Medicare—Getting Started
Lesson 1—What Is Medicare?

- Health insurance for people
  - 65 and older
  - Under 65 with certain disabilities
    - ALS (Amyotrophic Lateral Sclerosis, also called Lou Gehrig’s disease) without a waiting period
  - Any age with End-Stage Renal Disease

**NOTE:** To get Part A and/or Part B, you must be a U.S. citizen or lawfully present in the United States.
What Agencies are Responsible for Medicare?

They Handle Enrollment, Premiums, and Replacement Medicare Cards

Social Security Administration (SSA) enrolls most people in Medicare

Railroad Retirement Board (RRB) enrolls railroad retirees in Medicare

We Handle the Rest

Centers for Medicare & Medicaid Services (CMS) administers the Medicare Program
What are the 4 Parts of Medicare?

Throughout this training, these icons are used to identify the part of Medicare being discussed.

<table>
<thead>
<tr>
<th>Original Medicare</th>
<th>Medicare Advantage</th>
<th>Medicare Prescription Drug Coverage</th>
</tr>
</thead>
</table>
| ![医院图标] Part A  
Hospital Insurance | ![医院图标] Part A  
Medical Insurance | ![药丸图标] Part D  
Medicare prescription drug coverage |
| ![听诊器图标] Part B  
Medical Insurance | ![医院图标] Part B  
Medical Insurance | |
# Your 2 Main Medicare Coverage Choices

<table>
<thead>
<tr>
<th>Option 1: Original Medicare</th>
<th>Option 2: Medicare Advantage (Part C)</th>
</tr>
</thead>
<tbody>
<tr>
<td>This includes Part A and/or Part B.</td>
<td>These plans are like HMOs or PPOs and typically include Part D.</td>
</tr>
</tbody>
</table>

**Part A**
- Hospital Insurance

**Part B**
- Medical Insurance

**You can add:**
- **Part D**
  - Medicare prescription drug coverage

**You can also add:**
- **Medigap**
  - Medicare Supplement Insurance

**Part A**
- Hospital Insurance

**Part B**
- Medical Insurance

**Part D**
- Medicare prescription drug coverage
Automatic Enrollment—Part A and Part B

- Automatic enrollment for those receiving
  - Social Security benefits
  - Railroad Retirement Board benefits

- Initial Enrollment Package
  - Mailed 3 months before
    - 65 or
    - 25th month of disability benefits
  - Includes your Medicare card
Medicare Card

- Keep it and accept Medicare Part A and Part B
- Return it to refuse Part B
  - Follow instructions on back of card

Front

Back

You may be asked to show this card when you get health care services. Only give your personal Medicare information to health care providers, your insurers, or people you trust who work with Medicare on your behalf. WARNING: Intentionally misusing this card may be considered fraud and/or other violation of federal law and is punishable by law.

Es posible que le pidan que muestre esta tarjeta cuando reciba servicios de cuidado médico. Solamente dé su información personal de Medicare a los proveedores de salud, sus aseguradores o personas de su confianza que trabajan con Medicare en su nombre. ¡ADVERTENCIA! El mal uso intencional de esta tarjeta puede ser considerado como fraude y/u otra violación de la ley federal y es sancionada por la ley.

1-800-MEDICARE (1-800-633-4227/TTY: 1-877-486-2048); Medicare.gov
You Must Take Action to Enroll in Medicare When It’s Not Automatic

- If you’re not automatically enrolled in Part A and Part B (such as, not getting Social Security or Railroad Retirement Benefits)
  - You need to enroll with Social Security
    - Visit socialsecurity.gov, or
    - Call 1-800-772-1213
    - TTY: 1-800-325-0778, or
    - Make an appointment to visit your local office
  - If retired from Railroad, enroll with the RRB
    - Call your local RRB office at 1-877-772-5772
When to Enroll in Medicare

- You can first enroll during your Initial Enrollment Period (IEP), which lasts 7 months.
  - Can enroll in premium-free Part A anytime after IEP begins.
  - Can only enroll in Part B (and premium Part A) during IEP and other limited times.
  - May have a lifetime penalty if you don't enroll during IEP.

