

Understanding Your Medicare Options

While Medicare can be a confusing program with many options, it provides essential medical coverage for most Americans age 65 and over and many individuals with disabilities. Before making any decisions about Medicare coverage, it is a good idea to take some time to understand how it works and what it can do for you. There are four different parts to Medicare—**Parts A, B, C, and D**—each covers a different healthcare need. Some parts will even penalize you if you don’t enroll at a specific time, so it’s best to know what you need to do and when. This brochure will help you to understand the different options available to you and explain some of the benefits and drawbacks of each. Whatever decisions you make, you should keep two things in mind. First, without insurance, healthcare costs are probably much higher than you think. Second, if you need help choosing healthcare coverage, there are always people who can help. Resources to help you make these decisions are listed on the last page of this brochure.

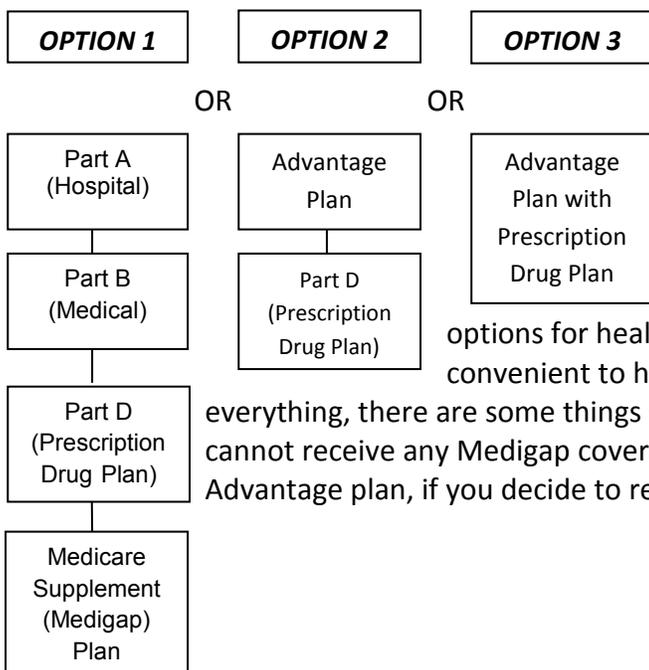
A BASIC OVERVIEW OF MEDICARE AND EMPLOYMENT

Here is how Medicare works: *Medicare Part A* covers hospital expenses; *Medicare Part B* covers medical expenses, such as physicians’ and lab services; *Medicare Part C* (or “Advantage”) consists of private companies providing Part A and Part B coverage; and *Medicare Part D* provides prescription drug coverage.

You may be getting health insurance through your (or your spouse’s) current employer. When you or your spouse retires, however, that may change. The employer may continue to offer the same plan, it may require you change to a retiree healthcare plan, or it may discontinue your coverage altogether. In any of these cases (and even if you do not retire at 65) you are eligible for Medicare coverage at age **65**. That is why it is important that you understand how your employer’s coverage coordinates with Medicare and when that coverage will end. Make sure you know these things when you retire and when you turn 65.

****If you are not working, chances are you must sign up for Medicare between the three months before and three months after your 65th birthday. If you delay enrolling, you may have to pay premium penalties when you decide to enroll at a later date.**

TIPS ABOUT MEDICARE ADVANTAGE PLANS



Medicare Advantage (or “Part C”) plans are provided by private companies approved by the Centers for Medicare and Medicaid Services (CMS). If you enroll in an Advantage plan, you will receive your Medicare Part A and Part B coverage through that company and not through Medicare. In the chart to the left, you’ll see that there are three basic options for healthcare coverage. While it may seem less expensive and more convenient to have one Medicare Advantage (or “Health”) plan take care of everything, there are some things you should consider before signing up. **(1)** Beneficiaries cannot receive any Medigap coverage while enrolled in an Advantage plan. After enrolling in an Advantage plan, if you decide to return to Original Medicare, you may be ineligible for a

Medigap policy. **(2)** You can only enroll in, disenroll from, or change Advantage plans during a specific time. **(3)** Advantage plans may be cancelled if the private insurer fails to turn a profit. **(4)** Advantage plans can limit which providers you may use, and your plan may not cover any services in other parts of the country. **(5)** In addition to possible Part C premiums, you will still have to pay for your Part B premium. **(6)** Advantage plan premium amounts do not necessarily reflect actual costs; out-of-pocket expenses may be greater with an Advantage plan. **(7)** There are many different kinds of Advantage plans: HMOs, PPOs, and Cost Plans. For these reasons, you should contact your Benefit Specialist or the Medigap Helpline before enrolling in an Advantage plan.

THE DIFFERENT PARTS OF MEDICARE:

***PART A (HOSPITAL) *PART B (MEDICAL) *PART C (“HEALTH” OR “ADVANTAGE”)
*PART D (PRESCRIPTION DRUGS) *SUPPLEMENT POLICIES**

Medicare Part A

Coverage: Hospitals, skilled nursing facilities, hospice care, some home health care services.

Premium: \$0.*

Deductible: \$1,316.00 per coverage period for first 60 hospital days

Provider Restrictions: Any provider accepting Medicare.

Late Enrollment Penalties: None.

Availability after Initial Eligibility: Always.

Eligibility: Age 65 or older or Social Security Disability recipient for 24 months.

Enrollment Periods:

Initial: 7-month period that begins 3 months before the month you turn 65.

