

Medicare Guide

Medicare can be complex, but this brief guide gives you an overview of what you need to know 3 to 6 months before you turn 65, frequently asked questions, and a few handy charts.

What Is Medicare?

Medicare is our country's health insurance program for people age 65 or older. Certain people younger than age 65 can qualify for Medicare too, including those with disabilities and those who have permanent kidney failure.

Do You Qualify For Medicare?

If you or your spouse have paid Medicare taxes for 10 years or 40 quarters you will not pay a premium for Part A.

What Are The Parts Of Medicare?

Part A - Hospital Care

There is no monthly premium if you qualify.

Part B - Medical/Doctor Care

The minimum monthly premium for 2019 is \$135.50

Part C - Medicare Advantage Plans

These are optional plans that usually combine Parts A, B and D. Premiums for these plans can range from \$0 to \$250 a month or more.

Part D - Prescription Drug Coverage

There is a range of premiums for these plans.

Medicare Supplement or Medigap Plans Not a "PART" of Medicare, it is necessary this definition be included for purposes of clarification. These are optional plans. You will stay on Parts A and B and must get a stand-alone prescription drug plan with any Medicare supplement plan. There is a wide range of plans and premiums for these types of plans.

See the Medicare Supplement Plan Chart.

When And How Do You Sign Up For Medicare?

- You can first sign up for Medicare during your Initial Enrollment Period. This is a 7-month period that begins 3 months before your 65th birthday, the month of your 65th birthday and 3 months after your 65th birthday.
- If you are already getting benefits from Social Security, you'll automatically get Parts A and B starting the first day of the month you turn 65. If your birthday is on the first day of the month, Parts A and B will start the first day of the prior month. You should get your Medicare card in the mail 2 – 3 months before your 65th birthday.
- If you are close to 65 but not collecting Social Security, you'll need to sign up for Medicare. Contact Social Security 3 months before you turn 65. You can also apply for Parts A and B at SSA.gov.
- You should sign up for Part A when you first become eligible. In most cases there is no charge for Part A.
- If you are currently covered under an employer group health insurance plan you will need to check with your group plan administrator and see if you are required to sign up for Part B. If you don't have to – don't. You will be charged a premium for Part B. When your group health plan ends, you can then sign up for Part B with no penalty because you would have had creditable coverage.

Evaluating your Medicare options can be complicated...

That's why Associated Health Options is here to help with trusted information and expert support.

We are here to help you design, compare and implement an effective Medicare plan. There are no fees or additional costs to use our Medicare services. Appointments are completely no-cost and no-obligation.

What Are the Penalties Involved in Medicare?

Part B Penalty: If you don't sign up for Part B when you are first eligible, you MAY have to pay a late enrollment penalty for as long as you have Part B. Your monthly premium for Part B may go up 10% for each full 12-month period that you could have had Part B, but didn't sign up for it. **If you're allowed to sign up for Part B during a Special Enrollment Period, you won't pay a late enrollment penalty (i.e. if you had creditable coverage from an employer group plan).**

Part D Penalty: This is an amount that is added to your Part D premium. You MAY owe a late enrollment penalty if at any time after your Initial Enrollment Period is over there is a period of 63 or more days in a row when you don't have Part D (prescription drug coverage) or other creditable prescription drug coverage. Currently, the late enrollment penalty is 1% of the national base premium multiplied by the number of full months that you were eligible but didn't join a drug plan and went without creditable coverage.

Commonly Asked Questions About Medicare

- What are Parts A, B, C and D of Medicare?
- How can I protect myself where original Medicare doesn't?
- What are the Part B and Part D penalties?
- What is the difference between a Medicare Advantage Plan and a Medicare Supplement Plan?
- When and how do I enroll in Medicare?
- Will I get Medicare automatically?
- Should I sign up for Part B if I'm still working?
- What happens when employer coverage ends?
- What about COBRA?

Medicare Reference Charts

Benefits	Medicare Supplement Insurance (Medigap) Plans										
	A	B	C	D	F*	G	K	L	M	N	
Medicare Part A coinsurance 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 coinsurance or cop	100%	100%	100%	100%	100%	100%	50%	75%	100%	100% ***	
Blood (first 3 pints)	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%	
Part A hospice care coinsurance or copayment	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%	
Skilled nursing facility care coinsurance			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%	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 2018	
\$5120	\$2560

*Plan F is also offered as a high-deductible plan by some insurance companies in some states. If you choose this option, this means you must pay for Medicare-covered costs (coinsurance, copayments, deductibles) up to the deductible amount of \$2200 in 2018 before your policy pays anything.

**For Plans K and L, after you meet your out-of-pocket yearly limit and your yearly Part B deductible (\$183 in 2018), the Medigap plan plays 100% of covered services for the rest of the calendar year.

***Plan N pays 100% of the Part B coinsurance except for a copayment of up to \$20 for some office visits and up to a \$50 copayment for emergency room visits that don't result in an inpatient admission.

