



# What is Medicare?

*Presented by Benefits Division 561-688-3551*



# What is Medicare?

If you feel you may qualify, we encourage you to learn about the process and its eligibility requirements by visiting [www.socialsecurity.gov](http://www.socialsecurity.gov) on the web, or by calling the Social Security Administration at 1 (800) 772-1213.

Medicare is a federal health plan. It's available to people age 65 and over, as well as, people with disabilities and End-Stage Renal Disease/kidney failure.

There are a number of Medicare coverage options to fit your needs and lifestyle:

- **Original Medicare** is a fee-for-service health plan that has 2 parts: Part A (Hospital Insurance) and Part B (Medical Insurance). You can go to any doctor, supplier, hospital, or other facility that accepts Medicare, and is accepting new Medicare patients.
- **Medicare Advantage, also known as Part C**, is a type of Medicare plan offered by a private company, like Cigna. These plans provide you with all your Medicare Part A and Part B benefits and may include plan extras not offered by Original Medicare.
- **Medicare Part D Prescription Drug Coverage** provides optional prescription drug coverage to anyone with Medicare. Private companies, like Cigna, offer this as a standalone Part D plan or with select Medicare Advantage Plans.

## What is Original Medicare (Part A and Part B)?

The Medicare program began in 1965 and is often referred to as "Original Medicare" or "Medicare Part A" and "Medicare Part B."

Original Medicare is a fee-for-service plan, which means you can go to any doctor, supplier, hospital, or other facility that is enrolled in and accepts Medicare, and is accepting new Medicare patients. In 1972, Medicare became available to people with disabilities and End-Stage Renal Disease/kidney failure.

### Original Medicare - Part A - Hospital Insurance includes:

- Hospital stays
- Skilled nursing facility
- Hospice care
- Some home health care

You can enroll in Medicare Part A once you turn 65. If you're already collecting Social Security disability benefits, you'll be automatically enrolled in Part A. Initial enrollment period packages are sent to individuals three months before they turn 65 or during their 25th month of disability benefits. **You do not have to be retired to enroll in Medicare Part A.**

If you do not automatically get premium-free Part A, you may be able to buy it if you (or your spouse):

- Are age 65 or older and entitled to (or are enrolling in) Part B to meet the citizenship and residency requirements.
- Are under age 65 and are disabled but no longer get premium-free Part A because you returned to work.

### **Part B - Medical Insurance includes:**

- Doctor visits
- Outpatient care
- Medical supplies
- Some preventive services

**Medicare pays 80% of approved charges and you pay about 20%.**

Part B is optional because you have to pay a monthly premium and satisfy a deductible before Medicare will pay benefits. Part B provides many of the medically necessary services not covered in Part A. This includes coverage such as medical (doctor) services, outpatient care, and other medical items (diabetic test strips, nebulizers, and wheelchairs). You'll also benefit from some covered preventive services.

Part B is optional because you have to pay a monthly premium and satisfy a deductible before Medicare will pay benefits. The monthly premium is based on your income.

**Note: In some cases, your monthly premium may be higher if you did not sign up for Part B when you became eligible. Also, you must pay your Part B premium every month for as long as you have Part B (even if you don't use it).**

**Part A and Part B do not cover everything.** You'll have to pay out-of-pocket for certain procedures unless you purchase supplemental insurance to cover the costs (Medigap). Even if Part A and Part B do cover a service or item, you generally have to pay deductibles, coinsurance, and copayments.

## **Need help paying for Medicare?**

Medicare provides financial assistance for people who have limited income and resources.

**If you feel you may qualify, we encourage you to learn about the process and its eligibility requirements by visiting [www.socialsecurity.gov](http://www.socialsecurity.gov) on the web, or by calling the Social Security Administration at 1 (800) 772-1213. (TTY/TDD users should call 1 (800) 325-0778).**

# What is Medicare Advantage (Part C)?

In 2003, additional legislation was signed to create Medicare Advantage plans that replace and cover all of the benefits in Original Medicare Part A and Part B. Medicare Advantage Plans (Part C) provide all of your Part A (hospital) and Part B (medical) coverage and must cover all medically necessary services.

