage
  - FEMA



Original Medicare

Parts A + B Generally Cover **80%**

Does not include Drug Coverage

Part A

- **Inpatient hospital care**
- **Skilled nursing care** (Limit of 28 hours / week)
- **Hospice care**
- **Home health for person who is homebound** (35 hours / week)
- **Generally Premium-Free; 40 Quarters** (10 years) **worked in U.S.**

Part B

- **Annual Medicare Visit including cognitive/memory testing**
  - Some Preventative services
- **Doctors' Services & specialists**
- **Outpatient Medical Services**
- **Infusions given in doctor's office / health care clinic**
- **Dementia preventative services**
- **Diagnostic Tests - Labs, X-Rays, & MRI's**
- **Non-Inpatient Services**
  - ie. Emergency Room, Hospital Observation
- **Durable Medical Equipment to live at home**
  - Walkers, Wheelchair, Oxygen Equipment, CPAP equipment





What Original Medicare Will NOT Cover:

- **Routine Dental Care**
- **24-hour per day care at home**
- **Care in skilled nursing facility beyond 100 days**
  - 20 days for Med Adv plans
- **Eye glasses/Contacts**
- **Custodial care –** limited coverage at home
- **Nursing home care**
- **Nutritional supplements**
- **Incontinence supplies**
- **Meal Delivery Services**
- **Acupuncture**
- **Hearing Aids**
- **Personal care,** such as bathing, dressing when this is the only care a person needs
- **Homemaking care** such as laundry and shopping

What Medicare Covers vs. Doesn't Cover

COVERED:

- Hospital Care
- Skilled Nursing Facility Care
- Home Health
- Hospice

NOT COVERED:

- Custodial Long-Term care
- Permanent nursing home facility
- Room & Board for Long Term Care
- Non-medical personal care alone

KEY TAKEAWAY - Medicare pays for skilled care, not nursing care

Let's make it simple: You have 4 choices

1

Employer Group Plan

Review Benefit Summary co-pays, deductibles, and coinsurance

2

Original Medicare

80/20 Split
20% Exposure

3

Medicare Advantage

PPOs
Includes drug plan Co-Pays, can be used in-and-out of network(s)

HMOs
Low Premiums Managed Care, Co-Pays, Networks

4

Medicare Supplement
(a.k.a. MediGap)
+ Prescription Drug Plan

Monthly Premiums, any provider that accepts Medicare



For Medicare SNF benefit(s)

Original Medicare vs. Medicare Advantage

Original Medicare (A & B)

- Standard Medicare SNF benefit
- No prior authorization
- Appeals available if coverage ends
- Coverage based on Medicare guidelines

Medicare Advantage (MAPD)

- Prior authorization often required
- Initial approval may be limited (commonly 5–7 days)
- Ongoing concurrent reviews determine continued coverage
- Coverage may end sooner than under Original Medicare
- Appeals process differs by plan

How Insurance Carriers Are Reshaping Coverage

When insurance companies face:

- Higher medical loss ratios
- Higher costs for care Post-COVID
- Higher-acuity claims
- Rising specialty drug expenses
- Increased hospital + outpatient costs
- Regulatory and reimbursement pressure

Clients will experience:

- Higher out-of-pocket costs
- Narrower networks, limited care options
- More prior authorizations and denials
- Formulary changes mid-year
- Reduced supplemental benefits
- The slow elimination of PPO plans

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When insurer margins tighten, clients feel it — narrower networks, denied claims, surprise costs.
Advisors who help clients anticipate these shifts add real, measurable value.





How Government Policy Is Reshaping Coverage

Inflation Reduction Act (IRA)

- $2000 - $2100 Part D out-of-pocket cap
  - No more "Donut Hole"
- Drug Price negotiations (started in 2026)
- Free Vaccines; $35/mo insulin cap
- Premium growth capped at 6%/year
- Extra Help expanded to more low-income seniors

One Big Beautiful Bill Act (BBB)

- Over $1 Trillion cut from health programs
- New Medicaid work requirements
- Medicare Savings Program (MSP) access restricted
- ACA premium subsidies expired (end of '25)
- Automatic spending cuts - Across-the-board reductions resulting in a flat **2% cut** to Medicare reimbursements paid to healthcare providers
- 11.8 million projected to lose coverage by 2034

"Healthcare costs don't dissapear - they shift between consumers, providers, insurers, and taxpayers."

Prescription Drug Plans

AKA: Medicare Part D

Extreme client sensitivity to these current or potential future expenses:

- **$0 cost or Stand-Alone monthly premiums**
- **Annual deductible: $615** for 2026
- **Co-payments**
- **No Donut Hole**
- **Coverage stages of drug costs of Part D plans**
  - *Deductible*
  - *After Deductible*
  - *Catastrophic – Was $8,000 Max for 2024*
- **Tiered pricing – Formulary change yearly**
- **Max OOP -** $2,100 in 2026
- Pricing changes yearly – Big premium increases in 2026
- Preferred, Standard, Mail Order Pharmacy options
- **Discount options:**
  - GoodRx/Single Care/Needy Meds/International
  - **Is having NO Part D an option?**



Pricing Resources

GoodRx is a California-based company that tracks prescription drug prices and provides coupons for discounts on select medications & their generic alternatives.

