



An Encore *Life* Seminar Series

What You Need To Know  
BEFORE You're 65

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# ***The Goals***

***To Understand the BASICS of:***

***Medicare Parts A, B, and C  
Medigap Insurance  
Medicare Prescription Drugs***





## ***Medically Necessary Health Care Expenses***


# **The ABCs of Medicare**


***Eligible at 65***



# *The Medicare Alphabet*

- 
- Medicare Part **A** – Hospitalization
  - Medicare Part **B** – Medical
- } “Original Medicare”  
Fee for Service
- “Medigap” Insurance – Private Insurance

- 
- 
- Medicare Part **C** – Managed Care Plans
- “Medicare Advantage”

- 
- 
- Medicare Part **D** – Prescription Drugs

$$( A + B + g + D = C )$$




# *Coverage Options*

$$A + B + g + D = C$$




## *Option #1*

### *Fee for Service*

- 
- Part A
  - Part B
  - Medigap (optional)
  - Part D Drug Plan

## *Option #2*

### *Managed Care*

- 
- Part C
    - Exchanged Parts A and B
    - for a
    - Medicare Advantage Plan
    - With Drug Coverage

# *Original Medicare Fee for Service Model*

## Part A Hospitalization

- Inpatient hospital care
- Skilled nursing care
- Home health care
- Hospice care

## Part B Medical

- Doctor services
- Outpatient services
- Diagnostic tests
- Some preventive services
- Durable medical equipment



# *What Medicare Does Not Cover*

***Long-Term Care***

# Part A is Usually Free

## Part B Has a Cost

If Your Income Is		Your 2009 Monthly Part B Premium
Individual Tax Return	Joint Tax Return	
\$ 85,000 or below	\$170,000 or below	\$ 96.40
\$ 85,001 – \$107,000	\$170,001 – \$214,000	\$ 134.90
\$107,001 – \$160,000	\$214,001 – \$320,000	\$ 192.70
\$160,001 – \$ 213,000	\$320,001 – \$426,000	\$ 250.50
Above \$213,000	Above \$410,000	\$ 308.30



# *Part C Medicare Advantage Plans Managed Care Model*

- Generally includes drug coverage and preventive services, covers some of the gaps in Part A & B and may provide dental and vision.
- Potentially the most all encompassing coverage, but with the most restrictions as to usage:
  - Restricted to certain doctors plus primary care physician.
  - Referrals to specialists usually required.
  - Must live in the plan area.
  - No coverage provided outside the plan area.
- Must have Medicare Parts A & B which you “exchange” for Part C.
- Part B premium will still apply and an additional premium may be required.




# *Primary Types of Medicare Advantage Plans*



*Managed Care Model*

*Private Insurance Intermediary*

*Health Care Reform Might Bring Future Changes*

- 
- Health Maintenance Organization (HMO)
  - Preferred Provider Organization (PPO)
  - Private Fee-For-Service Plans (PFFS)



*Make Sure You Read the Fine Print*

# *Applying for Medicare*



- 7-month period
  - 3 months before 65
  - Month of 65<sup>th</sup> birthday
  - 3 months after turning 65
- Coverage begins based on when you sign up.
- Apply through Social Security, online or in person.
- Automatically enrolled if on Social Security.
- If Part B deferred, must specifically decline Part B.
- Documents required
  - Social security card
  - Birth certificate
  - Most recent W2 or tax return if self-employed
- If Part C desired, must enroll directly with Medicare Advantage plan provider.



# *Applying for Medicare If Current Employee With Health Coverage*



## *Confirm Coverage Details With Employee Benefits Administrator*

- 
- 
- Most likely you should enroll in Part A but decline Part B.
    - Particularly if size of company is > 20 employees.
  
  - There is a Special Enrollment Period for you to later sign-up for Part B.
    - Sign-up with in 8 months after employment or coverage ends, whichever is first.
    - Then no late sign-up penalty will be imposed.



*Applying for Medicare  
If Retiring with Retiree Health Benefits*

***Confirm Coverage Details With  
Retiree Benefits Administrator***





# *Coverage Options*

$$A + B + g + D = C$$



## *Option #1*

### *Fee for Service*

- 
- Part A
  - Part B
  - Medigap (Optional)
  - Part D Drug Plan
- 

## *Option #2*

### *Managed Care*

- Part C
  - Exchange Part A and B for a
  - Medicare Advantage Plan with Drug Coverage



# **Congratulations**

***Now You've Got The Basics***

***The ABCs of Medicare***



# *For More Information*

- [www.MEDICARE.gov](http://www.MEDICARE.gov)
- *Medicare & You* handbook
- 1-800-MEDICARE (1-800-633-4227)
- State Health Insurance Assistance Programs (SHIPs)
  - State contact info at [www.Medicare.gov](http://www.Medicare.gov)
  - 1-800-434-0222 in CA
- Social Security Administration
  - 1-800-772-1213



# *Disclaimer*

***This Set of Materials  
Provided by Encore Management  
Is Not a Legal Document.***

***Official Medicare Provisions  
Are Contained in The Relevant  
Laws, Regulations, and Rulings.***

# *United We Serve*

## *What You Need To Know Before You're 65*

I have partnered with Woodruff Sawyer to bring this Encore Life Seminar Series on Medicare to you. It is my contribution to the Obama Administration's ***United We Serve*** initiative which is a call to all Americans to volunteer in their communities.

I hope you find this information of benefit. It is my pleasure to serve.

Esther Koch

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Esther Koch is a gerontologist and eldercare advisor. Her firm, Encore Management at [www.ENCOREmgmt.com](http://www.ENCOREmgmt.com), provides personal and corporate advisory services on aging and eldercare matters targeted to Boomers.

Esther is also a Medicare Aging Network Partner with the Administration on Aging and the Centers for Medicare and Medicaid, and was a delegate to the White House Conference on Aging. She speaks on a wide range of aging, retirement, and eldercare topics. Her media interviews and articles have appeared on television, radio, and in print.