MY BENEFIT ADVISOR



Medicare Basics





What is Medicare?

Medicare is a federal health insurance program for people who are 65 or more years old, have certain qualifying disabilities, or have End Stage Renal Disease.

Part A
Inpatient Hospital Services

Covers inpatient hospital stays, skilled nursing facilities, hospice care and some home health care.

Part B
Outpatient Medical Services

Covers certain doctor services, outpatient care, medical supplies, and preventative services.

Part C
Medicare Advantage Plans

Plan offered by a private company (contracted with Medicare) to offer Parts A & B benefits.

Part D
Prescription Drug Coverage

Prescription Drug coverage.



When to Enroll in Medicare

Initial Enrollment Period (IEP)

Your Initial Enrollment Period for Medicare Part A and B begins three months before your 65th birthday, includes your birthday month, and continues three months after your birthday month; a total of seven months. If you are eligible for Medicare Part A at no cost to you, you can also enroll in Medicare Part A anytime after your Initial Enrollment Period without a late enrollment penalty.

Special Enrollment Period (SEP)

If you are covered under an employer group health plan, you may be eligible for a Special Enrollment Period under Medicare Part B. This allows you to enroll anytime while covered on an employer group plan and lasts up to eight months from your termination or loss of coverage date, excluding COBRA. The eight-month period is the cumulative maximum you can be without an employer group health or Medicare Part B coverage in order to avoid a late enrollment penalty.

Late Enrollment Penalty

If you do not enroll in Medicare Part B during your Initial Enrollment Period or during a Special Enrollment Period, you may be charged a late enrollment penalty for the entire time you are enrolled, unless you are currently eligible for a Special Enrollment Period.



Enrolling in Medicare Parts A & B

A

Automatic Enrollment: Part A

You will be automatically in Medicare Part A if you begin receiving retirement benefits from Social Security or the Railroad Retirement Board after your Initial Enrollment Period.

A

B

Automatic Enrollment: Parts A & B

You will automatically be enrolled in Medicare Parts A & B if you are receiving retirement benefits from Social Security or the Railroad Retirement Board prior to or during your Initial Enrollment Period. If you decide that you don't want to enroll in Medicare Part B, follow the instructions that describe how to decline that coverage on the postcard you receive from Medicare.

When to Enroll In Person

In all other situations not mentioned above, you must personally enroll in Medicare Parts A & B, which can be done online or at a Social Security office.



Medicare Advantage Plans

These plan types are available through private companies that contract with Medicare, they cover all of the benefits in Part A and Part B, and often include additional benefits.

Medicare Advantage Plans may offer several varieties of plans, such as, Health Maintenance Organization (HMO), Preferred Provider Organization (PPO), Private Fee-for-Service (PFFS), Medicare Savings Account (MSA), Special Needs Plan (SNP), and Cost Plan.

Most, but not all, Medicare Advantage Plans include coverage for Medicare Part D. Medicare Advantage Plans may also include additional coverage such as, dental, vision, hearing, and other benefits as permitted by government regulations.

The Two Most Popular Medicare Advantage Plans

HMO Plans

Most HMO plans require your use of contracted medical providers, such as doctors, hospitals, and labs for all services unless it is an emergency or previously approved by the HMO. In addition, HMO plans also may also require you choose a Primary Care Physician and obtain a referral before seeking services from a specialist.

PPO Plans

PPO plans typically offer more flexibility than HMO Plans in terms of which medical provider you can use, such as doctors, hospitals, and labs. However, if you decide not to use their contracted providers, you will likely pay a higher amount when using those medical providers, unless it is an emergency. Unlike an HMO Plan, PPO Plans typically do not require you to select a Primary Care Physician or obtain a referral before seeking services from a specialist.

Medigap Plans

When you want or need help paying Medicare's deductibles, copays, and coinsurance, a Medigap plan (also known as a Medicare Supplement plan) may be the best option for you.

These plans are available through private insurance companies and allow you to see any medical provider in the U.S. that is contracted with Medicare. Medigap plans do not require you to first get a referral from your primary care physician before seeing a specialist.

- You must be enrolled in Medicare Parts A and B to enroll in a Medigap plan.
- Medigap plans currently available do not include prescription drug coverage (Medicare Part D).
- Medigap plans do not include include vision, hearing or dental benefits.



Plans C and F are not available to those who were not age 65 or enrolled in Medicare Part A before 1/1/2020

Medigap plans are standardized* by the government, which means that each Medigap plan with the same letter offers exactly the same coverage, regardless of the insurance company. Although the plan benefits are standardized, there are differences between insurance companies to consider before deciding which one to select. Important considerations when picking an insurance company include:

- Does the carrier offer the plan that best fits your needs?
- Does the carrier offer a competitive premium for that plan?
- Does the carrier provide good service?

