

Guide to Medicare

HELPING YOU NAVIGATE THE MEDICARE MAZE

Provided by:



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Not connected with or endorsed by the United States government or the federal Medicare program.

Medicare is complicated.

With so many different plan choices, the constant stream of mail and TV ads, and even incorrect information, it's no wonder Medicare seems like a confusing maze.

This guide will help you navigate the different parts of Medicare and understand what is and isn't covered. It explains Medicare Advantage, Medicare Supplement and Part D Prescription Drug plans and also includes two checklists to help you gather everything you need to enroll at age 65 and to review your plan every year after that.

Let's start
with the basics.

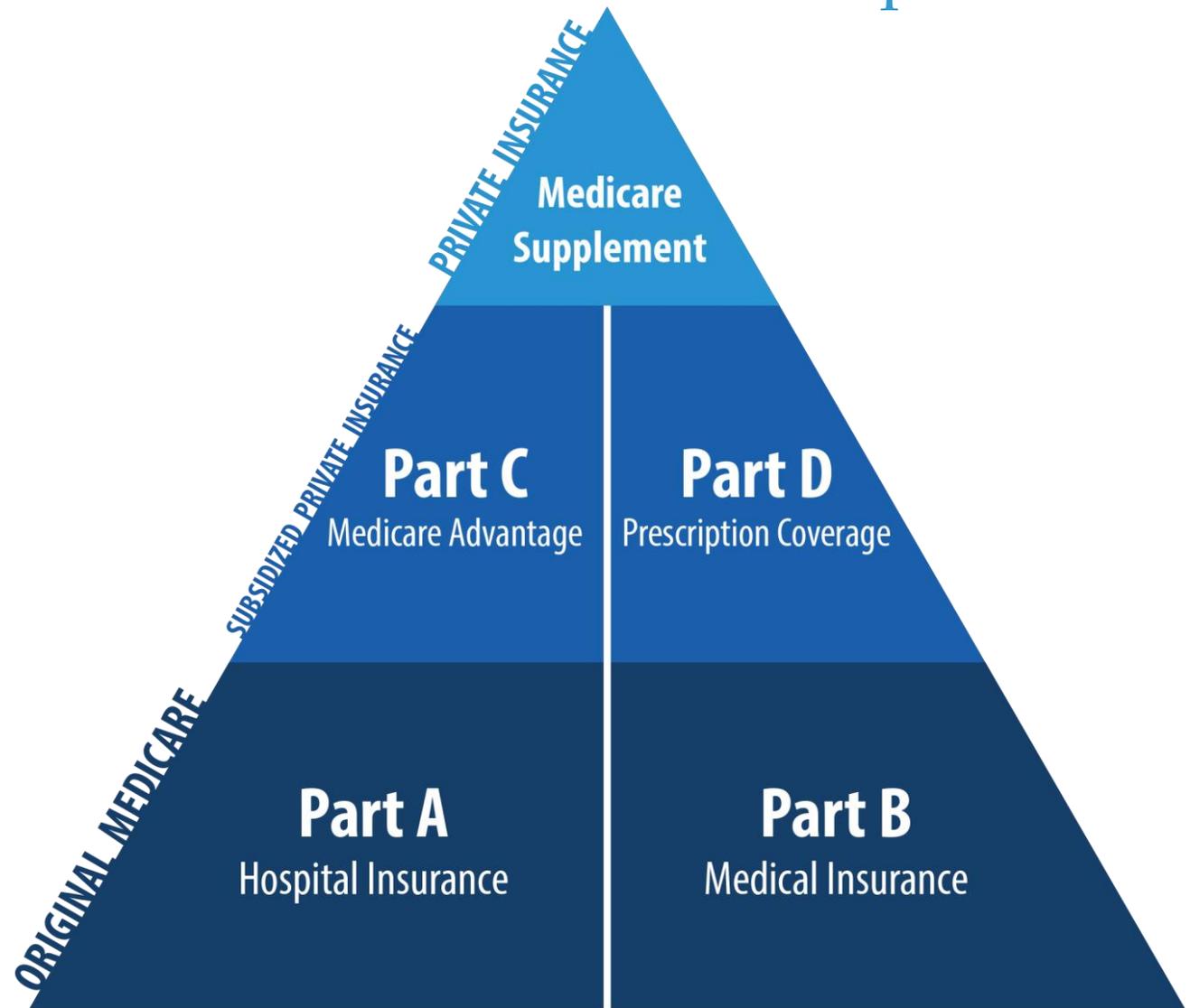
What is Medicare?

Medicare is the government-run health insurance program for people age 65 and older, those under 65 with certain disabilities and those with end-stage renal disease. Care is provided by any doctor or facility that accepts Medicare.

Who Is Eligible?

In general, those who are eligible for premium-free Part A (hospital insurance) and Part B (medical insurance) include individuals who are 65 and have worked 10 years in this country or who have a spouse who has, or individuals who are 65 and have received Social Security disability benefits for 24 months. If you are receiving Social Security, you are likely already enrolled in Part A and Part B when you turn 65.

