

MEDICARE BASICS

What You Need to Know About Your Benefits and Options

Medicare is a federal health insurance program for people age 65 or older, under age 65 with certain disabilities, or any age with End-Stage Renal Disease (permanent kidney failure).

Medicare has five separate components. People enrolling in Medicare will choose the components that work best for their situation. If you are on Medicare due to disability or End Stage Renal Disease, all five components may not be available to you.

MEDICARE HEALTH INSURANCE	
HEALTH CARE FINANCING ADMINISTRATION	
NAME OF BENEFICIARY	Jane Doe
MEDICARE CLAIM NUMBER	000-00-0000-A
SEX	FEMALE
IS ENTITLED TO	EFFECTIVE DATE
HOSPITAL (PART A)	01-01-1997
MEDICAL (PART B)	01-01-1992
SIGN HERE	Jane Doe

Typically individuals choose one of two options when getting their Medicare coverage.

The first option is enrolling in a combination of Part A, Part B, Medicare Supplement and a Part D Plan .



OR individuals choose to enroll in a Medicare Advantage Plan (Part C).

An individual should pick one option or the other, but should never have both a supplement and an advantage plan.



Part C: Medicare Advantage

What if I Continue to Work After Age 65?

More and more people continue to work after they become eligible for Medicare. If you have healthcare coverage from your employer, you may be able to delay enrollment in Medicare Part B, Part D and a Medicare Supplement in order to avoid paying unnecessary insurance premiums. Many people choose to take Medicare Part A when first eligible, since most people do not pay a premium for Part A. Each person's situation is different, so it is important to talk with your benefits administrator at work to see how your employer coverage works with Medicare. For more information on Medicare and Employer Coverage contact the Nebraska SHIP at 1-800-234-7119 to request a copy of *Medicare and Employer Coverage*.

What is Medicare Part A?



Medicare Part A helps cover inpatient care in hospitals. It also helps cover skilled nursing facilities (not custodial or long-term care), hospice care and home health care.

People with Medicare Part A are responsible for paying a deductible or copay for each covered service. These costs vary according to service and are subject to benefit periods. The cost for an inpatient hospital stay in 2016 include a \$1,288 deductible which covers the first 60 days. Days 61-90 are an additional copay of \$322 per day. Days 91-150 are an additional \$644 per day and may only be used once in a lifetime.

Premium Cost: Medicare beneficiaries usually do not pay a monthly premium for Medicare Part A. This is because you or your spouse paid Medicare taxes while working. If you do not automatically get premium-free Part A, you may be able to buy it.

What is Medicare Supplement Insurance?



A Medicare Supplement Insurance policy is health insurance sold by insurance companies to fill gaps in Medicare Parts A and B. Medicare Supplement policies are also known as “Medigap” Insurance. While Medicare pays most of your healthcare costs, Medicare Supplement policies help pay your share (co-payments or deductibles) of the costs of Medicare-covered services. Depending on the plan, you incur little or no out-of-pocket costs after Medicare and the Supplement policy pay the healthcare provider. Medicare Supplements do not cover the cost of prescription drugs; a separate drug plan is needed to help pay these costs.

Companies can only sell you a “standardized” Medicare Supplement policy. There are currently ten standardized plans available: Plans A, B, C, D, F, G, K, L, M and N*. The term “standardized” means that each particular Medicare Supplement Plan offers the same benefits, no matter which company sells it (i.e., a Plan F with one company pays the same benefits as a Plan F with another company).

Premium Cost: Monthly premiums for Medicare Supplement policies vary according to company, plan, and the beneficiary’s age, zip code, gender, and tobacco use. For information on companies selling Medicare Supplement policies in Nebraska, as well as pricing data, contact the Nebraska SHIP at 1-800-234-7119.

** Please note that Medicare Supplement “Plans” are different than the “Parts” of Medicare.*

Medicare Supplement Tip! When you enroll in Medicare Part B at age 65 or older you have a six month window in which all companies must accept you. Outside of this window, you will be required to answer health questions and may be denied a Supplement based on your health history. The health questions also apply to people on Medicare due to disability.

