

# MEDICARE AND MEDIGAP CHECKLIST

## WHEN AND HOW TO ENROLL

For First Time Enrollees: you have a seven month period to enroll in Medicare starting three months before your 65th birthday.

<b>3 months before</b> the month you turn <b>65</b>	<b>2 months before</b> the month you turn <b>65</b>	<b>1 month before</b> the month you turn <b>65</b>	<b>The month you turn</b> <b>65</b>	<b>1 month after</b> the month you turn <b>65</b>	<b>2 months after</b> the month you turn <b>65</b>	<b>3 months after</b> the month you turn <b>65</b>
Sign up early to avoid a delay in getting coverage for Part B services. To get Part B coverage the month you turn 65, you must sign up during the first 3 months before the month you turn 65.			If you wait until the last 4 months of your Initial Enrollment Period to sign up for Part B, your start date for coverage will be delayed.			

Typically you will receive enrollment forms in the mail when you're eligible to enroll (three months prior to turning 65). You are also able to go online to [www.medicare.gov](http://www.medicare.gov) or call 1-800-MEDICARE to enroll. Enrolling at age 65 when you are Medicare-eligible is recommended, even if you don't need it. If you have elected to take Social Security benefits prior to age 65, you'll be automatically enrolled in Part A and Part B the first day of the month you turn age 65.

If you don't sign up for Medicare Parts A, B & D when you're first eligible, you may have to pay higher premiums. (See Special Circumstances below for exceptions.)

Between January 1–March 31 each year: if you didn't sign up for Part A and/or Part B (for which you must pay premiums) when you were first eligible, and you aren't eligible for a Special Enrollment Period (see Special Circumstances / Special Enrollment Periods), you can sign up during the General Enrollment Period between January 1–March 31 each year. Your coverage will start July 1. You may have to pay a higher premium for late enrollment in Part A and/or a higher premium for late enrollment in Part B.

**Special Circumstances (Special Enrollment Periods):** once your Initial Enrollment Period ends, you may have the chance to sign up for Medicare during a Special Enrollment Period. If you're covered under a group health plan based on current employment, you have a Special Enrollment Period to sign up for Part A and/or Part B any time as long as you or your spouse (or family member if you're disabled) is working, and you're covered by a group health plan through the employer or union based on that work.

You also have an 8-month Special Enrollment Period to sign up for Part A and/or Part B that starts the month after the employment ends or the group health plan insurance based on current employment ends, whichever happens first. Usually, you don't pay a late enrollment penalty if you sign up during a Special Enrollment Period.

COBRA and retiree health plans aren't considered coverage based on current employment. You're not eligible for a Special Enrollment Period when that coverage ends.

**Annual open enrollment for Part D:** October 15 – December 7. Current participants do not have to, but are able to, make changes during this period. If you are making new elections or changes to your existing elections, sign up early to ensure your request is processed in a timely manner. During open enrollment you can switch from traditional Medicare to a Medicare Advantage plan or vice versa. You can add, change, or drop a Medicare D plan. Also, if you make a mistake or change your mind, you can make limited changes from Jan 1 – March 31. During this time you can switch between traditional Medicare and Medicare Advantage plans and vice versa, but you cannot join or switch a Medicare D plan (unless you already have a plan with prescription drug coverage). You cannot drop Medicare D during this time.

## WHAT IS IT?

**Medicare A (Hospital Insurance):** covers hospitalization, skilled nursing facilities, hospice and some home healthcare. It is provided at no charge to most enrollees granted you have 40 quarters of service in the Social Security system.

**Medicare B (Medical Insurance):** covers fees from doctors and other health care providers and requires a monthly premium. The annual premium a beneficiary pays each month is a sliding scale, and is based on his/her income (see Monthly Medicare Premiums chart).

**Medicare C:** Medicare Advantage plans are another way to get your Medicare coverage. If you join a Medicare Advantage Plan, you still have Medicare. You'll get your Medicare Part A (Hospital Insurance) and Medicare Part B (Medical Insurance) coverage from the Medicare Advantage Plan, not Original Medicare. And most Medicare Advantage Plans also include Medicare prescription drug coverage (Part D). Medicare Advantage plans are offered in an HMO, PPO, or PFFS (Private Fee for Service Plan) format, which include extras like dental, vision, wellness coverage, and in some cases lower co-pays or out-of-pocket expenses.

You must be eligible for Medicare to join. Medicare Advantage Plans are often less expensive as they receive government subsidies, which may or may not continue with future health reform, but typically are more restrictive and require the use of approved providers. Going to doctors “out of network” may not be covered or can be more difficult to receive reimbursement from your Medicare Advantage plan. To reduce costs, simplify the system, and consolidate similar plans through a given insurer, there was a reduction in the number of Medicare Advantage Plans offered starting in 2010.

