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## **A Fact Sheet for Medicare**

*Presented by Nancy J. LaPointe\**

Medicare is a federal health insurance program that covers certain medical services and supplies in hospitals and doctors' offices. The insurance is provided to U.S. citizens and permanent residents who must meet one or more of the following criteria:

- Are age 65 or older and eligible for social security benefits or for benefits from the Railroad Retirement Board (RRB)
- Have been receiving social security disability income for at least 24 months
- Qualify for disability benefits because of amyotrophic lateral sclerosis (ALS, aka Lou Gehrig's disease)
- Have end-stage renal disease

Medicare covers three categories of health care expenses:

1. **Part A: Hospital insurance.** Part A helps to cover inpatient care in hospitals, skilled nursing facilities, and religious nonmedical health care institutions; hospice health care services; and home health care services. Most individuals who qualify for Medicare receive Part A at no cost, as they likely paid for it via Medicare taxes while working. Those who don't qualify for "premium-free Part A" may buy it through the Social Security Administration; the premium amount depends on an individual's income.
2. **Part B: Medical insurance.** Part B helps to cover medically necessary services, including doctors' services and tests, hospital outpatient care, home health services, durable medical equipment, and some preventive services to help maintain health and to keep certain illnesses from worsening. Part B premiums are paid monthly, and most beneficiaries are charged a standard premium amount. If you miss the initial enrollment period, you may incur a late enrollment penalty.
3. **Part D: Prescription drug coverage.** Part D is a prescription drug coverage plan provided by private companies contracted by Medicare. Enrollment is not automatic. If you do not have creditable prescription drug coverage, you should consider getting Part D as soon as you are eligible. If you join a Medicare prescription drug plan later than your initial enrollment period, you may incur a late enrollment penalty.

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## Coverage choices

1. **Original Medicare.** This coverage includes Part A and Part B, with the option to add Part D. It allows the most flexible choice of doctors, hospitals, and other providers. You can purchase supplemental insurance coverage, known as Medigap, to pay for certain out-of-pocket costs not covered by Original Medicare, such as deductibles and copayments.
2. **Medicare Advantage (Part C).** This choice includes health plans run by Medicare-approved private insurance companies and is similar to an HMO or PPO. These plans include Part A and Part B, and most include Part D at an extra cost. Additional coverage for vision, hearing, and dental services, in addition to health and wellness programs, may be available.

For most Medicare Advantage plans, you must use network doctors, hospitals, and other providers. Monthly premiums and out-of-pocket costs vary. You can switch between Medicare Advantage and Original Medicare, or to a different Medicare Advantage plan, but only during certain times of the year.

Keep in mind that some items and services are not covered by Original Medicare:

- Acupuncture
- Cosmetic surgery
- Dentures
- Hearing aids
- Long-term care
- Routine dental care
- Vision care

Some Medicare Advantage providers, however, may cover certain dental and vision care services.

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## Enrolling in Medicare

**Automatic enrollment.** The following individuals are automatically enrolled in Medicare Part A and Part B:

- Those who are 65 years old and currently receive social security benefits or benefits from the RRB
- Those who are under age 65 who receive disability benefits from social security or from the RRB for 24 months
- Those who have ALS

If you are automatically enrolled, a Medicare card will be mailed to you three months before your 65th birthday or three months before your 25th month of disability benefits. You can decline Part B coverage before the date it takes effect. If you do not want to pay Part B premiums, follow the instructions that come with the card and return it. If you need help paying Medicare premiums, contact the Social Security Administration.

**Active enrollment.** You must take action to enroll in Medicare if:

- You do not receive social security or RRB benefits when you turn 65
- You have end-stage renal disease

**Enrollment period.** The time frame for enrolling in Medicare covers the three months before your 65th birthday, the month you turn age 65, and the three months following your 65th birthday. If you don't enroll during this initial period, you may do so between January 1 and March 31 every year thereafter. If you sign up late, you run the risk of having to pay a higher premium because of a late-enrollment penalty.

If you or your spouse are still working and are covered by employer-provided health insurance, you can keep your current plan and sign up for Medicare without penalty at a later date. Talk to your employer about how your current health plan coordinates with Medicare.

**Completing your application for enrollment.** You can complete your Medicare application in one of three ways:

1. Online at [www.socialsecurity.gov/medicare/apply.html](http://www.socialsecurity.gov/medicare/apply.html)
2. By printing the form and bringing it to your local Social Security office
3. By phone or in person at any Social Security office

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If you were automatically or actively enrolled in Medicare, you may choose to join the Medicare Advantage plan after you receive your Medicare number and after the date your Part A and/or Part B coverage starts. You can do this by completing an application or visiting ***[www.medicare.gov](http://www.medicare.gov)***.

Additional information on Medicare can be found on the Medicare & You portal at ***[www.medicare.gov/medicare-and-you/medicare-and-you.html](http://www.medicare.gov/medicare-and-you/medicare-and-you.html)***.

*This material has been provided for general informational purposes only and does not constitute either tax or legal advice. Although we go to great lengths to make sure our information is accurate and useful, we recommend you consult a tax preparer, professional tax advisor, or lawyer.*

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