MPGROUP
NAVIGATE MEDICARE TOGETHER

# MP Compass

July 2025

## Six Facts About Medicare and Social Security Payments

One of the most common questions about Social Security we hear is:

*"Do I have to enroll in Social Security to get Medicare?"*

The answer is no, you can enroll in Medicare without starting your Social Security benefits. This is just one of the many questions we field about how SS payments and Medicare work.

To help you have a better understanding, below are six facts about Social Security payments and Medicare.

1. If you begin receiving Social Security before age 65, you will be automatically enrolled in Medicare Parts A and B three months prior to your 65th birth month. Your Medicare card will be mailed to you.

2. Once you're receiving Social Security, you cannot opt out of Part A, only Part B. *Important: This impacts individuals contributing to Health Savings Accounts (HSA) after age 65.*

3. If you are on Social Security and enrolled in Part B, your Part B premium will be automatically deducted from your Social Security payment. This also includes any IRMAA payments for Part B and D. This deduction is automatic and cannot be reversed or changed.

4. If you are NOT receiving Social Security, but are enrolled in Medicare Part B, you'll need to manually pay your monthly premiums. You can do this through:

- Medicare Easy Pay (automatic bank withdrawal)
- Make payments online through pay.gov. Found after logging into the Medicare website: www.medicare.gov,
- Manually send payments through the mail
- Use your online bill pay

5. Social security payments are always paid a month in arrears, while Medicare premiums are charged for the current month.

Example: A Social Security payment received in June covers May's income benefit, but the Medicare premium deduction applies to June.

6. Social Security payments are issued based on your birthday.

1. 1st-10th: Paid on the 2nd Wednesday of the month
2. 11th-20th: Paid on the 3rd Wednesday of the month
3. 21-31st: Paid on the 4th Wednesday of the month

At MP Group, we leave Social Security planning to our financial advisor partners, but when it comes to Medicare, always think of us first. Remember, when you work with us you will know more and stress less about your Medicare.

# Why Is Health Insurance So Expensive in the United States?

To understand the cost of health insurance, we first need to look at total health care spending.

In 2023, The United States spent approximately $14,570 per person on healthcare, totaling $4.9 trillion, which represented 17.6% of the nation's GDP. This marked a 7.5% increase from the previous year, which was significantly higher than the 4.6% growth rate in 2022. The key drivers of this rise were increased utilization of care and the intensity of medical services provided.

## Medicare's Role in Healthcare Spending

In 2023, Medicare spending reached $1.0 Trillion, accounting for an 8.1% increase from 2022. This represented 14.7% of total federal spending.

From an inflation perspective, healthcare spending increased 4.4% in 2023, again significantly higher than the 1.4% in 2022.

When healthcare costs rise, health insurance premiums follow, and Medicare is no exception. Like any payor of medical claims, Medicare must adapt to rising expenses and manage cost pressures.

## Why is our healthcare expensive?

The short answer: our cost of care is extremely high. Here are a few key contributors to the higher cost of care:

- **Heavy investment in research and development**. The United States leads in medical innovation, but this comes with high costs.
- **Highest provider salaries globally.** Our medical providers are among the highest compensated in the world.

- **Fraud and waste.** Fraudulent claims have a significant impact, especially with Medicare. In 2023 alone, CMS estimated over $60 billion in improper payments due to fraud.
- **Sky-high prescription drug prices.** The United States pays more for prescription medications than any other country.

### How Do These Costs Affect Medicare?

People often assume Medicare is immune to rising healthcare costs, including premiums and out of pocket costs, but that's not the case. Medicare is a payor of health care services and when the cost of delivering care increases, Medicare premium and deductibles must adjust accordingly.

So, if your plan changes in any of the following ways, it's a direct reflection of the provider's cost of delivering those benefits. These changes may appear in the following forms:

- Medicare Supplement premiums go up
- Medicare Advantage premiums increase as well as an increase in medical and prescription drug deductibles
- Reduction or removal of ancillary plan benefits like dental, vision or transportation.

So whether you're enrolled in Original Medicare with a supplement or a Medicare Advantage plan, changes in benefits, costs and premiums reflect efforts to manage rising healthcare expenses.

Until we can control medical costs in our country, our health care expenses will continue to increase and Medicare costs will feel the impact.

### What's Being Done to Control Medicare Costs?

There are ongoing efforts at both the federal and regulatory levels to reduce Medicare costs:

- **The Inflation Reduction Act.** This legislation is targeting drug manufacturers. Beginning in 2026, Medicare has already successfully reduced the prices for 10 high-cost drugs, with 15 more to follow in 2027.
- **Drug Pricing Reform.** The current administration is also working to lower costs by requiring drug manufacturers to charge Medicare no more than what they charge other countries outside the United States.
- **Anti-fraud Measures.** The Department of Health and Human Services and the Office of the Inspector General are investing in efforts to improve efficiency and reduce fraud and waste in the Medicare program.
- **Reform of Prior Authorization**. Lawmakers on Capitol Hill are considering bills aimed at improving prior authorization practices in Medicare Advantage and Part D plans, helping to clean up this often problematic feature, streamline care and reduce unnecessary delays or denials.

