

# Medicare Made Simple

2023



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# What is Medicare?

Medicare is a nationwide health insurance program administered by the Federal Government in the United States. The program began in 1966 under the Social Security Administration (SSA) and is presently administered by the Centers for Medicare and Medicaid Services (CMS). Medicare provides health insurance for Americans aged 65 years and older, younger people with a disability status as determined by the Social Security Administration, as well as people with end-stage renal disease and amyotrophic lateral sclerosis (ALS or Lou Gehrig's disease).

Medicare is divided into four parts: A, B, C, and D. Together, Medicare Parts A and B are known as Original Medicare.

# What Does Each Part of Medicare Cover?

## Part A: Hospital Insurance

Medicare Part A covers inpatient hospital stays when formally admitted to a hospital, it also covers skilled nursing after being formally admitted to a hospital for at least three days (this does not include coverage for custodial care for daily needs such as eating and bathing), and hospice care when determined by a physician these services are needed.

Part A Medicare has Co-pays and Deductibles when utilizing services but is typically premium-free to individuals who paid Medicare taxes throughout their working years.

## Part B: Medical Insurance

Medicare Part B covers medical outpatient services such as most doctors' office visits, even if the office is "in a hospital," and some parts of medical services while inpatient at a hospital. Also, part B pays outpatient hospital charges, and most professionally administered prescription drugs (these are medications administered to you by a physician).

Part B Medicare does have a monthly premium, in addition to Co-insurance and a Deductible that is paid for either through a Social Security monthly benefit or is billed to the individual quarterly, if not currently receiving Social Security benefits.

## Part C: Medicare Advantage

Medicare Part C, also called Medicare Advantage, is an alternative coverage available to individuals that are enrolled in Medicare Parts A and B called Managed Medicare by the Trustees. This coverage allows patients to choose health plans that are administered by private insurance carriers and covers at least the same service of coverage as Parts A and B Medicare (and most often more). Typically, the benefits of Part D prescriptions are included in Part C, along with other benefits that Parts A and B Medicare do not offer.

Medicare Advantage plans could include benefits such as Vision, Dental, Hearing, and other supplementary benefits not covered under original Medicare. There is also an annual out-of-pocket maximum spend limit included in coverage under Medicare Advantage Part C, which Medicare Parts A and B coverages lack. In addition, each Medicare Advantage plan can charge different out-of-pocket costs associated with your care and have different rules for how you get services.

# What Does Each Part of Medicare Cover?

## Part D: Prescription Drug

Medicare Part D prescription drug coverage covers mostly self-administered prescription drugs. These are typically medicines prescribed by a physician that an individual would obtain at a pharmacy. Part D Medicare is an insurance policy offered by private insurance companies that are regulated by Medicare.

Medicare Part D coverage has a tier system, which rates the different drugs and sets a cost for the drug. Tier systems vary from one company to the next. The tier systems are used to rate the costs associated with the medications and are separated by if the medication is a generic, brand name, or specialty drug.

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**Did you know that some Medicare Advantage plans and Medicare Supplement plans might offer additional services beyond Medicare Parts A and B?**

**For example, some Medicare Advantage plans include benefits like wellness programs and routine vision and dental benefits.**

**Medicare Parts A and B do not typically cover these supplementary benefits. Contact us today to learn more about Medicare Plans!**



# When do I sign up for Medicare Parts A and B?

Some people are **automatically** enrolled in Medicare Part A, while others may need to **manually** sign up for it. Do you need help signing up? Get in touch today and let us help!

## Automatic Enrollment

If you are currently receiving retirement benefits from Social Security or the Railroad Retirement Board (RRB), you will be automatically enrolled in both Medicare Part A and Part B starting the first day of the month you turn age 65. If your birthday happens to fall on the first day of the month, then you will be automatically enrolled in Medicare on the first day of the month before your birthday.

You typically will receive your Medicare card in the mail about three months before your 65th birthday.

Most people do not pay a monthly premium for Medicare Part A, as long as you or your spouse paid Medicare taxes for a minimum of 10 years (40 quarters) while working. If you have not worked long enough, but your spouse has, you may be able to qualify for premium-free Part A based on your spouse's work history.

If you are under the age of 65 and disabled, you automatically are enrolled in Part A and Part B after you receive disability benefits from Social Security or certain disability benefits from the Railroad Retirement Board for 24 months. You will receive your Medicare card in the mail three months before the 25th month of disability.

If you have ALS (amyotrophic lateral sclerosis, also called Lou Gehrig's disease), you automatically are enrolled in Part A and B Medicare the first month that your disability benefits begin.



