



**MEDICARE
ADVISORS
OF ALABAMA**

MedicareAdvice.org

A photograph of a forest path with sunlight filtering through the trees. The path is dirt and leads into the distance, flanked by tall trees and lush green ferns. Sunlight creates a dappled effect on the ground and foliage.

*Helping you
Prepare for
Medicare*

A Little about Medicare Advisors of Alabama

- Medicare Advisors of Alabama is based in Birmingham and was founded in 2017. We're an insurance agency that helps people throughout Alabama and some of our surrounding states.
- We don't offer every available Medicare plan. We currently represent 54 of 56 Medicare Advantage plans (Part C) and 6 of 14 drug plans (Part D) along with many medigap plans.
- We do more than just Medicare. We help with individual health insurance known as either Marketplace or Obamacare. We also help with dental, vision, life, travel, and various other ancillary insurances.
- We're not a part of the federal government. To contact Medicare itself call 1-800-Medicare or go to [Medicare.gov](https://www.medicare.gov). You can also contact your local State Health Insurance Program (SHIP) to get information on every option.

Our Office Team



Eric Smith



Philip Richards



Dana Garvin



Debbie Patton



Tricia Raymond

How do we get paid?

- Our revenue is generated from commissions paid by insurance companies we're contracted to represent.
- Commissions on Medicare products are regulated by CMS so each company pays the same. Therefore, there isn't an incentive to recommend one plan over another.
- We think of ourselves more as Medicare Educators with an insurance license.
- Living the Golden Rule and providing a valuable service is our mission.



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Let's Talk About

Medicare & You

The Book Everyone Receives When Turning 65

Fact-Filled Book

Asking the Right Questions

Walking Through the Basics



Medicare & You 2025

The official U.S. government
Medicare handbook



Medicare

“Why do they make it so complicated?”

- Employer's provide a “benefits package” that includes health insurance.
- The only choice most people have about health insurance is what an employer offers.
- Many people are skeptical about the government's involvement with health insurance.
- People work their entire lives and then at age 65 are bombarded with phone calls and mail about Medicare.
- With so many parts, letters, choices, and the fear of life time penalties will make anyone feel Medicare is impossible to understand.
- Most people will ask a trusted friend or family member what choice they made and will simply choose the same thing hoping it will work for them.
- When that choice doesn't work out they're left even more frustrated by a confusing system.

We Can Help!

Not by selling you insurance, but by patiently helping you understand how it all fits together and what role insurance companies and brokers like us play.

How did we get here?

A Brief History of Health Insurance in America

- 1929: Baylor University Hospital introduces a prepaid hospital plan to a group of Dallas school teachers for \$.50 per month. This was a precursor to Blue Cross.
- 1930s: The American Hospital Association forms and begins to standardize these hospital plans, leading to the creation of Blue Cross. Physicians, wanting to maintain their autonomy and fee payment structure, will form their own insurance plans known as Blue Shield. Both companies will remain separate until 1974 when the Blue Cross Blue Shield Association is created.
- 1940s: Wage freezes during World War II lead to the rise of employer-based health insurance as a key benefit from employers. President Harry Truman advocates for a national health insurance program, but the proposal is defeated. Employer-based health insurance becomes the norm.
- 1960s: As employees retired they no longer received employer-based benefits. This aging population in America had no health insurance as they were seen by insurance companies as too risky to insure. President Lyndon B. Johnson signs the Medicare and Medicaid Act into law in 1965, creating Medicare Part A (hospital insurance) and Part B (medical insurance), mirroring the Blue Cross/Blue Shield structure.
- 1997: The Balanced Budget Act introduces Medicare Part C, allowing private insurers to offer Medicare benefits. Originally named Medicare Choice, it will later be renamed Medicare Advantage.
- 2003: The Medicare Modernization Act of 2003 creates Medicare Part D to provide prescription drug coverage. It becomes available to the public in 2006.

