

# MEDICARE QUICK START GUIDE

FREE GUIDE TO MEDICARE INSURANCE



SILVER CREST  
INSURANCE INC.

YOUR LOCAL MEDICARE INSURANCE EXPERTS!



**SILVER CREST**  
INSURANCE INC.

## **Medicare, Eligibility**

In general, Medicare is for those 65 and over. However, you could get Medicare if you have a disability, have End Stage Renal Disease or ALS. (Lou Gerig's disease)

## **Medicare, The Four Parts**

- A- Hospital and Skilled Care Benefits – Most people do not pay for Part A coverage if you or a spouse qualify for retirement benefits through Social Security. If you don't qualify for premium-free Part A, you might be able to buy it.
- B- Outpatient Medical Coverage – Part B has a cost for most people. This cost can be higher for those people with income above a certain threshold. This is called an Income Related Monthly Adjustment. (Google Medicare IRMD to access current year income table and corresponding premium)
- C- Medicare Advantage Plans – Private Medicare Plans, typically HMO or PPO plans which are funded by Medicare but sold through private insurance.
- D- Prescription Drug Coverage – The Medicare prescription drug program. Like Advantage plans, they are funded by Medicare but sold and administered through private insurance companies.

## **Medicare, Enrollment**

Most people signing up for Medicare are those turning 65. If you are approaching age 65, there are two ways to sign up for Medicare.

- 1) If you are collecting Social Security (or Railroad Retirement Benefits), you are automatically enrolled in Parts A and B Medicare. If you have coverage through your work or spouse's employment, you will have the opportunity to opt out of Part B and avoid paying a premium for insurance you may not need.
- 2) If turning 65, not collecting Social Security, you will need to sign up one of the following ways.

- Online – [www.ssa.gov/medicare/sign-up](http://www.ssa.gov/medicare/sign-up) – This is the easiest. You will need to create a my Social Security account to sign up.
- Call Social Security at 1-800-772-1213
- Contact your local social security office

## **Eligibility**

### **Turning 65**

When you turn 65, you have a seven-month window to enroll. The window includes the three months prior to the month of your birthday, the month of your birthday and the three months after your birthday.

If you sign up in advance, your effective date of coverage will be the first day of the month of your birthday. The one exception is if your birthday is the 1<sup>st</sup> of the month. In this case, your effective date is the first day of the month prior and your enrollment window is moved up one month. For example. You turn 65 May 1<sup>st</sup>. Your enrollment window begins January 1<sup>st</sup> and Medicare becomes effective on April 1<sup>st</sup>.

If signing up the month of your birthday or the three-month window after your birthday, Medicare becomes effective the month after the month if which you sign up. For example, if your birthday is in May and you sign up in June, your Medicare effective date will be July 1<sup>st</sup>.

### **Medicare Sign up, Post 65 via Special Enrollment**

The term “Special Enrollment” can apply to many circumstances when dealing with Medicare. For this section we will discuss the most common, which is people who deferred Medicare A/or Part B to continue an employer sponsored health plan.

First and foremost, a person has a eight month window to sign up for Medicare upon leaving an employer plan. While the window is there for a reason, you will want to get your application into Medicare prior to leaving the plan to avoid any gap in coverage.

**Warning;** Be advised that Cobra is not considered Credible coverage under Medicare. If you choose to go on Cobra for longer than 63 days, you risk a penalty from Medicare which you will have as long as you are on Medicare.

## Over 65 and Leaving Group Insurance

It is not uncommon today for people to work full-time past the age of 65. If that is you or your spouse, and you have access to coverage through an employer **with 20 or more employees**, you can defer Medicare until you leave that coverage. The number of employees is important because there are special rules in place called the Medicare Secondary Payer rules which dictate when Medicare pays vs. when employer coverage pay claims as the primary insurer. If your employer has less than 20 employees and you do not sign up for Medicare, you will be in jeopardy of not getting claims paid. Read more by clicking the following link.

<https://www.cms.gov/Medicare/Coordination-of-Benefits-and-Recovery/Coordination-of-Benefits-and-Recovery-Overview/Medicare-Secondary-Payer/Medicare-Secondary-Payer>

Others who have group coverage on their own, or a spouse's employer have the option to go on Medicare or take advantage of the company plan. If this is you or your spouse, you will want to compare Medicare cost and coverage vs. the employer cost and coverage and choose the best option.

