

# NAVIGATING MEDICARE

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# MEDICARE IS COMPLICATED.

## **But it doesn't have to be stressful.**

This guide is designed to help you understand the basics. It will help you navigate the different parts of Medicare, understand what is and isn't covered and decipher the differences and similarities in Medicare Advantage and Medicare Supplement. You'll also learn about prescription drug coverage.

After you review the guide, if you have any Medicare-related questions and need help enrolling in a plan or reviewing your existing coverage, we invite you to call Medicare BackOffice® to speak to a Licensed Insurance Agent. The friendly, knowledgeable agents at Medicare BackOffice are specially trained to help you find a Medicare health plan that works best for your budget and your needs.

No fee. No pressure. No obligations.

Medicare BackOffice is here to help.

**To speak to a Licensed Insurance Agent, call 877.385.8083.**

## LET'S START WITH THE BASICS.

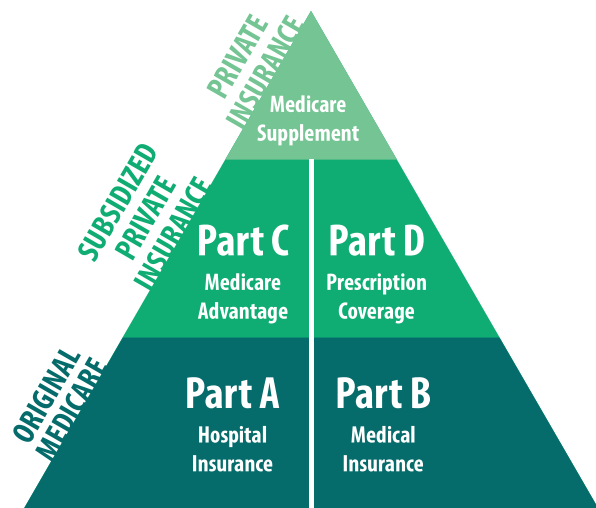
## **What is Medicare?**

Medicare is health insurance provided by the government for people age 65 or those with certain disabilities.

## **Who is eligible?**

In general, those who are eligible for 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 under 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.

# MEDICARE HAS FOUR PARTS.



## Part A (Hospital Insurance)

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, if you're admitted. Includes inpatient hospital room and board, skilled nursing care, hospice and some home health care costs.

**Cost:** Most people do not pay a premium for Part A. There are deductibles and co-pays that can change each year.

## Part B (Medical Insurance)

Covers medically necessary outpatient doctor visits, outpatient surgery, physical therapy, durable medical equipment (such as crutches, wheelchairs and home oxygen supplies), ambulance services and preventative services (such as flu shots and screenings for diabetes and cancers).

**Cost:** Everyone pays a monthly, income-tested premium for Part B — the more you make, the more you pay. Premiums and deductibles can change each year.

## Part C (Medicare Advantage Plans)

A type of Medicare health plan offered by a private insurance company that contracts with Medicare to provide all Part A and Part B benefits. May also offer extra coverage. Always covers emergency and urgently needed care. May include Part D Prescription Drug coverage (making it an MA-PD plan).

**Cost:** Medicare Advantage plans may charge a premium in addition to Part B Premium. Premiums vary by plan type and geography, and often include prescription drug coverage at no extra cost. Deductibles, co-pays and co-insurance vary by plan and can change each year.

## Part D (Prescription Drug Plans)

Provides outpatient prescription drug coverage. Can be purchased on a standalone basis or be included with a Medicare Advantage plan in an MA-PD plan.

**Cost:** Everyone pays a monthly, income-tested premium for Part D — the more you make, the more you pay. Premiums and deductibles vary by plan and geography and can change each year.

## Medicare Supplement Plans (Or Medigap)

Plans that can help pay some of the health care costs that Original Medicare doesn't cover such as co-payments, co-insurance and deductibles. Provided by private insurance companies.