Cost-Plus Drugs by Mark Cuban Provides safe, affordable medicine or medication with transparent low prices. Joined TrumpRx drug pricing transparency initiative

The Canadian Med Store is a Florida-based company that has prescription drug medications available at competitive prices.

Amazon Pharmacy is Amazon's online pharmacy that sells commonly prescribed drugs at competetive prices.

NeedyMeds is a non-profit organization providing free information on medication & healthcare cost-savings programs, including prescription-assistance programs (PAPs)

2026 Drug Cost Reductions

Medicare chose **10 high-cost, widely used drugs** for the 1st round of negotiated price reductions.

These meds treat conditions like **diabetes, heart disease, arthritis, blood clots, and cancer—**diseases that affect millions of Medicare beneficiaries.

- **Drugs slated to be included in the next negotiation cycle:** Ozempic, Wegovy, Trelegy Ellipta, Rybelsus, Ofev, Ibrance, Breo, Janumet, Otezla, and more

DRUG NAME	2023 PRICE	2026 NEGOTIATED PRICE	Est. Discount
Eliquis	~$521	~$231	~56%
Jardiance	~$573	~$197	~66%
Xarelto	~$517	~$197	~62%
Januvia	~$527	~$113	~79%
Farxiga	~$556	~$178.50	~68%
Entresto	~$628	~$295	~53%
Enbrel	~$7,106	~$2,355	~67%
Imbruvica	~$14,934	~$9,319	~38%
Stelara	~$13,836	~$4,695	~66%
Fiasp/NovoLog	~$495	~$119	~76%

New in 2026:

Medicare GLP-1 Bridge Program

Temporary CMS Demonstration Program – July 1, 2026 - December 31, 2027

- Expands access to certain GLP-1 weight-loss medications for eligible Medicare beneficiaries
- Operates **outside** of the Medicare Part D benefit
- Available regardless of which Part D plan a beneficiary has
- Designed to evaluate expanded Medicare access to GLP-1 therapies

Member Cost: $50 Monthly Co-pay

Eligible Medications:

wegovy®

Foundayo

(KwikPen Only)

zepbound™

Who Qualifies for the Medicare GLP-1 Bridge?

Beneficiaries must:

- Be **enrolled** in Medicare **Part D**
- Obtain **prior authorization** through the CMS program
- Participate in **ongoing nutrition** & **physical activity**
- Use the medication for **weight management**, not a condition already covered by Part D

Clinical Eligibility Requirements

Body Mass Index	Additional Requirement(s)
27+	Prediabetes, Prior Heart Attack, Prior Stroke, or Peripheral Artery Disease
30+	Heart Failure, CKD, or Uncontrolled Hypertension
35+	None

IMPORTANT: Part D Coverage Takes Priority

If a GLP-1 is prescribed for a condition already covered by Medicare Part D, it is **not eligible** for the GLP-1 Bridge.

How Medicare Pays for Skilled Nursing Over Time

Days 1-20

Medicare pays 100% of approved costs

Days 21-100

Daily coinsurance applies
Medigap may help cover this expense

After Day 100

Medicare SNF benefit ends
Other payment options include Medicad, LTC Insurance, or private pay

IMPORTANT REMINDER:
Coverage can end **before** Day 100 if skilled care is no longer medically necessary.



Why Medicare SNF Coverage Matters

Most confusion arises because Medicare eligibility changes—not because Medicare simply "stops paying."

- Medicare only covers short-term skilled care, not permanent nursing home residency.
- Families often assume Medicare pays for *all* nursing home costs.
- Coverage depends on medical necessity, not simply needing assistance.
- Understanding the rules helps prevent unexpected bills and discharge surprises.
- SNF staff play an important role in educating residents and families.

Medicare Requirements for Skilled Nursing Facilities

Traditional Medicare Requirements:

- Qualifying **3-day inpatient hospital stay**
- Physician certifies need for **skilled care**
- Admission within an appropriate timeframe following hospital discharge
- Daily skilled nursing or rehabilitation services required
- Care must be **medically necessary** and provided by licensed professionals

Examples of Skilled Services include:

- Physical Therapy
- Occupational Therapy
- Speech Therapy
- IV medications
- Complex wound care
- Skilled nursing assessments and treatments

Defining "Skilled Need" Under Medicare Guidelines

Key Point:

Coverage is based on medical complexity, not simply needing assistance with daily activities.

