

Additional Information on Enrollment

You can apply for Medicare Part A and/or B during the three months before your birthday month when you become 65 up until three months after your birthday. Enrolling in Original Medicare is as simple as making a phone call to Social Security at 1-800-772-1213.

There are other opportunities to enroll in Original Medicare, Medicare Supplement, Medicare Advantage and Part D plans, which include leaving your employment or moving out of your county or state.

There are a number of Special Enrollment Periods for Medicare Advantage, Part B and Part D plans. These include losing employer health coverage, moving, becoming eligible for certain government low income programs, entering or leaving a skilled nursing facility and others.

What New Medicare Enrollees Need to Know

If you are turning 65 or new to Medicare, the first thing you need to do is decide if you need to enroll in Medicare. If so, you need to review Original Medicare. Your options for covering the out-of-pocket Original Medicare expenses are generally a supplement or a Medicare Advantage Plan or a company retiree plan. If you decide you want a supplement plan, you also need to find what prescription drug plan is best for you.

Making these decisions may seem complicated. A health insurance professional who is certified to sell Medicare Plans can help you understand your options. You can find one in your area by going to www.nahu.org and clicking on the "Find an Agent" feature.

Can you answer YES to at least one of the following statements?

- I am 65 years of age or older.
- I am under 65, but I have certain disabilities.
- I have End-Stage Renal Disease (kidney failure that requires a transplant or dialysis).

If so, you are likely eligible for Medicare benefits.

Quick Facts on Medicare

- Generally, a person can enroll in Medicare three months before and after their 65th birthday. You are known as a Medicare "beneficiary."
- You will receive your Medicare card automatically if you are receiving Social Security or Railroad Retirement benefits.
- You can enroll in Medicare through the Social Security Administration by calling 1-800-772-1213.
- Medicare has enrollment periods. You must enroll when you are eligible; however, if you are working, you may delay enrollment in some situations.
- You do not have to be currently receiving Social Security benefits to sign up for Medicare. They are separate benefits.
- You may not need all parts of Medicare if you have insurance from your employer and plan to continue working.
- Medicare & You handbooks are mailed to all beneficiaries in September
- Medicare Tool Finder data renewed each October.
- There have been many changes to the Medicare programs and a health insurance professional who specializes in Medicare can help you understand your options. You can find one in your area by going to www.nahu.org and clicking on the "Find an Agent" feature.

You May Be Eligible For Extra Help

People with limited income and resources may qualify for extra help paying their Medicare prescription drug coverage costs. You can get more information about this help by calling 1-800-772-1213 or visiting www.ssa.gov.

Consult the Experts

The National Association of Health Underwriters has trained and certified insurance professionals ready to help you review your choices and make an informed decision. There is no fee for their service.

This material is for informational purposes only and is neither an offer of coverage nor medical advice.


This Important Message Sponsored By:



1212 New York Avenue, N.W., Suite 1100
Washington, D.C. 20005
202-552-5060 ■ www.nahueducationfoundation.org



TURNING 65?



What You Need
to Know About

MEDICARE



As you approach Medicare eligibility you probably feel very popular – everybody is mailing you information or calling. This booklet was designed to make things simple so that you may begin to understand how Medicare works, how supplemental insurance fits into the picture, and how to wade through all you receive about the myriad options available.

Medicare is the government-run health insurance program for those age 65 and older, or those under 65 with certain disabilities. It covers more than 40 million Americans.

The Four Parts of Medicare

Part A and Part B together make up Original Medicare. The federal government manages the Original Medicare plan. Unless someone specifically elects a different option, they will be enrolled in the Original Medicare plan.

Medicare has four parts:

Part A – Hospital Insurance

Part A covers hospitalization (after a deductible), some inpatient care in skilled nursing facilities, hospice and other inpatient needs. Some home health care costs are also covered by Part A.

Part B – Medical Insurance

Some of the benefits of Part B include medically necessary doctor services, outpatient surgery, physical therapy, home health care and medical equipment.

