



Medicare 101: Everything you need to know before enrolling in Medicare

MassGeneralBrighamAdvantage.org

Medicare is a federal health insurance program generally for people aged 65 and older. In some cases, Medicare is used for people younger than 65 with disabilities and people with end-stage renal disease. There are four types of Medicare that cover different areas, such as hospital care, doctor visits, and prescription coverage. Continue reading to learn which Medicare offering could work best for you or a loved one.

Medicare Part A:

Hospital Insurance

The term **Original Medicare** refers to Medicare Parts A & B. Original Medicare typically pays up to **80% of the total cost** for healthcare services. For additional costs, some people opt into a Medicare Supplement Insurance policy, also referred to as **Medigap**. While many people don't pay a premium for Part A, everyone pays a premium for Part B.

- **Part A** of Medicare helps cover inpatient hospitalization, as well as care in skilled nursing facilities, hospice care, and some home healthcare. Most people who have worked at least 10 years and paid Medicare taxes—qualify for Part A at no cost, but may still have to pay for some services, including a deductible.

Medicare Part C:

Medicare Advantage

For many people, Original Medicare doesn't cover everything they want or need, which is why many choose to opt into a Medicare Advantage plan. Medicare Advantage, also known as Part C, comes as a bundled plan option including hospital care, doctor visits, prescription coverage or Part D—and, at times, extra benefits that Original Medicare doesn't cover, like vision, hearing, and dental services. Some still pay a monthly premium for a Part C plan and Part B premium.



Medicare Part B and D:

Medical insurance and prescription drug coverage

- **Part B** of Medicare helps cover medical services such as visits to a doctor's office, durable medical equipment, and outpatient care. You pay a monthly premium, based on income, for Part B, which is usually deducted directly from a person's Social Security check each month.
- **Part D** of Medicare is prescription drug coverage that includes many commonly used brand names and generic drugs. Original Medicare does not include any coverage for prescription drugs (but Medicare Advantage plans may include Part D coverage). You may be eligible for help paying your Part D costs. In addition, programs are available to help Medicare-eligible members (who meet specific income and resource requirements) pay for health coverage and prescription drug costs.

Original Medicare vs. Medicare Advantage

While Original Medicare offers basic benefits, it won't cover dental, hearing, vision services, or prescription drugs. Plus, you'll still typically have to pay 20% of most doctor services—even after your deductible is met.

Choosing a Medicare Advantage is more coverage with one plan. That's because Medicare Advantage plans include Parts A & B—and may include Part D coverage. Medicare Advantage may also provide coverage for vision care, dental care, or hearing aids. This eliminates the need to submit claims paperwork plus packages your medical and drug coverage in one convenient monthly bill.

What are Medicare Supplement plans?

Medicare Supplement plans (also known as Medigap plans) are another way to fill some of the gaps in Original Medicare. However, if you require drug coverage, you'll need to purchase a separate Part D prescription drug plan. Medicare Supplement plans also aren't quality rated. Ultimately, for some, the extra benefits, prescription coverage, and more affordable costs offered by a Medicare Advantage plan (with virtually no paperwork) can make it a smarter choice.

Turning 65 opens the door to new health insurance options



If you're going to keep your (or your spouse's) current employer coverage:

- To avoid penalties, find out if you need to enroll in Parts A and B—as it may be necessary if your employer has fewer than 20 employees.
- Ask your employer if your plan's prescription drug coverage is as good as Medicare's coverage (it's called "creditable coverage"). If not, enroll in Part D to avoid penalties.

If you're NOT keeping your current employer coverage:

- Talk to the employer to see if there are other options or plans available to people 65 and older.

- Enroll in Parts A and B once you're eligible.
- Consider Part C (Medicare Advantage) or supplemental plans for additional coverage. Medicare Advantage plans often feature no deductibles on medical services, and offer benefits that go above and beyond Part A and Part B coverage.
- Sign up for Part D prescription drug coverage. Many Medicare Advantage plans are offered with Part D drug coverage included.

What if your current coverage wasn't purchased through an employer?

- For all qualified health plans, you will need to enroll in Medicare Part A and Part B, and have prescription drug coverage that's as good as Medicare's standard plan (or enroll in Part D) to avoid penalties (a Medicare Advantage plan is a great way to get all of these parts of Medicare in one plan). If you choose to keep your current coverage once you turn 65, you will lose any premium tax credits or other savings you are currently receiving.



