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 (ESRD)

**NOTE:** To get Medicare you must be a United States (U.S.) citizen or lawfully present in the U.S.
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

Centers for Medicare & Medicaid Services (CMS) administers the Medicare Program

Federal retirees’ premiums are handled by the Office of Personnel Management
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>
<tbody>
<tr>
<td>Part A</td>
<td>Part A</td>
<td>Part D</td>
</tr>
<tr>
<td>Hospital Insurance</td>
<td>+ Part B</td>
<td>(Usually) Medicare prescription drug coverage</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Part B</td>
<td>Part B</td>
<td></td>
</tr>
<tr>
<td>Medical Insurance</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Medicare Advantage is also called Part C
Your 2 Main Medicare Coverage Choices

Option 1: Original Medicare
This includes Part A and/or Part B.

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

Option 2: Medicare Advantage (Part C)
These plans are like HMOs or PPOs and typically include Part D.

Part A
Hospital Insurance

Part B
Medical Insurance

Part D
Medicare prescription drug coverage
Your Medicare Options—Original Medicare

- Original Medicare is Part A (Hospital Insurance) and/or Part B (Medical Insurance)
- Medicare provides coverage
- You have your choice of doctors, hospitals, and other providers that are accepting new Medicare patients
  - Costs are affected by whether or not they accept assignment, which is an agreement by your doctor, provider, or supplier to be paid directly by Medicare, to accept the payment amount Medicare approves for the service, and not to bill you for any more than the Medicare deductible and coinsurance
Automatic enrollment for those receiving

- Social Security benefits
- RRB benefits

**Initial Enrollment Period (IEP) Package**

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

- CMS is issuing new Medicare cards
- New to Medicare/automatically enrolled?
  - Keep it to accept Part B
  - Return it to refuse Part B
    - Follow instructions on back of card
- Not new to Medicare/self-enrolled?
  - You’ll get a new card by April 2019
  - Destroy your old card and start using the new one right away

For more information, or to see when the new Medicare card will mail to your state, visit [Medicare.gov/newcard](http://Medicare.gov/newcard).

Social Security Number removed from new card.
New number unique to you.
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 (not getting Social Security or RRB benefits)
  - You need to enroll with Social Security
    - Visit socialsecurity.gov, or
    - Call 1-800-772-1213 (TTY: 1-800-325-0778)
    - Make an appointment to visit your local office
  - If retired from a railroad, enroll with the RRB
    - Call your local RRB office at 1-877-772-5772
### Initial Enrollment Period (IEP)

#### 7-Month Period

<table>
<thead>
<tr>
<th>Months before the month you turn 65</th>
<th>Months after the month you turn 65</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td><strong>65</strong></td>
<td><strong>Delayed 2-3 months, Part A (if you have to buy it) and/or Part B</strong></td>
</tr>
</tbody>
</table>

- Coverage begins first of the month you turn 65
- First of next month
- Delayed 2-3 months, Part A (if you have to buy it) and/or Part B

### During your IEP you can enroll/join

- Part A
- Part B
- Medicare Advantage (Part C) (if you have Part A and Part B)
- Part D (if you have Part A and/or Part B)
- Medigap policy (must have Part A and Part B). Medigap Open Enrollment Period (OEP) lasts 6 months from when you are both 65 and have Part B

No late enrollment penalties
**General Enrollment Period (GEP)**

- **Starts**: Jan 1
- **Continues**: Feb
- **Ends**: Mar 31

3-Month period each year during which you can enroll/join:

- ✓ Part A
- ✓ Part B

If you enroll in Medicare during the GEP (dates above), from April 1-June 30, you can then sign up for:

- ✓ Medicare Advantage (Part C) (if you have Part A and Part B)
- ✓ Part D (if you have Part A and/or Part B)

- May have LEPs

**Coverage Begins**: Jul 1
Medicare Special Enrollment Period (SEP)—Group Health Plan (GHP) Coverage Ends

8-Month period when you can enroll in

- Part A
- Part B

If you enroll during SEP

- Medicare Advantage (Part C)
- Part D

You have 6 months from the Part B effective date to buy a Medigap policy
Lesson 2—Original Medicare
Part A and Part B

- Part A (Hospital Insurance)
  - Coverage and costs
- Part B (Medical Insurance)
  - Coverage and costs
  - If you have active employment
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 Part A (if you had to pay for it)
  • 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 (DME)  

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Benefit Periods in Original Medicare

- Measures use of inpatient hospital and SNF services
  - Begins the day you first get inpatient care in hospital or SNF
  - Ends when not in a hospital/SNF 60 days in a row
- Pay Part A deductible for each benefit period
- No limit to number of benefit periods you can have

Benefit periods can span across calendar years.
Decision: Do I Need to Sign up for Part A?

