

# Medicare

## **Where do I find information on Medicare Benefits?**

Although Social Security determines entitlement to Medicare benefits, the Medicare program is administered by a different agency, the Centers for Medicare & Medicaid Services (CMS).

### ***Web-sites:***

[http://www.ssa.gov/pgm/links\\_medicare.htm](http://www.ssa.gov/pgm/links_medicare.htm)

<http://www.medicare.gov/>

## **When am I eligible for Medicare?**

Most people qualify for Medicare when they turn 65. You qualify for it if you're eligible for Social Security or Railroad Retirement benefits. Or you may qualify on a spouse's (including divorced spouse's) record. Others qualify because they are government employees not covered by Social Security who paid the Medicare part of the Social Security tax. In addition, if you've been getting Social Security disability benefits for 24 months or get Social Security disability benefits and have amyotrophic lateral sclerosis (Lou Gehrig's disease), you'll qualify for Medicare. You may also qualify if you have permanent kidney failure and you receive maintenance dialysis or a kidney transplant.

## **I'll be 65 years old soon. When should I sign up for Medicare?**

Generally, people are advised to file for Medicare benefits 3 months before age 65. Remember, Medicare benefits can begin no earlier than age 65. If you are already receiving Social Security, you will automatically be enrolled in Medicare Parts A and B without an additional application. However, because you must pay a premium for Part B coverage, you have the option of turning it down. You will receive a Medicare card about two months before age 65.

If you would like to file for Medicare only, you can apply by calling 1-800-772-1213. Representatives there can make an appointment for you at any convenient Social Security office and advise you what to bring with you. When you apply for Medicare, they often also take an application for monthly benefits. You can apply for retirement benefits online.

### **What are the differences between Medicare Parts A, B, C and D?**

There are four parts to Medicare: Medicare Part A, Hospital Insurance; Medicare Part B, Medical Insurance; Medicare Part C (Medicare Advantage), which was formerly known as "Medicare + Choice" and the new Medicare Part D, prescription drug coverage. Generally, people who are over age 65 and getting Social Security automatically qualify for Medicare Parts A and B.

**Part A** is paid for by a portion of Social Security tax. It helps pay for inpatient hospital care, skilled nursing care, hospice care and other services.

**Part B** is paid for by the monthly premiums of people enrolled and by general funds from the U.S. Treasury. It helps pay for doctors' fees, outpatient hospital visits, and other medical services and supplies that are not covered by Part A.

The premium is established each year. After enrollment, your premium payment is automatically deducted from your monthly Social Security benefit

**Part C** (Medicare Advantage) plans allow you to choose to receive all of your health care services through a provider organization. These plans may help lower your costs of receiving medical services, or you may get extra benefits for an additional monthly fee. You must have both Parts A and B to enroll in Part C.

**Part D** (prescription drug coverage) is voluntary and the costs are paid for by the monthly premiums of enrollees and Medicare. Unlike Part B in which you are automatically enrolled and must opt out if you do not want it, with Part D you have to opt in by filling out a form and enrolling in an approved plan.

More information may be found in the publication called Medicare, publication number 05-10043. Many of their other publications are available on the internet.

### **What is the difference between a Medicare Advantage plan, a Medicare Supplement plan and a Medigap plan?**

**Medicare Advantage plan-** A plan offered by a private company that contracts with Medicare to provide you with all your Medicare Part A and Part B benefits. Medicare Advantage plans are HMO's, PPO's or Private Fee For Service plans. If you are enrolled in a Medicare advantage plan, Medicare services are covered through the plans and are not paid for under the original Medicare.

**Medicare Supplement-**plan sold by private insurance companies designed to help pay some of the medical expenses that Medicare does not pay.

**Medigap policy**-Medicare supplement insurance sold by private insurance companies to fill in “gaps” in original Medicare plan coverage based on standardized coverage outlined by the government.