**Cost:** Once accepted, a monthly premium (which can vary by plan type, geography and other variables) is required.

## 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
- Cosmetic surgery
- Acupuncture
- Routine foot care
- Eye examinations related to prescribing glasses
- Hearing aids and exams for fitting them

\*Medicare Supplement plans generally do not cover these costs

## When do I first enroll in Original Medicare?

You have a seven-month enrollment period to sign up for Original Medicare (Part A and/or Part B). This is called your initial enrollment period, and it starts three months before the month you turn 65, includes your birth month and concludes three months after the month you turn 65.

**If you do not enroll in Original Medicare during your initial enrollment period or do not provide proof of insurance under another eligible plan, you may pay a penalty.**

## TURNING 65?

**Find your birth month to find your Original Medicare initial enrollment period:**

### JANUARY

the October before your birthday –  
the April after your birthday

### FEBRUARY

the November before your birthday  
– the May after your birthday

### MARCH

the December before your birthday  
– the June after your birthday

### APRIL

the January before your birthday –  
the July after your birthday

### MAY

the February before your birthday  
– the August after your birthday

### JUNE

the March before your birthday –  
the September after your birthday

### JULY

the April before your birthday –  
the October after your birthday

### AUGUST

the May before your birthday – the  
November after your birthday

### SEPTEMBER

the June before your birthday –  
the December after your birthday

### OCTOBER

the July before your birthday – the  
January after your birthday

### NOVEMBER

the August before your birthday –  
the February after your birthday

### DECEMBER

the September before your  
birthday – the March after your  
birthday

## WHAT IF I STILL HAVE EMPLOYER COVERAGE AVAILABLE?

If you have insurance through your or your spouse's current job, in most cases you should at least enroll in Part A, as it's free for most people.

To decide whether to take Part B, 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 when you enroll in Original Medicare. You will need to figure out whether paying for both types of coverage will be useful in offsetting your health care costs.

## When do I first enroll in Medicare Advantage or Medicare Supplement?

This varies, depending on a lot of factors. Because there are so many variables, learning about your Medicare options a good year or more before your 65th birthday protects you from missing the enrollment deadlines, allows you to coordinate with any group coverage you may have and prevents gaps in coverage.

### Medicare Advantage

If you think you may want a Medicare Advantage plan instead of Original Medicare, you may want to make that decision during your initial enrollment period (the seven-month period around your 65th birthday.) However, you will have other opportunities to change your coverage later. (See pages 16 and 17.)

### Medicare Supplement (Medigap)

If you think you may want to add a Medicare Supplement plan to Original Medicare, the best time to buy one is during your Medigap initial enrollment period.

***Even if you have health problems, you can buy any Medicare Supplement policy for the same price as people with good health during your initial enrollment period.***

After that, companies may require medical underwriting to decide whether to accept your application and how much to charge you for the policy.

You can sign up for a Medicare Supplement health insurance plan up to six months before your 65th birthday (three months in WI or NY). (You cannot, however, enroll in Original Medicare, Medicare Advantage or a Part D Prescription Drug plan until three months before your 65th birthday.)

### Part D Prescription Drug Coverage

The best time to add Medicare Part D Prescription Drug coverage may be when you're first eligible, because you likely will pay a late enrollment penalty if you join later. You may avoid the penalty if you have other creditable prescription drug coverage or if you get Extra Help, a Medicare program for people with limited income.

**Your initial enrollment period for Original Medicare is different than Medicare's annual election period — sometimes called "open enrollment period" — a yearly timeframe that allows people enrolled in Medicare Advantage and Prescription Drug plans to change plans for the following year. The annual election period is Oct. 15 through Dec. 7 every year.**

## **HOW DO YOU PAY FOR WHAT MEDICARE DOESN'T COVER?**

**Medicare is not a catastrophic health insurance policy. It does not pay for hospitalization longer than 150 days, and there is no cap on out-of-pocket expenses.**

**Adding a Medicare Supplement health insurance plan or choosing a Medicare Advantage health insurance plan can help pay for what Medicare doesn't cover, protecting you against huge medical bills.**

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.

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. Medicare Advantage plans must provide the same level of coverage as Original Medicare with the exception of hospice care.

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.