<table>
<thead>
<tr>
<th>Months before the month you turn 65</th>
<th>Month you turn</th>
<th>Months after the month you turn 65</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 2 3</td>
<td>65th</td>
<td>1 2 3</td>
</tr>
<tr>
<td>Coverage begins first of the month you turn 65</td>
<td>First of next month</td>
<td>Delayed 2-3 months, Part A (if you have to buy it) and/or Part B</td>
</tr>
</tbody>
</table>
General Enrollment Period (GEP)

- For people who didn’t sign up for Part B (or premium Part A) during their Initial Enrollment Period
- January 1–March 31 annually
  - Coverage starts July 1
- May have to pay a penalty
  - 10% for twice the number of years you didn’t have Part A
  - 10% for each full 12 months eligible, but not enrolled in Part B for as long as you have Part B
Premium Part A and Part B Special Enrollment Period (SEP)

- Most people don't qualify for an SEP
- Must have employer group health plan (EGHP) coverage based on active, current employment of you or your spouse

Can enroll

- Anytime still covered by EGHP, or
- Within 8 months of the loss of coverage or current employment, whichever happens first
  - Retiree and COBRA coverage aren’t considered active employment
Lesson 2—Decision: How Do I Want to Get My Medicare Coverage?

- Original Medicare or Medicare Advantage?
- Should I take Part A and Part B? When?
- Do I need a Medigap policy?
- What about Part D?
- What do I need to do if I’m not retiring at 65?
**Part A–Hospital Insurance** helps cover medically necessary

- **Inpatient hospital care**
  - Semi-private room, meals, general nursing, other hospital services and supplies, as well as care in inpatient rehabilitation facilities and inpatient mental health care in a psychiatric hospital (lifetime 190-day limit).

- **Inpatient skilled nursing facility (SNF) care**
  - After a related 3-day inpatient hospital stay
    - If you meet all the criteria
Part A—Hospital Insurance helps cover

- Blood (inpatient)
- Home health care
- Hospice care

☒ What's not covered?

- Private-duty nursing
- Private room (unless medically necessary)
- Television and phone in your room (if there's a separate charge for these items)
- Personal care items, like razors or slipper socks
Paying for Medicare Part A

- Most people don’t pay a premium for Part A
  - If you paid Federal Insurance Contributions Act (FICA) taxes for at least 10 years
- If you paid FICA less than 10 years, you can pay a premium to get Part A
- May have a penalty if you don’t enroll when first eligible for premium Part A
  - Your monthly premium may go up 10%
  - You'll have to pay the higher premium for twice the number of years you could’ve had Part A, but didn't sign up
### Part A—What You Pay in Original Medicare

#### Hospital Inpatient Stay
- The **$1,340 deductible** and no coinsurance for days 1–60 of each benefit period
- **$335** per day for days 61–90 each benefit period
- **$670** per “lifetime reserve day” after day 90 of each benefit period (up to 60 days over your lifetime)
- All costs for each day after the lifetime reserve days
- Inpatient mental health care in a psychiatric hospital limited to 190 days in a lifetime

#### Skilled Nursing Facility Care
- **$0** for the first 20 days of each benefit period
- **$167.50** per day for days 21–100 of each benefit period
- All costs for each day after day 100 in a benefit period

#### Home Health Care Services
- **$0** for home health care services
- 20% of the Medicare-approved amount for durable medical equipment
Consider

- It’s free for most people
- You can pay for it if your work history isn’t sufficient
  - There may be a penalty if you delay
- If you/your spouse is actively working and covered by an employer plan
  - Talk to your benefits administrator

