

# Learning the basics of Medicare.



# What is Medicare?

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Medicare is a federally administered health insurance program providing health coverage to nearly 55 million Americans<sup>1</sup> above the age of 65 and other individuals who are eligible due to certain illnesses or disabilities.



<sup>1</sup>[cms.gov/Newsroom/MediaReleaseDatabase/Press-releases/2015-Press-releases-items/2015-07-28.html](https://www.cms.gov/Newsroom/MediaReleaseDatabase/Press-releases/2015-Press-releases-items/2015-07-28.html)

# Who is eligible for Medicare?



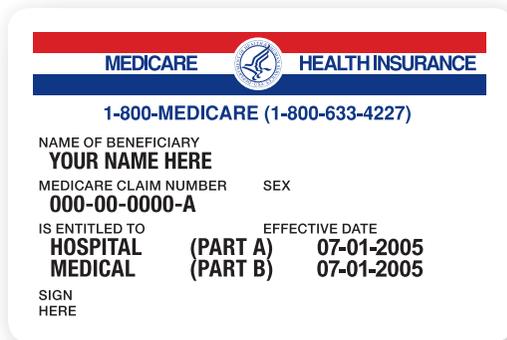
## Someone who is:

A U.S. citizen or legal resident for at least five consecutive years.



## AND is one of the following:

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



# When it comes to Medicare, you have choices.

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## Medicare isn't "one size fits all." Understanding the basics may help you choose wisely.

Your choices include:

- **Original Medicare**, which includes hospital stays (Part A) and doctor visits (Part B)
- **Original Medicare with a stand-alone prescription drug plan (Part D) and/or a Medicare supplement insurance plan**
- **Medicare Advantage (Part C)**, which often includes a prescription drug (Part D) plan plus extra benefits in addition to hospital stays (Part A) and doctor visits (Part B)



**Most Medicare Advantage (Part C) plans include vision, hearing and dental benefits.**

# Medicare Choices

STEP

1

Enroll in Original Medicare.

Original Medicare. Provided by the government.

PART  
**A** 

Part A covers hospital stays

PART  
**B** 

Part B covers doctor and outpatient visits



STEP

2

Decide if you need additional coverage.  
You have two ways to get it.

**OPTION 1**

OR

**OPTION 2**

Add one or both of the following to Original Medicare:

Choose a Medicare Advantage plan:

**Medicare Supplement Insurance.** Offered by private companies.



Covers some of the costs not paid by Original Medicare Parts A and B

**Medicare Part D.** Offered by private companies.

PART  
**D** 

Part D covers prescription drugs

**Medicare Advantage (Part C).** Offered by private companies.



Part C combines Part A (hospital) and Part B (doctor)



Provides additional benefits

PART  
**D** 

Most plans cover prescription drugs

# Medicare basics.

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## 1 There are two main ways to get Medicare coverage.

You can choose **Original Medicare (Parts A and B)**, which is provided by the federal government. Original Medicare includes Part A for hospital stays and Part B for doctor visits.

OR

You can choose a **Medicare Advantage (Part C) plan from a private insurance company**. Medicare Advantage plans combine Part A and Part B coverage, and many also include prescription drug coverage as well as additional benefits, such as routine hearing and vision care.

## 2 You will pay a share of your costs.

- Original Medicare doesn't pay for everything, and there is no limit on your out-of-pocket costs
- No matter what type of Medicare plan you choose, you will pay a share of your costs through monthly premiums, deductibles, co-pays and co-insurance

## 3 Medicare supplement insurance plans help pay some of your out-of-pocket costs.

Medicare supplement insurance plans, which are sold by private insurance companies, help pay for some of the expenses not covered by Original Medicare, like deductibles and co-pays.

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**4**

## **There are two ways you can get coverage for prescription drugs.**

**You can enroll in a stand-alone Part D prescription drug plan** to go with your Original Medicare coverage. Part D plans are sold by private companies.

OR

**You can enroll in a Medicare Advantage (Part C) plan** that includes prescription drug coverage. Part C plans are also sold by private companies.

**5**

## **Know the choices in your state.**

- Original Medicare (Parts A and B) is the same across the U.S.
- Medicare Advantage (Part C) plans and prescription drug (Part D) plans may be available in only certain counties, states or regions
- Medicare supplement insurance plans help pay some of your out-of-pocket costs. They travel with you nationwide. Not all plans are available in all states

# Medicare basics. (continued)

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## 6 Enroll at the right time.

**Your Initial Enrollment Period (IEP) is your first chance to enroll in Medicare.**

Your IEP is seven months long and includes the three months before you turn 65, your birthday month and the three months after your birthday month.

- If you enroll before the month you turn 65, your coverage starts the first day of your birthday month
- If you enroll during your birthday month or later, your coverage start date could be delayed
- If you're under 65 and have a qualifying disability, you are automatically enrolled in Part A and Part B after you get Social Security or Railroad Retirement benefits for 24 months
- If you're under 65 and have ALS, you are automatically enrolled in Part A and Part B the first month you get disability benefits from Social Security or the Railroad Retirement Board

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**7****You can review your choices once a year.**

After you choose your Medicare coverage, you can make changes each year during Medicare Open Enrollment, which is from October 15 to December 7.

**8****You may be eligible for a Special Enrollment Period.**

You may be able to switch your Medicare coverage during a Special Enrollment Period (SEP) if you have certain life changes, such as:

- You retire and leave a health care plan offered by your employer or union
- You move out of your current plan's service area



# Key terms.

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Medicare helps pay, but you'll still have costs. Medicare does not pay for all of your medical expenses. You'll help pay the cost of your care through different types of payments.