**If I retire at age 62 will I be eligible for Medicare at that time?**

No. Medicare benefits based on retirement do not begin until a person is age 65. If you retire at age 62, you may be able to continue to have medical insurance coverage through your employer or purchase it from a private insurance company until you turn age 65 and become eligible for Medicare.

For more information about who can get Medicare see Medicare, publication number 05-10043. Many related publications are available on the internet

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**Medicare Enrollment**

**Individuals who are age 65, working and covered by their employer’s health plan or individuals age 65 or older and are covered under their working spouse’s health plan would enroll in Medicare Part B during the “Special Enrollment Period” as outlined below without penalty.**

**The working employee or working spouse’s health plan would provide primary health insurance coverage while Medicare would be the secondary payer.**

**Enrolling in Medicare Part B**

You must decide for yourself whether to enroll in Medicare Part B. Medicare Part B helps cover your doctors’ services, outpatient hospital care, and some other medical services that Medicare Part A doesn’t cover, such as some of the services of physical and occupational therapists, and some home health care.

**How and when you enroll depend on your situation**

If you decide to enroll in Medicare Part B, how and when you enroll depend on your situation.

**If you are under age 65 and disabled**, generally you are automatically enrolled in Medicare Part B after you get disability benefits from Social Security or the Railroad Retirement Board for 24 months.

**If you didn’t sign up for Medicare Part B when you first became eligible**, you may sign up at other times. Exactly when you can enroll depends on your situation.

**Note:** Information is available at [www.medicare.gov](http://www.medicare.gov) on the web to help you make decisions about enrolling in Medicare Part B.

### **How to Enroll in Medicare Part B**

If you aren't automatically enrolled in Medicare Part B, you will need to contact the Social Security Administration to get enrolled. Here are several ways you can enroll:

- Call the Social Security Administration at 1-800-772-1213. TTY users should call 1-800-325-0778.
- Some people who meet certain conditions may be able to apply on a computer. Look at the Social Security Administration's website

### **Initial Enrollment Period**

The Initial Enrollment Period is a seven-month period that begins 3 months *before* the month you are first eligible for Medicare Part B. For most people, the Initial Enrollment Period begins three months *before* the month you turn age 65. It ends three months after you turn age 65.

You can sign up for Medicare part B anytime during your Initial enrollment period. However, if you want Medicare Part B coverage to begin the month you turn age 65, you must sign up for it during the first three months of your Initial enrollment Period. If you wait until you are age 65, or sign up during the last three months of your Initial Enrollment Period, your Medicare Part B start date will be delayed. **If you don't sign up for Medicare part B during your Initial Enrollment Period, you may have to pay extra for your Medicare Part B premium\*\*.**

***(\*\* Unless you qualify for the Special Enrollment Period)***

### **What if I didn't enroll in Medicare Part B when I first became eligible?**

If you didn't sign up for Medicare Part B when you first became eligible (during your Initial Enrollment Period,), you may be able to sign up during the other two enrollment periods:

- The General Enrollment Period
- **The Special Enrollment Period**

### **The General Enrollment Period for Medicare Part B**

This period runs from January 1 through March 31 of each year. During this time, you can sign up for Medicare Part B at your local Social Security Office. Your Medicare Part B coverage will start on July 1 of the year you sign up.

### **\*\*The Special Enrollment Period for Medicare Part B**

This enrollment period is available if you are eligible for Medicare based on age 65 or disability but waited to enroll in Medicare Part B **because you or your spouse were working and you had group health plan coverage through an employer or union based on this work.**

If this applies to you, you can sign up for Medicare Part B anytime while you are covered by the group health plan based on current employment status or during the eight-month period following the month the group health plan coverage ends or the employment ends, whichever is first.

If you are still working and plan to keep your employer's group health plan coverage, you should talk to your benefits administrator or your State Health Insurance Assistance Program to help you decide the best time to enroll in Medicare Part B.