Your Medicare coverage can consist of several parts.



Part A

(Hospital Insurance)

Part A covers inpatient hospital services (such as lab tests and surgeries) and supplies (such as wheelchairs and walkers) considered medically necessary to treat a disease or condition. Part A coverage includes inpatient hospital room and board, skilled nursing care, hospice and some home health care costs. Read the “What Does Medicare Cost?” section to learn what Part A costs fall to you.

Part B

(Medical Insurance)

Part B covers medically necessary outpatient doctor visits, outpatient surgery, physical therapy, durable medical equipment (such as crutches and home oxygen supplies), ambulance services, and preventative services (such as flu shots and screenings for diabetes and cancers). Read the “What Does Medicare Cost?” section to learn what Part B costs you pay.

Part C

(Medicare Advantage)

Part C, also known as Medicare Advantage, is a type of Medicare health plan offered by a private insurance company that contracts with Medicare to provide you with all your Part A and Part B benefits. Medicare Advantage plans must cover all of the services that Original Medicare covers — except hospice care — and may also offer extra coverage. (Original Medicare covers hospice care even if you’re in a Medicare Advantage plan.) In all types of Medicare Advantage plans, you’re always covered for emergency and urgently needed care. Most MA-PD plans include Part D Prescription Drug coverage.

Part D

(Prescription Drug Plans)

Part D provides outpatient prescription drug coverage. Plans can be purchased on a standalone basis or be included in a Medicare Advantage plan. Plans vary in price, co-pays and the drugs included on their formulary (prescription drug list). While you may not currently be on any prescription medication, the chances of you having to take at least one, if not more, in your lifetime increase as you age.

Medicare Supplement Plans

(Or Medigap Plans)

Medicare Supplement, or Medigap, plans can help pay some of the health care costs that Original Medicare doesn’t cover. These gaps include items like co-payments, co-insurance and deductibles. Medicare Supplement plans are provided by private insurance companies. If you have Original Medicare and you buy a Medicare Supplement policy, Medicare will pay its share of the Medicare-approved amount for covered health care costs. Then your Medicare Supplement policy pays its share.



Medicare Doesn't Cover Everything

You could be responsible for paying for certain items and services. Some not covered by Parts A and B include:*

- Long-term care
- Most dental care
- Dentures
- Eye examinations related to prescribing glasses
- Cosmetic surgery
- Hearing aids and exams for fitting them
- Acupuncture
- Routine foot care

*Medicare Supplement plans generally do not cover these costs

How do you pay for the rest?

**Call Medicare Savings Advisors at
410-852-9100 to speak with a Licensed
Insurance Agent.**

We'll help find supplemental health insurance that fits your needs and budget.

Nearly 92% of older adults have at least one chronic condition, and 77% have at least two, according to the National Council on Aging.

Original Medicare only covers about 62% of the cost of health care services (not including long-term care).*

*"Amount of Savings Needed for Health Expenses for People Eligible for Medicare: Good News Not So Rare Anymore," Employee Benefit Research Institute, October 2014, Vol. 35, No. 10.

What Is the Difference Between Medicare Advantage (Part C) and Medicare Supplement Plans?

Medicare Advantage plans **take the place** of Medicare Parts A and B and usually include Part D Prescription Drug coverage, while Medicare Supplement plans **supplement** Medicare Part A and Part B, by covering the co-payments, co-insurance and deductibles that Original Medicare doesn't pay. You are not required to enroll in a Medicare Advantage or Medicare Supplement plan, but if you do choose to enroll in one, you cannot be enrolled in the other.

When you buy a Medicare Supplement plan, you are still enrolled in Original Medicare.

When you enroll in a Medicare Advantage plan, you move completely into a private health insurance plan. That means your insurance company covers all your health care bills. Medicare Advantage plans must provide the same level of coverage as Original Medicare with the exception of hospice care.

How do you decide?

Call Medicare Savings Advisors at 410-852-9100 to speak with a Licensed Insurance Agent.

We can clearly explain the differences between Medicare Advantage and Medicare Supplement and help you find a plan that works for you.

Take a look at the chart on the next page to see the differences!

Medicare Supplement

Fills the gaps in Original Medicare

No Rx coverage — can be paired with Medicare Part D Prescription Drug coverage

Enrollment is year-round

Typically accepted by any provider that accepts Medicare assignment

Monthly premiums typically range from \$85–\$150, but vary by plan and geography

Premiums can be affected by age and gender

Health questions may be asked to determine eligibility

Benefits are the same regardless of which company offers them

Most plans do not cap out-of-pocket costs

Medicare Advantage

Replaces Original Medicare

Often includes Medicare Part D Prescription Drug coverage

Enrollments are limited to open enrollment and annual election periods as well as special circumstance throughout the year called Special Election Periods

Coverage is usually network-based, like an HMO or PPO

Premiums can be as low as \$0 per month

Premiums are same. Age and gender do not impact premiums, but premiums vary by county

Guaranteed acceptance, except for those with end-stage renal disease (ESRD)

Benefits vary by company

Out-of-pocket costs are capped

What Does Medicare Cost?

