

Understanding Medicare

Medicare Basics

What is Medicare?

Medicare is health insurance for the following:

- People 65 or older
- People under 65 with certain disabilities
- People of any age with End-Stage Renal Disease (ESRD) (permanent kidney failure requiring dialysis or a kidney transplant)

* To check your eligibility for Medicare and for general enrollment information, see

<http://www.medicare.gov/MedicareEligibility/home.asp?version=default&browser=IE%7C8%7CWinXP&language=English>.

Four Important Aspects of Medicare

- **Part A:** Hospital insurance that helps pay for inpatient care in a hospital or skilled nursing facility (following a hospital stay), some home health care and hospice care. Most people age 65 or over are eligible for **free Part A coverage**. Some people under age 65 who qualify for disability benefits may be eligible for free Part A insurance, as well.
- **Part B:** Medical insurance that helps pay for doctors' services and many other medical services and supplies that are not covered by hospital insurance. Part B is available, **for a monthly premium**, to anyone who is eligible for free Medicare Part A.
- **Part C:** Part C refers to the availability of Medicare Advantage plans, offered by private companies, as an alternative way to receive your Medicare benefits. People with Medicare Parts A and B can choose to receive all of their health care services through one of the provider organizations under Part C.
- **Part D:** Prescription drug coverage that helps pay for medications.

“Original Medicare” v. Part C Medical Advantage Plan

Part A and B together are considered “**Original Medicare.**” Original Medicare does not pay for all health care services and supplies. A Medigap policy, sold by private insurance companies, can pay some of the costs that Original Medicare doesn't cover.

Every Medigap policy must follow Federal and state laws and be clearly identified as “Medicare Supplement Insurance.” Medigap insurance companies can only sell you a standardized Medigap policy.

Medicare Advantage Plans, or “Part C” plans, are offered by private companies approved by Medicare. Medicare advantage plans will provide all of your Part A and B coverage, and cover you for emergency and urgent care, and may offer extra coverage as well. If you have a Part C Medical Advantage Plan, you do not need a Medigap policy.

The benefits of Part C plans are that, generally, there are extra benefits and lower copayments than in the Original Medicare Plan. However, you may have to see doctors that belong to the plan or go to certain hospitals to get services. Also, for Part C plans, in addition to your Part B premium, you usually pay one monthly premium for the plan.

If you choose Original Medicare and you want prescription drug coverage, you must also join a Medicare Prescription Drug Plan (Part D – see below). If you choose to join a Medicare Advantage Plan, the plan usually includes Medicare prescription drug coverage.

Signing up for Medicare Parts A&B

Some People Get Parts A & B Automatically

- If you're already getting benefits from Social Security, you will automatically get Part A and Part B starting the first day of the month you turn 65.
- If you're under 65 and disabled, you automatically get Parts A & B after you get disability benefits from Social Security.
- You will get a Medicare card in the mail 3 months before your 65th birthday or your 25th month of disability. If you don't want Part B, follow the instructions that come with the card, and send the card back. ***If you keep the card, you keep Part B and will pay Part B premiums.***
- If you have ALS (Lou Gehrig's disease), you automatically get Part A and Part B the month your disability benefits begin.
- If you have Part A and TRICARE (coverage for active-duty military or retirees and their families), you must have Part B to keep your TRICARE coverage. To get more information for military retirees, see Medicare's Military Retiree's FAQ, available at http://questions.medicare.gov/app/answers/detail/a_id/1238.

Some People Need to Sign up for Parts A & B

- If you aren't getting Social Security and you want Part A or Part B, you will need to sign up (even if you're eligible to get Part A premium-free). If you're not eligible for premium-free Part A, you can buy Part A and Part B. ***You should contact Social Security 3 months before you turn 65. You are eligible to sign up for Medicare during the 7-month period that begins 3 months before the month you turn 65, includes the month you turn 65, and ends 3 months after the month you turn 65.***
- If you didn't sign up for Medicare Part B when you were first eligible because you were still working and covered under the state's Health Benefits Program, you can sign up for Medicare Part B during a **Special Enrollment Period**. You can sign up:
 - Anytime you are still covered by the state's Health Benefits Program through your current employment, **or**
 - During the 8 months following the month your state health benefits end, or when your employment ends (whichever is first).

*If you enroll during the first full month after coverage ends, your Medicare Part B coverage starts on the first day of the month you enroll, or you can delay coverage until the first day of any of the following 3 months. If you enroll during any of the 7 remaining months of the Special Enrollment Period, your coverage begins the month after you enroll.

