

THE BEGINNER'S GUIDE TO



MEDICARE

Dear Friend,

Thanks for requesting a copy of our Beginner's Guide to Medicare.

As someone new to Medicare, you may be a little confused about your Medicare coverage options. You have many choices, often with different rules, coverage limits, doctors and costs.

You worked hard to get Medicare. Now it's time to make sure Medicare works hard for you and you get the coverage you'll be happy with. It's worth taking a little time to read this material to get a better understanding of how the program works. We'll send more helpful information in the coming weeks.

In the meantime, please call one of our licensed insurance agents with any questions you have about your plan options.

You may **call 1-888-680-4780 (TTY 711)** Monday to Friday from 8 am to 8 pm EST. The advice you receive is independent and free to you, with no obligation to enroll in a plan.

To your health,

Andrew Shea
eHealth Medicare

P.S.: Please call us when you're ready to choose a Medicare plan. We'll help you find the plan that's right for your needs. We can even assist you with the application. Our help is offered at no cost to you and with no obligation to enroll.

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IF YOU'RE NEW TO MEDICARE,

you're probably just starting to learn about the different parts of the Medicare program. This article explains more about Medicare Part A and Part B (together, they are often called "Original Medicare"), Part C (often called "Medicare Advantage") and Part D (the part of Medicare that covers your prescription medications).



Medicare Part A

Hospital Insurance



Medicare Part B

Medical Insurance



Medicare Part C

Medicare Advantage



Medicare Part D

Prescription Drug Coverage

Medicare Part A – Hospital Insurance

Many people think of Medicare Part A as “hospital insurance.”

It helps cover services such as (but not limited to):

-  **Inpatient hospital care**, including semi-private rooms, meals, nursing services, prescription drugs needed during your hospital stay and more.
-  **Skilled nursing facility care**, including a semi-private room, meals, skilled nursing care, and other related medical services, supplies and equipment.
-  **Hospice care**, including doctor services, nursing care, medical equipment and supplies, and more, if your doctor determines you are terminally ill and will likely die within the next six months.
-  **Home health services**, including certain amounts of at-home skilled nursing care, physical therapy, occupational therapy and more when medically necessary.

10
YEARS

Most people don't pay a monthly premium for Medicare Part A as long as they or their spouse paid Medicare taxes for a minimum of 10 years (40 quarters) when they were working.



However, your Part A coverage may still include other costs such as deductibles, co-payments and/or co-insurance when you use the coverage.

Medicare Part B – Medical Insurance

Many people think of Medicare Part B as “medical insurance.”

It helps cover services and supplies needed for the diagnosis or treatment of your health condition, including but not limited to:

-  **Doctor visits**
-  **Laboratory tests and X-rays**
-  **Emergency ambulance service**
-  **Various preventive tests**
(such as flu shots and Pap tests)

You'll pay a monthly premium for Medicare Part B. The amount you pay will vary depending on your specific situation.

In addition to your monthly premium, people with Part B coverage have a yearly deductible and co-insurance. Before the deductible is met, you'll pay the full Medicare-approved cost of any medical service you receive during the year.

After it's met, you'll typically pay only 20% of the Medicare-approved amount for most Part B covered services for the rest of the year.



Medicare Part C – Medicare Advantage

Some people choose to get their Medicare benefits through Medicare Part C, also known as Medicare Advantage. These are Medicare-approved private health insurance plans for people enrolled in Medicare Part A and Part B.

- ✔ **Medicare Advantage plans provide all of your hospital and medical insurance coverage that you would receive with Medicare Part A and Part B.** Plus, they often include extra benefits, such as routine vision, dental and hearing coverage, and may also include prescription drug coverage.
- ! **Most Medicare Advantage plans have specific provider networks,** which means you may have to see certain doctors or go to certain hospitals to use your plan benefits—or you may pay more to go to a doctor who is outside the network.
- ✔ **Roughly one in every three Medicare enrollees has a Medicare Advantage plan,** according to the U.S. Centers for Medicare and Medicaid Services. They are popular, in part, because they may have lower out-of-pocket costs than Original Medicare (Part A and Part B only).
- ! **When you enroll in a Medicare Advantage plan, you are still in the Medicare program and must keep paying your Part B premium.** After your initial enrollment in Medicare (when you turn 65), switching to a different type of Medicare plan is usually limited to certain times of the year.

Medicare Part D – Prescription Drug Coverage

Original Medicare (Part A and Part B) doesn't cover most prescription medicines. For that coverage, you will need to either enroll in a Medicare Part D Prescription Drug Plan or a Medicare Advantage (Part C) plan that includes Part D benefits.

