



The Ultimate Guide to Medicare

Description

If you're 65 & above, it's the time to enroll in Medicare. In the past, you've worked for your family and pay your dues to the government—now it's time for the government to help you.



Like all forms of insurance, however, it is important to do your homework. It's an important decision to make that can affect you for years to come, so you need to spend the time to research your options and speak to experts. This guide can help you understand the basics to Medicare and learn the different parts that fall within its programs.

What is Medicare?

As I explained above, Medicare is a federally-owned health insurance program eligible to people 65 and older as a way to help older adults pay for their medical expenses. Over the years, this program has been expanded to assist younger people with disabilities, certain diseases, and pay for prescription drugs.

Health insurance is of course not a foreign concept to anyone in America's working world. You'll pay monthly rates to access coverage for medicine, doctor's visits, hospitalizations, and more. Most people enroll in health insurance through their employer or spouse. This can change upon becoming 65.

You'll be eligible for Medicare upon turning 65 and can receive all the benefits that come with. Even better, you can use Medicare to complement existing coverage you might have. You might be paying more each month, but the broader range of coverage and benefits received should not be taken lightly.

Starting Medicare is simple and guaranteed for nearly everyone. Before enrolling, you should understand that it is actually broken into smaller parts.

Traditional Medicare

Also called Original Medicare, this program comprises parts A and B and covers a swathe of services that cover the gamut of normal health insurance needs. You should enroll in part A as soon as you're eligible, but part B can be a bit trickier. I'll explain why in a bit.

Medicare Part A can be thought of as 'hospital insurance.' It helps cover services such as:

- **Hospital Care:** semi-private rooms, meals, nursing services, and prescription drugs needed during your stay.
- **Nursing facility care:** medical services, supplies, and equipment needed to treat you in a skilled nursing facility.
- **Hospice care:** Includes doctor and nurse services, medical equipment, supplies and more. Hospice care is for those determined by their doctor to be terminally ill and likely to die.
- **Home Health Services:** at-home skilled nursing care, physical therapy, and more.

Medicare Part A can be free if you or your spouse has a minimum of 10 years of Social Security work history. However, Part A coverage may still include other costs such as deductibles and co-payments.

Medicare Part B is your medical insurance policy and covers normal doctor visits and lab work. It also covers emergency ambulance service, preventative tests such as a Flu shot, and X-rays. You'll pay a monthly premium for Medicare Part B.

The Medicare Advantage Program

The Medicare Advantage Program is Part C and is separate from the above two parts because these policies are provided to you from Medicare approved private health insurance companies. Part C plans are popular—but more expensive—because they often provide everything Parts A and B can with even more benefits. You can expect coverage for vision, dental, and hearing coverage.

Most Medicare Advantage plans, however, are restricted to certain provider networks. This means that you may have to see certain doctors or go to certain hospitals to take full advantage of your benefits. Otherwise, you may have to pay more when going outside your network. This can be inconvenient and costly, so before enrolling in Part C, before to look around where you live and work to see if you would be covered.

Medicare-Approved Private Plans

Original Medicare (Parts A and B) don't cover most prescription medicines. This is where Part D, the Medicare-Approved private plan, comes into play to offer coverage to the prescription medicine you need.

However, there are a few things to consider:

- **You're not automatically enrolled:** You need to be eligible first and may incur late enrollment penalties if you sign up after you're first eligible.
- **Enrollment in Part D is limited to certain times of the year.**
- **Costs & Benefits May Vary:** Monthly premiums, deductibles, co-pays, and pharmacy network is provided by private insurance companies.

What is Medicare Supplement Insurance?

Often called Medigap, Medicare Supplement Insurance can help pay some of the costs original Medicare doesn't cover, like co-payments, co-insurance, and deductibles. These policies are expressly sold by private insurance companies, meaning that just like Parts C and D, the costs and benefits you experience may vary. However, all benefits are standardized across the board.

Medigap cannot be taken alongside a Medicare Advantage Plan (Part C), and you can only apply for Medicare supplement insurance during certain times of the year.