**Medicare Supplement Insurance or Medigap:** policies sold by private insurers intended to help pay some of the health care costs that Original Medicare doesn’t cover, like copayments, coinsurance, and deductibles. Some Medigap policies also cover services that Original Medicare doesn't cover, like medical care when you travel outside the U.S. If you have Original Medicare and you buy a Medigap policy, Medicare will pay its share of the Medicare-approved amount for covered health care costs, then, your Medigap policy pays its share.

Supplemental policies include letters A through L; M and N were added in 2010 while E, H, I, and J were eliminated in June of 2010. While premiums for a given Supplemental Plan may be identical, coverage and services vary from carrier to carrier. Additionally, premiums fluctuate from state to state depending how age, gender, and zip code is factored. Medigap offerings are listed on each state department’s website; some states update information monthly while others update annually. The monthly cost will vary depending on the number of Supplemental Plans elected. (See Medigap Plan chart for plan A – N offerings).

**Medicare D (Prescription Drug Coverage):** provides prescription drug coverage. Upon eligibility, unless you have other creditable drug coverage, you should enroll. You are assessed a 1% penalty for every month you delay enrollment. While it varies by region, in 2019 California has 30 of these plans available, which allows participants to choose a plan that best meets their individual needs. Plans can choose to cover different drugs, or classes of drugs, at various co-pays, or choose not to cover some drugs at all. Medicare has made available an interactive online tool called the Prescription Drug Plan Finder (<https://www.medicare.gov/find-a-plan/questions/home.aspx>) that allows for comparison of drug availability and costs for all plans in a geographic area. The Prescription Drug Plan Finder can be used to perform a general or personalized search (requiring your red, white and blue Medicare Card) for plans; in either case, the tool allows one to enter a list of medications along with pharmacy preferences. The Plan Finder output includes the beneficiary's total annual costs for each plan, along with a detailed breakdown of the plans' monthly premiums, deductibles and prices for each drug during each phase of the benefit design (initial coverage period, coverage gap, and catastrophic-coverage period). Plans are required to update this site with current prices and formulary information every other week throughout the year. Part D also includes an income-related premium (see Monthly Medicare Premiums chart). A plan may change their specific drug coverage from year to year, so reviewing plan coverage annually during open enrollment is always recommended.



## IN CONCLUSION

Whichever plan you choose you must evaluate cost versus coverage to determine which Plan is right for you. Traditional Medicare with a Medigap policy is still the “gold standard” if you don’t have coverage from a former employer. And finally, keep in mind while Medicare covers some services related to aging, Medicare does not cover the cost of assistance with activities of daily living (eating, dressing, or bathing for example), which are covered separately by long term care insurance.

### Part B and D Premium Amounts for Persons with Higher Income Levels

As required in the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, beginning in 2007 the Part B premium a beneficiary pays each month is based on his or her annual income. In 2012, an income-related premium was also added to Part D (Prescription Drug Coverage).

Affected beneficiaries must pay an income-related monthly adjustment amount (‘IRMAA’) as follows in the below chart:

Monthly Medicare Premiums for 2019				
If the Modified Adjusted Gross Income (MAGI) from your <u>2017</u> tax return was		You Pay in 2019		
File individual tax return	File joint tax return	Base Part B	IRMAA* Part B	Part D
\$85,000 or less	\$170,000 or less	\$135.50	\$0	Your plan premium
above \$85,000 up to \$107,000	above \$170,000 up to \$214,000	\$135.50	\$54.10	Premium + \$12.40
above \$107,000 up to \$133,500	above \$214,000 up to \$267,000	\$135.50	\$135.40	Premium + \$31.90
above \$133,500 up to \$160,000	above \$267,000 up to \$320,000	\$135.50	\$216.70	Premium + \$51.40
above \$160,000	above \$320,000	\$135.50	\$297.90	Premium + \$70.90
above \$499,000	above \$749,999	\$135.50	\$325.00	Premium + \$77.40
*IRMAA is the income-related monthly adjustment amount above the base premium and is applicable for both Medicare Part B and Prescription drug coverage, Part D				

## What are my Medicare coverage choices?

There are 2 main ways to get your Medicare coverage—Original Medicare or a Medicare Advantage Plan. Use these steps to help you decide which way to get your coverage. Your choice is important, but not final. Remember, you'll have at least one chance each year to make changes to your Medicare coverage.

