

## Top Five Things You Need to Know About Medicare

If you downloaded this guide, chances are either you have Medicare now or you have recently become eligible for Medicare. Ultimately, we recommend meeting with an “independent” agent who will explain Medicare and your coverage options. In the meantime, the information below will be a great start!

- 1) **Do I need to enroll?** If you are eligible for Medicare under any of the above circumstances the short answer is, you need to enroll IF; you or a spouse is not covered through an employer plan having over 20 employees. (100 if on via disability) **TIP - For more information Google “Medicare Secondary Payer” rules. A link for CMS will come up explaining the rules. How do I enroll? *If turning 65 and not collecting social security*; Enroll through [www.ssa.gov](http://www.ssa.gov). TIP – Set up an online account for social security which you will need to have to sign up for Medicare online.** No, you don’t need to collect social security to have an online account. Once you have the account, from the home page, click the box called “Medicare Enrollment” and follow the directions. *If over 65 and leaving employer coverage*; You need to fill out a Medicare application. You can download one from [www.medicare.gov](http://www.medicare.gov) or simply Google, Medicare application. One page will go to the person in your company who does benefits so she can let Medicare know you have had coverage from the time you turned 65, thus no penalty.
- 2) **Medicare A and B are the major medical portion of your coverage and you must have both.** Part A covers hospital admission and skilled care. Part B covers doctor, outpatient and testing. Part A has no cost if you or a spouse has qualified through their retirement benefits. Part B has a cost for most beneficiaries which can vary depending on your adjusted gross income. **TIP – If**

**you file single and make over \$85,000 or jointly with income of over \$170,000 MAGI, plan to pay more for Medicare Part B and D.**

**3) There are two entirely different insurance coverage options under Medicare.**

- The first type of coverage are private Medicare coverage options called **Medicare Advantage plans, or Medicare Part C (sometimes called Medicare replacement plans).**

Medicare advantage plans are insurance plans administered by private insurance companies who contract with the federal government. The insurance company takes over Medicare and becomes the primary insurance in exchange for a government subsidy. The plans are typically set up as HMO or PPO plans meaning you are required to go to doctors in the plan's network. The plan's have cost sharing in the form of co-pays, deductibles and coinsurance up to specified Maximum out of pocket limits. **TIP- Prior to signing up for a Medicare advantage plan, check that your doctors are in the network.**

- The second way of getting your Medicare coverage is referred to as **"Original Medicare"**. A person who decides to keep Medicare as their primary coverage typically has the following set-up; **Medicare A and B + Part D + Medigap** Medicare A and B cover approximately 80% of a person's medical care. Because of the 20% gap, people will often pick up a Medigap plan. Additionally, because A, B and Medigap do not cover drugs, you need to get your drug coverage through a "standalone" Part D prescription plan. With original Medicare, your network of providers is any provider that accepts Medicare. The supplement as the secondary is

required to pay according to the plan benefits as long as Medicare approved and paid for the service.

- 4) **There is no Government Medicare drug plan.** Medicare Part D is a federally subsidized program which is administered through private insurance companies. When a person signs up for a Part D plan, the federal government provides a subsidy to the insurance company. In addition, the insurance company charge's a plan premium to the insured. The drug plan must meet the following federal guidelines; "Each drug plan must cover at least the Part D standard benefit or it's actuarial equivalent." This means each plan's benefits must be within the guidelines of the federal government but I'm here to tell you, all plans vary in cost and coverage. There is no one size fits all and it often comes down to the insured (you) adjusting your medications to fit the plan. In other words, you will want to take generics whenever possible. If your plan doesn't cover the medication prescribed by your physician, there are two other medications they do cover that could work. You will want to try the alternative medication first under the care of your physician. If the medication doesn't work, there is an appeal process which may allow your insurance carrier to make an exception to cover your medication. If all else fails, switch plans during the Medicare Annual Enrollment Period. (see below)
- 5) **Once on Medicare when can I switch my plans?** Each year, the Annual Enrollment Period (AEP) for Medicare starts on October 15<sup>th</sup> and runs through December 7<sup>th</sup>. During this time, Medicare beneficiaries can change the following plans.
- Medicare Part D drug plans. (AKA; Stand Alone Prescription drug plans)

- Medicare Part C, Advantage plans (remember, private plans that combine Part A, B and D Medicare into one plan)
- Notice missing from this list are Medigap plans. Why? Medigap plans can be changed any time of year, the caveat is that to switch plans you will need to answer medical questions for the new insurance company. **TIP – Do not try and change your Medigap plan during the AEP.**

I know, it's still a whole lot of information! I'm a big fan of asking for professional help. **TIP - Do not do it on your own!** Below is a list of resources for you.

- 1) Independent Agents – Insurance professionals who represent multiple insurance companies. Why is this beneficial to you? A truly independent agent will be your guide. They will provide unbiased advice and make the process much smoother for you, so you do not have any gaps in your coverage. The best part is you pay no extra for their services, they get paid by the companies they represent.
- 2) Apprise Volunteers – Special trained by the department of aging, Apprise agents are unpaid volunteers that understand your Medicare benefits and are there to help guide you. The advantage is that they are unpaid and are not selling anything. They can explain Medicare and the coverage options. They fall a bit short when it comes to selecting your insurance. They do not have the knowledge to guide you to an insurance plan, nor are they allowed to. I feel they are a great start, but you still need to finish up with an agent.
- 3) Direct Insurance Companies – Most insurance companies have “captive agents” in house that will explain Medicare and your

coverage options. I personally feel this to be a roll of the dice. You will never know how experienced they are, and they can only offer the products sold by the company they work for. **TIP – Do not sign up for coverage over the phone with the first company you call. Do some research, then decide.**

- 4) [www.medicare.gov](http://www.medicare.gov). With no knowledge of Medicare, it is very difficult to do your own research. If you insist on doing it yourself, Medicare.gov is an essential resource for you. I don't recommend them as your primary source for information, however, if you have a question, your Google search will often yield a Medicare.gov web address with an answer.