

# Your Guide to Understanding Your Medicare Choices



## *Which Road Will You Take?*

- The Basics of Medicare
- Critical Timelines
- Enrollment Options
- Transitioning from Private Insurance
- Medigap Plans



MEDICARE SUPPLEMENTS | LIFE INSURANCE | SOCIAL SECURITY TIMING | RETIREMENT PLANNING

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## 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 a way to present Medicare in a simple fashion. Much of the information contained here is readily available online, but hopefully you will find this 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 t, 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!*



## 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 \$1340 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 65<sup>th</sup> 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 Social Security 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 \$183 annual deductible.

#### ***when and how to get it...***

You can enroll into Part B starting up to 3 months prior to your 65<sup>th</sup> 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.



## 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 65<sup>th</sup> 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 14<sup>th</sup> each year.

### ***how much it costs...***

To get Medicare Part C you must have Part A (usually \$0) and Part B (\$134/mo). 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.





## 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 \$3750 for the year (the donut hole), then you get discounts on drugs only (56% off generics, 65% off of name brands), until you have reached your \$5000 in true out of pocket costs. After that, you are eligible for co-pays of either 5% or \$3.35 for generic, or 5% or \$8.35 for brand names, whichever is higher. This is called catastrophic coverage.

### ***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 65<sup>th</sup> 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,

### *The “Donut Hole”*

In 2018, it starts when your calendar year drug costs, including what your plan has paid, reaches \$3750.

While in it, you will get a 65% discount on name-brand drugs and a 56% discount on generic drugs.

These discounts will increase annually until 2020.

If your True Out-of-Pocket costs reach \$5000, you enter catastrophic coverage,

### ***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.

*Insurance companies can sell you only a standardized policy identified in most states by letters A through D, F through G, and K through N. All policies offer the same basic benefits...*

**2018 Medicare and You Guidebook,  
Page 79**

## 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 (within a county), regardless of the insurance company. The Center for Medicare Services (CMS) controls the claims process, and can even file your Medigap claims electronically with your insurance company.

## Choosing the Right Medicare Supplement Plan

### *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

## How You Benefit From Allowing Us To Be Your Agency

Why should you care? First, our services are at no cost to you. Our compensation comes from the insurance company. But, insurance rates are filed with and approved by the state, not by us. It is illegal for insurance companies to sell you the same policy for less than we can. Second, if you call an insurance company directly, they will ONLY tell you about their product, no one else's. Not so with us. We carry virtually every major company in our industry, so you can rest assured that you are getting the right product at the right price.

## 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,

Give us a call today at 1-888-784-7834 to get your Medicare Supplement rate locked in!

*“Robb was instrumental in helping me navigate the confusion of Medicare! He met with my husband and me and was very patient and knowledgeable about the options. He answered all questions we had and helped me pick the supplement that was just right for me. I highly recommend him to make sense of all this for you!”*

*“Just a note to say thank you for your kindness in helping us sign up for my husband's Medicare; Not only were your knowledge and input valuable but your patience and friendliness in explaining the entire process was truly commendable. And all done without the added sales pressure!”*

*Teresa & John T. – Mesquite, TX*

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