

Medicare Made Clear®

# Learning the basics of Medicare



# What is Medicare?

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## PART

## A

Medicare is a federal program that offers health insurance to American citizens and other eligible individuals.

## PART

## B

The program is often called Original Medicare. It has two parts – Part A and Part B.



# Who can get Medicare?

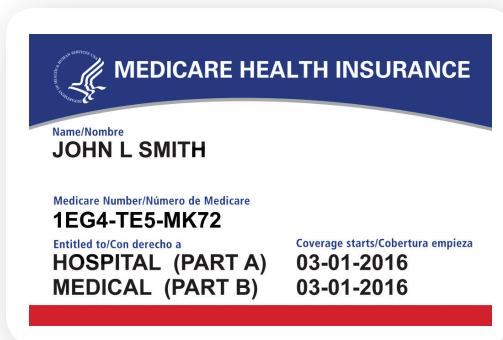
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## U.S. citizens and legal residents

Legal residents must live in the U.S. for at least 5 years in a row, including the 5 years just before applying for Medicare.

## You must also meet one of the following requirements:

- Age 65 or older
- Younger than 65 with a qualifying disability
- Any age with a diagnosis of end-stage renal disease or ALS



# What does Medicare cover?

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Original Medicare (Parts A & B) provides many health care benefits



Part A covers inpatient hospital and skilled nursing care.



Part B covers doctor visits and outpatient care.

You can choose private plans to get more coverage



Medicare Advantage plans (Part C) combine Part A and Part B coverage. They often include drug coverage and other benefits you don't get with Original Medicare.



Medicare prescription drug plans (Part D) help pay for medications. You can get a standalone Part D plan or get a Medicare Advantage plan that includes drug coverage.



Medicare supplement insurance (Medigap) helps pay some or all costs not paid by Original Medicare (deductibles, copays and coinsurance).

# What are my options?

You can add coverage to Original Medicare or choose a Medicare Advantage plan instead.

## Original Medicare

You may add a standalone Part D plan, a Medicare supplement plan or both to Original Medicare (Parts A & B).

The diagram illustrates four combinations of Medicare coverage options:

- Part A (wheelchair icon) and Part B (stethoscope icon).
- Part A (wheelchair icon), Part B (stethoscope icon), and Part D (pill bottle icon).
- Part A (wheelchair icon), Part B (stethoscope icon), and Med Supp (downward arrow over 'MED SUPP' with an upward arrow below).
- Part A (wheelchair icon), Part B (stethoscope icon), Part D (pill bottle icon), and Med Supp (downward arrow over 'MED SUPP' with an upward arrow below).

## Medicare Advantage

You may choose to get your benefits through a Medicare Advantage plan (Part C). Many plans come with built-in prescription drug coverage. You can add a standalone Part D plan only with certain Medicare Advantage plan types.

The diagram illustrates three Medicare Advantage options:

- Part C (wheelchair and stethoscope icon) (with no drug coverage).
- Part C (wheelchair and stethoscope icon) and Part D (pill bottle icon) (with built-in drug coverage).
- Part C (wheelchair and stethoscope icon) and Part D (pill bottle icon) (add standalone drug plan).

# What does Medicare cost?

## Medicare and many Medicare plans charge premiums

A premium is a fixed amount you pay each month for coverage.



You also pay a share of the cost for health care services you receive. The three kinds of payments you might have are:

- **Deductible**
- **Copay**
- **Coinsurance**



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## Deductible

A set amount you pay out of pocket for covered services each year before Medicare or your plan begins to pay.

**You Pay First**



**Medicare or Your Plan Begins to Pay**



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## Copay

A fixed amount you pay at the time you receive a covered service. For example, you might pay \$20 when you visit the doctor or \$12 when you fill a prescription.

**You Pay a Fixed Amount**



**Medicare or Your Plan Pays the Rest**



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## Coinsurance

A percentage of the cost for a covered service that you pay when you receive it. For example, you might pay 20% and Medicare or your plan would pay 80%.