When you sign up for Medicare Part B, you automatically begin your Medigap (Medicare Supplement Insurance) open enrollment period. Once your Medigap open enrollment period begins, it can't be changed or restarted.

If you are disabled and have group health plan coverage based on your own or family member's current employment, the Medicare Part B Special Enrollment Period rules may also apply.

**Important: Most people who sign up for Medicare Part B during a Special Enrollment Period don't pay higher premiums.** However, if you are eligible but don't sign up for Medicare Part B during the Special Enrollment Period, you will only be able to sign up during the General Enrollment Period, and the cost of Medicare Part B may go up

### **What You Need to Know about Medicare Part D**

Your existing prescription drug coverage through the Kentucky Employee's Health Plan (KEHP) and the KCTCS offered Medicare Eligible plan is on average as good, or better than the standard Medicare prescription drug coverage (Medicare Part D). You can keep your existing group prescription coverage and choose not to enroll in a Medicare Part D Plan.

A Notice of Creditable Coverage will be supplied to you. You will not be penalized if you later decide to enroll in a Medicare prescription drug plan. However, if you drop your entire group coverage and do not enroll in a Medicare Part D plan after the group coverage ends, you may be penalized if you enroll in a Medicare Part D Plan later.

*(Notices available in appendix C and D on pages 32-36)*

## **2009 Medicare Rates**

Each year Medicare sets how much you pay for its premiums, deductibles, and copayments. Here are the rates for 2009:

### **Part A Premiums**

Most people do not pay for Part A because they paid Medicare taxes for 40+ quarters while working. Those with 30 to 39 quarters of covered employment can buy Part A coverage. It costs **\$244** a month. Those who have less than 30 quarters of covered employment will pay **\$443**.

### **Part B Premiums**

Most people on Medicare will pay **\$96.40** a month for Part B in **2009**. Higher-income people will pay even more.

<i>Tax Return Income (Individual)</i>	<i>Joint Tax Return Income (Married Couples)</i>	<i>2009 Monthly Part B Premium</i>
<i>Up to \$85,000</i>	<i>Up to \$170,000</i>	<i>\$96.40</i>
<i>\$85,001 to \$107,000</i>	<i>\$170,001 to \$214,000</i>	<i>\$134.90</i>
<i>\$107,001 to \$160,000</i>	<i>\$214,001 to \$320,000</i>	<i>\$192.70</i>
<i>\$160,001 to \$213,000</i>	<i>\$320,001 to \$ 426,000</i>	<i>\$250.50</i>
<i>Over \$ 213,000</i>	<i>Over \$426,000</i>	<i>\$308.30</i>

Costs will go up every year for the next two years for those with higher incomes.

### **Deductibles and Copayments**

**Part A Deductible:** The 2009 Part A deductible is **\$1,068** per illness

**Part B Deductible:** The 2009 Part B deductible is **\$135**

**Part A Copayments:** The Part A deductible covers the first 60 days of a Medicare-covered hospital stay. Then you pay **\$267** a day for days 61 through 90. After the 90th day, your co-pay for lifetime reserve days is **\$534** a day.

### **2009 Medicare Part D Benefits**

<b>Prescription Expense</b>	<b>Med D Pays</b>	<b>You Pay</b>	<b>Description</b>
\$1-\$295	\$ 0.00	<b>\$295</b>	Deductible
\$296-\$2,700 (next \$2,404)	\$1,802.75 75%	<b>\$601.25</b> 25%	Co-Insurance
\$2,701-\$6,153.75 (next \$3,453.75)	\$0	<b>\$3,453.75</b>	The "Donut Hole"
<b>Total</b>	<b>\$1,802.75</b>	<b>\$4,350.00</b>	<b>Plan Maximum</b>
\$6,155+	Approx 95%	<b>5% (min. copay \$2.40 generic or \$6.00 brand)</b>	Catastrophic Coverage