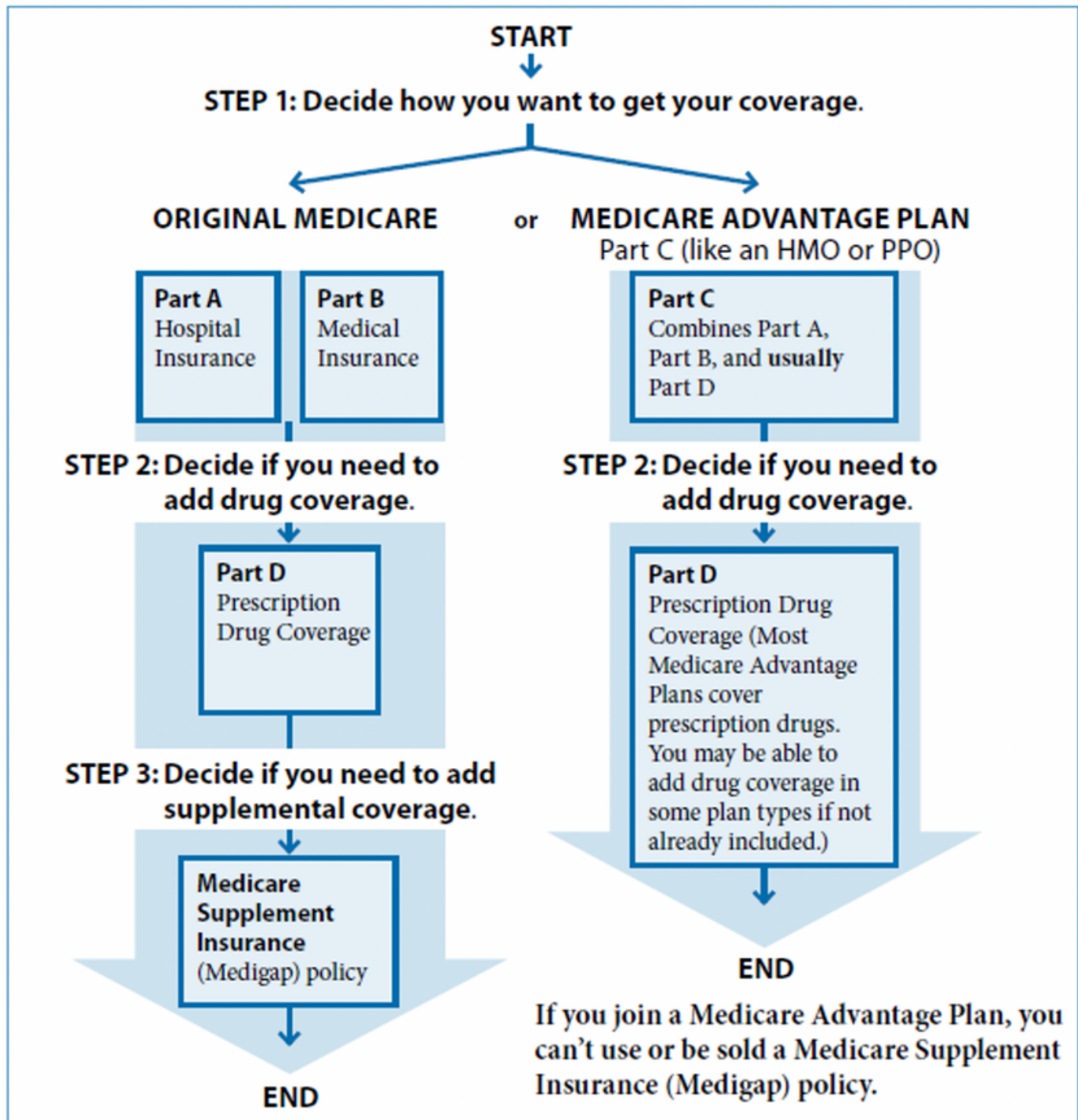


Chart from the Official US Government Medicare Handbook 2015

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 copayment	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%					
Part B excess charges					100%	100%				
Foreign travel emergency (up to plan limits)			80%	80%	80%	80%			80%	80%
							Out-of-pocket limit in 2019**			
							\$5,560	\$2,780		

\* Plan F also offers a high-deductible plan in some states. If you choose this option, this means you must pay for Medicare-covered costs (coinsurance, copayments, and deductibles) up to the deductible amount of \$2,300 in 2019 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 (\$185 in 2019), the Medigap plan pays 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.

*Chart from the Official US Government Medicare Handbook 2019*  
<https://www.medicare.gov/Pubs/pdf/10050-Medicare-and-You.pdf>