

## Medicare Quick Guide

Learning about Medicare can be incredibly confusing. There is a maze of information out there, and sometimes that information can be hard to piece together. In this guide, we'll go through the key concepts of Medicare so you can feel confident in the coverage decisions you ultimately make.

### What is Medicare?

Medicare is a federal insurance program that helps seniors and disabled individuals cover some of their health care costs. Medicare was signed into law in 1965 and helps millions of Americans every year. Here's a breakdown of the different parts:

<b>Part A</b>	Known as Original Medicare. It is offered by the Federal government and covers hospital and inpatient services (inpatient hospital care, long-term hospital care, skilled nursing facility care, hospice care, emergency care, home health services).
<b>Part B</b>	Known as Original Medicare. It is offered by the Federal government and covers Medical Insurance (doctor's office visits, medical equipment, laboratory services, outpatient services, mental health services, ambulatory services, and some medical supplies).
<b>Part C</b>	Known as Medicare Advantage. It is offered by private insurance companies and bundles up the services provided by Original Medicare A and B into one plan. Plus, most Advantage plans offer additional services like dental, vision, and prescription drug coverage.
<b>Part D</b>	Known as Prescription Drug Plans. They are offered by private insurance companies and help cover your prescription drug costs. Each Part D plan is different and has its own formulary (or list of covered drugs).

You also have the option to add additional coverage with Medicare Supplement plans. Private insurers offer these plans and they supplement your Original Medicare benefits. Sometimes these are also referred to as “Medigap” plans because they fill the gaps in the coverage you receive from Original Medicare (Parts A and B).

## What are the different types of coverage options?

There are rules around the types of Medicare plans you can be enrolled in at any given time depending on what the plans cover:

<b>Option 1</b>	Original Medicare (Part A and Part B).
<b>Option 2</b>	Original Medicare (Part A and Part B) and add a Medicare Supplement plan to help pay for Original Medicare’s out-of-pocket costs.
<b>Option 3</b>	Original Medicare (Part A and Part B) and add a stand-alone Part D Prescription Drug Plan.
<b>Option 4</b>	Original Medicare (Part A and Part B), add a Medicare Supplement plan to help pay for Original Medicare’s out-of-pocket costs and add a Part D plan to cover your prescription drug costs.
<b>Option 5</b>	Get your Part A and Part B coverage from a Medicare Advantage plan. You can also get additional coverage including prescription drugs with a Medicare Advantage Prescription Drug plan.

## Who is eligible to enroll in Medicare?

You’re eligible to enroll in Medicare if you are:

- 65 or older
- Permanently disabled and receiving Social Security Disability Insurance (SSDI) for at least 2 years
- Under 65 and have Amyotrophic Lateral Sclerosis (ALS)

- Under 65 and have End-Stage Renal Disease (ESRD)
- Over 65 with a disability and have collected social security for 24+ months

## How much does Medicare cost?

<b>Medicare Part A</b>	Part A is free if you or your spouse have paid Medicare taxes for 10+ years. If not, you will have to pay a monthly premium.
<b>Medicare Part B</b>	Part B always has a monthly premium that is dependent on your income. It's also important to know, enrolling in Part B outside of your Initial Enrollment Period (IEP) may result in a late enrollment penalty.
<b>Medicare Advantage</b>	The cost varies depending on what plan you choose but you will pay a monthly premium in addition to your Part B premium. Medicare Advantage plans also come with an out-of-pocket limit. This means once you hit this limit, the carrier will cover the rest of your costs in full for the policy year. The trade off could be higher out-of-pocket costs in copays and coinsurance.
<b>Medicare Part D</b>	The cost for Part D plans also vary. If you decide to add on a Part D plan to Original Medicare, you'll have to pay a monthly premium.
<b>Medicare Supplement</b>	For Medicare Supplement plans, the coverage is greater and tailored to a specific area of care, so the premiums tend to run higher.

## When can I enroll in Medicare?

Many people don't have to do anything to get enrolled in Original Medicare (Part A and Part B). If you're already receiving benefits from Social Security or the Railroad Retirement Board (RRB), you will automatically be enrolled when you turn 65.

If you're disabled, you automatically get Parts A and B when you reach your 25th consecutive month of receiving disability benefits.

Once you enroll in Original Medicare, you can decide to add a Medicare Part D Prescription Drug Plan and/or a Medicare Supplement plan. You may also decide to enroll in a Medicare Advantage plan instead of Original Medicare. There are different enrollment periods for these options.

## How does Medicare work with my employer's insurance?

### Full-time employees

If you are over 65 years old and receiving insurance coverage through your employer, you are able to continue this coverage until you retire or reduce your hours below the threshold for receiving health insurance benefits.

For most full time employees, the best option is to delay your decision-making about Medicare until you retire or leave your employer. Starting the month after you lose all employer-sponsored coverage, you will have an eight-month Special Enrollment Period (SEP) during which you can enroll in Medicare. Once you start planning for your retirement, you can call HealthSherpa at **(877) 744-6658** or [medicare@healthsherpa.com](mailto:medicare@healthsherpa.com) to discuss your options.

Full-time employees who are enrolled in an employer Health Savings Account (HSA) and enroll in any part of Medicare alongside their employer health insurance must contact the benefits team. Remaining enrolled in the HSA after enrolling in Medicare can result in HSA contributions being treated as taxable income.

### Part-time employees

If you are a part-time employee and not receiving insurance coverage from your employer, you will have a seven month Initial Enrollment Period (IEP) that starts three months before your 65th birthday, continues through your birthday month, and ends three months after you turn 65.

Enrolling in Part B after your birthday has passed but before the end of your IEP may cause your Part B coverage to be delayed, so it's best to plan ahead. If you neglect to enroll during your IEP, you may have to wait to enroll and pay a higher premium for enrolling late. It's a good idea to call HealthSherpa a few months before your 65th birthday to talk through your Medicare options.

If you're still confused around what Medicare coverage is right for you, you're not alone. It takes some time to put all the pieces together! HealthSherpa's licensed Medicare agents are available to answer your Medicare questions, help you understand your options, and assist in the enrollment of a Supplemental plan if appropriate for you. Their contact is: **(877) 744-6658** or [medicare@healthsherpa.com](mailto:medicare@healthsherpa.com).