

Can you answer YES to at least one of the following statements?

- I am 65 years of age or older.
- I am under 65, but I have certain disabilities.
- I have End-Stage Renal Disease (kidney failure that requires a transplant or dialysis).

If so, you are likely eligible for Medicare benefits.

Like private health insurance, Medicare pays a portion of the cost of some, but not all, medical care.

Quick Facts on Medicare

- You must sign up for Medicare Part A and Part B. Signing up at the right time is important. (Enrollment is automatic if you are receiving Social Security or Railroad Retirement Benefits)
- You can apply for Medicare coverage **3 months before** your 65th birthday.
- You do not have to be currently receiving Social Security benefits to sign up for Medicare.
- You may not need all parts of Medicare if you have insurance from your employer and plan to continue working.
- You can enroll in Medicare through the Social Security Administration by calling 1-800-772-1213.
- If you have questions about Medicare, you can call 1-800-Medicare, or go to www.medicare.gov.
- An agent who specializes in Medicare can help you understand your options. To find an agent in your area, go to www.nahu.org.

Important Dates

You can apply for Medicare Part A and/or B during the three months before your birthday month up until three months after your birthday. There are other enrollment opportunities if you leave your employment, are on COBRA or move. There can be penalties if the enrollment guidelines are not met for Part B and/or Part D.

Enrollment in Medigap can be completed at any time of the year. 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 specific enrollment periods: Annual Election Period (November 15 through December 31 for a January 1 effective date), and an Open Enrollment Period (January 1 through March 31 with certain limits).

There are a number of Special Enrollment Periods for Medicare Advantage, Part B and Part D plans. These include losing employer health coverage, moving, becoming eligible for certain government low income programs, entering or leaving a skilled nursing facility and others.

Enrolling in Original Medicare is as simple as making a phone call to Social Security at 1-800-772-1213. You may also enroll at a local Social Security Office. If you are receiving Social Security retirement benefits, enrollment in Medicare A and B will be automatic.

Enrolling in a Medigap plan, Medicare Advantage, or Part D plan requires completing an application. The Medigap application may require health information if you are beyond your initial eligibility period. Medicare Advantage and Part D plan enrollments cannot ask medical questions (other than if the person has been diagnosed with End-Stage Renal Disease) and cannot vary premiums based on age.

You May Be Eligible For Extra Help

People with limited income and resources may qualify for extra help paying their Medicare prescription drug coverage costs. You can get more information about this help by calling 1-800-772-1213 or visiting www.ssa.gov.

Consult the Experts

The National Association of Health Underwriters has trained and certified insurance agents ready to help you review your choices and make an informed decision.

If you need help finding a professional health insurance agent in your area who specializes in Medicare products, go to www.nahu.org and click on the "Find an Agent" feature. There is no cost for this service.

This material is for informational purposes only and is neither an offer of coverage nor medical advice.

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**National Association of Health Underwriters
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2000 N. 14th Street, Suite 450 ■ Arlington, Virginia 22201
703-276-3825 ■ www.nahueducationfoundation.org

TURNING 65?



What You Need
to Know About

MEDICARE



As we get older we go through many physical, emotional, and intellectual changes. One milestone that can be a real eye-opener for most people is turning 65. That is when the reality of dealing with Medicare looms large, along with uncertainty and confusion over our options.

Medicare is the government-run health insurance program established in 1965 for those age 65 and older or those under 65 with certain disabilities. Medicare is the largest health insurance service in the country with more than 40 million Americans participating.

Medicare Benefits: A Brief Summary

Medicare is basically broken down into two main categories: the Original Medicare Plan and the Medicare Advantage Plan. Each category is made up of four sub-categories: Part A, Part B, Part C and Part D.

Types of Medicare Benefits: The Original Medicare Plan

The federal government manages the Original Medicare plan. Unless someone specifically elects a different option, they will be enrolled in the Original Medicare plan. Covered services are divided into two parts.

Part A – Hospital Insurance

Most people do not pay a premium for this coverage. Part A covers inpatient care in skilled nursing facilities and hospitals after a deductible. Hospice and some home health care is also covered by Part A.

Part B – Medical Insurance

Some of the benefits of Part B are medically necessary doctor services, outpatient surgery, physical therapy, other therapies, home health care and many other medically necessary benefits.

Part C – Medicare Advantage Plan

An alternative to Original Medicare is the Medicare Advantage program, also known as Part C. Under Part C, private insurance companies approved by Medicare provide benefits that are equal to or better than parts A and B of Original Medicare. These plans provide a higher level of benefits than is found in Original Medicare with low premiums and co-pays. For example, additional benefits may include coverage for routine annual physical exams, dental, vision and routine foot care and gym memberships. Many plans include an out-of-pocket dollar limit to protect a person from catastrophic illness. There is an annual opportunity to change from one plan to another as well as other opportunities to change in certain situations, such as if you move. Medicare Advantage plans are available with and without prescription drug coverage (Part D).

Part D – Prescription Drug Coverage

Part D of Medicare provides outpatient prescription drug coverage. It can be purchased as a standalone program with a separate premium, or can be included in a Medicare Advantage plan. Plans are offered by private

insurance companies and vary in price, benefit design, and the drugs included on their approved drug list, subject to minimum federal requirements. You can choose from many options to find the drug plan that is best suited to your needs.

If you participate in a Medicare Advantage program, you will in most cases enroll for Part D benefits through that plan. Some Medicare Advantage Plans include Part D prescription coverage at no additional cost.

What Does Medicare Cost?

Most people do not pay a premium for Part A coverage. It is financed through federal payroll taxes paid into the Medicare Trust Fund by employers and employees. Most people who have reached age 65 and qualify for Social Security retirement benefits or who have received Social Security disability benefits for 24 months qualify for Part A.

Part B is financed by monthly premiums, which are paid by everyone who selects this coverage and by general revenues from the federal government. The lowest monthly premium for Part B in 2009 is \$96.40. Individuals with higher incomes will pay a higher premium.

Because Part C combines the benefits of Part A and Part B, people who elect Part C will be required to pay Part B premiums in addition to the cost of Part C (Medicare Advantage). Some Medicare Advantage plans do not charge any premiums in addition to the premium an individual pays for Part B.

In addition, beneficiaries share costs under Original Medicare through co-payments and deductibles that are required for many of the services covered under both Part A and Part B. People covered under Part C

may also have copays or co-insurance for some services.

How Can I Cover Additional Expenses?

No Medicare plan covers everything. Costs that you may incur include co-insurance, co-pays, deductibles, etc. If you have Original Medicare, you may choose to buy a Medicare supplement (Medigap) policy to help with these costs. Depending on the policy you select, your Medigap policy may cover deductibles and co-insurance under Original Medicare in full.

Out-of-pocket expenses under Medicare Advantage plans (Part C), vary and you should be sure you know what your out-of-pocket responsibility will be because Medicare supplements are not available as they are for Original Medicare.

What New Medicare Enrollees Need To Know

If you are new to Medicare, the first thing you need to do is decide whether you will select a Medicare Advantage plan or go with Original Medicare. The next step is to decide what prescription drug plan is best for you. And if you are enrolling in Original Medicare, you will probably want to find out more about Medigap plans. Making these decisions may seem complicated, and a Medicare agent or broker can help you understand the differences in plans and help you enroll at no cost to you. To find a Medicare agent, you can go to www.nahu.org and click on the "Find an Agent" feature.