

Your Guide to Understanding Your Medicare Choices



Which Road Will You Take?

- The Basics of Medicare
- What Your Options Are
- Critical Timelines
- How to Enroll
- What to Do If You Are Still Working



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MEDICARE SPECIAL REPORT

The purpose of this report...

Time and again, we hear from our prospective clients just how confusing Medicare is. We hear this from those who are new to Medicare, and from those who have been on Medicare for years. Thus, we saw the need to create this E-Book as a way of presenting Medicare in a simple way. Much of the information contained here is readily available online, but hopefully you will find this condensed version extremely helpful.

For those of you who are new to Medicare

Perhaps the most important decision is the timing of when to elect benefits and apply for additional coverage such as a supplement. Initially, you can get a supplement without health questions, and in some circumstances later, but it is imperative that you know when this window is open, and what your rights are later. We touch on this in this book, but we *highly* recommend that you consult with us, or your trusted agent, so that you have a full understanding of this.

For those of you already on Medicare...

If you are on Medicare, you most likely fall into one of three categories:

1. You are on Original Medicare and also have a Medicare Supplement (and possibly a separate Prescription plan)
2. You have a Medicare Advantage Plan that requires a private insurer to manage your medical claims
3. You have only Part A and Part B, and possibly a separate Prescription only plan.

Regardless of which category you are in, if you are not happy with your current arrangement, you may have several options to change your coverage.

Our Goal...

We want you to have the correct information so that you make the absolute best decision for your Medicare coverage, and we want to assist you in making your application for coverage. We promise two things: 1, we will make this easy, and 2, *it will not cost you one cent to utilize our services!*



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Original Medicare

There are a lot of letters in Medicare, but the only ones that are actually managed by Medicare itself are Medicare Part A and Medicare Part B.

Medicare Part A – Hospital Insurance

what it covers...

Think of the ‘A’ as ‘Admission’, as in hospital admission. That’s essentially what it is: hospitalization coverage. Part A has a \$1288 deductible per 60-day benefit period. Covered services:

- In-patient hospital charges
- Skilled Nursing after a hospital stay
- Hospice Care
- Some home health care

when and how to get it...

If you are already drawing social security, you will be automatically enrolled into Part A. If not, you can apply for it up to 3 months prior to your 65th birth month by contacting Social Security directly: <http://www.ssa.gov/medicare/>

how much it costs...

For most people, there is no cost, because you paid into the Medicare system as an employee.

special circumstances...

If you are covered through a group plan and still working, you should contact your group administrator to see how that plan works with Medicare. Also, those on disability 24 months or more are eligible, regardless of age.

Medicare Part B – Medical Insurance

what it covers...

Part B covers 80% of *outpatient* services, such as physician visits, labs, x-rays, tests, day surgeries, and durable medical equipment. Part B has a \$166 annual deductible.

when and how to get it...

You can enroll into Part B starting up to 3 months prior to your 65th birth month, including your birth month, and up to three months after your birth month. Here is the link again:

<http://www.ssa.gov/medicare/>

If you are currently working and have health insurance, you should check with your employer to see how Medicare works with your group coverage. *You may be able to delay your Part B enrollment if you are still working.* If you are not currently covered under a qualified health plan, and you do not elect to take Part B during your Initial Election Period, you will have to pay a permanent penalty for Part B (in the form of higher Part B premiums) if you elect it later.

how much it costs...

Part B costs \$121.80/mo, but is more with higher income. If you are drawing Social Security it will be deducted from your check. If your income is below a certain threshold, you may qualify for special assistance to help you pay for Part B.



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Medicare Advantage (Part C)

what it covers...

Part C is known as Medicare Advantage. These plans are designed to give you more benefits than only Medicare A and B. Your health plan, not Medicare, will now be billed by your providers for your healthcare. You can enroll either directly with these insurance companies or with an agent.

eligibility...

To get a Medicare Advantage (MA) plan, you must first be enrolled into Parts A and B. When you are first eligible for Medicare, you can enroll into an MA Plan during the 7 month window that begins 3 months prior to your 65th birthday month.

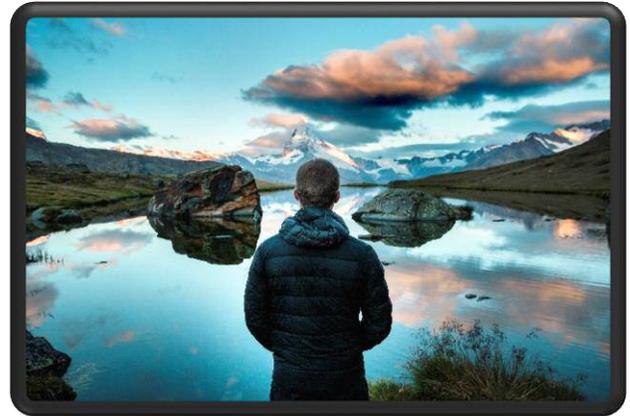
Also, every year during the Annual Election Period (Oct 15 – Dec 7), you can change your MA Plan to another MA Plan. You can also dis-enroll from your MA or MAPD plan and return to Original Medicare from Jan 1 – Feb 14th each year.

how much it costs...

To get Medicare Part C you must have Part A (usually \$0) and Part B (\$121.80). Any additional premium, if any, is up to the insurance company. There are several plans that do not charge an additional premium.

questions to ask...