Costs for Medicare vary from year to year.

Most people don't pay a monthly premium for Part A, since they have paid into the system during their working years. But generally, you will need to pay a Part A deductible, a Part B deductible and a monthly Part B premium. If you enroll in a Part D Prescription Drug plan, you also may pay a monthly premium. Costs change each year, but you can use this chart to get a rough idea of what you might pay in 2015.

2016 Costs at a Glance

Part A *Premium:* most people don't pay a monthly premium; however, if you do, you'll pay up to \$411 each month

Hospital inpatient deductible:

- \$1,288 deductible for each benefit period
- Days 1-60: \$0 co-insurance for each benefit period
- Days 61-90: \$322 co-insurance per day of each benefit period
- Days 91 and beyond: \$644 co-insurance per each "lifetime reserve day" after day 90 for each benefit period (up to 60 days over your lifetime)

Part B *Premium:* most people pay \$104.90 each month. Those new to Medicare in 2016 and those who have Medicare but Not drawing Social Security will pay \$121.80 (higher-income consumers may pay more)
Deductible: \$166 per year

Part C *Premium:* most Medicare Advantage plans have low or zero premiums. Premiums vary by plan type and geography, and often include prescription drug coverage at no extra cost

Part D *Premium:* varies by plan (higher-income earners may pay more)

For estimated charges, [click here](http://www.medicare.gov/your-medicare-costs/costs-at-a-glance/costs-at-a-glance.html) or go to:
<http://www.medicare.gov/your-medicare-costs/costs-at-a-glance/costs-at-a-glance.html>.

If you choose additional coverage:
Medicare Supplement plans also have monthly premiums. These costs also vary.

Can I Qualify for Extra Help?

People with limited income and resources may qualify for Extra Help programs that pay the Part B Original Medicare premium and/or lower the costs of Medicare prescription drug coverage. You can get more information about assistance by going to a Social Security office, calling 1-800-772-1213, visiting www.ssa.gov or talking with your Licensed Insurance Agent.

What if I still have employer coverage available?

If you are 65 or over, eligible for Medicare, and have insurance through your or your spouse's current job, in most cases you should at least take Part A (hospital insurance). (For most people, Part A is free.)

To decide whether to take Part B (medical insurance), for which everyone pays a monthly premium, you should ask your benefits manager or human resources department how your employer insurance works with Medicare and confirm this information with the Social Security Administration (SSA) and Medicare. Be aware that when you qualify for Medicare, your employer insurance may start to work differently for you. You will need to figure out whether paying for both types of coverage will be useful in offsetting your health care costs.

How do you decide?

Call Medicare Savings Advisors at 410-852-9100 to speak with a Licensed Insurance Agent.

We can walk you through the decision-making process so you are comfortable with the plan you ultimately pick.

Know These Dates!

Oct. 15 – Dec. 7

Open Enrollment Period for Medicare Advantage and Medicare Part D Prescription Drug coverage: This is when all people with Medicare can change their Medicare health plan and prescription drug coverage for the next year.

Jan. 1 – Feb. 14

Medicare Advantage Disenrollment Period: If you have a Medicare Advantage plan (Part C), you can leave your plan and switch to Original Medicare from Jan. 1 through Feb. 14. (If you use this option, you also have until Feb. 14 to join a Medicare Part D Prescription Drug plan.)

Jan. 1 – March 31

General Enrollment Period: If you do not enroll in Medicare Part B during your initial enrollment period, you have another chance each year to sign up during this time. However, you may have to pay a late enrollment penalty. Your monthly premium increases 10% for each 12-month period you were eligible for, but did not enroll in, Medicare Part B.

Jan. 1 – Dec. 31

Medicare Supplement plans can be purchased year-round but may require health questions to be answered to determine eligibility.



TURNING 65?

FIND YOUR BIRTH MONTH TO FIND YOUR INITIAL ENROLLMENT PERIOD

JANUARY	FEBRUARY	MARCH	APRIL
<i>the October before your birthday – the April after your birthday</i>	<i>the November before your birthday – the May after your birthday</i>	<i>the December before your birthday – the June after your birthday</i>	<i>the January before your birthday – the July after your birthday</i>
MAY	JUNE	JULY	AUGUST
<i>the February before your birthday – the August after your birthday</i>	<i>the March before your birthday – the September after your birthday</i>	<i>the April before your birthday – the October after your birthday</i>	<i>the May before your birthday – the November after your birthday</i>
SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
<i>the June before your birthday – the December after your birthday</i>	<i>the July before your birthday – the January after your birthday</i>	<i>the August before your birthday – the February after your birthday</i>	<i>the September before your birthday – the March after your birthday</i>