### Signing up via Special Enrollment

When transitioning from group coverage to Medicare via special enrollment, the sign-up process is slightly different. You will need to have your employer complete [form CMS-L564](#) which tells Medicare that you have had credible coverage since prior to age 65. In addition, you will need to fill out a second [form CMS-40B](#), which is your application for Medicare and allows you to request the effective date you want your Part B Medicare to begin.

There are three ways to submit your application; online, or by faxing or mailing the form to your local Social Security Office.

To locate your local office, click the following link. <https://www.ssa.gov/locator/>

## Your Coverage Options under Medicare

There are two ways to get coverage under Medicare, original Medicare, and Medicare Advantage. The choice is an individual decision based on many variables. At the writing of this document, there are 66 million Americans on Medicare. 34 million are on original Medicare and 32 million have Advantage plans.

- 1) **Original Medicare = A + B + D + Medigap plan. (added benefits such as dental, vision and hearing are not included)**
- 2) **Medicare Advantage = Part C Medicare (Combines A+B and usually D into one plan. Most plans include coverage for added benefits such as dental, vision and hearing)**


Read on for a detailed description of each option.

## **Original Medicare**

Staying on Original Medicare means having Medicare Parts A and B as your primary coverage. In this scenario most people will add a supplemental insurance plan and a “stand alone Part D prescription drug plan to round out their coverage.

- Original Medicare **does not have** the typical PPO or HMO network. People with original Medicare **can go to any provider in the country that accepts Medicare**, offering a great deal of network flexibility.
- If adding a supplement plan, the supplement pays as the secondary behind Medicare A and B. Supplement plan benefits are standardized according to the following chart. [See chart below](#). Because the plans are secondary behind Original Medicare, they follow the same network rules as Original Medicare.
- When adding a supplement plan to original Medicare, there will be an added cost. (Varies in each region and plan letter) The number one benefit of adding a supplement to original Medicare being the combination of the two leave the Medicare beneficiary with very little left to pay when claims are filed under Part A and B Medicare.
- Original Medicare does not include extra benefits such as dental, vision or hearing. These benefits are Ala Carte, and you will pay extra to get them.

- As mentioned earlier, the only way to get prescription coverage with original Medicare is to add a Part D plan. There is an added premium cost for a Part D plan which varies from plan to plan.

 <b>MEDIGAP PLAN COMPARISON</b>										
MEDIGAP PLAN BENEFITS	Plan A	Plan B	Plan C	Plan D	Plan F	Plan G	Plan K	Plan L	Plan M	Plan N
<b>Medicare Part A Coinsurance &amp; Hospital Costs</b> <i>(Up to an additional 365 days after Medicare benefits are used)</i>	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
<b>Medicare Part B Coinsurance or Copayment</b>	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%*
<b>Blood</b> <i>(First 3 Pints)</i>	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
<b>Part A Hospice Care Coinsurance or Copayment</b>	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
<b>Skilled Nursing Facility Coinsurance</b>	X	X	100%	100%	100%	100%	50%	75%	100%	100%
<b>Medicare Part A Deductible</b>	X	100%	100%	100%	100%	100%	50%	75%	50%	100%
<b>Medicare Part B Deductible</b>	X	X	100%	X	100%	X	X	X	X	X
<b>Medicare Part B Excess Charges</b>	X	X	X	X	100%	100%	X	X	X	X
<b>Foreign Travel Emergency</b> <i>(Up to plan limits)</i>	X	X	80%	80%	80%	80%	X	X	80%	80%

\*Out-of-Pocket Limit \$6,620/\$3,310 | Call 610-868-5801 or Email Us at info@silvercrests.com for More Information

## Medicare Advantage

Medicare Advantage plans are offered through private insurance companies approved by Medicare. The companies are **paid by Medicare** to cover your Medicare benefits. Below are the features of Medicare Advantage.

- To be eligible you must be enrolled in Part A and Part B Medicare.
- Plans combine Medicare Parts A+B+D into one plan. (Replaces original Medicare)
- Most typically come in the form of HMO and PPO plans, meaning the plan becomes the primary insurer and the lowest cost of coverage will be in network.
- Plan premiums vary; however, many plans offer \$0 premium plans. In many regions there are Part B buyback plans that discount your Part B monthly premium. In general, the more you pay in premium, the lower the copays and yearly maximum out of pocket cost.
- Plans have cost sharing through co-pays and coinsurance up to specified annual out of pocket maximums.
- Most plans offer added coverage for dental, vision, and hearing.

