

Making
Medicare
as easy as

1.

2.

3.



Developed for you by Fallon Community Health Plan

Whether you are just turning 65, or you've been on Medicare for years, the Medicare program can be confusing. There is a lot to know—and it's important to understand all the options available to you so that you can pick the coverage that's right for you. With this booklet, Fallon Community Health Plan hopes to make Medicare as easy as 1, 2, 3.

1.

What is Medicare?

Medicare is the federal health insurance program for people who are:

- Age 65 or older
- Under age 65 with certain disabilities
- Any age with End-Stage Renal Disease (ESRD), which is permanent kidney failure requiring dialysis or a kidney transplant.

There are four components to Medicare:

Medicare Part A — Hospital Insurance. This helps cover your inpatient care in hospitals, skilled nursing facilities, hospice and home health care. You usually don't pay a monthly premium for Part A coverage if you or your spouse paid Social Security taxes for at least 10 years while working. Typically, you are automatically enrolled in Part A.

Medicare Part B — Medical Insurance. Part B helps cover medically-necessary services like doctors' office visits, outpatient care and even some preventive services that Part A doesn't cover. You do pay a monthly premium for Part B coverage that changes annually; in 2009, the Part B premium amount is \$96.40. Some people may pay a higher premium based on their income.

Medicare Part C — Medicare Advantage Plans. The Medicare program approves private companies to offer Medicare Advantage plans. These plans cover all the benefits included in Medicare Part A and Part B—and typically a lot more. See page 3 for more about Medicare Advantage Plans.

Medicare Part D — Medicare Prescription Drug Coverage. Introduced in 2006, Medicare Part D is the newest component to the Medicare program. Like with Medicare Part C, Medicare approves private companies to offer Medicare Part D. See page 4 for more about Medicare Prescription Drug Coverage.

In addition to these four parts of Medicare, you can also choose to join a Medigap plan. See page 4 for more about Medigap plans.

2.

How do I know what Medicare coverage is right for me?

As you can see, you have options when it comes to how you get your Medicare benefits. So let's dig a little deeper into what is covered under each option.

Option 1: Original Medicare

Original Medicare consists of Medicare Part A and/or Medicare Part B, which provides you with basic insurance coverage. With Original Medicare, you have different deductibles, copayments and coinsurances that you would pay depending on the services you receive. See the chart below for some of the costs for services you would incur with Original Medicare as your only coverage.

Service	Cost to you (based on 2009 amounts)
Hospital stays – Part A	Per benefit period: <ul style="list-style-type: none">• \$1,068 deductible for days 1 – 60• \$267 a day for days 61 – 90• \$534 a day for days 91 – 150
Skilled Nursing Facility care – Part A (coverage begins only after a qualifying three-day hospital stay)	Per benefit period: <ul style="list-style-type: none">• \$0 a day for days 1 – 20• \$133.50 a day for days 21 – 100• 100% of the cost for days over 100
Doctor office visits – Part B (routine annual physicals and gynecological exams are not covered)	<ul style="list-style-type: none">• \$135 annual deductible• 20% coinsurance for Medicare-covered services

It's important to remember that Original Medicare does not cover everything. Some of the items and services that are not covered by Original Medicare include:

- Most prescription drugs
- Worldwide emergency coverage
- Preventive dental services, like cleanings and oral exams
- Routine eye exams and glasses
- Annual physical exams (Medicare does cover a one-time physical exam within the first six months of your Part B coverage.)

Option 2: Medicare Advantage Plans

Medicare Advantage Plans are health plan options approved by Medicare and run by private companies.

If you join one of these plans, you generally get all of your Medicare-covered health care through that plan. These plans usually cover benefits above and beyond Original Medicare, including routine annual physicals, worldwide emergency coverage and routine vision care. In order to enroll in a Medicare Advantage plan, you must:

1. Have both Medicare Parts A and B,
2. Continue to pay your part B premium, and the plan's premium if there is one,
3. Live in the plan's service area, and
4. Not have ESRD at the time of enrollment.

There are different types of Medicare Advantage plans, many of which include Part D coverage:

HMO

Health Maintenance Organization (HMO) plans contract with a specific group of doctors and other providers (called a network). HMO members choose a primary care physician (PCP) from the network. The PCP coordinates all of the member's care and provides referrals, if required, to see a specialist. Generally, HMOs have lower monthly premiums than other options.

PPO

Preferred Provider Organization (PPO) plans are similar to HMOs, but a PPO member can choose to see a doctor in the PPO network, or they can see a doctor who is not in the network—but pay a higher cost. PPO members do not have to choose a PCP and generally do not have to get referrals for specialty care. Monthly premiums for PPOs tend to be higher than those for HMOs.

SNP

Special Needs Plans (SNP) are for people with Medicare who have special needs. These plans provide more focused health care for specific groups of people, such as those who are dually eligible—have both Medicare and Medicaid, or who live in an institution like a nursing home, or who have certain chronic diseases and conditions. SNPs are similar to HMOs in that they have specific networks, often require PCPs and provide coverage beyond Original Medicare.

PFFS

Private Fee-for-Service (PFFS) plans also typically cover benefits beyond Original Medicare. If you are a member of a PFFS plan, you can see any Medicare-approved doctor who agrees to accept the plan's terms of payment before providing treatment. Currently, PFFS plans do not have networks of doctors for you to choose from, and it is up to you to make sure that your doctor accepts both Medicare and the PFFS plan's terms. If you do not make sure of this before you receive treatment, you will be responsible for all of the costs associated with the services received.

MSA

Medical Savings Account (MSA) plans combine a high-deductible insurance plan with a medical savings account. You use the medical savings account to control the way you spend your designated health care dollars. MSA plans provide coverage against catastrophic health care costs, and only pay for Medicare-covered services after you've paid your high deductible.