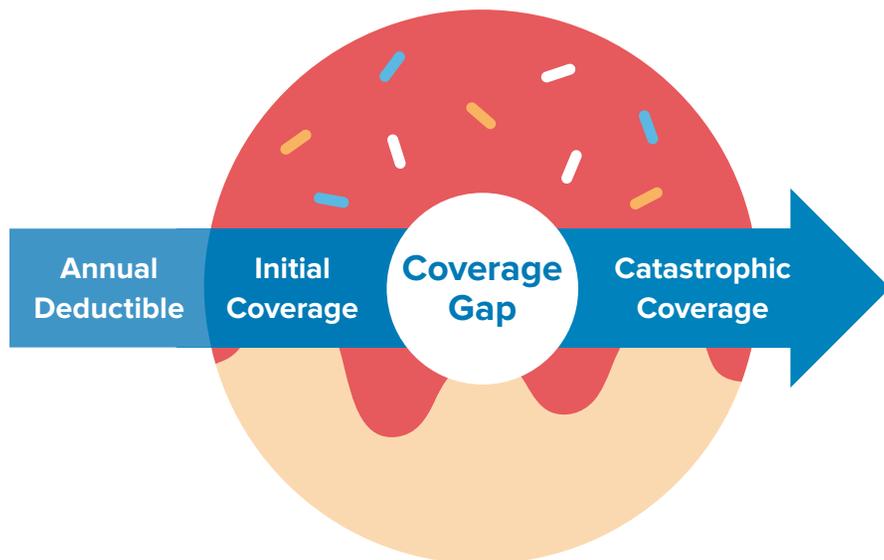
-  **You don't automatically get Medicare Part D Prescription Drug coverage as a Medicare beneficiary.** The coverage is optional but you may have to pay a late enrollment penalty if you sign up for Part D coverage after you're first eligible for it or if you go 63 days or more in a row without a Medicare Prescription Drug Plan.
-  **To avoid paying this penalty, it's often a good idea to sign up for Medicare Part D as soon as you're first eligible,** unless you have and continue to keep what Medicare considers "credible prescription drug coverage".
-  **Like Medicare Advantage, enrollment in a Medicare Part D Prescription Drug Plan is usually limited to certain times of the year,** including but not limited to when you are first eligible for Medicare Part B.
-  **Medicare Part D Prescription Drug Plans are offered by private insurance companies who have a Medicare contract.** Your monthly premium, deductible, co-pays, co-insurance, pharmacy network/service area and the list of prescription drugs covered by the plan (formulary) will vary depending on the plan you choose.
-  **The formulary may change at any time and,** if necessary, your Medicare plan will notify you when it changes. All of these variables can make choosing a plan complicated.

The Medicare Part D Coverage Gap (“Donut Hole”)

The coverage gap (sometimes called the “donut hole”) refers to the point when you and your Medicare Part D Prescription Drug Plan (or Medicare Advantage Prescription Drug Plan) have spent a certain amount on covered medicines; this amount is also known as your initial coverage limit.

This means there is a temporary limit on what the prescription drug plan will cover for medications. Once you’ve reached your initial coverage limit, you pay a higher portion of your prescription drug costs.

After you have spent a certain amount out-of-pocket, you’re out of the coverage gap and you’ll automatically get catastrophic coverage, at which time your Medicare Part D Prescription Drug Plan will pay for most of the cost of your covered prescription medicines. You will only pay a small coinsurance amount or copayment until the end of the year.



Not everyone will enter the coverage gap. You can prevent or delay entering it by reducing your prescription drug costs. There are many ways to do this, including:



Switching to lower cost medications
(including generics) after first talking to your doctor.



Using a prescription mail-order program
offered by your Medicare Part D Prescription Drug Plan.



Enrolling in and using a reputable prescription drug assistance program.



Applying for the Extra Help
(Low Income Subsidy or LIS) program. If you qualify, you will not be subject to the Part D coverage gap.



Medicare Part D coverage can be confusing even for people who’ve had Medicare for a long time.

Be sure to ask your insurance plan or broker how this benefit works. By knowing how Part D works, you will get the most from your coverage.

Medicare Supplement Plans

A Medicare supplement insurance policy (sometimes called Medigap) can help pay some of the health care costs that Original Medicare (Parts A and B) doesn't cover, such as co-payments, co-insurance and deductibles.