Stop contributions to Health Savings Account 6 months prior to enrollment
Part B—Medical Insurance helps cover medically necessary

- Doctors’ services
- Outpatient medical and surgical services and supplies
- Clinical lab tests
- Durable medical equipment (may need to use certain suppliers)
- Diabetic testing supplies
- Preventive services (like flu shots and a yearly wellness visit)
- Home health care
What You Pay—Part B Premiums

- **Monthly Premium**
  - Standard premium is $134 (or higher depending on your income, see next slide)
  - Average premium is $130 (if receiving Social Security benefits)
<table>
<thead>
<tr>
<th>File Individual Tax Return</th>
<th>File Joint Tax Return</th>
<th>File Married &amp; Separate Tax Return</th>
<th>In 2018 You Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>$85,000 or less</td>
<td>$170,000 or less</td>
<td>$85,000 or less</td>
<td>$134.00</td>
</tr>
<tr>
<td>$85,000.01–$107,000</td>
<td>$170,000.01–$214,000</td>
<td>Not applicable</td>
<td>$187.50</td>
</tr>
<tr>
<td>$107,000.01–$160,000</td>
<td>$214,000.01–$320,000</td>
<td>Not applicable</td>
<td>$267.90</td>
</tr>
<tr>
<td>$160,000.01–$214,000</td>
<td>$320,000.01–$428,000</td>
<td>Above $85,000 and up to $129,000</td>
<td>$348.30</td>
</tr>
<tr>
<td>Above $214,000</td>
<td>Above $428,000</td>
<td>Above $129,000</td>
<td>$428.60</td>
</tr>
</tbody>
</table>

**NOTE:** You may pay more if you have a Part B late enrollment penalty.
## Part B—What You Pay in Original Medicare

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Yearly Deductible</strong></td>
<td><strong>$183</strong></td>
</tr>
</tbody>
</table>
| **Coinsurance for Part B Services** | - 20% coinsurance for most covered services, like doctor’s services and some preventive services, if provider accepts assignment  
- $0 for most preventive services  
- 20% coinsurance for outpatient mental health services, and copayments for hospital outpatient services |
Decision: Should I Keep/Sign up for Part B?

- Consider
  - Most people pay a monthly premium
    - Usually deducted from Social Security/Railroad Retirement benefits
    - Amount depends on income
  - It may supplement employer coverage
    - Contact your benefits administrator to understand the impact to your employer plan
When You Must Have Part B

- If you want to buy a Medigap policy
- If you want to join a Medicare Advantage Plan
- You're eligible for TRICARE for Life or CHAMPVA
- Your employer coverage requires you have it (less than 20 employees)
  - Talk to your employer’s or union benefits administrator
- Veterans Affairs (VA) benefits are separate from Medicare
- You pay a penalty if you sign up late or if you don’t sign up during your Initial Enrollment Period
Part B and Active Employment

- If you don’t have coverage from active employment
  - Delaying Part B may mean
    - Higher premiums
    - Paying for your health care out-of-pocket
    - Waiting until next General Enrollment Period to enroll (January 1–March 31)
      - With coverage not starting until July 1

- If you do have coverage through active employment
  - You may want to delay Part B
  - No penalty if you enroll while you have coverage or within 8 months of losing coverage
Lesson 3—What’s a Medigap Policy?

- **Medicare Supplement Insurance (Medigap) Policies**
  - Sold by private insurance companies
- **Fills gaps in Original Medicare coverage**
  - Deductibles, coinsurance, copayments
- **All plans with same letter**
  - Have same coverage
  - Costs are different
- **Plans are different in Minnesota, Massachusetts, and Wisconsin**
Decision: Do I Need a Medigap Policy?

- Consider
  - It only works with Original Medicare
  - Do you have other supplemental coverage?
    - If so, you might not need Medigap
  - Can you afford Medicare deductibles and copayments?
  - What does the monthly Medigap premium cost?
When Is the Best Time to Buy a Medigap Policy?