 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
  • Talk to your benefits administrator if you/your spouse is actively working and covered by an employer plan

 Stop contributions to your Health Savings Account (HSA) 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
- DME (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 (may have to pay a higher amount depending on your income, see next slide)
  - Average premium is $130 (if receiving Social Security benefits)
Monthly Part B Standard Premium—Income Related Monthly Adjustment Amount (IRMAA) for 2018

Chart is based on your yearly income *in 2016* (for what you pay in 2018)

<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>Above $85,000 up to $107,000</td>
<td>Above $170,000 up to $214,000</td>
<td>Not applicable</td>
<td>$187.50</td>
</tr>
<tr>
<td>Above $107,000 up to $133,500</td>
<td>Above $214,000 up to $267,000</td>
<td>Not applicable</td>
<td>$267.90</td>
</tr>
<tr>
<td>Above $133,500 up to $160,000</td>
<td>Above $267,000 up to $320,000</td>
<td>Not applicable</td>
<td>$348.30</td>
</tr>
<tr>
<td>Above $160,000</td>
<td>Above $320,000</td>
<td>Above $85,000</td>
<td>$428.60</td>
</tr>
</tbody>
</table>

**NOTE:** You may pay more if you have a Part B late enrollment penalty (LEP).
<table>
<thead>
<tr>
<th><strong>Yearly Deductible</strong></th>
<th><strong>$183</strong></th>
</tr>
</thead>
</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/RRB 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 Medicare Supplement Insurance (Medigap) Policy
- If you want to join a Medicare Advantage (MA) Plan
- You're eligible for TRICARE for Life (TFL) or Civilian Health and Medical Program of the Department of Veterans Affairs (CHAMPVA)
- Your employer coverage requires you have it (less than 20 employees)
  - Talk to your employer 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 IEP
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 (GEP) 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?

Original Medicare

- 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

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
Decision: Do I Need a Medigap Policy?

Consider

• It only works with Original Medicare
• Do you have other supplemental coverage?
  - Like from an employer
  - 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

• During your Medigap OEP, companies can’t do the following:
  - Refuse to sell you any Medigap policy they offer
  - Make you wait for coverage (there can be a waiting period for pre-existing conditions if you don’t have creditable coverage before the OEP)
  - Charge more because of a past/present health problem

• You can also buy a Medigap policy whenever a company agrees to sell you one
  - If later, there may be restrictions
Lesson 4—Medicare Prescription Drug Coverage (Part D)

- Available for all people with Medicare
- Run by private companies that contract with Medicare
- Provided through
  - Medicare Prescription Drug Plans (PDPs) (work with Original Medicare)
  - Medicare Advantage (MA) Prescription Drug Plans (MA-PDs)
  - Some other Medicare health plans
    - Like Cost Plans

Original Medicare

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

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How Medicare Part D Works

- It’s optional
  - You can choose a plan and join
  - May pay a lifetime penalty if you join late

- Plans have formularies
  - Lists of covered drugs
  - Must include range of drugs in each category
  - Are subject to change—you’ll be notified

- You pay the plan a monthly premium
- You pay deductibles and copayments
- You’re out-of-pocket cost may be less if you use a preferred pharmacy
- If you have limited income and resources, there’s Extra Help to pay Part D costs
Who can join Part D?

- You must
  - Have Medicare Part A and/or Part B to join a Medicare PDP
  - Have Medicare Part A and Part B to join an MA Plan with drug coverage (MA-PD)
  - 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 United States (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 (IEP)
- During the yearly Open Enrollment Period (OEP)
  - October 15–December 7 each year
  - Coverage begins January 1
- If you get Part B for the first time during a General Enrollment Period (GEP) you can join a Part D plan from April 1-June 30 with coverage starting July 1
- May be able to join at other times
  - MA OEP (January 1 – March 31 each year)
    - Must be in an MA Plan already on January 1
  - Special Enrollment Period (SEP)
    - For example, anytime you get Extra Help (in 2018)
    - In 2019, once per quarter for the first 3 quarters of the year
  - 5-star SEP
Choosing a Part D Plan

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

- To join a Part D Plan
  - Enroll at [Medicare.gov/find-a-plan](https://Medicare.gov/find-a-plan)
  - 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 you to 63 or more days in a row without creditable coverage
Lesson 5—Medicare Advantage (MA) Plans