Option 3: Medicare Supplement Plans (Medigap plans)

Medicare Supplement plans, or Medigaps, are health insurance plans that fill in the “gaps” left by Original Medicare. These plans typically do not have provider networks, and while they cover portions of remaining Original Medicare coverage costs, they do not generally include coverage beyond Original Medicare.

Option 4: Medicare Prescription Drug Coverage (Part D)

You can receive Medicare prescription drug coverage (Part D) in one of two ways:

1. You can join a Prescription Drug Plan (PDP) that offers Prescription Drug coverage only.
2. You can join a Medicare Advantage Prescription Drug (MA-PD) plan that includes hospital, medical and prescription drug coverage all in one plan.

Congress has authorized a standard Medicare Part D benefit that is updated annually. The 2009 version is listed below.

Coverage and cost sharing	
Deductible	An amount you pay before your coverage starts. In 2009, the amount is \$295.
Initial coverage	After you pay your deductible, you pay copayments/coinsurance for your drugs until your total yearly drug costs (paid for by you and your plan) add up to \$2,700.
Coverage gap (“donut hole”)	After your total yearly drug costs equal \$2,700, and until your out-of-pocket drug costs reach \$4,350, you pay 100% of your drug costs.
Catastrophic coverage	After your out-of-pocket drug costs reach \$4,350, you pay the greater of: A \$2.40 copayment for generic drugs (including brand drugs treated as generic), and a \$6.00 copayment for all other drugs Or 5% coinsurance

It’s important to remember that if you don’t sign up for Medicare Part D coverage when you first become eligible, you may have to pay a penalty later when you do sign up.

Some people may qualify for extra help in paying for their Medicare Part D coverage. To find out more, you can call SHINE (Serving the Health Information Needs of Elders) at 1-800-243-4636. You can also call Medicare at 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

So, now you know what your options are. When you’re turning 65 and are ready to begin receiving Medicare coverage, it’s a good idea to do some research into which Medicare Advantage, Medigap and Medicare Part D plans you have available to you.

3.

So, when do I start getting Medicare, and how do I sign up?

When you're eligible for Medicare at 65.

There are certain guidelines around when you can first sign up for Medicare or join a Medicare plan:

	When can I first enroll?	What if I'm late enrolling?
Medicare Part A	You can enroll any time after you become 64 years and 9 months. If you are already receiving Social Security benefits, enrollment in Medicare Part A is automatic. If not, you will have to enroll at your local Social Security office.	Most people will automatically start receiving Part A starting the first day of the month they turn 65, and won't pay a premium. However , if you are still working, you will need to sign up for premium-free Part A three months before turning 65.
Medicare Part B	You can enroll any time during your Initial Coverage Election Period (ICEP), which is up to three months before or after the month of your 65 th birthday. You can also defer your enrollment if you continue to work past your ICEP and have group health coverage.	If you don't enroll during your ICEP, and you didn't defer your enrollment in Part B, your Part B costs may go up 10% for each year you wait to enroll. You will pay this penalty as long as you have Part B.
Medicare Advantage (Part C)	You can enroll any time during your ICEP, which is up to three months before or after the month of your 65 th birthday.	You can join or switch plans, or return to Original Medicare, during the time periods explained on the following page.
Medicare Prescription Drug Coverage (Part D)	You can enroll any time during your ICEP, which is up to three months before or after the month of your 65 th birthday.	If you don't enroll when you are first eligible, you may pay a penalty when you do enroll. You will pay a penalty as long as you have Part D, and the amount you pay will change annually. Please see the following page for when you can join or switch plans.

If you missed your Initial Coverage Election Period enrollment window for Medicare Advantage or Medicare Part D plans, or if you want to switch the way you get Medicare, here are the dates you need to mark on your calendar:

Annual Enrollment Period

November 15th – December 31st of every year

During this time, anyone wishing to make a change in how they get Medicare may do so—this includes joining a Medicare Advantage or Medicare Part D plan, or switching to a different plan.

Open Enrollment Period

January 1st – March 31st of every year

During this time, anyone can make one switch to a different plan with drug coverage similar to what they had as of January 1st.

Special Election Period

Throughout the year, people with special circumstances have an opportunity to make changes to their Medicare health or drug coverage, regardless of the general enrollment periods listed above. Examples of a special circumstance would be if you move out of your current plan's service area, or if you retire past the age of 65.

Signing up for Medicare coverage

The first step is to get your Medicare card. Because you will most likely be automatically enrolled in Medicare Part A, you should receive your Medicare card in the mail three months prior to your 65th birthday from Social Security (the Social Security Administration handles most of the paperwork when you join Medicare). If you don't receive your card, you can call Medicare at 1-800-MEDICARE (1-800-633-4227) to get the process rolling.

If you do not sign up for Part B or Part D when you are first eligible, you may be subject to a penalty down the road, when you do enroll. Be sure to get all the information before making a decision.

Then, if you are ready to sign up for a Medicare Advantage, Medigap or Medicare Part D plan, you can go online to www.medicare.gov, or call Medicare at 1-800-MEDICARE (1-800-633-4227) to find out what options are available in your area. You can also call health plans directly. They can tell you about the Medicare options they provide, and send you information to review.



There is a lot to know when it comes to Medicare. But the most important thing to know is that there are always places you can go to get information, get answers and learn more to make the health care decisions that are right for you.

Medicare	1-800-MEDICARE (1-800-633-4227), TTY: 1-877-486-2048, www.medicare.gov
Social Security	1-800-772-1213, TTY: 1-800-325-0778, www.socialsecurity.gov
SHINE	1-800-243-4636, TTY: 1-800-872-0166, www.1800ageinfo.com



www.fchp.org
1-888-377-1980