East Greenwich Board of Education

Medicare Guide

Medicare is health insurance coverage that typically becomes available to an individual when:

- A person turns 65 years old
- A person is under the age of 65 with certain disabilities
- A person of any age has End Stage Renal Disease (ESRD). (Permanent kidney failure that requires a regular course of dialysis or a kidney transplant.)

Medicare is made up of 4 basic parts

- Part A for hospital coverage
- Part B for doctors and outpatient care
- Part C for Medicare Advantage plans
- Part D for prescription drugs.

MEDICARE PART A

What does Medicare Part A cover?

Medicare Part A covers services (like lab tests, surgeries, and doctor visits) and supplies (like wheelchairs and walkers) considered medically necessary to treat a disease or condition.

If you're in a Medicare Advantage Plan or other Medicare plan, you may have different rules, but your plan must give you at least the same coverage as Original Medicare. Some services may only be covered in certain settings or for patients with certain conditions.

In general, Part A covers:

- Hospital care
- Skilled nursing facility care
- Nursing home care (as long as custodial care isn't the only care you need)
- Hospice
- Home health services

There are 2 ways to find out if Medicare covers what you need

Talk to your doctor or other health care provider about why you need certain services or supplies, and ask if Medicare will cover them. If you need something that's usually covered and your provider thinks that Medicare won't cover it in your situation, you'll have to read and sign a notice saying that you may have to pay for the item, service, or supply.

Find out if Medicare covers your item, service, or supply, **Click Here** to search the Medicare database.

How Much does Medicare Part A cost?

You usually don't pay a monthly premium for Medicare Part A (Hospital Insurance) coverage if you or your spouse paid Medicare taxes while working. This is sometimes called "premium-free Part A."

If you buy Part A, you'll pay up to $411 each month. But, most people get premium-free Part A.

You can get premium-free Part A at 65 if:

- You already get retirement benefits from Social Security or the Railroad Retirement Board.
- You're eligible to get Social Security or Railroad benefits but haven't filed for them yet.
- You or your spouse had Medicare-covered government employment.

If you're under 65, you can get premium-free Part A if:

- You got Social Security or Railroad Retirement Board disability benefits for 24 months.
- You have End-Stage Renal Disease (ESRD) and meet certain requirements.

In most cases, if you choose to buy Part A, you must also have Medicare Part B (Medical Insurance) and pay monthly premiums for both.

When can I sign up for Medicare Part A?

When you're first eligible for Medicare, you have a 7-month Initial Enrollment Period to sign up for Part A and/or Part B.

Example: If you're eligible when you turn 65, you can sign up 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.

Between January 1–March 31 each year

If you didn't sign up for Part A when you were first eligible, 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.

Special circumstances (Special Enrollment Periods)

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 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 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.

Note: 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. This Special Enrollment Period also doesn't apply to people with End-Stage Renal Disease (ESRD).

You may also qualify for a Special Enrollment Period for Part A if you're a volunteer, serving in a foreign country.

MEDICARE PART B

What does Medicare Part B cover?

Medicare covers services (like lab tests, surgeries, and doctor visits) and supplies (like wheelchairs and walkers) considered medically necessary to treat a disease or condition.

If you're in a Medicare Advantage Plan or other Medicare plan, you may have different rules, but your plan must give you at least the same coverage as Original Medicare. Some services may only be covered in certain settings or for patients with certain conditions.

Part B covers 2 types of services

- Medically necessary services: Services or supplies that are needed to diagnose or treat your medical condition and that meet accepted standards of medical practice.
- Preventive services: Health care to prevent illness (like the flu) or detect it at an early stage, when treatment is most likely to work best.

You pay nothing for most preventive services if you get the services from a health care provider who accepts assignment.

Part B covers things like:

- Clinical research
- Ambulance services

- Durable medical equipment
- Mental health (Inpatient, Outpatient and Partial hospitalization)
- Getting a second opinion before surgery
- Limited outpatient prescription drugs

There are 2 ways to find out if Medicare covers what you need.

Talk to your doctor or other health care provider about why you need certain services or supplies, and ask if Medicare will cover them. If you need something that's usually covered and your provider thinks that Medicare won't cover it in your situation, you'll have to read and sign a notice saying that you may have to pay for the item, service, or supply.

Find out if Medicare covers your item, service, or supply. **Click Here** to search the Medicare database.

How much does Medicare Part B cost?

You pay a premium each month for Part B. If you get Social Security, Railroad Retirement Board, or Office of Personnel Management benefits, your Part B premium will be automatically deducted from your benefit payment. If you don't get these benefit payments, you'll get a bill.

Most people will pay the standard premium amount. However, if your modified adjusted gross income as reported on your IRS tax return from 2 years ago is above a certain amount, you may pay an Income Related Monthly Adjustment Amount (IRMAA). IRMAA is an extra charge added to your premium.