- Offered by Medicare–approved private companies
  - Must follow Medicare rules
  - Another way to get Medicare coverage
  - Still have Medicare but your Part A and Part B coverage is from the MA Plan
- In most cases you have to use healthcare providers in the plan’s network
  - Some plans offer out-of-network coverage
- You can’t enroll in (and don’t need) a Medicare Supplement Insurance (Medigap) policy while you’re in an MA Plan
How Medicare Advantage (MA) Plans Work

- You’re always covered for emergency and urgent care.
- You’re covered by the plan for all Part A and Part B services.
  - Original Medicare will still cover the cost for hospice care, some new Medicare benefits, and some costs for clinical research studies.
- You may have coverage for things that aren’t covered by Original Medicare, like vision, hearing, dental, and other health and wellness programs.
- Medicare prescription drug coverage (Part D) is usually included.
- You pay your Part B premium, and you might have to pay a monthly premium for the MA Plan.
- You (or a provider acting on your behalf) can request to see if an item or service will be covered by the plan in advance (called an organization determination.) Contact your plan for more information.
- Each plan can charge different out-of-pocket costs and have different rules for how you get services. These rules can change each year.
- MA Plans can’t charge more than Original Medicare for certain services, like chemotherapy, dialysis, and skilled nursing facility care.
- MA Plans have a yearly limit on your out-of-pocket costs for medical services.
When Can I Enroll in a Medicare Advantage (MA) Plan?

- Generally during your Initial Enrollment Period (IEP)
  - If so, can change to another MA Plan (with or without drug coverage) or go back to Original Medicare (with or without drug coverage) within the first 3 months you have Medicare

- New yearly MA Open Enrollment Period (MA OEP)
  - One-time change during January 1 – March 31 each year with coverage beginning the first of the following month
  - Must already be enrolled in an MA Plan to use the MA OEP
    - You can switch to another MA Plan with or without drug coverage
    - You can disenroll from your plan and return to Original Medicare
      - If you return to Original Medicare, you can also join a Medicare Prescription Drug Plan if you make this change

**NOTE:** If you drop a Medigap policy to join an MA Plan, you might not be able to get it back. Check with your state.
If you have Part A and enroll in Medicare Part B during a General Enrollment Period (GEP), you can enroll in an MA Plan April 1–June 30 with coverage starting July 1.

Special Enrollment Period (SEP) in certain circumstances:
- Examples include:
  - You move out of your plan’s service area
  - You have or lose Medicaid or Extra Help
  - You live in an institution (like a nursing home)

5-star SEP:
- Can switch to an MA Plan or Medicare Cost Plan that has 5 stars for its overall star rating
- From December 8, 2018 – November 30, 2019
How Do I Enroll in a Medicare Advantage (MA) Plan?

- Use Medicare's Plan Finder
- Visit the plan's website to see if you can join online
- Fill out a paper enrollment form
  - Contact the plan to get an enrollment form, fill it out, and return it to the plan
  - All plans must offer this option
- Call the plan you want to join
  - Get your plan's contact information from a Personalized Search (under General Search), or search by plan name
- Call us at 1-800-MEDICARE (1-800-633-4227)
**Decision: Should I Join an MA 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)
  - They send notices to members each year
    - Annual Notice of Change (ANOC)
    - Evidence of Coverage (EOC)
Yearly Open Enrollment Period (OEP) for People with Medicare

Period each year during which you can join, switch, or drop your
✓ Medicare Advantage Plan
✓ Part D Plan, or
✓ Return to Original Medicare

This is a time to review health and drug plan choices

No new LEPs because you must already be enrolled in Medicare
### Decision Comparison Summary: How They Work—Coverage

<table>
<thead>
<tr>
<th>Original Medicare</th>
<th>MA 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>

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# How Are Medigap Policies and MA Plans Different?

<table>
<thead>
<tr>
<th></th>
<th>Medicare Supplement Insurance (Medigap) Policies</th>
<th>Medicare Advantage (MA) Plans (Part C)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Offered by</strong></td>
<td>Private companies</td>
<td>Private companies</td>
</tr>
<tr>
<td><strong>Government Oversight</strong></td>
<td>State, but must also follow federal laws</td>
<td>Federal (plans must be approved by Medicare)</td>
</tr>
<tr>
<td><strong>Works with</strong></td>
<td>Original Medicare</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Covers</strong></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><strong>You must have</strong></td>
<td>Part A and Part B</td>
<td>Part A and Part B</td>
</tr>
<tr>
<td><strong>Do you pay a premium?</strong></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
- Medicaid - Medicaid.gov
- Social Security - socialsecurity.gov
- Health Insurance Marketplace - HealthCare.gov
- Children’s Health Insurance Program - InsureKidsNow.gov
- CMS National Training Program - CMSnationaltrainingprogram.cms.gov
- SHIP 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