- If you didn't sign up for Medicare Part B when you first became eligible, and do not qualify for a Special Enrollment Period, you may be able to sign up during the General Enrollment Period, January 1–March 31 each year. Your coverage will begin July 1 of that year.

*The cost of Medicare Part B will go up **10% for each full 12-month period** that you could have had Medicare Part B but didn't take it, except in special exceptions.

- You have a 6-month Medigap policy open enrollment period which starts the first month that you are both (1) 65 and (2) enrolled in Part B. This period gives you a guaranteed right to buy any Medigap policy sold in your state.

Signing up for a Medicare Advantage Plan ("Part C" Plan)

You can join a Medicare Advantage Plan at these times:

- When you first become eligible for Medicare (the 7-month period that begins 3 months before the month you turn 65, includes the month you turn 65, and ends 3 months after the month you turn 65).
- If you get Medicare due to a disability, you can join during the 3 months before to 3 months after your 25th month of disability.

- For information on Medicare Advantage Plans in general, Plans available in your area, and to compare options, see <http://www.medicare.gov/choices/advantage.asp>.

Prescription Drug Coverage

There are two ways to get Medicare prescription drug coverage: through Medicare Prescription Drug Plans (Part D) that add drug coverage to Original Medicare or Medicare Advantage Plans that offer Medicare prescription drug coverage.

Most Medicare drug plans have a coverage gap (known as “the donut hole”). After you have spent a certain amount of money for covered drugs, you have to pay all costs out-of-pocket for your prescriptions up to a yearly limit. If you reach the coverage gap in 2011, you will get a 50% discount on covered brand-name prescription drugs at the time you buy them. There will be additional savings for you in the coverage gap each year through 2020 when you will have full coverage in the gap.

Signing up for a Medicare Drug Plan

- You can sign up for a Medicare Part D drug plan when you’re first eligible for Medicare (the 7-month period that begins 3 months before the month you turn 65, includes the month you turn 65, and ends 3 months after the month you turn 65).
- If you get Medicare due to a disability, you can join during the 3 months before to 3 months after your 25th month of disability. You will have another chance to join 3 months before the month you turn 65 to 3 months after the month you turn 65
- You can sign up at any time if you qualify for the Extra Help program (see <http://www.ssa.gov/prescriptionhelp/>).
- For information on the Medicare Drug plans available in your area, see <https://www.medicare.gov/find-a-plan/questions/home.aspx>.

Help with Medicare Costs

If you meet certain income and resource limits, Extra Help for prescription drug costs and other programs, like Medicare Savings Programs, may help make your expenses more affordable.

In addition, if you have a low income and few resources, your state may pay your Medicare premiums and other medical expenses. To see if you qualify, inquire at the local Social Services office: 20 East Preston Street, Lexington, VA or call (540) 463-7143.

How to Get More Information

- The information contained in this publication is a brief overview. For more in-depth information on any of the above topics, and on costs associated with Medicare, see the publication Medicare & You 2011 at <http://www.medicare.gov/Publications/Pubs/pdf/10050.pdf> or call 1-800-MEDICARE 24 hours a day/7 days a week.
- Go to www.medicare.gov for general information, or register at www.MyMedicare.gov for personalized information.
- If you do not have internet access or a computer, The Rockbridge Regional Library offers public access to the internet from its headquarters library and all four branches.
- To get information about Part A and/or Part B eligibility, entitlement, and enrollment or to apply for Extra Help with Medicare prescription drug costs, call Social Security at 1-800-772-1213. If you’re 65 or older, you can also apply for premium-free Part A and Part B online at www.socialsecurity.gov/retirement.
- You can also get free, personalized health insurance counseling from your State Health Insurance Assistance Program (In Virginia, it is Virginia Insurance Counseling and Assistance Program (VICAP). The local VICAP counselor is: Paul Lavigne, 325 Pine Avenue, P.O. Box 817, Waynesboro, VA 22980-0603, Toll-Free: 1-800-868-8727, Phone: 540-949-7141, Fax: 540-949-7143, E-mail: vpas@ntelos.net, Local Areas Served: Counties of Augusta, Bath, Highland, Rockbridge and Rockingham. Cities of Buena Vista, Harrisonburg, Lexington, Staunton and Waynesboro).
- Contact Cristina Buccina in Human Resources: buccinacm@vmi.edu or dial ext. 7312.