



Getting Started with Medicare.

Look inside to:

- Learn about Medicare
- Compare plans and choose the right one for you
- See if you qualify for financial help
- Learn how to enroll in Medicare if you plan on working



Senior Market Advisors

Powered by **MEDICARE** Health Benefits

Understanding Medicare - Overview

Original Medicare is a federal health insurance program for people 65 and older and others with disabilities.

Medicare Parts A and B are considered Original Medicare.

Part A pays for hospital care and Part B pays for doctor visits and other outpatient care.

Original Medicare doesn't cover everything.

Original Medicare helps you get health care coverage, but you should expect to pay some of the costs.

You can enroll in a Medicare supplement insurance plan to help pay some of the costs and benefits that aren't paid by Original Medicare Parts A and B. You can also enroll in a stand-alone Medicare Part D plan for help with prescription drug costs.

OR

You can instead enroll in a Medicare Advantage Part C plan offered by private insurance companies. Part C plans generally give you all of the coverage provided by Parts A and B, as well as additional benefits:

- Combines hospital costs and doctor and outpatient care in one plan
- Often include Part D prescription drug coverage
- May include additional benefits such as dental, vision or hearing services

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

Your plan choices don't have to be permanent.

As your health care needs change, you can change plans to best meet them. You're not locked in to one plan permanently. You'll have an opportunity to change plans at least once a year during the Medicare Open Enrollment Period (October 15 – December 7). Keep in mind there may be limitations to rejoining a Medicare employer-sponsored plan.

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

 Provides additional benefits

PART D  Most plans cover prescription drugs

Medicare Basics.

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.

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.

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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

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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 the month 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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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

Medicare Part A (Hospital Coverage)

Medicare Part A helps with the cost of inpatient hospital stays and skilled nursing after a hospital stay. It also helps with hospice care and some skilled care for the homebound.

What providers can I see?

You can choose any qualified provider in the United States who is accepting new Medicare patients.

Coverage limits.

There are some coverage limits with Part A. For example, if you're hospitalized or in a skilled nursing facility for a long time (more than 90 days at one time), you may have to pay part of the cost.

What isn't covered.

Doctor services in the hospital are not covered by Part A. Other services, such as personal in-hospital costs like telephone calls or services related to "custodial care" - help with eating, bathing or dressing - will also not be covered under Part A unless medically necessary.

Costs.

Premium. If you or your spouse have made payroll contributions to Social Security for at least 10 years, you will not pay a premium for Part A. Most people don't pay Part A premiums. If you haven't made contributions, the premium in 2016 is \$411 a month. If you enroll late, your monthly premium amount is higher.

Medicare Parts A and B combined are often referred to as Original Medicare.

Your share of the costs.

Deductible. You have to pay a deductible before Part A starts paying a share of your costs. In 2016, it's \$1,288 for each hospital stay, subject to certain limits.

Co-pay. After staying a certain number of days, you pay a co-pay. For hospital stays in 2016, you'll pay \$322 per day (days 61 through 90) and \$644 per day (days 91 through 150). In a skilled nursing facility, you'll pay \$161 per day (days 21 through 100). In 2016, you'll also pay a co-pay of up to \$5 for each outpatient prescription drug you receive in hospice care.

Co-insurance. You pay a small co-insurance for inpatient respite care for hospice patients.

Part A Enrollment.

When can I join? As soon as you become eligible for Medicare.

How do I sign up? For most, if you're already getting benefits from Social Security, enrollment in Part A is automatic and there is no monthly premium. If you aren't getting benefits from Social Security, you can sign up at your local Social Security office.

Can they refuse to cover me or delay coverage? Not if you're eligible for Medicare. You can't be refused Part A because of your medical history or a pre-existing illness.

Medicare Part B (Doctor Visits)

How it works.

If you are receiving Social Security benefits when you become eligible for Medicare you will likely be automatically enrolled in Part B. Medicare Part B helps with the cost of medically necessary doctor visits and other medical services, including outpatient care at hospitals and clinics, laboratory tests, some diagnostic screenings, and some skilled nursing care.

What providers can I see?

You can choose any qualified provider who is eligible to participate in Medicare and who is accepting new patients.

Coverage limits.

There are limits on a few services - for example, the amount Part B will pay for occupational therapy and some screenings.

What isn't covered.

Keep in mind that Part B only covers vision, dental, or hearing in certain situations. Additionally, it usually doesn't cover care outside the United States or help with things like bathing or getting dressed.

Monthly premiums for Part B are automatically taken out of your Social Security check.

Costs.

Premium. This depends on your yearly income. Most people pay a monthly Part B premium. If you receive Social Security, it will be automatically deducted from your Social Security benefits. For 2016, premiums range from \$104.90 to \$389.80 a month.

Your share of the costs.

Deductible. Before Part B starts paying a share of your costs, you first have to pay a deductible. In 2016, it's \$166 for the year.

Co-pay. In 2016, outpatient hospital services co-pays range from a few dollars up to \$1,288.

Co-insurance. After you pay your deductible, Part B generally pays 80% and you pay 20%

Part B Enrollment.