## Co-insurance

The costs that you and the health insurance plan pay are split on a percentage basis.

For example, you might pay 20% of the total allowed cost of a service and the plan would pay the remaining 80%.



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## Co-pay

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

For example, you might pay \$20 when you visit the doctor or \$12 when you fill a prescription.

**You Pay a Fixed Amount**

**Your Plan Pays the Rest**



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## Deductible

A set amount you pay out of pocket for covered services each year before your plan begins to pay.

**You Pay First**



**Then the Plan Begins to Pay**



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## Out-of-Pocket Maximum

The maximum amount you pay during a policy period (usually a year). This amount does not include your premium or the cost of any services that are not covered by your plan.

After you reach your out-of-pocket maximum, your plan pays 100% of the allowed amount of covered services for the rest of the policy period.

**Once You Pay  
Your Maximum...**



**...Your Plan  
Pays the Rest**



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## Premium

The fixed amount you pay your health insurance or plan for Medicare coverage. You may pay your premium to Medicare, to a private insurance company or both, depending on your coverage. Most premiums are charged monthly.



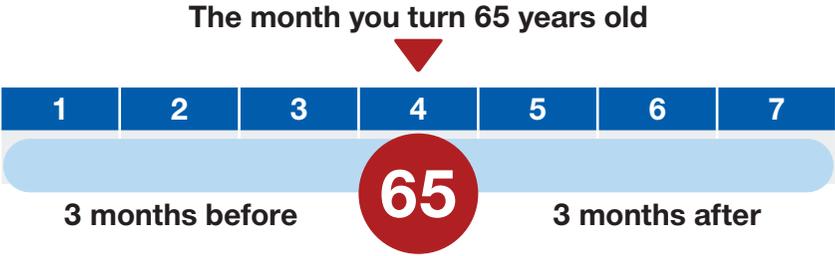
# Explore your choices.

## Enrolling in a Medicare plan for the first time.

When you turn 65 or otherwise become eligible for Medicare for the first time, an enrollment window opens. This is called your Initial Enrollment Period.

### Initial Enrollment Period.

If you don't have coverage through a former employer, you may want to consider enrolling during your seven-month Initial Enrollment Period — the three months before the month you turn 65, the month of your birthday, and the three months after your birthday month.



## Change happens.

Health care needs can change from year to year. Be sure to review your needs (upcoming surgeries, current prescription drugs, new wellness goals) so you can find a plan to best meet them. You can change your plan once a year during the Open Enrollment Period. This is a seven-week period from October 15 through December 7.



### If you have health insurance through your employer, a Medicare plan could work with your employer-sponsored coverage.

Check with your benefits administrator to see if it makes sense for you to sign up for Original Medicare (Parts A and B) in addition to the coverage you get today.

# Questions to consider.

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**Answer these questions that may help you get closer to understanding your Medicare coverage needs.**

Are you in good health or do you have chronic conditions?

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Which prescription drugs do you take regularly? How much do you spend?

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Which doctors do you see regularly and for what kind of care? How would you feel about seeing a new doctor?

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How much do you travel and where?

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Are you eligible for any health care coverage besides Medicare? Will you keep that coverage when you retire?

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How much did you spend on health care last year? Do you expect similar costs this year?

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How does health care fit into your budget? Will you need financial help to pay for Medicare premiums?

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# Where to get answers.

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## Additional resources.

### Medicare Helpline

For questions about Medicare and detailed information about plans and policies in your area, call **1-800-MEDICARE (1-800-633-4227)**, TTY **1-877-486-2048**, 24 hours a day, 7 days a week. Or go to **Medicare.gov**.

### Medicare & You

The official Medicare handbook for Medicare programs is updated each year. You can download a copy at the Medicare website or call the Medicare Helpline to request a copy. For online tools to find and compare drug plans, Medicare Advantage plans and Medicare supplement insurance plans, go to **Medicare.gov**.

### Social Security Administration

For help with questions about eligibility for and enrolling in Medicare or Social Security retirement benefits and disability benefits, and for questions about your eligibility for help with the cost of Medicare coverage, call: **1-800-772-1213**, TTY **1-800-325-0778**, between 7 a.m. and 7 p.m., Monday through Friday.

### Administration on Aging

For help in finding local, state and community-based organizations that serve older adults and their caregivers in your area, call **1-800-677-1116**, TTY **711**, between 9 a.m. and 8 p.m. ET, Monday through Friday. Or go to **Eldercare.gov**.

### Your current health plan

Your health plan's customer service center may answer questions you have about your current coverage. Call the number on your member ID card.

### AARP®

For information about Medicare and other programs for seniors, go to **AARP.org**. The AARP website offers educational materials about Medicare in its health section.

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## **Your state's resources.**

### **Your state's Medical Assistance or Medicaid office**

To see if you're eligible for help with the costs of Medicare, call your state's Medical Assistance or Medicaid office. They can answer questions about programs like Program of All-Inclusive Care for the Elderly (PACE) and the Medicare Savings Program. You can also call the Medicare Helpline and ask for the number for your state's Medical Assistance or Medicaid office.

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

For help with questions about buying insurance, choosing a health plan, buying a stand-alone prescription drug plan or Medicare supplement insurance plan, and your rights and protection under Medicare, call your State Health Insurance Assistance Program. This program offers free counseling for decisions about Medicare coverage. In some states, this program is called the Health Insurance Counseling and Advocacy Program (HICAP). Find a local resource at [shiptacenter.org](https://shiptacenter.org).

### **Your state's hospice organizations**

For information about hospice care programs in your area, call your state's hospice care organization. Call the Medicare Helpline to get the number.

# Want to learn more?



**Call for Free Consultation**