Four Parts of Medicare Defined

- **Medicare Part A (Hospital Insurance):** This part of Medicare, funded by payroll taxes, covers inpatient hospital stays, skilled nursing facility care, and hospice care. Its structure and financing are a direct echo of the non-profit Blue Cross plans that covered hospital services.
- **Medicare Part B (Medical Insurance):** This program, which beneficiaries pay a monthly premium for, covers physician services, outpatient care, and other medical services. It mirrors the Blue Shield model of paying for doctors' fees.
- **Medicare Part C (Medicare Advantage):** is "all-in-one" coverage from private companies, combining A and B, often D, plus extra benefits such as dental and vision. These plans look similar to employer coverage with physician and hospital networks, copays, and maximum out-of-pocket costs.
- **Medicare Part D (Prescription Drug Coverage):** available only through private insurers but approved and regulated by the federal government.

Who Qualifies for Medicare?



Part A Cost?



Most Medicare beneficiaries receive “Part A” at no cost.

< 30 quarters

\$518/month

Less than 30
quarters
(7.5 years) work
history.

30–39 quarters

\$285/month

More than 30
and less than 39
quarters or 7.5 to
10 years of work
history.

> 40 quarters

\$0/month

More than
40 quarters
(10 years) work
history.

What does Part B cost?

\$185 per month

- Premium is deducted from your Social Security Check or paid directly to Medicare if not drawing SS
- Premium is based on adjusted gross income with a two-year lookback. This is known as an IRMAA and can be appealed if you've had a life changing event such as a work stoppage.

2025 Income Related Monthly Adjustment Amount

2023 MAGI Single	2023 MAGI Joint	MAGI Married filing separately (living with spouse)	Part B monthly premium paid to Medicare	Part B IRMAA paid to Medicare	Part D IRMAA paid to Medicare	Total Monthly Amount Per Person
≤ \$106,000	≤ \$212,000	≤ \$106,000	\$185.00	\$0.00	\$0.00	\$185.00
\$106,000 - \$133,000	\$212,000 - \$266,000		\$185.00	\$74.00	\$13.70	\$272.70
\$133,000 - \$167,000	\$266,000 - \$334,000		\$185.00	\$185.00	\$35.30	\$405.30
\$167,000 - \$200,000	\$334,000 - \$400,000		\$185.00	\$295.90	\$57.00	\$537.90
\$200,000 - \$500,000	\$400,000 - \$750,000	\$106,000 - \$394,000	\$185.00	\$406.90	\$78.60	\$670.50
≥ \$500,000	≥ \$750,000	≥ \$394,000	\$185.00	\$443.90	\$85.80	\$714.70

Modified Adjusted Gross Income (MAGI) =
Adjusted Gross Income (AGI), Line 11 of your 2023 1040 Federal Tax Return +
Tax Exempt Interest, Line 2a of your 2023 1040 Federal Tax Return

Part D Updates

Inflation Reduction Act of 2022 (IRA) initiates major changes to Part D

- In 2025, the IRA provides an annual maximum out-of-pocket amount of \$2,000 for all Medicare prescription medications.
- Medicare Prescription Payment Plan (M3P): is a program that allows beneficiaries to pay for their high-cost prescription drugs in monthly installments throughout the year, instead of all at once at the pharmacy



2025 Medicare Skeleton

Traditional Medicare

(Fee for Service)

Part A (Hospital)

\$1,676 deductible per benefit period

Part B (Medical / Physician)

\$257 Annual Deductible + Monthly Premium
Beneficiary Pays 20% of Claims

Medigap / Medicare Supplement

Common Plan Types include B, G, F, N
Premium Varies
Not one of the four parts of Medicare

Part D (Prescription Drug Coverage)

Administered by Insurance Companies
Premium Varies
Must Pay Deductible, Copays & Coinsurance

Medicare Advantage

(HMO / PPO)

Part C (Choice)

Must have Medicare A & B
Must Continue to Pay Part B Premium
Most Often Includes Part D

Bundles hospital (A), medical (B), &
prescription coverage (D) into one plan
administered by an insurance company.

Plans typically include added benefits such
as dental, vision, & hearing.

Insurance companies required to cover ER,
Urgent Care, & Dialysis throughout the US

Insurance companies required to have a
Maximum Out-of-Pocket Cost

When Can I Enroll in Medicare?

Age 65 – Initial Election Period (IEP)

You can first sign up for Part A and/or Part B during the 7-month period that begins 3 months before the month you turn 65, includes the month you turn 65, and ends 3 months after the month you turn 65.