General: Jan. 1 to March 31 each year—coverage begins July 1



*Based on 40 or more work credits. If you have fewer, you may have to pay a premium and a late enrollment penalty and enrollment may not always be available.

Medicare Part B

Coverage: Medical services, outpatient procedures, ambulances, emergency room, tests, durable medical equipment.

Premium: \$134.00

Deductible: \$183.00 per annual coverage period.

Additional Costs: Usually 20% of the Medicare-approved cost of services.

Provider Restrictions: Any provider who accepts Medicare.

Late Enrollment Penalties: For each 12-month delay in enrollment, add 10% to your monthly premium.

Eligibility: Age 65 or older or Social Security Disability recipient for 24 months.

Enrollment Period:

Initial: 7-month period that begins 3 months before the month you turn 65. You are automatically enrolled when you are enrolled in Part A. If you keep your original Medicare card, you are keeping and agreeing to pay for Part B.

General: Jan. 1 to March 31 each coverage year. Coverage begins in July.



**Medicare Advantage
("Health" or "Part C")**

Coverage: Private provider coverage that is equal to or greater than coverage under Medicare Parts A and B and may include prescription drug coverage.

Premium: Differs by plan. You must still pay the Part B premiums (and Part A premium if you have one) in addition to any Advantage plan premiums.

Deductible: Differs by plan.

Additional Costs: Co-pays differ by plan.

Eligibility: Must have Medicare Part A and B.

Enrollment Period:

Initial: 7-month period that begins 3 months before the month you turn 65.

Annual: New AEP Oct. 15 to Dec. 7 each year. Your membership will begin Jan. 1, the following year.

Make sure that you're in the Health Care Plan of your choice now because there is no longer an Open Enrollment Plan following the AEP Jan.-March. INSTEAD, THERE IS A DISENROLLMENT PERIOD: a 45-day period (from Jan. 1 - Feb. 14) to MA enrollees during which they can return to Original Medicare and enroll in qualified prescription drug coverage.



Medicare Part D

Coverage: Private provider coverage of prescription drugs. Formularies (covered drug lists) differ by plan.

Premium: Between \$17.00 and \$155.50. National avg. is \$35.63 (LEP calculation).

Deductible: Between \$0 and \$400.00.

Additional Costs: Co-pays for prescription drugs differ by plan.

Provider Restrictions: In-network pharmacies, except in emergencies.

Late Enrollment Penalties: Add to current premium 1% of base beneficiary premium for every month you could have had Part D but did not (unless you had other creditable coverage).

Eligibility: Must have Medicare Part A **or** B.

Enrollment Period:

Initial: 7-month period that begins 3 months before the month you turn 65.

Annual: New AEP Oct. 15 to Dec. 7 each year. Your membership will begin Jan. 1, the following year.

(You can also switch plans each year during this time.)

**Medicare Supplement
("Medigap") Plan**

Coverage: Private provider coverage of Parts A and B deductibles and coinsurance. Medigap plans will only coordinate payment with Medicare Parts A and B, not Medicare Advantage plans. However, if you already have a Medigap plan, you are entitled to keep it even if you have a Medicare Advantage plan. You may want to do this to ensure you do not lose your ability to obtain a Medigap plan in the future.

Medicare Supplement (“Medigap”) Plan continued:

Premium: Differs by plan.

Deductible: None

Provider Restrictions:

Standardized Medigap policies: Any Medicare provider.

Select Medigap policies: Specific hospitals and doctors.

Late Enrollment Penalties: Provider may decline to offer policy.

Eligibility: Must have Medicare Parts A and B.

Enrollment Period:

Initial: First six months after you are both 65 and enrolled in Part B. During this period, you must be issued a Medigap plan regardless of age, prior claims, health, or preexisting conditions.

Other: Any time. However, after the initial 6-month enrollment period, a Medigap provider may, as its discretion, refuse to issue you a policy.



MEDICARE TIPS

- Call **(800) MEDICARE** to obtain a free copy of “Medicare & You” for detailed and current information about Medicare, including all the Part C and Part D plans in Wisconsin. For a detailed publication on Medicare Supplement policies, call the Medigap Helpline at (800) 242-1060.
- You may be given the opportunity to allow a Part C or Part D carrier to **automatically deduct** your premiums from your Social Security checks. While this may be easier than mailing checks, it could result in overpayments or double payments and it might be a long, drawn-out process to get back any money you are owed.

NEED MORE HELP??

Here is a directory of resources available to you free of charge:

- ❖ **Medicare:** www.medicare.gov;
(800) MEDICARE/ (800) 633-4227 (toll free)
Answers to common questions; help finding Part D plans and Medicare publications.
- ❖ **Access Wisconsin:** www.access.wisconsin.gov
Find out all the state and federal benefits you are entitled to, including FoodShare, Medicaid and SeniorCare, which offers seniors prescription drug coverage.
- ❖ **Medigap Helpline:** **(800) 242-1060** (toll free)
Trained counselors will help you compare Medicare Supplement, Medicare Advantage, and employer-related coverage plans.
- ❖ **Prescription Drug Helpline:** **(855) 677-2783** (toll free)
Trained counselors help you compare Medicare Part D plans and other prescription drug coverage.
- ❖ **Disability Drug Benefit Helpline:** **(800) 926-4862** (toll free)
For individuals on Medicare based on disability, trained counselors help you compare Medicare Part D plans and other prescription drug coverage.