**You must be enrolled in Medicare Part A and B to join a Medicare Advantage Plan.** These plans are part of the government's Medicare program, but they are offered and managed through approved private insurers, like Cigna, and may offer plan extras not found in Original Medicare.

There are various kinds of Medicare Advantage Plans available, many of which you may find familiar, such as HMO, PPO, and Private Fee-for-Service plans.



## Part C Medicare Advantage Plan



Part A  
Hospital



Part B  
Medical



Part D  
Prescription

- ✓ **Combines Original Medicare, Part A and Part B, in 1 plan**
- ✓ **Often also includes Medicare Part D prescription drug coverage**
- ✓ **May come with additional programs and services not offered by Original Medicare**

These plans are part of the government's Medicare program, but are offered and managed through private insurers, like Cigna. Medicare Advantage Plans may include plan extras not found in Original Medicare. You must be enrolled in Medicare Part A and Part B to join.

## Advantages of Medicare Advantage Plans (Part C)

- You can get all of your coverage bundled together in 1 convenient plan.
- Your costs may be lower than the Original Medicare Plan.
- You may get extra benefits offered by the plan such as coverage for vision, hearing, dental, and wellness programs, as well as special discounts on health-related items.
- Prescription drug coverage may be included as part of the plan.
- You do not need to buy additional insurance to supplement Medicare Part A and Part B (a Medicare Supplement policy).
- You still have all the rights and protections offered through the Medicare program.
- You may qualify for help paying for premiums (subsidies).

## Costs of Medicare Advantage Plans (Part C)

- You will continue to pay the Original Medicare Part B monthly premium and you may also have to pay the Medicare Advantage plan's premium.
- Like Original Medicare (Part A and Part B), you will usually have to pay some out-of-pocket costs (such as copayments or coinsurance) for certain services.

**Note: These amounts are generally lower than in the Original Medicare plans where you typically pay a percent (such as 20%) of the cost of the services you use.**

# What is Medicare Part D Prescription Drug Coverage?

Medicare Part D Prescription Drug Plans are part of the government's Medicare program, but they are offered and managed through approved private insurers, like Cigna. These plans help lower the cost of prescription drugs that can prevent complications from disease and help keep you healthy.

If you have Medicare Part A and Medicare Part B, there are 2 ways you can get Part D prescription drug coverage.

- Enroll in a separate, or stand-alone, Medicare Part D Prescription Drug Plan.
- Choose to join a Medicare Advantage Plan (Part C) that includes drug coverage.

**Note: Keep in mind, however, not all Medicare Advantage Plans include prescription drug coverage.**



## Part D Prescription Drug Coverage

- ✓ **Helps lower prescription drug costs**
- ✓ **All plans must offer at least a standard level of coverage set by Medicare**
- ✓ **Some Medicare Advantage Plans offer built-in prescription drug coverage**

Part D plans are part of the government's Medicare program, but they're offered and managed through approved private insurers, like Cigna.

## Advantages of Part D Prescription Drug Plans

- Protection against high-cost prescription drugs
- Low premiums
- Choices of cost and benefit levels
- Easy to use
- Works with Medicare Part A and Part B, or may be included in a Medicare Advantage Plan (Part C)

## Costs of Part D Prescription Drug Plans

You must continue to pay Part B premiums and you may have to pay an additional premium for the Part D coverage. If you choose a Medicare Advantage Plan that contains drug coverage, your premium will include the medical and drug portion of the plan.

Your out-of-pocket costs will vary depending on which drugs you use, if there is a qualified generic alternative, and if you take advantage of mail-order delivery.

