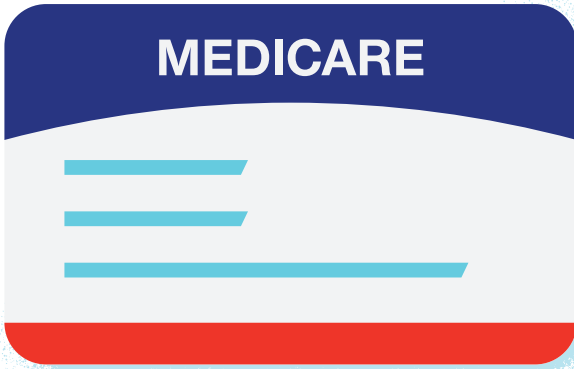




# Learning the basics of Medicare

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## What is Medicare?

Medicare is a federal program that offers health insurance to American citizens and other eligible individuals. The program is often called Original Medicare (Parts A & B).

## Who can get Medicare?

### **U.S. citizens and legal residents**

Legal residents must live in the U.S. for at least 5 years in a row, including the 5 years just before applying for Medicare.

### **You must also meet one of the following requirements:**

- ✓ Age 65 or older
- ✓ Younger than 65 with a qualifying disability
- ✓ Any age with a diagnosis of end-stage renal disease or ALS

# What does Medicare cover?

## Original Medicare (Parts A & B) provides many health care benefits



### Part A

Covers inpatient hospital and skilled nursing care



### Part B

Covers doctor visits and outpatient care

## You can choose private plans to get more coverage



### Prescription drug plans (Part D)

Medicare prescription drug plans (Part D) help pay for medications prescribed by a doctor or other health care professional.



### Medicare supplement insurance plans

Medicare supplement insurance plans (Medigap) help pay some of the out-of-pocket costs of Original Medicare.



### Medicare Advantage plans (Part C)

Medicare Advantage plans (Part C) combine Part A, Part B and often prescription drug coverage (Part D). Some plans may offer additional benefits like coverage for routine vision and dental care.

# What are my coverage options?

You can add coverage to Original Medicare (Parts A & B) or choose a Medicare Advantage plan instead.

## Original Medicare

You may add a stand-alone Part D plan, a Medicare supplement insurance plan (Medigap) or both to Original Medicare.



Part A



Part B



Part A



Part B

+



Part D



Part A



Part B

+



Medigap



Part A



Part B

+



Part D

+



Medigap

## Medicare Advantage

You may choose to get your benefits through a Medicare Advantage plan (Part C). Many plans come with built-in prescription drug coverage. You can add a stand-alone Part D plan only with certain Medicare Advantage plan types.



**A Medicare Advantage plan  
without drug coverage**

**Part C**

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**Part C**



**Part D**

**A Medicare Advantage plan  
with built-in drug coverage**

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**Part C**

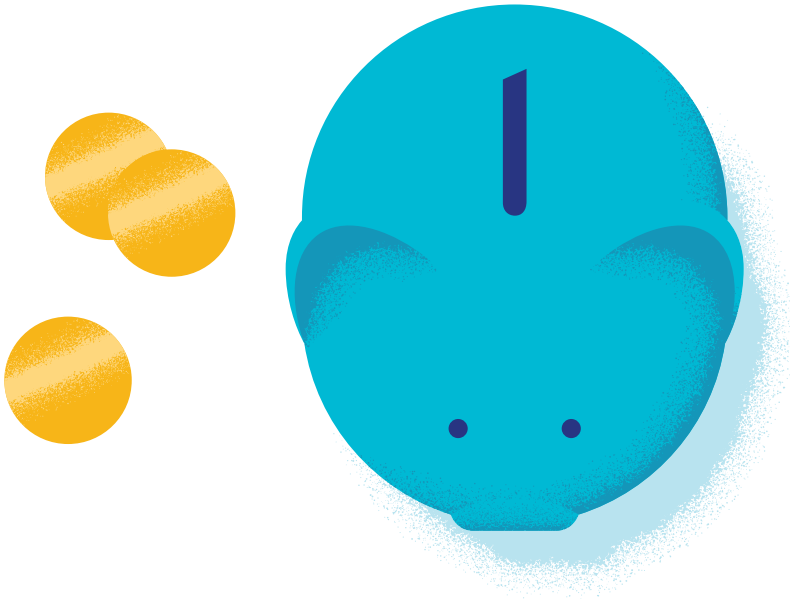
**+**



**Part D**

**A Medicare Advantage  
plan with a stand-alone  
drug plan added\***

\*Only applies to certain plans.



## What does Medicare cost?

Medicare isn't free. The amount you'll pay depends on the coverage you choose and the health care services you receive.

### Costs you may pay with Medicare

The four kinds of payments you might have are:



Premium

+



Deductible

+



Copay

+



Coinsurance

## Premium

Medicare Part B has a monthly premium. Some people also pay a premium for Medicare Part A. Medicare Advantage (Part C), Part D and Medigap plans may also have premiums, and amounts will vary by provider and plan.