Consider

• Your Medigap Open Enrollment Period (OEP) begins the month you're 65 or older AND enrolled in Part B
  □ Lasts 6 months minimum, may be longer in your state
  □ You have protections—companies MUST sell you a plan if in your OEP
• You can also buy a Medigap policy whenever a company agrees to sell you one
  □ If later, there may be restrictions
Lesson 4—Part D: Medicare Prescription Drug Coverage

▪ Available for all people with Medicare

▪ Provided through
  • Medicare Prescription Drug Plans (PDPs)
  • Medicare Advantage Prescription Drug Plans (MA-PDs)
  • Some other Medicare health plans
How Medicare Part D Works

- It’s optional
  - You can choose a plan and join
  - May pay a lifetime penalty to join later

- Plans have formularies
  - Lists of covered drugs
  - Must include range of drugs in each category

- You pay the plan a monthly premium

- You pay deductibles and copayments

- There’s Extra Help to pay Part D costs
  - If you have limited income and resources
Who can join Part D?

- You must
  - Have Medicare Part A and/or Part B to join a Medicare Prescription Drug Plan
  - Have Medicare Part A and Part B to join a Medicare Advantage Plan with drug coverage
  - Have Medicare Part A and Part B or only Part B to join a Medicare cost plan with Part D coverage
  - Live in the plan’s service area
  - Not be incarcerated
  - Not be unlawfully present in the U.S.
  - Not live outside the U.S.

- You must join a plan to get drug coverage
When Can I Enroll in a Part D Plan?

- During your 7-month Initial Enrollment Period
- During the yearly Open Enrollment Period
  - October 15–December 7 each year
  - Coverage begins January 1
- May be able to join at other times
  - Medicare Advantage Disenrollment Period
  - Special Enrollment Period
    - For example, anytime you get Extra Help
Choosing a Part D Plan

- Compare plans by computer or phone
  - Use the Medicare Plan Finder at Medicare.gov/find-a-plan
  - Call 1-800-MEDICARE (1-800-633-4227)
  - TTY: 1-877-486-2048
  - Contact your State Health Insurance Assistance Program (SHIP) for help comparing plans

- To join a Part D Plan
  - Enroll at Medicare.gov
  - Call 1-800-MEDICARE (1-800-633-4227)
  - TTY: 1-877-486-2048
  - Enroll on the plan’s website or call the plan
  - Complete a paper enrollment form
Decision: Should I Enroll in a Part D Plan?

- **Consider**
  - Do you have creditable drug coverage?
    - Coverage as good as Medicare’s
      - For example, through an employer plan
      - No penalty if you have creditable drug coverage and delay enrolling in a Medicare drug plan
    - Will that coverage end when you retire?
  - How much do your current drugs cost?
  - What do the premiums cost for Part D plans?

- **Without creditable coverage**
  - Later enrollment may mean you pay a penalty
    - If a period of 63 or more days in a row lapse
Lesson 5—Part C: Medicare Advantage

- Health plan options approved by Medicare
  - Another way to get Medicare coverage
  - Still part of the Medicare Program
  - Run by private companies
- Medicare pays the plan an amount
  - For each member’s care
- May have to use network doctors or hospitals
- Types of plans available may vary
How Medicare Advantage (MA) Plans Work

- If you join an MA Plan you
  - Are still in Medicare with all rights and protections
  - Still get those services covered by Part A and Part B
    - But the MA Plan covers those services instead
  - May choose a plan that includes prescription drug coverage
    - May have different benefits and cost-sharing
  - May choose a plan that includes extra benefits
    - Such as vision or dental offered at the plan’s expense (not covered by Medicare)
When and How Can I Enroll in a Medicare Advantage Plan?