**You Pay  
20%**



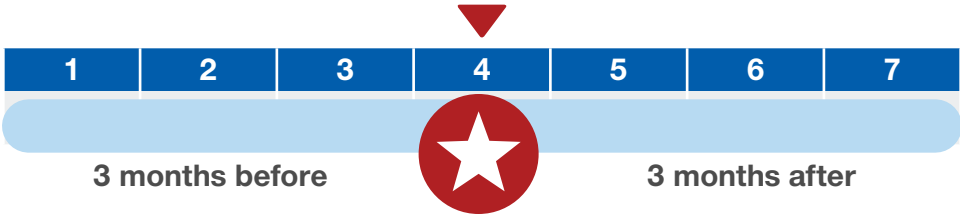
**Medicare or  
Your Plan Pays  
80%**

# When can I enroll?

## Enrolling in Medicare for the first time

- Your Initial Enrollment Period (IEP) is 7 months long. It includes your 65th birthday month plus the 3 months before and the 3 months after.
- Your IEP begins and ends one month earlier if your birthday is on the first of the month.
- Your IEP is based on your 25th month of receiving benefits if you become eligible for Medicare due to disability.
- You should be enrolled in Part A and Part B automatically at age 65 if you are receiving social security or Railroad Retirement Board benefits. Medicare will mail your card to you.

**The month you turn 65 years old or  
you receive your 25th disability check**



## Changing your coverage

- After you're enrolled, you have a chance to make changes to your coverage each year during Medicare Open Enrollment, October 15 to December 7.
- Review your coverage choices yearly. Medicare and plan benefits or costs may change.
- Consider your health care needs and budget for the coming year.
- Keep your current coverage or change it based on your needs.
- You may make coverage changes at other times of the year in certain qualifying situations.



# What if I work past 65?

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## You still have an Initial Enrollment Period

- Your IEP happens when you turn 65 whether you continue to work or not.
- You have Medicare decisions to make even if you have employer coverage (yours or your spouse's).

## Be proactive

- Make sure you know your IEP dates.
- Medicare will notify you only if you are receiving social security or Railroad Retirement Board benefits.
- You may need to sign up for Medicare yourself by contacting Social Security.

## Medicare may work with employer coverage

- You may want to enroll in just Part A. It's premium free for most people.
- Some employers require you to take full Medicare benefits (Part A and Part B) at age 65.
- Check with your employer plan benefits administrator before making Medicare decisions.



# How do I choose?

Think about your needs so you can see how different coverage options might work for you. Answering the following questions can help you get started.

## Your health

- How often do you go to the doctor?
- What health problems do you have?
- What medications do you take regularly?

## Your budget

- What are you able to pay each month in premiums?
- How comfortable are you covering copays or coinsurance for services?
- How willing are you to accept the risk of high out-of-pocket costs?

## Your preferences


- Which doctors, hospitals and pharmacies do you like to go to?
- How important is it for you to have access to health care while traveling?
- What other coverage do you have, such as an employer or retiree plan?




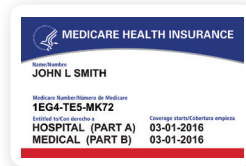
# STEP 1

## Enroll in Original Medicare.

**Original Medicare.** Provided by the federal government.

**PART A**  Helps pay for hospital stays and inpatient care

**PART B**  Helps pay for doctor visits and outpatient care



# STEP 2

## Decide if you need additional coverage. There are two ways to get it.

### OPTION 1 — OR — OPTION 2

Add one or both of the following to Original Medicare.

Choose a Medicare Advantage plan.

**Medicare Supplement Insurance Plan.** Offered by private companies.



Helps pay some of the out-of-pocket costs that come with Original Medicare

**Medicare Part D Plan.** Offered by private companies.



Helps pay for prescription drugs

**Medicare Advantage Plan.** Offered by private companies.



Combines Part A (hospital insurance) and Part B (medical insurance) in one plan



Usually includes prescription drug coverage



May offer additional benefits not provided by Original Medicare

# Want to learn more?



Visit [MedicareMadeClear.com](https://www.MedicareMadeClear.com)

## **Medicare**

1-800-MEDICARE (1-800-633-4227), TTY 1-877-486-2048  
[Medicare.gov](https://www.Medicare.gov)

## **Social Security Administration**

1-800-772-1213, TTY 1-800-325-0778  
[SSA.gov](https://www.SSA.gov)

## **State Health Insurance Assistance Program (SHIP)**

[shiptacenter.org](https://www.shiptacenter.org)

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