How to plan around Medicare enrollment

AGE 64

- If you currently have health care coverage through an employer, ask if they offer coverage options for people 65 and older.
- Make a list of your regular doctors and prescription drugs to make it easy for you to compare plans.
- Get a picture of your health care history. What did you pay in the past year? How many times did you go to the doctor? What prescriptions are you taking? Knowing these details will make it easier to find the right plan when you're ready to enroll.

AGE 64 +9 MOS: Time to enroll.

You can enroll in Medicare starting three months before your birthday month.

- To enroll in Part A and Part B, contact the Social Security Administration.
- To enroll in Part C and Part D, contact a health insurance company.

AGE 65

If you are already enrolled in Medicare, it becomes effective the month you turn 65. If you are still shopping for a Medicare plan, you have three more months to do so.

AGE 65 +3 MOS

You must be enrolled in Parts A, B, and D (or have prescription drug coverage that's as good as Medicare's standard plan) by now in order to avoid possible late enrollment financial penalties.

BEYOND AGE 65

If your Medicare plan is not meeting your needs, you can change plans once a year during the Medicare Annual Enrollment Period (AEP) from October 15th to December 7th. In some cases, you may qualify for exceptions that allow you to enroll in a Medicare Advantage plan outside of AEP.

Not retiring at 65?

Mass General Brigham Health Plan will be here when you're ready! Until then, stay current on what Mass General Brigham Health Plan has to offer by visiting MassGeneralBrighamAdvantage.org.

NOTE: If you have a Health Savings Account (HSA), you should stop contributions at least six months before the month you apply for Medicare to avoid a tax penalty.



Comparing Medicare plans? Here are questions to consider:

Do you need coverage for prescriptions?

Original Medicare and Medicare Supplement plans don't include coverage for prescriptions (so if you choose those, you may need to purchase a separate Part D prescription drug plan). Medicare Advantage plans often include bundled prescription drug coverage without a separate premium.

Do you want coverage for dental, vision, or hearing?

Original Medicare won't cover routine dental or vision care or include other extra benefits. While Medicare Supplement plans may include some of this coverage, only Medicare Advantage plans can include extras like a fitness membership.

Do you need health coverage away from home?

Original Medicare provides no coverage outside the U.S. Medicare Supplement plans offer national coverage for doctors and hospitals (along with some coverage outside the U.S.). Medicare Advantage plans, however, have the ability to offer national coverage, plus worldwide coverage for emergency and urgent care.

Are your doctors in the network?

Most plans have a defined network of doctors they participate with. So, it's important to check if the doctors and specialists you currently see are included in the network of any plan you are considering.

How do I know what Medicare Advantage plan is right for me?

Not all Medicare Advantage plans are created equal. There are different types of Medicare Advantage plans, and while not every type is offered in every area, it's good to know the difference between plan types. Then you can make an informed decision about which plan would best fit your needs. Here are the following types of Medicare Advantage plans:

- **Health Maintenance Organization (HMO) plans:** HMO generally covers care from contracted providers within the plan's network, with the exception of emergency-type care. That's why HMO doesn't include every doctor or hospital that accepts Medicare for covered services. HMO Point of Service plans is another option, which can cover out-of-network benefits. Most HMOs charge a monthly premium and usually offer prescription drug coverage. To see a specialist, many HMO and HMO-POS plan will require a referral from your primary care provider.
- **Preferred Provider Organization (PPO) plans:** PPO covers care from a network of providers, specialists, and hospitals in addition to out-of-network providers. To see a specialist, you do not need a referral from your primary care provider.
- **Private Fee-for-Service (PFFS) plans:** PFFS are offered by private health insurance companies, covering services from their network of Medicare-approved doctors and hospitals that accept the plan's payment terms. You can also choose to see a provider out-of-network that accepts the plan's payment terms, but you may pay more. Most PFFS plans charge a monthly premium and usually offer prescription drug coverage. To see a specialist, you do not need a referral from your primary care provider.
- **Special Needs plans (SNPs):** SNPs cover benefits and services for people with specific diseases or health care needs. At times, SNPs also provide benefits and services for those with Medicaid coverage. To join an SNP, you must meet the special conditions the plan serves as the offerings are tailored to specific groups with specialists in the diseases or conditions that affect their members. If your SNP is an HMO, you typically must stay within the plan's network for care, with the exception of emergency care. If your SNP is a PPO, you can get services out-of-network but will typically pay a higher cost. SNPs offer prescription drug coverage and most charge a monthly premium.
- **Medical Savings Account (MSA) plans:** A Medicare MSA can be paired with a high-deductible insurance plan. In this case, the MSA will be used to pay for healthcare costs.

