

## Additional Enrollment Information

There are specific enrollment regulations and possible penalties for enrolling in Original Medicare. Generally, if you do not enroll in Part A, B and D when eligible, you may have a penalty in addition to your premium.

Enrolling in a Medigap plan, Medicare Advantage or Part D plans also have specific enrollment regulations.

Initial enrollment in supplement plans can be completed at any time of the year in most states. However, if you apply after the time you are initially eligible for coverage, you may have to answer health questions to be approved and your premiums may be higher.

Medicare Advantage and Part D plans have regulated enrollment periods. These include open enrollment, which is in the fall of each year for individuals on Original Medicare, Medicare Advantage and Medicare Part D plans. There are a number of “special election periods” for Medicare Advantage and Part D plans. These include losing employer health coverage, moving from one state to another or county to county, and moving from overseas. Becoming eligible for certain other enrollment periods include but are not limited to changing plans or going on a plan when an individual moves, goes into or out of a nursing home or a skilled nursing facility.

Medicare Advantage and Part D plans cannot ask medical questions (other than if the person has been diagnosed with End-Stage Renal Disease).

## What New Medicare Enrollees Need to Know

If you are turning 65 or new to Medicare, the first thing you should do is decide if you need to enroll in Medicare. If so, you need to review Original Medicare. Making these decisions may seem complicated, but a health insurance professional who is certified to sell Medicare Plans can help you understand your options. You can find one in your area by going to [www.nahu.org](http://www.nahu.org) and clicking on the “Find an Agent” feature.

## Quick Facts on Medicare

- The government calls a person who is enrolled in Medicare a “Medicare beneficiary.”
- You will receive your Medicare card automatically if you are receiving Social Security or Railroad Retirement benefits.
- You can enroll in Medicare through Social Security by calling 1-800-772-1213, by going to a Social Security office or by going online at [www.ssa.gov](http://www.ssa.gov).
- Medicare has enrollment periods. You must enroll when you are eligible; however, if you are working, you may delay enrollment in some situations.
- You do not have to be currently receiving Social Security benefits to sign up for Medicare.
- You may not need every part of Medicare if you have insurance from your employer and plan to continue working.
- The Medicare & You handbooks are mailed to all beneficiaries in September
- There have been many changes to the Medicare programs, and a health insurance professional who specializes in Medicare can help you understand your options. You can find one in your area by going to [www.nahu.org](http://www.nahu.org) and clicking on the “Find an Agent” feature.

## You May Be Eligible for Extra Help

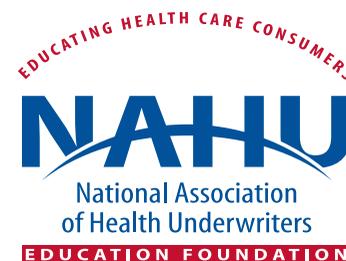
People with limited income and resources may qualify for Extra Help. These are programs that pay the Part B Original Medicare premium and/or lower the costs of Medicare prescription drug coverage costs. You can get more information about assistance by going to a Social Security office, calling 1-800-772-1213 or online at [www.ssa.gov](http://www.ssa.gov).

## Consult the Experts

The National Association of Health Underwriters has trained and certified Medicare insurance professionals ready to help you review your choices and make an informed decision. There is no fee for their service.

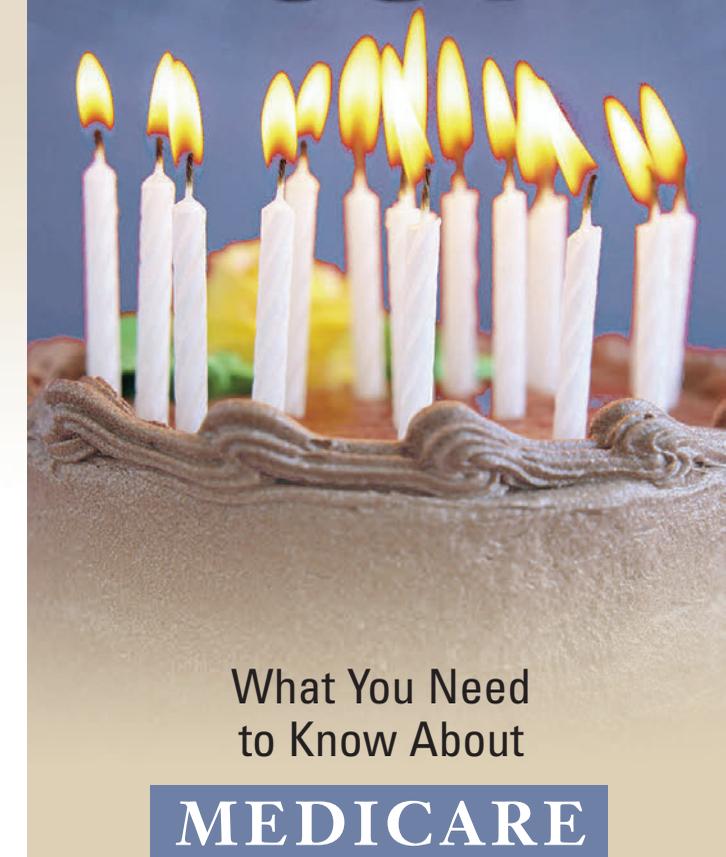
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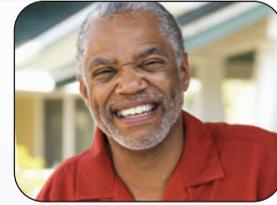


1212 New York Avenue, N.W., Suite 1100  
Washington, D.C. 20005  
202-552-5060 ■ [www.nahueducationfoundation.org](http://www.nahueducationfoundation.org)

TURNING  
65?