**Note: In some cases, your premium may be higher if you didn't sign up for Part D when you first became eligible.**

There are 4 ways to pay your Medicare Part D Prescription Drug Plan premiums:

1. You can have your premium automatically deducted from your savings or checking account, or charged to a credit or debit card.
2. You can have the premium deducted from your Social Security benefit/check (if your monthly payment covers your premium).
3. The insurer you choose for your plan(s) can send you a bill each month.
4. Your employer (or prior employer) might pay your Medicare benefits, so you pay little to no premium.



# Medicare Part B vs. Part D

Part B is your medical coverage. Part D is your prescription drug coverage. However, depending on the type of medications you receive and where you receive them, there are times when you will need to use your Part B medical coverage for prescriptions and pharmacy-related items.



## Original Medicare Part B Medical Insurance

- ✓ Doctor visits
- ✓ Outpatient care
- ✓ Medical supplies
- ✓ Some preventive services

### Items that may be covered by Medicare Part B, and not Part D:

- ✓ Certain medications (commonly referred to as Part B drugs)
- ✓ Durable medical equipment (wheelchairs, diabetic test strips, nebulizers, etc.)
- ✓ Specialty pharmacy
- ✓ Mail-order pharmacy

## Part B – Medical Coverage

Medicare requires that certain medications and durable medical equipment (like diabetic test strips, nebulizers, and wheelchairs) be covered under Part B.

You may receive your Part B medical coverage through your former employer, through a standalone plan, or directly from Medicare.

You need to pay a Part B premium to Medicare every month.

**Remember, just because you can purchase an item at a pharmacy, it does not mean that item is covered by your prescription drug plan. Certain health supplies or equipment may be covered by the medical part of your Medicare plan, Part B.**

## Part D – Prescription Drug Coverage

This part pays for any medications you take regularly to manage chronic conditions, for example, heart disease, high cholesterol, or asthma. It also pays for any medications you take for a short period of time, such as antibiotics.

Many retail pharmacies cannot bill a medical plan for Medicare medical prescriptions (commonly referred to as Part B drugs) or medical equipment.

If you need Part B drugs or medical equipment, ask if your pharmacy is able to bill your medical plan directly. Or, consider using these types of specialty service providers:

- Medical equipment
- Home infusion
- Home health care
- Specialty pharmacy
- Medical specialty service
- Mail-order pharmacy

## What is Medicare Supplement Insurance?

A Medicare Supplement Insurance policy (also called Medigap) adds on to Original Medicare (Part A and Part B). It helps pay for the part of health care costs that Original Medicare doesn't cover, like copayments, coinsurance, and deductibles. After Medicare pays its share of the Medicare-approved amount for covered health costs, your Medicare Supplement Insurance policy pays its share.

Medicare Supplement policies do not include **prescription drug coverage** or **dental coverage**, but you can add those plans separately, if you choose. You can have either Medicare Supplement Insurance or a Medicare Advantage Plan (Part C), but not both.

# How Does Medicare Work?

This chart shows the steps you can take when choosing your Medicare coverage. It lays out the main features of each coverage type side-by-side to help you understand how it all works.

## Step 1 Decide how you want to get your Medicare coverage



NEXT

## Step 2 Decide if you need to add supplemental coverage



### Medicare Supplement Insurance

- ✓ **Helps pay health care costs (copays, coinsurance, and deductibles) that Original Medicare doesn't cover**
- ✓ **Works with Original Medicare (Part A and Part B) and Medicare Part D Prescription Drug Plans, but not Medicare Advantage Plans (Part C)**
- ✓ **Offers nationwide coverage without network restrictions**

A Medicare Supplement policy (also known as Medigap) is private health insurance that adds on to Original Medicare. It helps pay about 20% of the Medicare expenses that Original Medicare doesn't cover.



### Step 3 Decide if you need to add prescription drug coverage



#### Part D Prescription Drug Coverage

- ✓ **Helps lower prescription drug costs**
- ✓ **All Part D plans must offer at least a standard level of coverage set by Medicare**
- ✓ **Some Medicare Advantage Plans come with built-in prescription drug coverage**

Part D plans are part of the government's Medicare program, but they're offered and managed through approved private insurers,





