

Medicare Coverage Options

There are two ways to receive your Medicare benefits: Original Medicare or a Medicare Advantage Plan. Original Medicare, sometimes called traditional Medicare, includes Part A (hospital) and Part B (medical) coverage. If you want Medicare drug coverage (Part D) with Original Medicare, you will need to actively choose and join a stand-alone Medicare private drug plan (PDP). You can also receive your Medicare coverage through a Medicare Advantage Plan. Medicare Advantage Plans must cover all Original Medicare services, but each Medicare Advantage Plan can charge different out-of-pocket costs and have different restrictions.

Decisions About Part B Enrollment

You should only consider delaying Medicare Part B if: 1) you have health coverage from your or your spouse's current work and 2) the employer coverage pays before Medicare. Having coverage from a current employer allows you to enroll in Medicare Part B at a later date without penalties or coverage gaps. Plans from large employers (20 or more employees for 65+ and 100 or more for under 65 and disabled) pay before Medicare. Plans from small employers (fewer than 20 employees for 65+, and fewer than 100 employees for under 65 and disabled) pay after Medicare pays. If you fail to enroll in Part B, your small employer coverage may pay little to none of your care costs.

Questions to ask when you have another type of insurance coverage

Whether you are enrolling in Medicare or delaying enrollment, it is important that you ask the right questions. Your State Health Insurance Assistance Program (SHIP) provides guidance in this process (contact information is below). In addition to contacting the SHIP program, it is important to contact the Social Security Administration by visiting your local Social Security office or by calling the National Social Security Hotline at 800-772-1213. Here are some sample questions to ask if you are considering delaying Part B.

- Will my current insurance coverage allow me to delay Medicare Part B?
- When should I enroll in Medicare if I am delaying now?
- How will delaying enrollment now affect my Medicare premium later?
- What information and documents will I need to provide to Social Security when I do enroll?

Local SHIP Contact Information

SHIP toll-free:

SHIP email:

SHIP website:

To find a SHIP in another state: Call 877-839-2675 or visit www.shiptacenter.org.

	Original Medicare	Medicare Advantage Plans
Costs	You pay Medicare premiums, deductibles, and coinsurances (usually 20 percent of the Medicare-approved cost for outpatient care).	You pay Medicare premiums and your plan's premium , if it charges one. Your plan sets its own deductibles and copays (usually a fixed cost for each office visit). You may pay the full cost if you don't follow your plan's rules.
Supplemental insurance	You can buy a Medigap policy (but only at certain times, depending on where you live).	You can't buy a Medigap policy to help pay your out-of-pocket costs in a Medicare Advantage Plan.
Covers extra services like vision and dental?	No. Covers medically necessary inpatient and outpatient health care. Doesn't cover certain services such as routine vision, hearing or dental care.	Maybe. May cover some services Original Medicare doesn't cover such as routine vision, hearing, and dental care. All plans must cover the same inpatient and outpatient services Original Medicare covers.
Lets me see providers nationwide?	Yes. You can go to any doctor or hospital in the U.S. that accepts Medicare.	Usually not. Most people have HMOs, which typically have local networks of providers you must use for the plan to cover your care. PPOs and PFFS plans should cover care you get outside the network, but you will pay more.
Need referrals to see specialists?	No. You don't need a referral.	Maybe. You often need to get a referral from your Primary Care Physician if you want to see a specialist.
Covers drugs?	No, but if you want Medicare prescription drug coverage, you can buy a separate Part D plan.	Usually. Most plans include Part D drug coverage. You usually can't get a separate Part D plan if you have a Medicare Advantage Plan (some exceptions).
Out-of-pocket limit?	No. There's no cap on what you spend on health care.	Yes. Plans must have an annual out-of-pocket limit, which can be high but protect you if you need expensive care. The plan pays the full cost of your care after you reach the limit.

	Part A	Part B	Medicare Advantage	Part D
Initial Enrollment Period (IEP)	This is the first time you become eligible for Medicare. It is a seven month period that includes three months before turn 65, the month you turn 65, and three months after you turn 65. It also occurs after you have been receiving Social Security Disability Insurance (SSDI) for 24 months.			
General Enrollment Period (GEP)	January 1-March 31, annually (coverage will begin July 1). This enrollment period can be used if you declined Part B and would like to enroll or cancelled your Part B coverage and would like to re-enroll.		If you enroll in Medicare during the General Enrollment Period, you can enroll in a Medicare Advantage Plan or Medicare Part D Plan April—June (coverage will start July 1).	
Special Enrollment Period (SEP)	Can be used if you did not enroll in Medicare Part B when you were first eligible because you were covered by your own or your spouse's employer group health plan. To enroll in Medicare Part B without paying a late penalty, enroll while you have coverage and up to eight months from the date your employer's coverage ends.		Varies depending on the reason for the SEP.	
Fall Open Enrollment Period (OEP)	You can switch back to Original Medicare during this time.		October 15-December 7, annually.	
Medicare Advantage Disenrollment Period (MADP)	You can switch back to Original Medicare during this time.		January 1-February 14 annually. Allows you to switch to Original Medicare with or without a stand-alone prescription drug plan. Changes made during this period will become effective the first of the following month.	

Coinsurance / Copayment: The amount you must pay for each service or item

- A **coinsurance** is a percentage of the total cost
- A **copayment** or **copay** is a fixed amount

Deductible: The amount you must spend on health care or drugs before your insurance begins to pay

Original Medicare: The fee-for-service health insurance program run by the federal government. Original Medicare consists of the following parts:

- **Part A:** Covers inpatient services and is also called hospital insurance
- **Part B:** Covers outpatient services and is also called medical insurance
- **Late enrollment penalty:** 10-percent of the Part B premium for each full 12 months you could have enrolled in Medicare and did not. You will have to pay this penalty: in addition to your monthly Part B premium amount for as long as you have Part B

Medicare Advantage Plans: Private plans that provide Medicare health benefits and usually drug benefits. Typically, you must see an **in-network provider** that works with the plan in order for your plan to cover health care services you receive

- **Prior Authorization:** A requirement to get prior approval before getting certain services, items, or drugs
- **Referral:** A requirement to get a formal recommendation from your primary care doctor before getting services from another doctor/specialist

Part D: The part of Medicare that covers prescription drugs and is only offered through private insurance companies. It's best to get your medications at a **preferred, in-network pharmacy** that works with your Part D plan

- **Prior Authorization:** A requirement to get prior approval before the plan will cover a prescription drug
- **Step Therapy:** A requirement for you to try other drugs that treat your condition before the plan will cover more expensive medications
- **Quantity Limits:** A restriction limiting drug coverage to a specific amount of drugs over a certain period of time

Premium: The monthly amount you pay to have health insurance

Medigap Plans: Supplemental insurance policies that are sold by private insurance companies to fill gaps in Medicare. Medigap plans help cover Original Medicare's 20 percent coinsurance. You can only purchase a Medigap if you have Original Medicare (not if you have a Medicare Advantage Plan). Medigaps are usually available in the form of ten different plans labeled A, B, C, D, F, G, K, L, M and N.