



# Know Your Benefits

## Medicare 101

If you're nearing retirement age, or are over 65 and still working, you may have questions about Medicare. Read on for the information you need to know.

### What Is Medicare?

Medicare is health insurance for people who are age 65 or older, under 65 with certain disabilities, or any age with End-stage Renal Disease (permanent kidney failure).

### Types of Medicare

There are four types of Medicare. *Medicare Part A* helps cover inpatient care in hospitals, skilled nursing facilities, and hospice and home health care. Generally, there is no monthly premium if you qualify and paid Medicare taxes while working.

*Medicare Part B* helps cover medical services like doctors' services, outpatient care and other medically necessary services that Part A doesn't cover. You need to enroll in Medicare Part B and pay a monthly premium determined by your income, along with a deductible.

Many people also purchase a supplemental insurance policy, such as a Medigap plan, to handle any Part A and B coverage gaps.

Medicare Advantage Plans, also known as *Medicare Part C*, are combination plans managed by private insurance companies approved by Medicare. They typically are a combination of Part A, Part B and sometimes Part D coverage, but must cover medically necessary services.

These plans have discretion to assign their own copays, deductibles and coinsurance.

*Medicare Part D* is prescription drug coverage and is available to everyone with Medicare. It is a separate plan provided by private Medicare-approved companies, and you must pay a monthly premium.

### Getting Started

Medicare sends you a questionnaire about three months before you're entitled to Medicare coverage. Your answers to these questions, including whether you have group health insurance through an employer or family member, help Medicare set up your file and make sure your claims are paid correctly.

If your health insurance or coverage changes at any time after submitting the questionnaire, call the Medicare Coordination of Benefits Contractor at 855-798-2627 to update your file.

Once you start Medicare, you should schedule a free preventive visit within the first 12 months to assess your current health status and provide a health roadmap for the future.

Also, create an account on [Medicare.gov](https://www.medicare.gov) to access your information and keep track of claims. If you want your family or friends to be able to call Medicare on your behalf, fill out an Authorization Form to allow them to do so.

### Coordination of Coverage

If you have Medicare and another type of insurance, the question of who should pay or who should pay first can be tricky. For example, generally a group health plan would pay before Medicare, but there are several exceptions. Contact the number above for specific answers for your situation, or visit [www.medicare.gov](https://www.medicare.gov) for additional information.



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## Medicare Supplement Plans

If you are getting close to your 65th birthday, you are likely preparing to enroll in Medicare. Enrolling in Medicare and figuring out how to decrease your out-of-pocket health care expenses can be daunting. A Medicare supplement plan can save you money and provide peace of mind.

Original Medicare, which consists of Medicare Part A and Part B, typically does not cover all of an individual's health care costs. In order to fill the gap, many individuals purchase a Medicare supplement plan. Medicare supplement plans, also known as Medigap policies, are policies that can be purchased to cover expenses that Medicare does not pay.

The most common supplemental plans provide coverage for your out-of-pocket expenses not paid by Medicare, such as copays, deductibles, coinsurance, as well as some services that may not be covered by Medicare, such as international travel emergencies. Plans vary, so look for a plan that provides the coverage you need.

### Where to Purchase

Medicare supplement plans are sold by private insurance companies, and you will usually pay a monthly premium. Insurance companies selling Medicare supplement plans do not need to adhere to the requirements for standard Medicare policies. This means that the cost of Medicare supplement plans can vary due to a number of factors, including the plan's service area, the age you were when enrolling in Medicare or the age you currently are when enrolling in a Medicare supplement plan. Because

premiums and out-of-pocket costs can vary, it is a good idea to shop around to ensure you find the best rate and policy to suit your needs.

### Eligibility

In order to be eligible for Medicare supplement plans, you must be enrolled in Medicare Part A and Part B, and you must not be enrolled in a Medicare Advantage plan. If you are under age 65 and receive Medicare as part of your disability benefits, you may be eligible to purchase a Medicare supplement plan depending on the state in which you live. In addition, only one person can be covered by each Medicare supplement plan. You will need to purchase separate policies if both you and your spouse want this type of coverage.

### When to Enroll

The ideal time to purchase a Medicare supplement plan is during your Medigap open enrollment period. This is a six-month period beginning on the first day of the month that you turn age 65 or older and enroll in Medicare Part B. During this period, you will not be denied coverage for any pre-existing health conditions. In other words, you can purchase a Medicare supplement plan of your choice for the same premium that a healthy person without pre-existing conditions would pay. If you do not enroll in a Medicare supplement plan during your Medigap open enrollment period, you will not be guaranteed coverage, and you may be denied coverage or charged a higher premium due to your medical history or pre-existing health conditions.

For more information or help finding the right Medicare supplement policy for you, contact your WD & Associates representative.