*In Massachusetts, Minnesota, and Wisconsin, Medigap policies are standardized in a different way

Medicare Part D Prescription Drug Coverage

Part D coverage is available to those who reside in the U.S. and are enrolled in either Medicare Part A and/or Part B. If you don't enroll in Medicare Part D when you are first eligible, you could be subject to a late enrollment penalty when you enroll later.

How Does Part D Work?

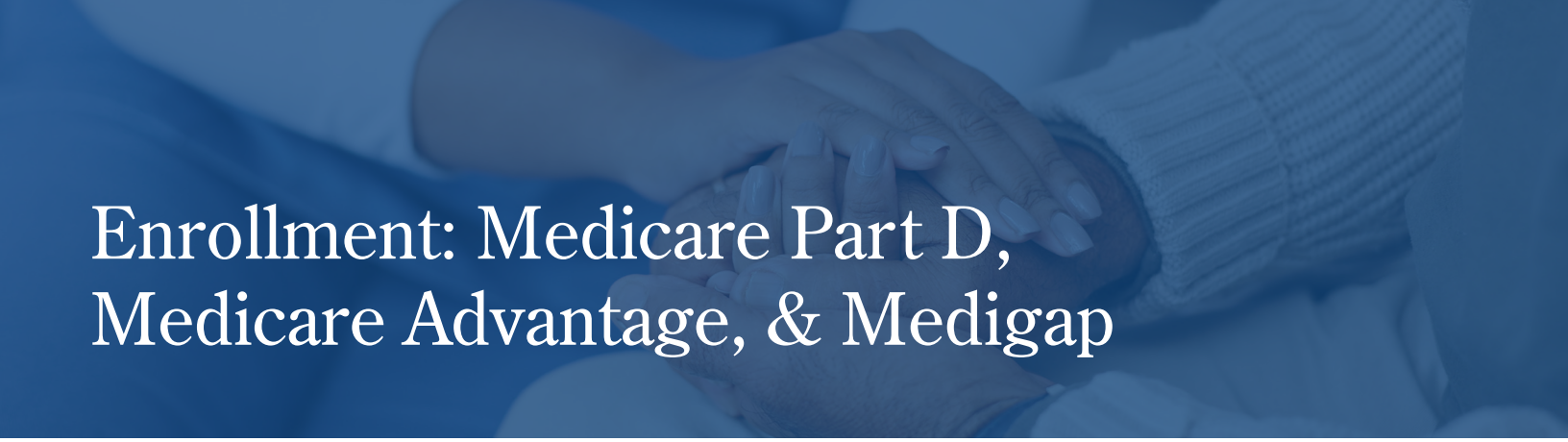
- Your Part D monthly premium is paid to the insurance company you select. Your Part D prescription coverage can be either a stand-alone Part D Plan or included as part of a Medicare Advantage Plan.
- Each year after you satisfy the plan deductible (if your plan has a deductible), you will share in the cost of prescription drugs purchased at the pharmacy. Your share of the cost is called a copayment or coinsurance.

Enrolling in a Part D Plan

Medicare Part D Plans are available only through private insurance companies that are contracted with the federal government. Each insurance carrier is permitted to customize their plan as long as their benefits meet or exceed the minimum requirements set by Medicare.

Because each plan is different, it is best to closely compare all of the important factors, including:

- What is the monthly premium amount?
- How much is the plan deductible, copayment or coinsurance for prescriptions at each of the four levels of coverage?
- Which prescription drugs are covered by the plan?
- Which pharmacies participate with the plan?



Enrollment: Medicare Part D, Medicare Advantage, & Medigap

Annual Enrollment Period (AEP)

Medicare Part D & Medicare Advantage Plans

Each year from October 15 through December 7, you can enroll in a Medicare Advantage or Part D Plan for the first time. You can also switch Medicare Advantage or Part D plans for the coming year.

Medigap Plans

The Annual Enrollment Period does not apply to Medigap plans. You can enroll in a Medigap plan at any time; however, in most states, insurance companies are only required to issue a policy you if you apply within six months of your enrollment in Parts A and B. At other times, they may deny coverage or increase your premium based on an existing medical condition. However, once issued, insurance companies cannot cancel or increase premiums because of your medical history. It is important to note that Medigap enrollment rules vary by state.

Open Enrollment Period

Each year from January 1 through March 31, you can:

- Change coverage from your current Medicare Advantage Plan to another Advantage Plan that better fits your needs.
- Disenroll from a Medicare Advantage Plan and enroll in Original Medicare Part A and B.
  You can also enroll in a stand-alone Part D Plan following your disenrollment from a Medicare Advantage Plan.

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