Typically Covered ✓

- IV antibiotics
- Daily wound care
- Physical rehabilitation after surgery
- Stroke rehabilitation
- Complex nursing assessments
- Feeding tube management

Typically NOT Covered Alone ✗

- Assistance with bathing
- Dressing
- Eating
- Supervision for safety
- Custodial dementia care without skilled treatment

Common Reasons Medicare SNF Benefits Terminate

COMMON REASONS INCLUDE:

- Resident no longer requires skilled services
- Therapy goals have been achieved
- Resident has reached a functional plateau
- Documentation does not support continued medical necessity
- Care can safely be provided at a lower level

BEST PRACTICE

Strong documentation from therapists and nursing staff is essential for continued coverage.

Resident Rights & Staff Support in Appeals

RESIDENTS HAVE THE RIGHT TO:

- Receive notice before their coverage ends
- Request a Fast Track appeal – Expedited
  - SNF must deliver notice at least 2 days before covered services are set to end
  - The facility must issue official written notice called the **Notice of Medicare Non-Coverage**
- Participate in care planning
- Involve designated representatives or family
- Have coverage reviewed by the Beneficiary & Family Centered Care Org

STAFF CAN HELP BY:

Explaining appeal options

Coordinating documentation

Encourage family involvement

Connecting residents with available resources

Empowering Senior Professionals to Guide Patient Care

- Medicare decisions affect access to care
- Families often misunderstand what Medicare covers
- Plan changes can disrupt providers, medications, therapy, and post-acute care
- Case managers are often the first-person families ask



You do not need to be a Medicare expert —
but knowing the warning signs helps!

Comprehensive Dental Benefits Breakdown

Line-By-Line

Preventive/Diagnostic Services

- Routine Exams
- Cleanings
- Bitewing X-rays
- Fluoride Treatments
- Space Maintainers
- Sealants

Basic Services

- Full Mouth X-rays
- Emergency Exams and Palliative (pain relief) Treatment
- Fillings (silver (amalgam) and tooth colored (composite) on front teeth)
- Oral Surgery (simple extractions)
- Recementation of Bridges, Crowns, Onlays

Major Restorative Services

- Oral Surgery (surgical extractions including general anesthesia, IV sedation)
- Oral Surgery (all other)
- Endodontics (root canals and pulpal therapy)
- Non-Surgical Periodontic (gum) Maintenance
- Surgical Periodontic (gum) Maintenance
- Crowns, Onlays (and other ceramic restorations to permanent teeth)
- Partial/Full Dentures
- Denture (repair, reline, rebase and adjustments)
- Fixed/Removable Bridges
- Implants***/Implant crowns
- Bridge and Crown Repair

Deductibles and Maximums

- Annual Program Deductible
- Annual Program Maximum (per person)

Out-of-Network Reimbursement

*** Implants are covered on the Diamond plans; subject to a 12 month waiting period and a $5,000

The Medical & Social Impact of Hearing Loss

Hearing Loss is a Serious Health Issue, linked to:



Loneliness, isolation, depression, heart disease, and even stroke.



Increased risk of falls by 50%

Hearing Aids are PROVEN to improve social engagement, memory retention, & quality of life!

Hearing vs. Listening

Hearing = Detecting Sound

Listening = Processing Sounds, Understanding Speech (especially in Loud Environments)

Those who suffer from hearing loss often struggle more with comprehension than volume.

IN THE USA:

37 Million people have some level of measurable hearing loss

26 Million more struggle with listening, despite regular testing



Key Plan Takeaways

Understanding Coverage Rules & Advocacy

- Medicare covers **skilled care**—not long-term custodial care
- Medicare is moving toward **outcome-based reimbursement**
- Coverage depends on **medical necessity**
- Medicare Advantage plans follow different approval rules
- Early education reduces confusion and unexpected costs
- SNF staff are essential advocates for residents and families

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2026 Medicare Updates & Key Action Items

Changes for 2026

Part B premium – **$202.90** Part B deductible - **$283**
Part D deductible - **$615** Max out-of-pocket for Med Adv. plans – **$9,250**

- **Factor Healthcare into Financial Planning:** Understand potential plan costs and out-of-pocket limits.
- **Align Decisions with Retirement:** Evaluate timing at age 65 and compare Medigap vs. Medicare Advantage.
- **Review Provider Networks & Drugs:** Double-check doctor coverage and prescription formularies annually.
- **Check Dual Eligibility:** Explore Dual Special Needs Plans (D-SNP) if receiving Medicaid.
- **Utilize Annual Enrollment (AEP):** Review and adjust your coverage between Oct 15th and Dec 7th.
- **Advocate & Seek Objective Advice:** Work with trusted experts, advocate for appeals, and inform your financial advisor.
- **Share the Knowledge:** Tell your friends, colleagues, CPA or financial planner.

Thank You!

from team

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