The standard Part B premium amount is $121.80 (or higher depending on your income). However, most people who get Social Security benefits will continue to pay the same Part B premium amount as they paid in 2015. This is because there wasn't a cost-of-living increase for 2016 Social Security benefits. You'll pay a different premium amount if:

- You enroll in Part B for the first time in 2016.
- You don't get Social Security benefits.
- You're directly billed for your Part B premiums.
- You have Medicare and Medicaid, and Medicaid pays your premiums.
- Your modified adjusted gross income as reported on your IRS tax return from 2 years ago is above a certain amount.

To learn more about Medicare Part B, please visit **www.medicare.gov**

MEDICARE PART C

Medigap Plans (Medicare Supplement)

Medigap (Medicare supplement) insurance is private health insurance that can help pay some of the health care costs not covered under Original Medicare such as copayments, coinsurance, and deductibles. In order to purchase a Medigap policy, you must first be enrolled in both Medicare Part A and Part B.

The best time to buy a Medigap policy is during your Medigap open enrollment period. This 6 month period automatically starts the month you're 65 and enrolled in Medicare Part B. Medigap insurance companies are generally allowed to use medical underwriting to decide whether to accept your application and how much to charge you for the Medigap policy. **However, if you apply during your Medigap open enrollment period, you can buy any Medigap policy the company sells, even if you have health problems, for the same price as people with good health.**

Medigap policies are standardized. Every Medigap policy must follow federal and state laws designed to protect you, and it must be clearly identified as "Medicare Supplement Insurance." Insurance companies can sell you only a "standardized" policy identified in most states by letters.

All policies offer the same basic benefits but some offer additional benefits, so you can choose which one meets your needs.

Each insurance company decides which Medigap policies it wants to sell, although state laws might affect which ones they offer. Insurance companies that sell Medigap policies:

- Don't have to offer every Medigap plan
- Must offer Medigap Plan A if they offer any Medigap policy
- Must also offer Plan C or Plan F if they offer any plan

Note:

The Medigap policy covers coinsurance only after you've paid the deductible (unless the Medigap policy also pays the deductible).

Coinsurance: An amount you may be required to pay as your share of the cost for services after you pay any deductibles. Coinsurance is usually a percentage (Example: 20%)

Deductible: The amount you must pay for healthcare or prescriptions before Original Medicare, your prescription drug plan, or your other insurance begins to pay.

MEDICARE PART D

Medicare offers prescription drug coverage to everyone with Medicare. If you decide not to join a Medicare Prescription Drug Plan when you're first eligible, and you don't have other creditable prescription drug coverage, or you don't get Extra Help, you'll likely pay a late enrollment penalty. To get Medicare drug coverage, you must join a plan run by an insurance company or other private company approved by Medicare. Each plan can vary in cost and drugs covered.

2 ways to get drug coverage

- Medicare Prescription Drug Plan (Part D). These plans (sometimes called "PDPs") add drug coverage to Original Medicare, some Medicare Cost Plans, some Medicare Private Fee-for-Service (PFFS) Plans, and Medicare Medical Savings Account (MSA) Plans.
- Medicare Advantage Plan (Part C) (like an HMO or PPO) or other Medicare health plan that offers Medicare prescription drug coverage. You get all of your Medicare Part A (Hospital Insurance) and Medicare Part B (Medical Insurance) coverage, and prescription drug coverage (Part D), through these plans. Medicare Advantage Plans with prescription drug coverage are sometimes called "MA-PDs." You must have Part A and Part B to join a Medicare Advantage Plan.

How to join a drug plan

Once you choose a Medicare drug plan, here's how you may be able to join:

- Enroll on the **Medicare Plan Finder** or on the plan's website.
- Complete a paper enrollment form.
- Call the plan.
- Call 1-800-MEDICARE (1-800-633-4227).

When you join a Medicare drug plan, you'll give your Medicare number and the date your Part A and/or Part B coverage started. This information is on your Medicare card.

Joining a Medicare drug plan may affect your Medicare Advantage Plan

If your Medicare Advantage Plan (Part C) includes prescription drug coverage and you join a Medicare Prescription Drug Plan (Part D), you'll be disenrolled from your Medicare Advantage Plan and returned to Original Medicare.

What drug plans cover

Each Medicare Prescription Drug Plan has its own list of covered drugs (called a formulary). Many Medicare drug plans place drugs into different "tiers" on their formularies. Drugs in each tier have a different cost.

A drug in a lower tier will generally cost you less than a drug in a higher tier. In some cases, if your drug is on a higher tier and your prescriber thinks you need that drug instead of a similar drug on a lower tier, you or your prescriber can ask your plan for an exception to get a lower copayment.

Costs for Medicare drug coverage

You'll make these payments throughout the year in a Medicare drug plan:

- Premium
- Yearly deductible
- Copayments or coinsurance
- Costs in the coverage gap
- Costs if you get Extra Help
- Costs if you pay a late enrollment penalty

Your actual drug plan costs will vary depending on:

- The drugs you use
- The plan you choose
- Whether you go to a pharmacy in your plan's network
- Whether the drugs you use are on your plan's formulary
- Whether you get Extra Help paying your Medicare Part D costs