## Deductible

A set amount you pay for covered services before your plan pays.

For example:



You pay up to a limit

Plan pays the rest

## Copay

A fixed amount you pay at the time you receive a covered service.

For example:



You pay a fixed amount

Plan pays the rest

## Coinsurance

A percentage of the cost you pay for a covered service.

For example:

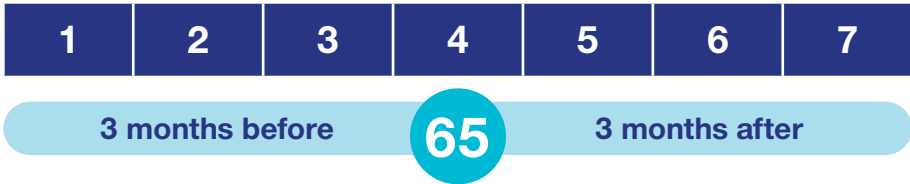


You pay a percentage

Plan pays the rest

# When can I enroll in Medicare?

▼ Month you turn 65 years old



Your Initial Enrollment Period (IEP) is 7 months long. It includes your 65th birthday month plus the 3 months before and the 3 months after. Your IEP begins and ends one month earlier if your birthday is on the first of the month.

If you are receiving Social Security or Railroad Retirement Board benefits when you become eligible, you will be automatically enrolled in Medicare Parts A and B. Medicare will mail your card to you. Otherwise, you will need to enroll yourself directly with Social Security.

During your IEP, you can enroll in Medicare Part A, Part B, Medicare Advantage (Part C) and Part D. Additionally, you will have 6 months to be guaranteed coverage in a Medicare supplement insurance plan (Medigap), starting the first month you are age 65 or older and enrolled in both Medicare Part A and Part B. You may apply at other times, but you could be denied coverage or charged a higher premium based on your health.



## Eligible due to a disability?

Your 7-month IEP includes the month you receive your 25th disability check, the 3 months before and 3 months after.



# When can I change coverage?



▲ AEP (October 15 – December 7)

After you're enrolled, you have a chance to make changes to your coverage each year during the Medicare Annual Enrollment Period (AEP).



**Review coverage choices yearly. Medicare and plan benefits or costs may change.**



**Consider your health care needs and budget for the coming year.**



**Keep your current coverage or change it based on your needs.**

**You may make coverage changes at other times of the year in certain qualifying situations.**

# What if I work past 65?

You have Medicare decisions to make at age 65 even if you have coverage through an employer plan (yours or your working spouse's).



## You still have an Initial Enrollment Period (IEP)

- Some employers require you to take full Medicare benefits (Part A and Part B) at age 65
  - Depending on the employer coverage you have, you may be able to delay enrolling in Medicare without penalty
- 



## You may be able to delay if:

- The employer has 20 or more employees
  - The employer-provided health insurance is considered “creditable”
  - The employer doesn't require covered spouses to enroll in Medicare at age 65 in order to remain on the employer's plan
- 



## Pay attention to details

- You must stop contributing to a health savings account (HSA) once you enroll in Part A or Part B
- Check with your employer plan benefits administrator before making Medicare decisions
- Make sure you know your IEP dates and whether or not you'll be automatically enrolled in Parts A and B

# How do I choose?

Answering the following questions can help you decide which coverage option best fits your health and lifestyle needs:



## Your health

- How often do you go to the doctor?
  - What health conditions do you have?
  - What medications do you take regularly?
- 



## Your budget

- What are you able to pay each month in premiums?
  - How comfortable are you meeting your deductibles and covering copays or coinsurance for services?
  - How willing are you to accept the risk of high out-of-pocket costs?
- 



## Your preferences

- Which doctors, hospitals and pharmacies do you like to go to?
- How important is it for you to have access to health care while traveling?
- What other coverage do you have, such as an employer or retiree plan?

# Steps to enroll

## Step one

### First, you need to enroll in Original Medicare

Provided by the federal government



#### Part A

Helps pay for hospital stays and inpatient care



#### Part B

Helps pay for doctor visits and outpatient care



## Step two

# Now, you can look at additional coverage

Offered by private insurance companies

## Option 1



### Medicare Part D Plan

Helps pay for prescription drugs

And, you can also add:



### Medicare supplement insurance (Medigap)

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

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## Option 2



### Medicare Advantage Plan (Part C)

Combines Original Medicare Part A & Part B coverage in one plan



Usually includes prescription drug coverage (Part D)



May offer additional benefits like vision and dental coverage



## Want to learn more?

Visit [MedicareMadeClear.com](https://www.MedicareMadeClear.com)

### **Medicare**

1-800-MEDICARE (1-800-633-4227), TTY 1-877-486-2048  
[Medicare.gov](https://www.Medicare.gov)

### **Social Security Administration**

1-800-772-1213, TTY 1-800-325-0778  
[SSA.gov](https://www.SSA.gov)

### **State Health Insurance Assistance Program (SHIP)**

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

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