**TAKE A LOOK AT THE CHART ON THE NEXT PAGE TO  
SEE THE DIFFERENCES!**

# WHAT IS THE DIFFERENCE BETWEEN MEDICARE ADVANTAGE (PART C) AND MEDICARE SUPPLEMENT PLANS?

## 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

Monthly premiums typically range from \$85 to \$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

You can join, drop or switch a Medicare Advantage plan during these enrollment periods: Initial Enrollment Period, General Enrollment Period or Annual Election Period

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

May charge premium in addition to Part B premium

Premiums are not impacted by age or gender, but do vary by county

Guaranteed acceptance

Benefits vary by company

Out-of-pocket costs are capped

# HOW DO I COMPARE MEDIGAP POLICIES?

This chart shows basic information about the different benefits that Medigap policies cover. If a percentage appears, the Medigap plan covers that percentage of the benefit, and you’re responsible for the rest.

Medicare Supplement Insurance (Medigap) plans										
Benefits	A	B	C <sup>1</sup>	D	F <sup>1,2</sup>	G <sup>2</sup>	K	L	M	N
Medicare Part A co-insurance and hospital costs (up to an additional 365 days after Medicare benefits are used)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Medicare Part B co-insurance or co-payment	100%	100%	100%	100%	100%	100%	50%	75%	100%	100% <sup>3</sup>
Blood (first 3 pints)	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
Part A hospice care co-insurance or co-payment	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
Skilled nursing facility care co-insurance			100%	100%	100%	100%	50%	75%	100%	100%
Part A deductible		100%	100%	100%	100%	100%	50%	75%	50%	100%
Part B deductible			100%		100%					
Part B excess charges					100%	100%				
Foreign travel emergency (up to plan limits)			80%	80%	80%	80%			80%	80%
							Out-of-pocket limit in 2024			
							\$7,060	\$3,530		

<sup>1</sup> Plans C and F are only available for Medicare beneficiaries who became eligible for Medicare prior to Jan. 1, 2020.

<sup>2</sup> Plans F and G also offer a high-deductible plan in some states. If you choose this option, this means you must pay for Medicare-covered costs (co-insurance, co-payments and deductibles) up to the deductible amount of \$2,800 in 2024 before your policy pays anything.

<sup>3</sup> Plan N pays 100% of the Part B co-insurance, except for a co-payment of up to \$20 for some office visits and up to a \$50 co-payment for emergency room visits that don’t result in an inpatient admission.



# I'M ENROLLED... NOW WHAT?

Once you're enrolled in Original Medicare, you don't need to sign up each year. But each year you have the opportunity to make changes to your Medicare Advantage or Medicare Prescription Drug coverage for the following year. (See dates on this page.) While Medicare Supplement plans can be purchased year-round, the insurance company may require health questions to be answered to determine eligibility.

## **Open Enrollment Period (also known as Annual Election Period): Oct. 15 – Dec. 7**

Open to anyone in the Medicare program, this is when you can:

- Change to a Medicare Advantage (MA) plan or a Medicare Advantage plus Part D (MA-PD) plan from Original Medicare
- Change from an MA or MA-PD plan to Original Medicare
- Change one MA plan or MA-PD plan to another MA or MA-PD plan
- Enroll in a Part D plan
- Change from one Part D plan to another

## **General Enrollment Period: Jan. 1 – March 31**

If you miss your initial enrollment period for Medicare Part A and/or Part B, you get another chance to enroll 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.

# REVIEW YOUR MEDICARE COVERAGE ANNUALLY

Insurance companies each year can make changes that impact your coverage and what you pay. These changes are announced in the fall annual election period, or open enrollment. If you don't identify certain changes, you could end up paying hundreds, if not thousands of dollars more or losing certain benefits. Reviewing your plan annually is a critical step to managing your health care costs in retirement.

The Licensed Insurance Agents at Medicare BackOffice specialize in Medicare and have access to various plans, so they can review your plan to spot changes and then search for others to get you the coverage you need at a price you can afford. This is a free service to you, with no pressure and no obligations.

Medicare BackOffice is here to help.

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call 877.385.8083.**



# NOTES

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