If you sign up for Part A and/or Part B during the first 3 months of your Initial Enrollment Period, in most cases, your coverage starts the first day of your birthday month. However, if your birthday is on the first day of the month, your coverage will start the first day of the prior month.

Do I have to sign up for Medicare Parts A & B at age 65?

Yes and no. – If you or your spouse are actively working and have credible health insurance through your employer, you don't have to enroll into Medicare at age 65.

Will I have a penalty for not signing up for Medicare?

If you remained an active employee, you could enroll into Medicare after age 65 without penalties. However, if the employer has fewer than 20 employees a person may have to enroll into Medicare A&B at age 65.

Should I keep my employer coverage or go on Medicare when I turn 65?

- Deciding whether to go on Medicare depends on the cost and benefits.
- What insurance is available to an employee's dependents must also be taken into consideration.
- Medicare Advisors of Alabama can help compare options and guidance through these decisions and also enrollments into Medicare insurance plans.

Special Enrollment Periods (SEP)

If you didn't sign up for Part B (or Part A if you have to buy it) when you were first eligible because you're covered under a group health plan based on current employment (your own, a spouse's, or a family member's (if you have a disability)), you can sign up for Part A and/or Part B:

- Anytime you're still covered by the group health plan
- During the 8-month period that begins the month after the employment ends or the coverage ends, whichever happens first

Usually, you don't pay a late enrollment penalty if you sign up during a Special Enrollment Period. This Special Enrollment Period doesn't apply to people who are eligible for Medicare based on End-Stage Renal Disease (ESRD). It also doesn't apply if you're still in your Initial Enrollment Period.

Fixed Enrollment Periods

October 15 – December 7

AEP – Annual Election Period

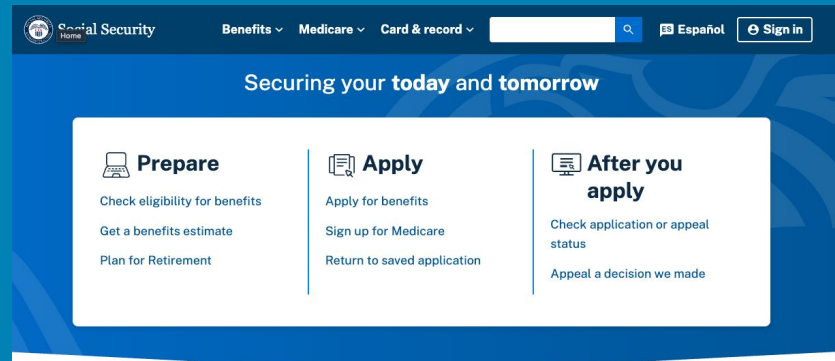
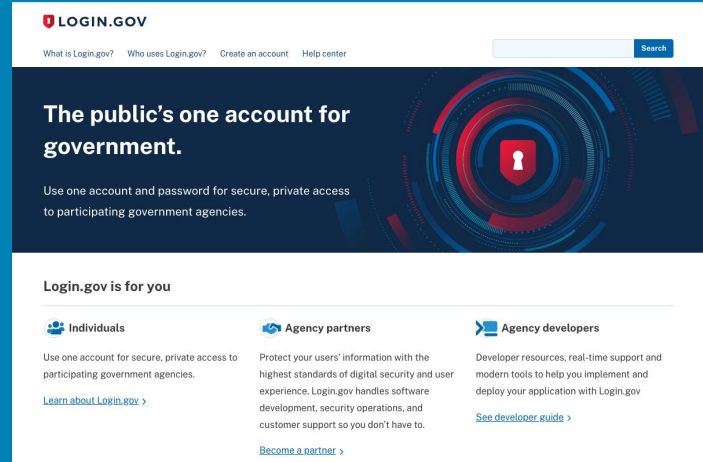
January 1 – March 31

OEOP – Medicare Advantage Open Enrollment Period

SSA.gov and Login.gov

Two Ways to Apply for Medicare

- Online at SSA.gov - to do this you'll first need to create an account at Login.gov.
- Calling Social Security at 1-888-772-1213 and scheduling a phone appointment. A Social Security representative will call at a scheduled date and time to complete a phone interview.



If you enroll in Part A only at age 65 and want to enroll in Part B when coming off employer coverage.