When can I join? As soon as you become eligible for Medicare. You can also join later on, but only at certain times of the year, and there may be a penalty.

How do I sign up? For most, if you're already getting benefits from Social Security, enrollment in Part B is automatic and most people pay a monthly premium. Otherwise, you can sign up at your Social Security office.

Can they refuse to cover me or delay coverage? Not if you're eligible for Medicare. You can't be refused Part B because of your medical history or a pre-existing illness.

Medicare Part C (Medicare Advantage)

How it works.

Medicare Advantage (Part C) plans are offered by private insurance companies, and some are offered through your plan sponsor. They combine coverage for certain hospital costs, doctor visits and other medical services in one plan. They may also include prescription drug (Part D) coverage, often with no added premium.

What providers can I see?

With some plans, you choose a primary care doctor. In other plans, you can go to any Medicare-eligible provider who accepts the plan's terms, conditions and payment rates.

Medicare Advantage plans have service areas and offer nationwide emergency coverage.

Coverage limits.

Plans vary. Check the limits and exclusions.

What isn't covered.

Part C plans generally cover the same services as Original Medicare (Parts A and B), except for hospice care, which is provided under Part A.

Most Medicare Advantage (Part C) plans include prescription drug coverage.

Costs.

You'll continue to pay your Part B premium. And in many cases Part C plans may have their own premiums too. Plan premiums vary widely.

Your share of the costs. Some plans have deductibles. Some don't. Many charge co-pays or co-insurance. Look at the plan for details.

Out-of-pocket limits. All plans limit the amount you have to spend, whereas Original Medicare does not limit the amount that you may spend out-of-pocket.

Coverage gap. If you have prescription drug coverage, there's a coverage gap when your costs will likely go up.

Part C Enrollment.

When can I join? Once you have enrolled in Original Medicare (Parts A and B), you can enroll in a Medicare Advantage plan. Unless you qualify for an exception, you may pay a penalty on your premium if you don't sign up for Medicare Part D coverage as soon as you are eligible. You must also join Original Medicare (Parts A and B).

How do I sign up? Each insurance company handles its own enrollment process. These plans renew automatically each year as long as you pay your premiums. To join, you can go online at Medicare.gov or contact a plan provider (insurance company) directly.

Can they refuse to cover me or delay coverage? Not if you have joined Original Medicare (Parts A and B), and the plan is accepting new members.

Can I change my coverage later? Yes, you have a chance to change your coverage each year during the Open Enrollment Period, October 15 - December 7, or if you qualify due to a Special Enrollment Period (SEP). Keep in mind there may be limitations to rejoining a Medicare employer-sponsored plan.

Medicare Part D (Prescription Drug)

How it works.

Medicare Part D plans help with the cost of prescription drugs. They're optional, although if you don't sign up when you become eligible, you may pay a higher premium if you enroll later.

Part D is sold by private companies. Plans offer different costs and different drug lists. The federal government sets the guidelines. Some Medicare Advantage plans include prescription drug coverage.

What pharmacies can I use?

- Some plans limit your choice by area
- Others offer nationwide coverage
- Your plan may also offer mail order service

Coverage limits.

Terms vary widely. Plans offer various levels of cost sharing until you spend a stated amount in a year. In 2016, it's \$4,850.

What isn't covered.

Different plans cover different drugs, so make sure your drugs are covered before you enroll. Most plans also have a coverage gap, or "donut hole," during which the plans may not cover some of the drug costs.

Costs.

While plans may cover some of the same drugs, their monthly premiums may vary. In October each year, the plans announce their premiums for the coming year. You may pay a premium penalty set by Medicare if you don't sign up for Part D coverage as soon as you're eligible.

Your share of the costs. Some plans have deductibles. Some don't. Some charge a co-pay. Other charge a percentage of the cost. During the coverage gap (donut hole), you'll pay:

- 58% of the price for generic drugs
- 45% of the price for brand name drugs
- You may pay less if your plan has coverage in the gap

Part D Enrollment.

When can I join? As soon as you're eligible for Medicare. Your coverage renews automatically year to year.

How do I sign up? Each insurance company handles enrollment. You can join online at Medicare.gov or by contacting a plan provider (insurance company).

Can they refuse to cover me or delay coverage? If you are eligible for Part A or are enrolled in Part B, you can't be refused.

Can I change my coverage later? Yes, you have a chance to change your coverage each year during the Open Enrollment Period, October 15 - December 7. Keep in mind there may be limitations to rejoining a Medicare employer-sponsored plan.

Medicare supplement insurance plans (Medigap)

How it works.

Private insurance companies offer this type of coverage to help you cover some or all of the costs that Medicare Parts A and B don't cover. There are 10 standardized plans, labeled Plan A, B, C, D, F, G, K, L, M, N, which are available in most states.

What providers can I see?

You can see any doctor who participates in the Medicare program and who is accepting new patients.

Coverage limits.

All Medicare supplement policies provide an additional 365 days of inpatient care during your lifetime, beyond your Medicare lifetime reserve.

No Medicare supplement policy covers days in a skilled nursing facility beyond the 100 days Part A pays for.