 **Medicare supplement policies are sold by private companies.** You pay the insurance company a monthly premium in addition to what you pay for your Part B coverage.

 **All Medicare supplement insurance policies offer the same coverage.** Benefits are standardized and denoted by different letters of the alphabet. If you have a standardized Medicare supplement, your policy is guaranteed renewable even if you have health problems, but you may not be able to switch supplement policies except at certain times of the year.

 **A Medicare supplement policy is different from a Medicare Advantage plan.** Medicare Advantage is a way to get your Medicare benefits, while a Medigap policy only supplements your Original Medicare (Parts A and B) coverage. **You cannot have both a Medigap policy and a Medicare Advantage plan.**

 **New Medicare supplement policies do not include prescription drug coverage,** so many people with a supplement also buy a Part D plan. This means they have Original Medicare (Part A and Part B), a Part D plan and a Medicare Supplement Insurance policy.

New to Medicare? Let us help.

Find a Medicare plan your doctor accepts.

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Mon to Fri, 8 am to 8 pm

You will speak to a licensed insurance agent.

Online at **eHealthMedicare.com**





HOW TO SIGN UP FOR MEDICARE BENEFITS.

For most people, turning 65 means you're eligible for Original Medicare (Part A and Part B).

But how – and when – do you sign up?



Automatic Enrollment



Part A and Part B



Initial Enrollment Period

Some People Qualify for Automatic Enrollment

You may automatically qualify for Original Medicare (Part A and Part B) if:



You're already getting retirement benefits from the Social Security Administration or the Railroad Retirement Board (RRB).



You're under 65 and have a disability.



You have Amyotrophic Lateral Sclerosis, also called ALS or Lou Gehrig's disease.



You live in Puerto Rico and get benefits from Social Security or the RRB (you automatically get Part A but will have to sign up for Part B if you want it).

You don't need to submit another application if you're automatically enrolled in Medicare Part A and Part B. You'll get your red, white and blue Medicare card in the mail three months before your 65th birthday and your benefits will start on the first day of the month you turn 65. (If that happens to be your actual birthday, your benefits start on the first day of the previous month.)

If you are getting disability, you will get your red, white and blue card in the mail your 25th month of disability.



Some People Need to Sign Up for Part A and Part B

You will need to sign up for Medicare Part A and Part B if:



You qualify because you have End Stage Renal Disease (ESRD).



You live in Puerto Rico and want Part B (you automatically get Part A).



You must have Medicare Part A in order to apply for Medicare Part B.

You can apply for Original Medicare through Social Security or the Railroad Retirement Board at the same time you apply for retirement benefits.



Call Social Security at 1-800-772-1213,

Monday through Friday from 7 a.m. to 7 p.m.
TTY users can call 1-800-325-0778.



Apply in person at your local Social Security office.



If you worked for a railroad, you can apply for Medicare through the Railroad Retirement Board at 1-877-772-5772, Monday through Friday from 9 a.m. to 3:30 p.m. TTY users can dial 1-312-751-4701.



Apply online at www.ssa.gov (if you're not yet ready to receive retirement benefits).

Initial Enrollment Period

The Medicare Initial Enrollment Period is a seven-month period that starts three months before the month you turn 65, the month you turn 65, and three months after the month you turn 65.

For example, Mary Doe turned 65 on April 27, 2017. She is first eligible for Medicare starting in April 2017 because she is turning 65. Her initial enrollment period for Medicare starts January 2017 and lasts until July 31, 2017.



What can you sign up for during the Initial Enrollment Period?



If you're already getting Social Security benefits, you will be contacted a few months before you become eligible for Medicare and given the information you need.



Most people will be enrolled in Medicare Part A and Part B automatically.

However, because you must pay a premium for Part B coverage, you have the option of turning it down.



You have Amyotrophic Lateral Sclerosis, also called ALS or Lou Gehrig's disease.

If you don't receive Medicare automatically, first-time Medicare beneficiaries can sign up for Part A and/or Part B during their 7-month Initial Enrollment Period. This period starts three months prior to your 65th birthday, includes your birth month, and extends three months after your birth month.

It's important to enroll during this seven-month window. If you don't, you may have to wait until the next general enrollment period (January 1 – March 31) and you may incur late fees that could impact you for years—potentially the entire time you're enrolled in Medicare.

Most people will not have to pay an additional premium amount for Medicare Part A if they or their spouse worked 10 years and paid Medicare taxes. People who did not work a minimum of 10 years may still obtain Medicare Part A coverage but may have to pay a premium amount. That amount is determined by Social Security.