How to Get Your Medicare Insurance

Eligibility and enrollment into Medicare can be a mixed bag. Nearly everyone can automatically qualify for Parts A and B of Medicare if they meet the below qualifications:

- Receiving retirement benefits from Social Security or the Railroad Retirement Board.
- Under 65 and have a disability.
- You have ALS or Lou Gehrig's disease.
- You live in Puerto Rico and also get benefits from Social Security or the RRB.

You can apply for original Medicare at the same time you apply for retirement benefits through Social Security or the Railroad Retirement Board.

Past this, however, things get more complicated in the 'initial enrollment period.'

The Initial Enrollment Period

The initial enrollment period for Medicare lasts for three months before you turn 65, the month of becoming 65, and the three months following. Most people are automatically enrolled and will receive information and the option to turn down Part B in the three months prior to turning 65.

If you are not automatically enrolled, you need to apply for Parts A and B within this seven-month

window. Otherwise, you may incur costly late payments which can be permanent.

Enrolling in Part B is the tricky part. If you plan on retiring at 65 or are already retired, simply apply for Part B the same time you enroll in Part A. If you are still working, however, you'll have to determine the right time to enroll on your own.

The right time can vary dependent on whether you receive financial help through the Health Insurance Marketplace, are on COBRA, working at an employer with 20 or more employees, are a veteran, have a retirement plan, on the Federal Employees Health Benefits Plan, or are entitled to TRICARE for life.

What is important to note is that if you turn down or delay enrollment in Part B Medicare, you might have to pay a 10% penalty for each year for which you qualified but delayed enrollment. This penalty is **permanent** and begins as soon as you enroll in part B.

You should sign up Medicare Supplement Insurance, Part D, at the same time you enroll in Part B. Again, you might incur a permanent premium penalty for late enrollment.

Enrollment in Part C Medicare Advantage Programs have a bit more wiggle room, since they are provided to you from private healthcare insurance companies.

Paying for Medicare Health Plans

You can receive excellent health care coverage when enrolling in Medicare, however it won't cover everything. Like traditional health insurance policies from private companies, you will generally be responsible for paying your share of healthcare expenses. Here is what you can expect:

- **Premiums:** This is a specific monthly rate you pay in exchange for health benefits, the Medicare Supplement policy, and/or prescription coverage. Some people can qualify for help on these payments, but usually this is paid out-of-pocket.
- **Annual deductible:** This is what you must pay out-of-pocket first for health care and prescription drugs before Medicare insurance starts paying. Be aware that this annual amount can change every year and varies by plan.
- **Copayments:** Commonly found on Medicare Advantage and Medigap health insurance programs, you might be required to make a copayment for trips to the doctor or whenever you fill a prescription.
- **Coinsurance:** Similar in theory to copayment but used for Medicare Part B plans. Unlike copayments, the rate you will have to pay is usually a flat percentage.
- **Max out-of-pocket limit:** This is a yearly limit on how much spending for Medicare services you can make out-of-pocket. Once you reach the maximum limit, your health plan will pay 100% of the cost of covered healthcare services for the rest of the year. This is not applicable for Original Medicare plans.

Do I Need Medicare Plans?

The short answer is: Yes! For anyone age 65 or older, Medicare is a solid choice to take as a health insurance provider if you feel that you need it.

The longer answer? Maybe.

Because it's federally-owned, Medicare covers a wide range of standard medical practices and tests a normal person might incur throughout life, but not everything falls under the scope of Medicare. This is especially true for prescription drugs and doctor's visits for hearing, dental, vision, and more. If you want to experience these benefits, you might have to enroll in Medicare Part C or D, which are provided to you through private health insurance companies.

What About My Other Health Insurance Policy?

Of course, the alternative to Medicare would be to stick with what health insurance you or your spouse might already have. Chances are you might be able to get coverage for the auxiliary medical examinations and tests traditional Medicare doesn't cover—and at a more competitive rate, too.

You might have to deal with doctor or pharmacy networks, however, which can be inconvenient and costly if your insurance isn't taken anywhere near where you live and work. At the very least, you can apply for Medicare and use it to complement your existing insurance and can opt-out of either when you're ready.

Be sure to speak with a licensed and certified agent to help guide you through the differences in what we've discussed in this guide and help you enroll in a plan right for you.

Category

1. Insurance

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