Request for Enrollment in Medicare Part B

CMS 40B

Request for Enrollment in Medicare Part B (Medical Insurance)

Section 1: Basic Information

1. Medicare Number			
<div></div>			
2. First name	Middle name	Last name	Suffix
<div></div>	<div></div>	<div></div>	<div></div>
3. Mailing address (number and street, P.O. Box, or route)			
<div></div>			
City		State	ZIP code
<div></div>		<div></div>	<div></div>
4. Phone number	5. Email address		
<div></div>	<div></div>		

Section 2: Enrollment in Medicare Part B

1. Do you have (or did you have) coverage through an employer or union group health plan since you turned 65? (If **yes**, complete item 3.) ☐ Yes ☐ No
Note: If you sign up for Part B, you must pay premiums for every month you have the coverage.

2. Are you currently (or were you) an international volunteer for a non-profit organization that provided health coverage to you? (If **yes**, complete item 3.) ☐ Yes ☐ No

3. Enter dates of employment (or volunteer work) and health coverage (enter dates as mm/yyyy). Attach a separate sheet if you need more space. Have your employer fill out the form CMS-L564 (Request for Employment Information) and return it with your application.
Dates you (or your spouse) worked for an employer that provided health coverage
Start date: / / End date: / / ☐ Not ended
Dates you worked as a volunteer outside the U.S.
Start date: / / End date: / / ☐ Not ended
Dates of health coverage from employer (or non-profit organization)
Start date: / / End date: / / ☐ Not ended

4. Has an employer, health insurance provider, or other entity asked or required you to enroll in Part B? (If **yes**, explain how and why in the space below, and include proof or documentation with this form.) ☐ Yes ☐ No

Choose your coverage start date

If you're enrolling in Medicare while you're still covered by a group health plan based on current employment (or during the first full month you're not enrolled in the group health plan), you can choose when your Medicare coverage will start. Choose one:

- ☐ The first day of the month you enroll
- ☐ The first day of any of the 3 months **after** you enroll. Write the month and year you want coverage to start: (mm/yyyy)
- / /

Section 3: Signature(s)

1. Signature of applicant	2. Date signed (mm/dd/yyyy)
<div></div>	<div></div>
If this form has been signed by mark (X), a witness who knows the person applying must also sign below:	
3. Name of witness (first and last name)	
<div></div>	
4. Signature of witness	5. Date signed (mm/dd/yyyy)
<div></div>	<div></div>

Submit your form by mail or fax

Mail or fax your completed, signed form to your local Social Security office. Find an office near you at [SSA.gov/locator](https://www.ssa.gov/locator).

Privacy Act Statement: Sections 1837, 1838 and 1872 of the Social Security Act, as amended, allow SSA to collect this information. Furnishing this information is voluntary. However, failing to provide all or part of the information may prevent an accurate and timely decision on any claim filed for medical insurance and/or hospital insurance.

We will use the information you provide to determine your eligibility for benefits. We may also share the information for the following purposes, called routine uses: 1) To Federal, State, or local agencies (or agents on their behalf) for administering income maintenance or health maintenance programs (including programs under the Social Security Act). Such disclosure includes, but are not limited to, release of information to: Railroad Retirement Board for administering provision of the Railroad Retirement Act relating to railroad employment; for administering the Railroad Unemployment Insurance Act and for administering provisions of the Social Security Act relating to railroad employment; 2) Department of Veterans Affairs for administering 38 U.S.C. 1812, and upon request, for determining eligibility for, or amount of, veterans benefits or verifying other information with respect thereto pursuant to 38 U.S.C. 5106; 3) State welfare departments for administering sections 205(c)(2)(B)(i)(II) and 402(a)(25) of the Social Security Act requiring information about assigned Social Security numbers for Temporary Assistance for Needy Families (TANF) program purposes and for determining a recipient's eligibility under the TANF program; and 4) State agencies for administering the Medicaid program.

To contractors and other Federal agencies, as necessary, for the purpose of assisting the Social Security Administration (SSA) in the efficient administration of its programs. We will disclose information under the routine use only in situations in which SSA may enter into a contractual or similar agreement with a third party to assist in accomplishing an agency function relating to this system of records.

In addition, we may share this information in accordance with the Privacy Act and other Federal laws. For example, where authorized, we may use and disclose this information in computer matching programs, in which our records are compared with other records to establish or verify a person's eligibility for Federal benefit programs and for repayment of incorrect or delinquent debts under these programs.