### What This Means For You

Until we successfully control the overall cost of care in the United States, health insurance, Medicare included, will continue to see rising costs and benefit changes. Here at MP Group, you can be assured that we will continue to monitor these developments, and all Medicare changes, so that you remain informed and protected.

As our client, you will always know more and stress less about Medicare.

# More From MP Group

## #MP TIP

### Beware of Medicare Scams!

In this day and age, it's always important to beware of potential scams and attempts to access your personal and financial information. Here are some tips to help you protect yourself:

- You will NEVER receive phone calls from the Internal Revenue Service, the Social Security Administration, the United States Treasury Department, or any other government agency. Never give your personal information or fees to anyone you don't know.
- Never share your Medicare number over the phone, via email, or with someone whose identity can't be verified.
- Visit www.Medicare.gov/fraud for more information on how to protect yourself.

## #MP Recipe Box

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### Watermelon Salad

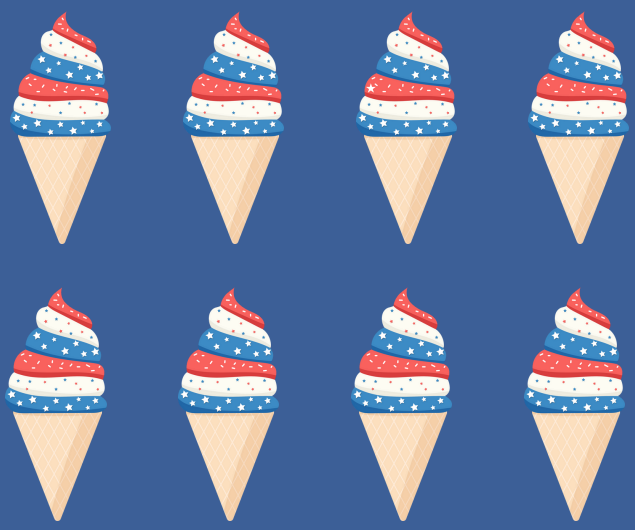
#### Ingredients

- 4 Cups seedless watermelon, cubed
- 3 Cups of feta cheese, cubed
- ¼ Cup fresh mint leaves, chopped
- ¼ cup Balsamic vinegar reduction

#### Steps

- Prepare all ingredients and cut them as needed.
- In a large bowl, combine the watermelon, feta, and mint.
- Drizzle with balsamic vinegar reduction.
- Cover and refrigerate for 45 minutes.
- Serve chilled and enjoy!

## Find the odd one out



### Important Phone #'s You Need To Know

MP Group - 703-214-4600

CMS - 1-800-MEDICARE (1-800-633-4227)

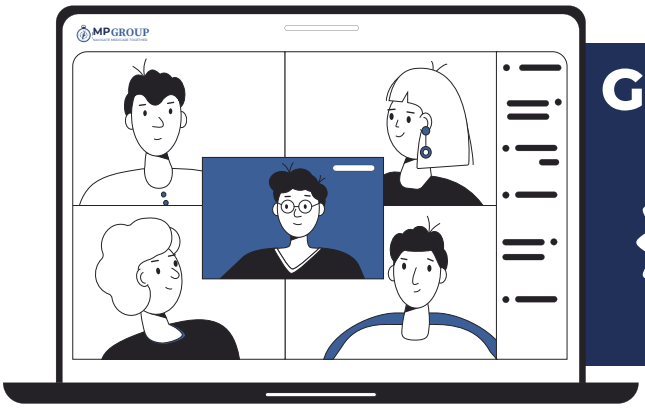
Social Security Administration - 1-800-772-1213

OUR MP TEAM!

# #MP On The Move!

Check us out at our MP team day! We had a great time at Harpers Ferry, where we did an obstacle course and water rafted down the Shenandoah River. Our day was filled with fun, laughter and unforgettable memories that brought us closer as a team!

# MP Group's Educational Events




## Get Smarter about Medicare!

FREE

LIVE Interactive

Available Upon Request

We know Medicare and we love to share our knowledge. Each webinar is designed to deliver Medicare information in a simplified and understandable manner.

## New to Medicare

### Medicare Basics

Topics:

- Medicare Parts A, B, C, D and Medigap
- Enrollment Periods
- Eligibility
- Medicare Costs

45 Minutes

### Medicare Working Past 65

Topics:

- Dates, timelines, and actions you need to take when working past 65
- Coordination of benefits; who pays first?

20 Minutes

## New and Existing Medicare Beneficiaries

### Original Medicare vs Medicare Advantage

Topics:

- Differences between Medicare Advantage and Original Medicare
- How to choose which option is right for you

20 Minutes

### Medicare Part D - What You Need To Know

Topics:

- How Medicare Part D plans work
- Cost of Medicare Part D
- Enrollment dates

20 Minutes