What is Medicare Part B?

Medicare Part B helps cover your doctor visits, outpatient care, durable medical equipment, and some other medical services that Part A doesn't cover. Part B helps pay for covered medical services when they are medically necessary. Part B also covers many preventive services.

The yearly deductible for 2016 is \$166. Medicare Part B pays 80% of covered charges, after you meet this deductible. You are responsible for 20% of the covered charges.

Premium Cost: Most people pay a standard monthly premium of \$121.80 in 2016. This amount can change every year. Individuals with annual income more than \$85,000 and married couples with more than \$170,000 will pay a higher premium.



Medicare Parts A and B Tip! The Social Security Administration will determine when you are eligible for Medicare Parts A and B. Social Security will also assist you in enrolling in Parts A and B. Contact your local Social Security office for more information on when and how to enroll in Parts A and B.

What is Medicare Part D?

Medicare offers prescription drug coverage, known as Part D, for everyone with Medicare. Enrollment in Part D is optional, but if you decide not to enroll when first eligible, you may pay a penalty if you join later. However, if you have prescription coverage that is at least as good as what Medicare offers, you may not need to enroll in Medicare Part D.

If you join a prescription drug plan, you pay a monthly premium. Other out-of-pocket costs include co-payments, coinsurance and/or deductible, if any. Plans also include a gap in coverage, otherwise known as the "donut hole." Not all drug plans may cover your specific combination of prescriptions, so it is important to compare your options. It is important to look at your individual situation before choosing a plan. The prescriptions you take will determine which plan will be most cost effective for you.



Social Security can help with your prescription costs if you have limited income and assets. In order to qualify in 2016, you must be either an individual with annual income less than \$18,060 and assets limited to \$13,640 or a married couple with annual income less than \$24,270 and assets limited to \$27,250. Contact Social Security at 1-800-772-1213 for more information or visit www.socialsecurity.gov.

Premium Cost: Monthly Part D premiums vary according to plan. To compare plans, visit Medicare's website at www.medicare.gov or contact the Nebraska Senior Health Insurance Information Program (SHIIP) at 1-800-234-7119.

What is Medicare Part C?

Medicare Part C is an alternative to Original Medicare. Part C is also referred to as Medicare Health plans, or Medicare Advantage plans. Medicare Advantage plans are health plan options that are approved by Medicare and administered by private insurance companies.

Medicare Advantage plans are required to provide the same coverage as Original Medicare Part A (hospital) and Part B (medical), and must cover medically-necessary services. Some plans offer extra benefits, such as dental and vision services (benefits not covered by Original Medicare), and many include Part D drug coverage.



Monthly premiums of Medicare Advantage plans are generally lower than those of Medicare Supplement policies. In turn, enrollees must pay co-payments for each Medicare-covered service. These co-payments vary according to plan and the service provided.

Medicare Advantage options in Nebraska include: Private Fee-for-Service Plans (PFFS); Medicare Preferred Provider Organization Plans (PPO); Medicare Managed Care Plans (HMO & POS); and Medicare Special Needs Plans (SNP). Your options will vary depending on where you live.

Premium Cost: All Medicare Advantage enrollees must continue to pay the Medicare Part B premium. Medicare Advantage plans may also charge an additional premium which will vary based on the plan. For information on Medicare Advantage plans in Nebraska, contact the Nebraska Senior Health Insurance Information Program (SHIIP) at 1-800-234-7119 to request a copy of *Medicare Advantage in Nebraska* or visit www.doi.ne.gov/shiip.

Medicare Advantage Tip! Medicare Advantage Plans may not be accepted by every provider. Just because a doctor's office accepts Original Medicare does not mean that the office will accept a specific Medicare Advantage Plan. It is important to always check with your preferred providers prior to enrolling in an Medicare Advantage Plan to be sure they will accept it.



For More Information and Assistance

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