A list of additional routine uses is available in our Privacy Act System of Records Notice (SORN) 60-0090, entitled Master Beneficiary Record, as published in the Federal Register (FR) on January 11, 2006, at 71 FR 1836. Additional information, and a full listing of all of our SORNs, is available on our website at [SSA.gov/privacy](https://www.ssa.gov/privacy).

CMS will maintain records received during eligibility determinations from SSA in a CMS System of Records, the Medicare Beneficiary Database (MBD) SORN 09-70-0536 as published in the Federal Register (FR) on February 14, 2018, at 71 FR 11420. Additional information on CMS SORNs and permissible Routine Uses for disclosure can be located at our Privacy website [HHS.gov/foia/privacy/sorns/index.html](https://www.hhs.gov/foia/privacy/sorns/index.html).

Paperwork Reduction Act: According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1230. The time required to complete this information is estimated to average 15 minutes per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, Attn: PRA Reports Clearance Officer, 7500 Security Boulevard, Baltimore, Maryland 21244-1850. Important: Do not send this form or any items with your personal information (such as claims, payments, medical records, etc.) to the PRA Reports Clearance Office. Any items we get that aren't about how to improve this form or its collection burden (outlined in OMB 0939-0251) will be destroyed. It will not be kept, reviewed, or forwarded to Social Security or any other agency.

REQUEST FOR EMPLOYMENT INFORMATION

SECTION A: To be completed by individual signing up for Medicare Part B (Medical Insurance)

1. Employer's Name	2. Date □□ / □□ / □□□□
3. Employer's Address	
City	State Zip Code □□ □□□□□□
4. Applicant's Name	5. Applicant's Social Security Number □□□□ - □□ - □□□□
6. Employee's Name	7. Employee's Social Security Number □□□□ - □□ - □□□□

SECTION B: To be completed by Employers

For Employer Group Health Plans ONLY:

1. Is (or was) the applicant covered under an employer group health plan? <input type="checkbox"/> Yes <input type="checkbox"/> No		
2. If yes, give the date the applicant's coverage began. (mm/yyyy) □□ / □□□□		
3. Has the coverage ended? <input type="checkbox"/> Yes <input type="checkbox"/> No		
4. If yes, give the date the coverage ended. (mm/yyyy) □□ / □□□□		
5. When did the employee work for your company?		
From: (mm/yyyy) □□ / □□□□	To: (mm/yyyy) □□ / □□□□	Still Employed: (mm/yyyy) □□ / □□□□
6. If you're a large group health plan and the applicant is disabled, please list the timeframe (all months) that your group health plan was primary payer.		
From: (mm/yyyy) □□ / □□□□	To: (mm/yyyy) □□ / □□□□	

For Hours Bank Arrangements ONLY:

1. Is (or was) the applicant covered under an Hours Bank Arrangement? <input type="checkbox"/> Yes <input type="checkbox"/> No	
2. If yes, does the applicant have hours remaining in reserve? <input type="checkbox"/> Yes <input type="checkbox"/> No	
3. Date reserve hours ended or will be used? (mm/yyyy) □□ / □□□□	

All Employers:

Signature of Company Official	Date Signed □□ / □□ / □□□□
Title of Company Official	Phone Number (□□□) □□□ - □□□□

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information is 0938-0787. The time required to complete this information collection is estimated to average 15 minutes per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, MD 21244-1850.

Request for Employment Information CMS L564

- This form is needed to prove you've been covered under employer coverage since turning 65. It's what prevents late enrollment penalties.
- If you have had health insurance with multiple employers since turning 65 you will need an L564 from each employer.

Thank You!

Find us on Social Media:

[MedicareAdvice.org](https://www.MedicareAdvice.org)

[YouTube.com/@medicareadvisors](https://www.YouTube.com/@medicareadvisors)

[instagram.com/medicareadvisorsofalabama](https://www.instagram.com/medicareadvisorsofalabama)

[facebook.com/medicareadvisorsofalabama](https://www.facebook.com/medicareadvisorsofalabama)

[linkedin.com/company/medicare-advisors-of-alabama](https://www.linkedin.com/company/medicare-advisors-of-alabama)



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