

# What Everyone Should Know About Medicare

Medicare rules can be confusing, but as you near retirement age it is important to become familiar with some of the basics.



Learning about the four parts of Medicare as well as some of the options available to you, will help you make better choices once you become eligible.

Medicare is a health insurance program for people age 65 or older funded and run by the federal government. Individuals younger than age 65 with certain disabilities may also qualify. The program helps with the costs of health care, but it doesn't cover all medical expenses. You have choices for how you receive your Medicare coverage. Some coverage is free, but other coverage is not.

Medicare has four parts: A, B, C, D. Medicare Parts A and B are often referred to as "Original Medicare."

- **Part A** -- Hospital Insurance helps pay for inpatient care in a hospital or skilled nursing facility and covers some home health care and hospice care. This insurance is free for most people.
- **Part B** -- Medical Insurance helps pay for services from doctors and other health care providers for outpatient care, home health care, durable medical equipment, and some preventive services. In 2016, the cost for this coverage for most people is \$104.90 per month.
- **Part C** -- Medicare Advantage Plans are an alternative to Original Medicare. With a Medicare Advantage Plan, people can choose to receive all of their health care services through a single private insurance provider. In other words, instead of getting Part A and Part B Medicare Plans, you can decide instead just to enroll in a single Part C Medicare Advantage Plan. Part C plans are usually HMO or PPO plans, and they often also include Part D Prescription coverage. These Part C plans are administered by private insurance companies. In most areas you can select from a variety of plans with different monthly premium costs based on a variety of different levels of coverage, copays, and coinsurance. The monthly premiums vary by company and plan.

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- **Part D** -- Prescription Drug Coverage helps pay for the costs of prescription medications. These plans are run by private companies approved by Medicare. If you have Original Medicare (Parts A and B), or if you join a Part C plan that does not include drug coverage, you will need to select a free-standing plan from a variety of companies that offer these plans. There is a monthly premium for this coverage. Monthly premiums vary by company and plan.

## Who is Eligible?

In general, people age 65 or older who are citizens or permanent residents of the United States are eligible for Medicare if they are eligible for Social Security Retirement benefits. Some people qualify for Medicare before reaching age 65 if they receive Social Security Disability benefits for 24 consecutive months. Those who don't meet these requirements may be able to get Medicare insurance by paying a monthly premium. Check with the Social Security Office to learn more.

## How Much Does Medicare Cost?

Medicare Part A is generally provided at no charge. Medicare Parts B, C, and D require payment of a monthly premium. Those with higher incomes may pay a higher premium for Part B.

## Which services are not covered under Medicare Parts A, B, C and D?

In general, vision, dental, and long-term nursing home care are not covered.

## What is Medigap Coverage?

If you have only Original Medicare (Parts A and B), you can purchase a Medicare Supplement Insurance policy or Medigap from a private company to help pay some of the deductibles, copays and coinsurances that Medicare doesn't cover.

Many insurance companies offer Medigap policies. The coverages in these policies are standardized so you can easily compare the premiums charged by different companies for the same plan and coverage. This premium is paid to the insurance company in addition to the monthly premium you pay Medicare for your Part B and Part D coverage.

## What if I Can't Afford The Monthly Medicare Premiums?

For those who are financially eligible, states have Medicaid programs to assist with the costs of Part B. The Social Security Administration also has a program called Extra Help to assist with prescription costs for those who are financially eligible. Contact your state or local Medicaid agency or the Social Security Administration to learn more.

## When Do I Sign Up for Medicare?

Medicare enrollment rules and enrollment periods are complex and vary depending on a number of factors, including whether you have coverage through a current or former employer and whether you are receiving or are eligible to receive Social Security Retirement or Disability benefits. Be sure to check with your Human Resource representative and the Social Security Administration *before* you reach age 65 to learn about options available to you. Joining any part of Medicare may affect your other coverage, so be sure to gather information and carefully explore your alternatives before making any changes.

For more information, contact Carebridge at (800) 437-0911 or the Social Security Administration at (800) 772-1213. Additional information can also be found on the Medicare website: [www.medicare.gov](http://www.medicare.gov).

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