

# Medicare Insurance **PLANNING GUIDE**

Your Guide to Navigating the Medicare Maze  
and Understanding Your Options.

## NAVIGATION POINTS:

- ➔ **MEDICARE BASICS**
- ➔ **MEDICARE PLAN OPTIONS**
- ➔ **TOOLS AND RESOURCES**



**FOR EDUCATIONAL USE ONLY**

# MEDICARE BASICS

## The Four Parts of Medicare

### PART A - HOSPITAL

Deductible \_\_\_\_\_ Days 1-60

Daily Copay \_\_\_\_\_ Days 61-90

Daily Copay \_\_\_\_\_ Days 91-150\*

Part A also offers coverage for inpatient mental health care in a psychiatric hospital up to 190 days in a lifetime.

Part A also covers medically necessary skilled nursing facility care subject to some cost-sharing (see Medicare & You).

\*Lifetime Reserve - Lifetime Reserve can be utilized once in a person's lifetime. You pay all costs for each day after the lifetime reserve days are used.

➔ The Part A Deductible is per benefit period, you could end up paying this amount more than once per year.

### PART B - DOCTOR / OUTPATIENT

Part B Premium \_\_\_\_\_ Monthly\*

Part B Deductible \_\_\_\_\_ Annual

Medicare Pays \_\_\_\_\_ of Medicare Approved Charge

You Pay \_\_\_\_\_ of Medicare Approved Charge

\* Standard Part B premium amount. Some high income beneficiaries may pay more. (see Medicare & You ).

➔ There is not an out of pocket limit under Part B of Medicare.

➔ Part B now offers a number of preventive services (see Medicare & You).

### PART C - MEDICARE ADVANTAGE PLAN

An alternative to original Medicare A & B. Part C plans are authorized by federal law and regulated by CMS. You are still in Medicare if you join a Part C plan and you must continue to pay your Part B premium.

Medicare Advantage combines Part A and Part B, and usually Part D.

A Medicare Advantage is NOT a supplement, NOR is it similar to a Medicare Supplement.

Medicare Advantage Plans are offered by private insurance companies who have a contract with Medicare.

Medicare Advantage Plans make good sense for some people but not everyone...Consider this option thoroughly.

➔ Some Medicare Advantage Plans offer extra benefits not covered by Medicare, such as Dental, Vision, OTC Items, Hearing Aids and Fitness Club Memberships.

### PART D - PRESCRIPTION DRUG PLAN

This is a prescription drug plan offered by private insurance companies, approved by the Centers for Medicare and Medicaid Services (Medicare).

If you do not enroll in a Part D Plan and do not have creditable coverage, you may incur a penalty.

Many Medicare Advantage Plans include a Prescription Drug Plan...but not all do.

There are some important considerations when selecting a prescription drug plan including 1) premium, 2) benefits and 3) formulary (list of covered medications).

➔ Make sure that all of your prescriptions are listed as covered in the formulary of the plan you choose.

➔ We recommend that you shop your plan annually as the benefits, premiums and formularies change often.





# MEDICARE ENROLLMENT PERIODS

**Medicare members have several opportunities to enroll in a Medicare Plan or change plans. Below is a listing of some of the most frequently used enrollment periods.**

**Annual Election Period (AEP)** - The AEP starts at 12:01 a.m. on October 15th and ends at 11:59 p.m. on December 7th of each year.

During the AEP you can enroll in a plan, drop a plan or change plans. During the AEP, you can make as many plan changes as you want, but the last change that you make will be your Medicare plan for all of the following calendar year.

**Initial Election Period (IEP)** - If you are newly eligible for Medicare you have a seven month period when you can enroll in a Part D plan for the first time...this is your IEP. It begins three months prior to your birth month, your birth month and three months after your birth month.

The plan that you select the first three months prior to your birth month will become effective on the first day of your birth month. Any plan selected thereafter (the three months after your birth month) will become effective the first day of the following month.

**Special Election Period (SEP)** - Medicare provides a number of opportunities for you to change plans due to certain events. An example of this would be if you are enrolled in a Medicare Advantage Plan and you move outside the plan service area. You would then have a Special Election Period to pick a new plan and enroll. Medicare Beneficiaries who are eligible for assistance due to limited income have a year-round SEP.

**Open Enrollment Period (OEP)** - Medicare allows you to make one change to your current Medicare Plan between January 1st and March 31st. Very specific rules apply to this change.





# MEDICARE PLAN OPTIONS

## LET'S EXPLORE YOUR OPTIONS

Original Medicare was never intended to pay all of your medical bills when you become eligible for Medicare. You are responsible for deductibles, copays and co-insurance. These out-of-pocket costs are the main reason why some people seek out additional coverage. Here is a look at some coverage options which may help you manage your out-of-pocket costs.

### MEDICARE SUPPLEMENT POLICIES

(designed to supplement Part A & B of Medicare)

- Medicare Supplement policies are designed to work with original Medicare to help pay out-of-pocket costs.
- Medicare Supplement policies provide freedom to choose your own Medicare participating providers. These plans require no referrals.
- Medicare Supplement policies are “standardized” by the federal and state governments. The price and service will be the only thing that would vary from company to company for the same plan design.
- Each insurance company offers a “menu” of plans to select from.
- If you are enrolled in a Medicare Advantage Plan you cannot buy or be sold a Medicare Supplement Policy.

### MEDICARE APPROVED PRESCRIPTION DRUG PLANS (PDP)

- Part D prescription drug plans are offered by private insurance carriers who are approved by Medicare.
- These plans provide benefits to help Medicare beneficiaries pay some of the costs of their prescription drugs.
- Many people are in a drug plan that is not a good fit for them. Be sure to review your Part D Plan each year.



### MEDICARE ADVANTAGE INSURANCE PLANS

- Medicare Advantage plans are an alternative to original Medicare. These plans sometimes provide benefits not covered under original Medicare.
- Medicare Advantage plans can be offered with prescription drug benefits included in the plan or as a medical only benefit that does not include prescription drugs.
- Medicare Advantage plans feature predictable copays and often much lower premiums than Medicare Supplement plans.
- If you join a Medicare Advantage Plan you are still in Medicare and **must continue to pay your Part B Premium.**





# TOOLS AND RESOURCES

The federal government, as well as your resident state, provides some tools and resources to help you understand and select your Medicare plan coverage.

## **Medicare.gov . . . . .**

An online tool which provides you with a wealth of information about Medicare and your choices. This online tool is managed by the Centers for Medicare and Medicaid Services.

## **SHIP . . . . .**

(State Health Insurance Assistance Program) SHIP offers information and education regarding Medicare. Some states also provide assistance to Medicare beneficiaries with low income resources to apply for Medicare subsidy programs.

## **Medicare & You Handbook Publication . . . . .**

This publication is sent to all Medicare beneficiaries annually...it generally arrives by early October. It is published by the Centers for Medicare & Medicaid Services.

## **Choosing a Medigap Policy . . . . .**

This is a publication that is created and provided by Centers for Medicare and Medicaid Services, and is a joint project with the National Association of Insurance Commissioners. This brochure gives you plenty of detailed information regarding what a Medicare Supplement (Medigap) policy is, what it covers, and your rights.