# Manual Enrollment

In some cases, you may need to manually sign up for Medicare Part A. For example, if you are not already receiving Social Security benefits, or if you have end-stage renal disease (ESRD), you may be eligible for Medicare Part A, but you will need to sign up for it. For more information on eligibility, and how to enroll, please contact Medicare in any of the following ways:

- Go to [Medicare.gov](https://www.Medicare.gov).
- Call **1-800-MEDICARE (1-800-633-4227)**. TTY users should call **1-877-486-2048**. Medicare representatives are available 24 hours a day, seven days a week.

You may also need to manually enroll in Part A Medicare if you have not worked long enough to be eligible for this coverage without a premium. If you are not eligible for premium-free Medicare Part A, you may voluntarily enroll in Part A if any of the following situations applies:

- You are 65 or older and meet the citizenship or residency requirements.
- You are under age 65, disabled, and your premium-free Medicare Part A coverage ended because you returned to work.
- You have not paid Medicare taxes through your employment or have not worked the required time to qualify for premium-free Medicare Part A.

If you or your spouse worked and paid Medicare taxes for less than ten years, the length of time that you worked would be taken into consideration when Social Security determines the amount you owe for your Medicare Part A premium. Your premium amount may be reduced and would depend on how long you or your spouse worked and paid Medicare taxes. Medicare-eligible persons who do not have 40 or more quarters of Medicare-covered employment may buy into Part A for an annual adjusted monthly premium of:

- \$278.00 per month (as of 2023) for individuals or couples with 30–39 quarters of Medicare-covered employment, or
- \$506.00 per month (as of 2023) for individuals or couples with fewer than 30 quarters of Medicare-covered employment and who are not otherwise eligible for premium-free Part A coverage.





# When Do I Sign Up For Medicare Parts A & B



If you need to manually enroll in Medicare Parts A or B, you can do so through Social Security or the Railroad Retirement Board (RRB). You can sign up in a few different ways:

- Online: Visit the Social Security website at [secure.ssa.gov/iClaim/rib](https://secure.ssa.gov/iClaim/rib) to apply for Medicare Part A or Part B.
- By phone: Call Social Security at **1-800-772-1213** (TTY users, call **1-800-325-0778**). Representatives are available Monday through Friday, from 7 AM to 7 PM.
- In-person: Visit your local Social Security office to apply.
- If you worked for a railroad, contact the RRB to apply at **1-877-772-5772**. (TTY users, call **1-312-751-4701**). You can call Monday through Friday, 9 AM to 3:30 PM, to speak to an RRB representative.

# Late Enrollment

You may be subject to a late-enrollment penalty if you do not enroll in Medicare Part A and/or Part B when you are first eligible to do so. If you do not qualify to be enrolled automatically in Medicare Part A and B, you can do so during your Initial Enrollment Period, which starts three months before you turn 65, includes the month you turn 65, and lasts for three additional months after you turn 65.

If you do not sign up during your Initial Enrollment Period, you may be able to sign up during the General Enrollment Period that takes place every year from January 1 to March 31; if you enrolled within this enrollment period, your coverage would start on July 1 of that year.

Keep in mind that if you wait to enroll in Parts A and B after you are first eligible, you may owe a late-enrollment penalty in the form of a higher premium. Your Part B premium could go up 10%, and you'll have to pay this higher premium for twice the number of years that you could have enrolled in Part B but went without it. In some cases, you may not owe a late-enrollment penalty if you are eligible to enroll with a Special Enrollment Period. This could include having coverage through an employer, and not needing to sign up for Medicare yet.

Keep in mind that if you are still working and covered through an employer group health plan through your job, you may not need to enroll in Medicare until you decide to leave your employer coverage.

Sometimes individuals and couples only need to sign up for Part A benefits and not enroll in Part B, until they retire and are covered under their employer group health plan. Keep in mind that this is not a general rule, and does have restrictions. You should ask your employer if it is necessary to sign up for Medicare, as the human resources department should know the rules.







# Make Us Your Medicare Resource

## Call us with any questions concerning employer group health plans and Medicare

The information in this guide is just the beginning of the types of Medicare coverage that may be available. Once you are enrolled in Medicare Parts A and B, you may be eligible for other types of coverage, including Medicare Advantage plans, Medicare Supplement Insurance plans, or Medicare prescription drug coverage.

The Medicare plan that may work best for your unique individual situation often depends on your medical needs, budget, and other factors.

Did you know that some Medicare Advantage plans and Medicare Supplement plans might offer additional services beyond Medicare Parts A and B? For example, some Medicare Advantage plans include benefits like wellness programs and routine vision and dental benefits. Medicare Parts A and B do not typically cover these supplementary benefits.

# Thank You

Contact us today to learn more about Medicare Plans!

We want our customers to have all the knowledge and resources they need to make informed financial decisions.



## Contact Us



**866-537-3977** (toll free) **443-537-0555** (local)



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