- Many plans offer additional benefits such as over the counter allowances, transportation to and from doctors, tele-docs, fitness memberships, healthy meals, and more. These benefits can vary widely from plan to plan and some benefits, such as healthy meals, are based on income or certain medical conditions.
- If you have a Medicare Advantage plan, you will not need a Medigap policy.

### **Extra Help**

This program helps people with limited income and resources lower or cut Part D costs under the Medicare Part D prescription drug program.

There are several ways to apply.

- Online, go to <https://www.ssa.gov/medicare/part-d-extra-help>
- To apply over the phone, you will want to call 1-800-772-1213 between the hours of 8 a.m. and 7p.m. in your time zone.

### **Medicaid**

Medicaid is a program for low-income adults funded by both the state and federal government. There are four levels of Medicaid, all determined by income. The four levels of Medicaid dictate how much cost sharing a person will have within their plan. It is possible that a person will not need to pay some or all their Part B premium, depending on the level of eligibility.

A person on Medicare who qualifies for Medicaid is deemed “dual eligible”. This person will qualify for reduced cost sharing under Medicare.

Dual Eligible Medicare Advantage greatly reduces or eliminates cost sharing for medical costs. Additionally, these plans come with enhanced extra benefits. For example, the allowances for dental, vision and hearing care are typically higher. Many offer flex benefits with higher monthly allowances for over-the-counter products, healthy meals and even the ability to pay utility bills.

In addition to the above-mentioned benefits, a person who qualifies for Medicaid will also receive help with prescription drugs.

### **Chronic Conditions**

Another form of help comes in the form of special Medicare Advantage plans for people with qualifying disabling or chronic conditions. These plans are referred to as C-SNPs or Chronic Special Needs Plans. A few examples of qualifying conditions:

- **Autoimmune disorders**
- **Cancer**
- **Diabetes**
- **End-stage kidney disease**
- **HIV/AIDS**
- **Chronic Heart Failure**
- **Chronic lung disease**
- **Dementia**

To be eligible, you must be enrolled in Medicare Part A and Part B and your healthcare provider must verify your qualifying condition.

The benefits of having a C-SNP plan are that they will often include access to hospitals and medical professionals that specialize in your specific condition or disease. They also use drug formularies geared toward the needs of its membership.

Additionally, they may have other benefits such as health and wellness programs, nutrition, or diabetes management services.

C-SNP plans vary in premium costs and cost sharing within plans like traditional Medicare Advantage program.

### **Choosing an Agent**

There are several options available to people going on Medicare. It's important to understand the differences. Even if you do all your own research and are very confident in your plan selection, you should consider how you proceed. Below are the three scenarios you will encounter when choosing your Medicare coverage options.

- 1) Independent Agent** – A good independent agent will walk you through a process to help you pick the best plans across a wide range of options. This is a big benefit because it allows the agent to fit you with coverage that



suits your needs and budget. Starting in 2024, agents will need to disclose the number of organizations (insurance companies) and plans they are licensed and certified to sell.

Options are certainly important but it's also important to know you can get service when you need it. Questions will come up as rates increase, Medicare plans change and Medicare laws change. Who will you turn to in these times? Does your broker have a reliable service team? It's one thing to pick a plan, it's another to have reliable service ongoing.

How do brokers get paid? Click <https://www.silvercrestins.com/how-are-brokers-compensated>

- 2) **Captive Agent** – A captive agent can come in two forms. They can be a call center agent or a commissioned 1099 agent representing one company. Using a Captive Agent is ok if you do your own research and are 100% confident that you are making the best decision possible. In this case, the agent is merely filling out the application for you.

The downside of a Captive Agent is that your service will be relegated to the insurance company's 800 number which is typically a crap shoot.

- 3) **Phone Agents** – Phone agents can be captive or independent. This could be a good option for people who are comfortable doing business over the phone and do not necessarily want to take the time to meet face to face with an advisor.

The same characteristics apply to captive vs independent phone agents, and you will want to do your homework.

Many of the same organizations that offer face to face appointments will offer phone or Zoom appointments.

We are now at the end of our Medicare Quick Start Guide. We hope you have learned a lot! We also encourage you to print this out and write your questions down in preparation to meet with an agent.

Remember, it's not a bad idea to start early but it could be a very expensive mistake to start late! Let us be the first to say welcome to Medicare!