

# MEDICARE MADE SIMPLE (Hopefully)

For an explanation of how to determine your eligibility call 1-800-MEDICARE (TTY 1-877-486-2048).

When you're on Medicare, understanding and comparing all of your health care options can be confusing. Yet, it is important for you to understand those options, so you can make a choice you are comfortable with and one that will provide you with the benefits you need.

This brochure was written to help inform you about some of your different options, so you can be prepared and confident when you select the health plan that is right for you.

Understanding Medicare:

## Medicare Part A: Hospital Insurance

Medicare Part A helps cover inpatient care in hospitals and also helps cover skilled nursing facility, hospice, and home health care if you meet certain conditions. Most people automatically get Medicare Part A without having to pay a monthly premium.

## Medicare Part B: Medical Insurance

Medicare Part B helps cover medically-necessary services like doctors' services and outpatient care. Part B also helps cover some preventive services to help maintain one's health. An individual that picks up Medicare Part B has to pay the Part B premium each month.

## Medicare Part C: Medicare Advantage Plans

Medicare Part C combines Medicare Part A, Part B, and sometimes, Part D (prescription drug coverage). Medicare Advantage plans are managed by private insurance companies approved by Medicare. Plans can charge different premiums, copayments, coinsurance, or deductibles for these services in addition to the Part B premium.

## Medicare Part D: Medicare Prescription Drug Coverage

Medicare Part D helps cover prescription drugs. This coverage may help lower your prescription drug costs and help protect against higher costs in the future. Medicare Part D coverage is available as a stand-alone plan or may be included with a Medicare Advantage plan. You generally pay a monthly premium for Medicare Part D.

## YOU HAVE CHOICES

You have 4 basic choices if you are in the Medicare system.

- You can rely on **Original Medicare** alone to provide your coverage.
- You can **add prescription drug coverage (Medicare Part D) to Original Medicare** by joining a Medicare Prescription Drug Plan.
- You can purchase a **Medicare Supplement** plan in addition to Original Medicare to fill the gaps not covered by Medicare alone.
- You can choose a **Medicare Advantage** plan to provide all of the benefits you are entitled to under Medicare... and more.

# CHOICES

## 4 Original Medicare

Original Medicare is managed by the Federal Government and provides Medicare Part A (hospital) coverage and Part B (medical) coverage. Usually a fee is charged for each health care service or supply that one gets. This fee is in addition to the Medicare Part B premium. Original Medicare is available to all people who are 65 years of age and older or people who qualify through disability.

## Medicare Supplement Plans

A Medicare Supplement plan is an insurance policy that may be purchased in addition to Original Medicare coverage. Medicare Supplement plans are designed to fill “coverage gaps” in Original Medicare—not to provide comprehensive health coverage. With a Medicare Supplement plan one must purchase a separate prescription plan if they want prescription drug coverage.

## Medicare Advantage Plans (HMO, PPO & PFFS)

A Medicare Advantage plan is a type of Medicare health plan offered by a private company that contracts with Medicare to provide a member with all their Medicare Part A and Part B benefits. Also called “Part C,” Medicare Advantage plans include Health Maintenance Organizations, Preferred Provider Organizations, and Private Fee-for-Service Plans. If a Medicare eligible individual is enrolled in a Medicare Advantage plan, Medicare services are covered through the plan. The most common types of plans are:

- **Health Maintenance Organization (HMO)**

An HMO plan includes a network of doctors, specialists, hospitals, and other providers that are contracted through the health plan. Members who enroll in an HMO can only use doctors that are part of the plan’s contracted network. HMO plans cover all Medicare Part A and Part B benefits. Many HMOs cover extra benefits like extra days in the hospital.

- **Preferred Provider Organization (PPO)**

A PPO plan includes a network of doctors, specialists, and hospitals. Members in a PPO plan are not required to see doctors within their provider’s network. Seeing doctors within the network will generally cost less than seeing doctors outside of the network. If members use doctors, specialists, and hospitals that are not in the PPO list, they will usually pay higher copayments and deductibles. In a PPO, members don’t need to get a referral to see a specialist.

- **Private Fee-For-Service (PFFS)**

With a Private Fee-For-Service plan, members may visit any Medicare-approved provider who agrees to accept the plan’s terms and conditions of payment. A Medicare Advantage Private Fee-For-Service plan works differently than a Medicare Supplement plan. The doctor or hospital is not required to agree to accept the plan’s terms and conditions, and thus may choose not to treat the member, with the exception of emergencies. If the member’s doctor or hospital does not agree to accept the plan’s payment terms and conditions, they may choose not to provide health care service to the member, except in emergencies. Providers can find the plan’s terms and conditions on the plan’s Web site.

## Enrollment Periods for Medicare Part D and for Medicare Advantage Plans

*The Centers for Medicare and Medicaid Services have established the following enrollment periods:*

**Annual Enrollment Period: November 15 – December 31 of each year**

This is for anyone wishing to join a Medicare Advantage or Prescription Drug plan or switch to a different plan. Your coverage will begin on January 1 of the following year.

**Open Enrollment Period: January 1 – March 31 of each year**

During this period anyone already enrolled in a Medicare Advantage plan can switch to a different Medicare Advantage plan with similar drug coverage. Anyone with Original Medicare and a Prescription Drug plan can switch to a Medicare Advantage plan with similar drug coverage.

**Special Enrollment Period: April 1 – November 15 of each year**

Individuals may be able to join or switch plans if they qualify based on certain circumstances such as qualifying for extra help or moving out of the plan's service area. Those that are new to Medicare, can enroll anytime up to 3 months before their 65th birthday, the month of their 65th birthday, and 3 months after. If an individual is new to Medicare but older than 65, they can enroll up to 3 months before electing Medicare Part B. If an individual is eligible for Medicare based on disability or permanent kidney failure, their initial enrollment period depends on the date their disability or when their treatment plan began.

**ENROLLMENT PERIODS *MEDICARE PART D*****Medicare Prescription Drug Coverage**

Part D Prescription Drug plan could help an individual save money even if they currently don't take a lot of prescription drugs. So it's a good idea for them to consider adding this coverage to their medical plan. Some Medicare Advantage plans include Medicare Part D coverage as part of the plan. Stand-alone Prescription Drug plans are also available. Those that are eligible to join a Medicare Prescription Drug plan and choose not to enroll, may have to pay a late enrollment penalty when they do join.

Basic Part D coverage will cover yearly drug costs up to \$2,700. If a person's costs for prescription drugs during the year goes over \$2,700, they are responsible for 100% of their prescription drug costs until their total out-of-pocket drug costs reach \$4,350. This period is known as the coverage gap. After they reach \$4,350, their plan will again share the cost of their prescription medications with them. Some health plan options offer higher levels of Medicare Part D coverage, including coverage during the gap period.

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