If you or your spouse are still working when you turn 65 and you have health insurance through that employer, you may delay enrollment in Part B because you may not need the coverage. Before you make a final decision, call your employer's benefits department to see if that coverage is sufficient and for information on how it might work with Medicare Part D.

If you turn down or delay your enrollment in Part B, you may have to pay a 10 percent Part B premium penalty for each 12-month period for which you qualified but delayed enrollment. This penalty would begin once you enroll in Part B.

After you've enrolled in Medicare Part A and Part B, you can enhance your coverage with a Medicare Supplement Insurance (Medigap) policy and a Medicare Part D Prescription Drug plan. Or, you may choose to get all your Medicare benefits through a Medicare Advantage (Part C) plan, with or without prescription drug coverage.

Explained: Medicare Co-Payments, Co-Insurance and Annual Deductibles

Medicare provides for excellent health care coverage but it doesn't cover everything. You will be responsible for paying a share of your health care expenses.

Here are some of the out-of-pocket costs that come with Medicare coverage.



Premium: Your premium is a specific monthly amount you must pay to the Medicare program and/or a private insurance company in exchange for your health or prescription drug coverage. This is usually paid out-of-pocket, although people who qualify for Medicaid may get help paying for their premium(s).



Annual deductible: Your annual deductible is the amount you must pay out-of-pocket for your health care or prescription drugs before your Medicare insurance (whether it's Original Medicare, Medicare Advantage, or Medicare Part D) starts paying. This amount varies by plan and could change every year.



Co-payments: A co-payment (co-pay) is an out of pocket payment you may be required to make for your share of a health care cost. These are commonly found in Medicare Advantage and Part D Prescription Drug plans. For example, each trip to the doctor might cost you \$15 while Medicare covers the rest of the cost. You might pay \$10 every time you fill a prescription, for example, and your plan would pay the balance.



Co-insurance: Medicare Part B uses a co-insurance structure for many benefits. Co-insurance is an amount you may be required to pay as your share of the cost for health care services after you meet your plan's deductibles. Unlike a co-pay, co-insurance is usually a percentage (often 20%) of the approved cost of a given service, rather than a flat fee.



Maximum out-of-pocket limit: This is a yearly limit on your out-of-pocket spending for Medicare-covered services. Original Medicare does not have an overall out-of-pocket limit but such protection is common in Medicare Advantage plans. Once you reach the maximum limit, your health plan will pay 100% of the cost of covered health care services for the rest of the year.

Health care expenses	
 Premium	Specific monthly amount you pay in exchange for your health or prescription drug coverage
 Annual deductible	Out-of-pocket before your Medicare insurance starts paying
 Co-payments	Payment you may be required to make for your share of a health care cost
 Co-insurance	Amount you may be required to pay as your share of the cost, usually a percentage
 Out-of-pocket limit	Yearly limit on your out-of-pocket spending for Medicare-covered services

What You Should Know About Doctor Networks

Your choice of doctors and hospitals depends on the type of Medicare plan you have. Here are the basics you should know.

- ✔ If you have **Original Medicare (Part A and Part B)**, with or without a Medicare supplement insurance policy, you can see any doctor or health care provider who has accepted “**Medicare assignment.**” These providers are sometimes also called “participating” Medicare providers.
- ✔ **Most but not all providers are Medicare participating providers**, which means people with Original Medicare have many health care provider options.
- ! **Finding a doctor is a bit different if you’re enrolled in a Medicare Advantage (Part C) plan.** In most of these plans, the insurance company contracted with Medicare has created its own network of participating providers. They may require you to stay in their network for non-emergency services, or to obtain a referral before visiting doctors outside the network.
- ! **If provider choice is very important to you, consider Original Medicare (with or without a supplement policy) or a Medicare Advantage Preferred Provider Organization (PPO).*** Medicare Advantage Health Maintenance Organizations (HMOs) typically have smaller networks and more rules about accessing the network.

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The information in this guide is not a complete description of benefits. Call 1-800-MEDICARE (1-800-633-4227) 24 hours a day, 7 days a week for a complete description of benefits. TTY users should call 1-877-486-2048.

*Out-of-network/non-contracted providers are under no obligation to treat Preferred Provider Organization (PPO) plan members, except in emergency situations. For a decision about whether we will cover an out-of-network service, we encourage you or your provider to ask us for a pre-service organization determination before you receive the service. Please call our customer service number or see your Evidence of Coverage for more information, including the cost-sharing that applies to out-of-network services.