- Generally during your Initial Enrollment Period
- During the yearly Open Enrollment Period
  - October 15–December 7 each year
  - Coverage begins January 1
- May be able to join at other times
  - Special Enrollment Period
- Contact the plan to join
  - Call their telephone number
  - Visit their website
  - Use the Medicare Plan Finder at Medicare.gov
Decision: Should I Join a Medicare Advantage Plan?

Consider

• You must have Part A and Part B to join
• Most offer comprehensive coverage
  □ Including Part D drug coverage
• Some plans may require you to use a network
• You may need a referral to see a specialist
• You must pay the Part B and the monthly plan premium
• You can only join/leave plan during certain periods
• It doesn’t work with Medigap policies
• It’s NOT available to MOST people with End-Stage Renal Disease (ESRD)
## Decision Comparison Summary: How They Work

<table>
<thead>
<tr>
<th>Original Medicare</th>
<th>Medicare Advantage Plan (Part C)</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Covers Part A and Part B benefits</td>
<td>▪ Covers Part A and Part B benefits and may cover additional benefits (like vision or dental)</td>
</tr>
<tr>
<td>▪ Medicare provides this coverage directly</td>
<td>▪ Coverage provided by private insurance companies approved by Medicare</td>
</tr>
<tr>
<td>▪ You have your choice of doctors and hospitals that are enrolled in Medicare and accepting new Medicare patients</td>
<td>▪ In most plans, you need to use plan doctors, hospitals, or other providers or you pay more or all of the costs</td>
</tr>
<tr>
<td>▪ Generally, you or your supplemental coverage pay deductibles and coinsurance</td>
<td>▪ You may pay a monthly premium (in addition to your Part B premium) and a copayment or coinsurance for covered services</td>
</tr>
<tr>
<td>▪ You usually pay a monthly premium for Part B</td>
<td></td>
</tr>
</tbody>
</table>
# How Are Medigap Policies and Medicare Advantage Plans Different?

<table>
<thead>
<tr>
<th>Offered by</th>
<th>Medicare Supplement (Medigap Insurance) Policies</th>
<th>Medicare Advantage Plans (Part C)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offered by</td>
<td>Private companies</td>
<td>Private companies</td>
</tr>
<tr>
<td>Government Oversight</td>
<td>State, but must also follow federal laws</td>
<td>Federal (plans must be approved by Medicare)</td>
</tr>
<tr>
<td>Works with</td>
<td>Original Medicare</td>
<td>N/A</td>
</tr>
<tr>
<td>Covers</td>
<td>Gaps in Original Medicare coverage, like deductibles, coinsurance, and copayments for Medicare-covered services.</td>
<td>All Part A and Part B covered services and supplies. May also cover things not covered by Original Medicare, like vision and dental coverage. Most MA plans include Medicare prescription drug coverage.</td>
</tr>
<tr>
<td>You must have</td>
<td>Part A and Part B</td>
<td>Part A and Part B</td>
</tr>
<tr>
<td>Do you pay a premium?</td>
<td>Yes. You pay a premium for the policy and you pay the Part B premium.</td>
<td>Yes. In most cases you pay a premium for the plan and you pay the Part B premium.</td>
</tr>
</tbody>
</table>
Helpful Websites

- Medicare - [Medicare.gov](https://www.medicare.gov)
- Medicaid - [Medicaid.gov](https://www.medicaid.gov)
- Social Security - [socialsecurity.gov](https://www.socialsecurity.gov)
- Health Insurance Marketplace - [HealthCare.gov](https://www.healthcare.gov)
- Children’s Health Insurance Program - [InsureKidsNow.gov](https://www.insurekidsnow.gov)
- State Health Insurance Assistance Program - [Medicare.gov/contacts](https://www.medicare.gov/contacts)
Key Points to Remember

- Medicare is a health insurance program
- It doesn’t cover all of your health care costs
- You have choices in how you get coverage
- There are programs for people with limited income and resources
- Decisions affect the type of coverage you get
- Certain decisions are time-sensitive
- You can get help if you need it