Part C – Medicare Advantage Plan

These plans are provided through private insurance companies that have a contract with Medicare. These plans often have higher level of benefits than found in original Medicare with lower premiums and copays. For example, additional benefits may include coverage for a comprehensive routine annual physical exam, dental, vision and routine foot care and gym memberships. Plans may have a monthly premium, use co-pays for certain treatments and include an out-of-pocket annual maximum to protect a person from catastrophic illness. Medicare Advantage plans are available with and without Part D prescription drug coverage.

When you join a **Medicare Advantage (MA)** plan, Medicare no longer covers your health care costs. The MA plan pays instead of Medicare. Benefits in a MA plan must be at least equal to or better than that of original Medicare. MA plans generally operate as an HMO, PPO or private fee-for-service plan.

Part D – Prescription Drug Coverage

Part D of Medicare provides outpatient prescription drug coverage. It can be purchased as a stand alone program or can be included in a Medicare Advantage plan. Plans are offered by private insurance companies and vary in price, benefit design and the drugs included on their approved drug list called formularies, are subject to minimum federal requirements. You can choose from many options to find the drug plan that is best-suited to your needs.

What Does Medicare Cost?

PART A: Most Medicare beneficiaries do not pay a premium for Part A coverage. It is financed through the federal payroll taxes paid into the Medicare Trust Fund by employers and employees. Most people who have reached age 65 or who have received Social Security disability benefits for 24 months qualify for Part A.

PART B: Most beneficiaries pay the same premium for Part B. However, there is a sliding scale for individuals with higher income. The monthly premium is deducted from the person's Social Security check or, if a person is not receiving Social Security, a statement is sent quarterly.

PART C: Because Part C (Medicare Advantage Plan) combines the benefits of Part A and Part B. Beneficiaries who elect a Medicare Advantage plan still pay Part B premiums in addition to any premium the MA plan may have.

PART D: Each plan has a monthly premium. Medicare's standard prescription benefit, which each plan must cover as a minimum, has four phases: the deductible; the initial coverage period; the coverage gap and the catastrophic benefit period. For 2012, the Part D standard benefits are:

- A \$320 deductible. Some plans cover all or most of the deductible for you; some plans require you to pay it.
- The costs of covered drugs are shared – up to 25% by the plan member, and 75% by the plan itself during the Initial Coverage period. When the member's out-of-pocket expense and the insurance carrier's expense equals \$2,930, the person moves into the coverage gap.
- Members pay 86% for plan-covered generic drugs and receive a 50% discount for the plan-covered brand drugs. When a person's total amount spent for the deductible, if any, their combined expenses in the initial coverage period and the coverage gap total \$4,700, the catastrophic benefit coverage period begins.

- A person receiving catastrophic benefits pays \$2.60 for generic medications and \$6.50 for brand-name drugs or 5%, whichever is higher, until the end of the year.

What are my options to help cover the costs of Original Medicare?

Medicare plans do not pay all expenses. You may incur co-insurance, co-pays, deductibles and premiums. If you have Original Medicare, you may choose to buy a Medicare supplement (also known as Medigap) policy to help with these costs. Depending on the policy you select, your Medigap policy may cover Original Medicare's deductibles and coinsurance in full.

Medicare Advantages plans have lower premiums or no premiums. They include copays and, in some plans, coinsurance. All plans have an annual maximum out-of-pocket maximum.

Enrolling in a Medigap plan, Medicare Advantage or a Part D plan requires completing an application that may require health information if you are beyond your initial eligibility period. Enrollment in Medigap can be completed at any time of the year. However, if you apply after the time you are initially eligible for coverage, you may have to answer health questions to be approved and/or your premiums may be higher.

Enrollment in Medicare Advantage Plans and Part D Plans has a specific enrollment period in the fall of each year. If this enrollment period is missed, you may have to wait until the next annual Medicare Enrollment period. The effective date will be the following January 1. There can be penalties if the enrollment guidelines are not met for Part B and/or Part D. Medicare Advantage and Part D plan applications cannot ask medical questions (other than if the person has been diagnosed with End-Stage Renal Disease).