As a rule, there are no geographic limits on where you receive the care covered by your Medicare

supplement policy, as long as the care is received in the United States.

What won't be covered?

These plans help cover some of the costs not paid by Original Medicare (Parts A and B) - for instance, deductibles, co-pays or co-insurance. Such plans do not cover routine vision, dental or hearing care, hearing aids or eye-glasses or private-duty nursing.

Costs.

As a general rule, the more generous the coverage the higher the premium. Premiums vary by insurer.

Help with your share of the costs.

Medicare supplement insurance plans cover some of the out-of-pocket expenses that Medicare doesn't pay, such as deductibles and co-insurance.

Deductible. Some plans pay your Medicare Part A and Part B deductible.

Enrollment.

When can I join? You can buy a Medicare supplement insurance plan any time after you turn 65 and join Medicare Part B. Your medical health history is not considered in setting your premium if you sign up during the six months after you turn 65. Depending on where you live, plans may be available to people on Medicare due to a disability or end-stage renal disease. Open enrollment is ongoing in some states and there may be other situations when your acceptance may be guaranteed.

How do I sign up? Each private insurance company that offers Medigap policies handles its own enrollment. To join, you'll need to contact the company and ask how to apply.

Can a plan refuse to cover me or delay coverage? Once your open enrollment period ends (up to six months after turning 65), insurers can refuse coverage, charge you a higher premium based on your health, or make you wait to get coverage for an illness you currently have. In some states and in some situations, you have the right to buy a plan regardless of your health after your open enrollment period ends.

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** and it is seven months long: it includes your birthday month and the three months before and after your birthday month.

	When can I enroll for the first time?	What if I'm late?
Medicare Part A	Anytime after you are 64 years and 9 months or otherwise become eligible for Medicare. Enrollment is automatic if you already get Social Security benefits. Otherwise enroll at your local Social Security office.	There are no penalties for signing up late, unless you are one of the people who have to pay a monthly premium for Part A coverage because neither you nor your spouse contributed enough to Social Security.
Medicare Part B	During your seven-month Initial Enrollment Period.	Premiums will be higher when you enroll, unless you qualify for an exception
Medicare Advantage (Part C)	During your seven-month Initial Enrollment Period.	You must wait to enroll between October 15 and December 7, unless you qualify for an exception.
Medicare Part D	During your seven-month Initial Enrollment Period.	You must wait to enroll between October 15 and December 7, unless you qualify for an exception. If you enroll later, your premiums could be higher.
Medicare Supplement (Medigap)	When you turn 65, you have a six-month window for a guaranteed right to enroll. You cannot be refused if you sign up during this open enrollment period.	You can apply at a later time, but you may be charged a higher rate or you may be rejected if you have a health history that makes you appear to be a higher risk.

Additional enrollment windows.

General Enrollment Period (GEP)

GEP is a grace period for those who missed their IEP. You can enroll in Original Medicare (Part A and Part B) between January 1 - March 31. You can enroll in a Medicare Advantage (Part C) or prescription drug (Part D) plan between April 1 - June 30.



Open Enrollment Period

Medicare Open Enrollment Period is every year between October 15 and December 7. During this time you switch Medicare Advantage and Part D plans.



Special Enrollment Period (SEP)

You may be able to enroll in or switch plans outside of the Open Enrollment Period if you have a major change in your life. Changes include:

- Losing your current coverage
- Moving into a different service area
- Receiving Medicaid assistance
- Losing your retiree health coverage



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Make a confident choice.

What's important to you?

- Are you in good health or do you have chronic conditions?
- Which prescription drugs do you take regularly? How much do you spend?
- What doctors do you see regularly and for what kind of care? How would you feel about seeing a new doctor?
- How much do you travel and where?
- Are you eligible for any health care coverage besides Medicare? Will you keep that coverage when you retire?
- How much did you spend on health care last year? Do you expect similar costs this year?
- How does health care fit into your budget? Will you need financial help to pay for Medicare premiums?

Look for a plan that's the right fit for you.

There's no "one size fits all." There are lots of choices:

- Do I want only Original Medicare (Parts A and B)?
- How about a Medicare supplement insurance plan with a stand-alone prescription drug plan (Part D)?
- Or a Medicare Advantage (Part C) plan? Do I want it with or without prescription drug coverage?

Consider enrolling as soon as you become eligible. If you wait, you could end up paying more in premiums.



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Extra help is available.

If you have a lower income and fewer assets, you may qualify for help.

Less than half of those who would qualify actually sign up, so don't hesitate to apply.

Medicaid

Helps pay for health care costs not covered by Medicare for people and families with limited incomes. It may also offer extra benefits that Medicare doesn't cover, but each state creates its own program, so contact your state office for more information.

Medicare Savings Program

Helps you pay your Parts A and B premiums, deductibles and co-insurance.

Program of All-Inclusive Care for the Elderly (PACE)

Combines medical, social, and long-term care services for frail elderly people who live in the community, not a nursing home. Only available in certain states.

Prescription drug premium assistance program

Helps you pay for some or all of a person's Medicare Part D premiums, deductibles, and co-pays or co-insurance.

Other programs

May be available in your state.



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