When considering Part C, you should find out if your current doctors accept the plan, what the co-pays and deductibles are, what the maximum annual out of pocket costs are, and what, if any, coverage do you have outside your service area.



Did You Know?

You must have Parts A and B to be eligible for a Medicare Advantage Plan, MAPD Plan, or a Medigap Plan

MAPD Plans...

An MAPD plan is a Medicare Advantage Plan that includes Prescription Drug Coverage, often at no extra cost. You can also buy a stand-alone Prescription Drug Plan (PDP), and we will go into more detail now.



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Medicare Part D – Prescription Drug Plans (PDP)

about PDP plans...

You can get Prescription coverage as part of a Medicare Advantage Plan (MAPD), or by itself. There may be several plans to choose from, but they may not all cover your prescriptions the same. It really depends on your current list of prescriptions. Don't just look at the monthly premiums, but also look at what it covers for your specific drugs. There may be a deductible and co-pays. If your total drug costs reach \$3310 for the year (the donut hole), then you get discounts on drugs only, until you have reached your annual max, \$4850. After that, you are eligible for co-pays of either 5% or \$2.95 for generic, or 5% or \$7.40 for brand names, whichever is higher.

what if I wait...

If you don't get a Part D drug plan when you are first eligible, it will cost more later. There is a permanent penalty for late enrollment. Also, once you select a Part C and/or Part D plan, you can only change or drop it once a year, during the Annual Election Period (Oct 15 – Dec 7), unless you become eligible for a Special Election Period.

eligibility...

To get a PDP plan, you must first be enrolled into Part A or B. When you are first eligible for Medicare, you can enroll into a PDP Plan during the 7 month window that begins 3 months prior to your 65th birthday month.

Also, every year during the Annual Election Period (Oct 15 – Dec 7), you can change your PDP Plan to another PDP Plan, even if you also have a Medicare Supplement, which we will cover now.

The “Donut Hole”

In 2016, it starts when your calendar year drug costs, including what your plan has paid, reaches \$3310.

Once your drug costs reach \$4,850, you are now out of the donut hole.

While in it, you will get a 55% discount on name-brand drugs and a 42% discount on generic drugs.

These discounts will increase annually until 2020.

choosing the right PDP plan...

Depending on your service area, there may be several PDP plans to choose from, with a wide range of prices. If you have some expensive medicines, then choosing the right plan becomes very important.

The following link will allow you to input your current drugs and give you a list of plans available and how they are covered:

<https://www.medicare.gov/find-a-plan/questions/home.aspx>



Medicare Supplements (Medigap Plans)

These plans, sold by insurance companies, generally cover Part A and B deductibles and coinsurance. Some supplements may have deductible and co-pay requirements. The first time you get Part B, you can buy a supplement within 6 months of your Part B enrollment date, with no health questions. After that, you will have to qualify, except under certain circumstances, such as losing creditable coverage or losing a Medicare Advantage Plan. You must have Parts A and B to get a supplement. You will also have a separate premium for the supplement, in addition to your Part B premium.

“Different insurance companies may charge different premiums for the exact same policy”

2016 Medicare and You Guidebook,
Page 100

Standardized Plans

Medicare Supplements are also identified by plan letters, just to confuse folks! But, this has nothing to do with Medicare Parts A, B, C, or D. What it means is this: Medigap Plan F, for example, has the exact same coverage, claims reimbursements, procedures, and guarantees regardless of the company behind it. Medigap plans are standardized by Federal Law, so when comparing plans you really are comparing apples to apples.

No Network Restrictions

Regardless of the Medigap plan you choose, there is no provider network requirement (there is an exception called Medicare Select which limits your hospitals, but not your doctors). If your provider takes Medicare, they must take your supplement and will receive identical reimbursements, regardless of the insurance company. The Center for Medicare Services (CMS) controls the claims process, and even files your Medigap claims electronically with your insurance company.

Choosing the Right Medicare Supplement Plan

There are differences between Medigap Plans with different plan letters. All plans will cover you for Medicare coinsurance, but some plans require you to meet the Part A or Part B deductible first, and some even have co-pays at the doctor. Plan F is the most popular and the most comprehensive, and usually the most expensive. This is where your agent can be an invaluable free resource. You will pay the exact same for your supplement whether or not you use an agent.

Did You Know?

You can apply to change your Medigap Plan at any time of the year regardless of whether or not you have an existing Prescription Plan.

FINAL COMMENTS

Risks in not buying a Supplement

If you: a) choose to not buy a supplement during your Initial Election Period or a Special Election Period, or you drop a supplement, you will probably have to answer health questions if you decide later that you want to get your supplement back, and you may not qualify.

The main reason people drop a supplement is because of a price increase. But, there are dozens of companies offering supplements, with the exact same benefits. And each month, we shop the market to make sure our clients are getting the best price, year after year.

Before you go any further, we encourage you to give us a call so we can put together a game plan to make your transition to Medicare a smooth one.

We wish you the best as you begin your journey with Medicare, and we are here to help!

Robb Rothrock

President

Safe Retirements Group, LLC



Questions about Work?
Need to know how to Enroll?
Just Received Medicare Card?

[Click Here](#) to Schedule a Free Telephone Consultation



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