What You Need  
to Know About  
**MEDICARE**



**A**s you approach Medicare eligibility, this booklet provides you with an overview of Medicare so that you may begin to understand who is eligible and what Medicare, Medicare supplement (also called Medigap), Medicare Advantage and Prescription Plans are.

Medicare is the government-run health insurance program for those age 65 and older or those under 65 with certain disabilities. In general, individuals who are age 65, have a spouse who has worked 10 years in this country or have received Social Security disability benefits for 24 months may be eligible for Part A and Part B.

## The Four Parts of Medicare

### Part A – Hospital Insurance

Part A covers inpatient hospital room and board, skilled nursing care, hospice and some home healthcare costs.

### Part B – Medical Insurance

Part B benefits include medically necessary doctor visits, outpatient surgery, physical therapy, home healthcare and medical equipment.

### Part C – Medicare Advantage Plan

Health insurance carriers that have a contract with Medicare provide these plans. Medicare Advantage plans have HMO, PPO, POS, MSA and private fee-for-service plans. Plans may have

no or low monthly premiums, copays and an out-of-pocket annual maximum in copays to protect a person from catastrophic illness.

These plans can include more benefits than found in original Medicare. Additional benefits may include coverage for prescriptions, a comprehensive annual physical, dental, vision, routine foot care and gym memberships.

### Part D – Prescription Drug Coverage

Part D of Medicare provides outpatient prescription drug coverage. It can be purchased as a stand-alone program or be included in a Medicare Advantage plan. Plans offered by insurance carriers vary in price, copays and the drugs included on their formulary (prescription drug list).

### What Does Original Medicare Cost without Additional Coverage?

(Costs are for 2014)

**PART A:** There is a \$1,216 deductible for up to 60 days of Medicare-covered inpatient room and board for each benefit period. The benefit period starts the day a Medicare patient is admitted and ends when the patient has been out of the hospital for 60 consecutive days. In 2014, the Part A deductible is \$1,216, the per-day charge is \$304, and 30 lifetime reserve days are \$592 a day. In a skilled nursing facility, the charge is \$152 for days 21-100.

**PART B:** Except with lower income individuals, Part B premiums are means tested. In 2014, the lowest Part B monthly premium is \$104.90—deducted from a Social Security check. If a person is not receiving Social Security, a bill is sent quarterly. The Part B deductible

is \$147 per year, and an individual would pay 20% of medically necessary services.

**PART C:** An individual needs to be enrolled in Part A and Part B to be eligible for Medicare Advantage. Medicare Advantage has low- or no-premium plans. These plans have copays for each benefit and an annual maximum in copays.

**PART D:** Plans have monthly premiums and copays for prescription tiers. Some plans have a deductible. Medicare's standard prescription benefit has three phases: the initial coverage stage, the coverage gap and the catastrophic stage. Below is Medicare's 2014 standard Part D benefit. Drug carriers can offer plans that are better than this standard:

- **Initial coverage:** The deductible is \$310. The costs of covered drugs are shared—up to 25% by the plan member and 75% by the plan itself during the initial coverage period. When the member's out-of-pocket expense and the carrier's out-of-pocket expense equals \$2,850, the person moves into the coverage gap (or donut hole).
- **Coverage gap:** Members pay 72% for plan-covered generic drugs and receive a 47.5% discount for the plan-covered brand drugs. When a person's total amount spent including the deductible, if any, and the combined expenses in the initial coverage period and the coverage gap totals \$4,550, the catastrophic stage begins.
- **Catastrophic:** A person receiving catastrophic benefits pays \$2.55 for generic medications and \$6.35 or 5% (whichever is higher) for brand-name drugs until the end of the calendar year.

### What Are the Options to Help Cover the Costs of Original Medicare?

#### Supplement Plans

There are a variety of supplement plans offered by many insurance companies. These plans can "supplement" the costs of Original Medicare. A person generally needs to buy a prescription plan when purchasing a supplement plan.

#### Medicare Advantage Plans

Advantage Plans are offered by many carriers. Plans are available by county. Prescription coverage can be included with these plans.

#### Retiree Plans

If a retiree plan is offered, a retiree can compare this plan to a Supplement and Medicare Advantage for costs and benefits.

### How Do I Enroll in Original Medicare (Part A and Part B)?

You can enroll in Original Medicare (Parts A and B) by going to a Social Security office, calling Social Security or enrolling through the Medicare website. You can apply for Medicare Part A or B during the three months before you turn 65 or retire and up to three months after your birthday. If you need to be on Medicare for a short period (a month or less), it is best to go to a Social Security office. The effective date of Original Medicare is the first of a month no matter when your birthday falls during the month nor your specific date of retirement.