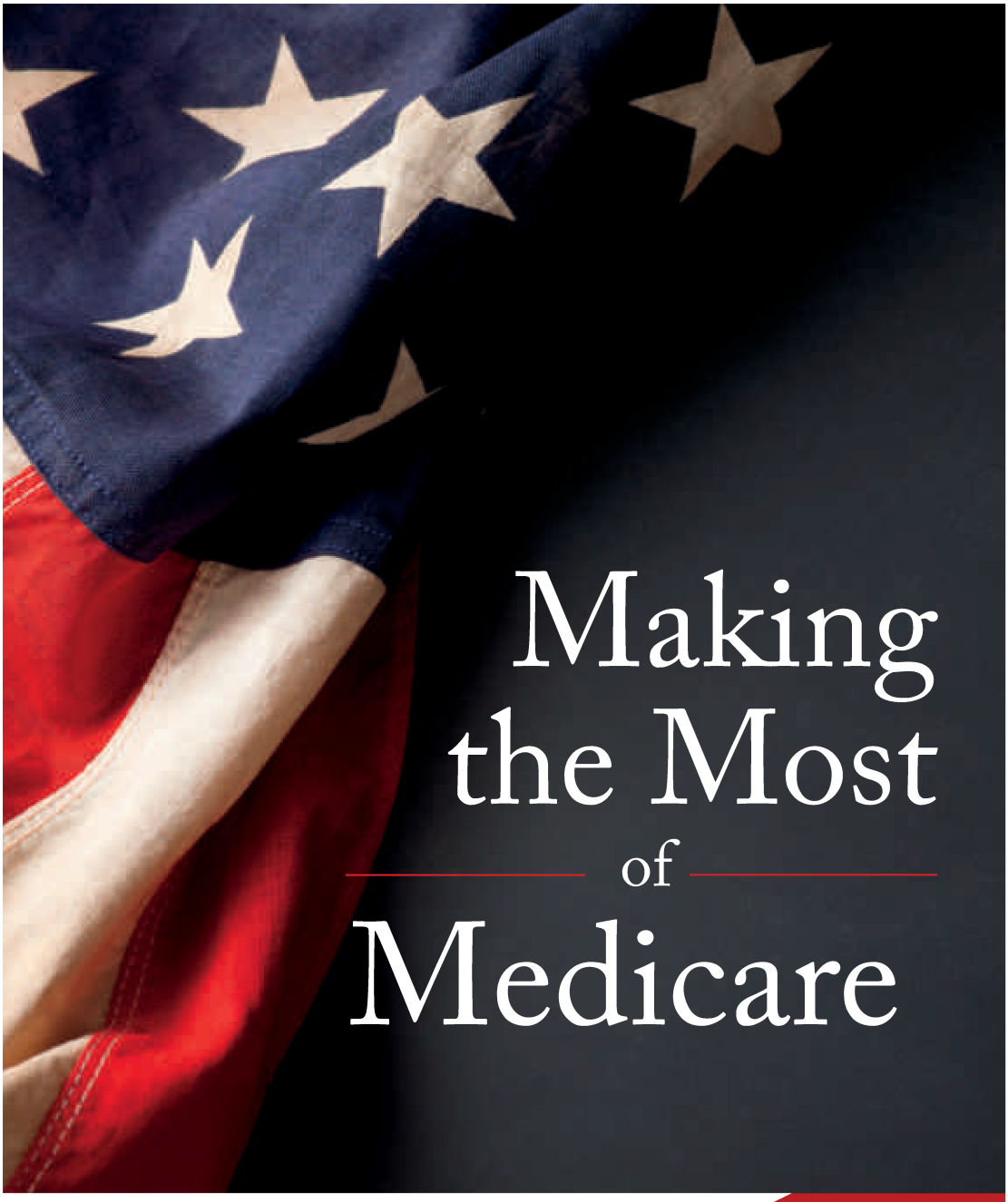

Making the Most of Medicare

An easy guide to getting more from your benefits

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Making the Most of Medicare

As a Medicare beneficiary, you have many choices in today's health care environment. It makes sense to choose a health plan that's a good fit for you, in both coverage and cost. But Medicare can be confusing, which makes it hard to compare options and make a sound decision.

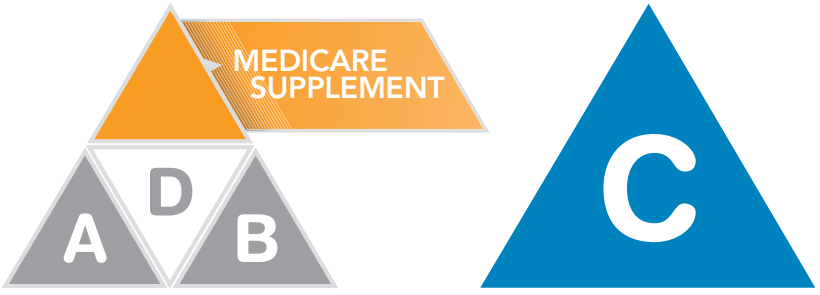
This booklet will help you better understand Medicare, so you can assess your own health care needs and choose the best Medicare plan for you.

Staying in the same plan year after year might be costing you more than you realize. Because your health needs and budget change over time, it makes sense to revisit your Medicare plan benefits and costs each year.

It's a good idea to apply your Medicare dollars to the type of medical care and drug coverage you genuinely need. And know what costs you want to pay out of pocket, if any. With so many plans available, there's one that's a good fit for you.

How Medicare works

Medicare is a federal health insurance program for eligible adults 65 and older and for those under 65 with a medical disability who qualify. Medicare has four parts — Part A, Part B, Part D and Part C. There's also Medicare Supplement insurance, known as gap insurance or Medigap. It helps cover the gaps in your Medicare coverage as well as your share of the costs for Medicare services.



Each part helps pay for different health care costs. Part C is unique because it combines the coverage of the other parts of Medicare. The icons will help you understand how Medicare works.

There are two ways to receive your Medicare coverage: Original Medicare (Part A and Part B) or a Medicare Advantage plan (Part C).

Original Medicare = Part A and Part B

Original Medicare is coverage managed by the federal government. When you choose Original Medicare, you get the coverage included in Medicare Part A and Part B.

Medicare Part A acts as hospital insurance. Part A helps pay for inpatient care in hospitals, hospice care, home health care and care provided in a skilled nursing facility if you meet certain requirements. If you or your spouse paid Medicare taxes when you were working, the federal government may pay your premium (monthly fee) for Part A coverage. If ineligible, you can still purchase Part A.

Medicare Part B provides medical insurance. Part B helps cover doctor visits, procedures that don't require an overnight hospital stay and some preventive care services, such as flu shots. Most people pay a monthly premium for Part B, which is based on their income. The monthly premium for Part B is typically taken out of your Social Security check.

Original Medicare *doesn't* cover most prescription drugs or custodial care, such as nursing home stays.

Prescription Drug Coverage = Part D

Medicare Part D helps cover your cost for prescription drugs if you have Original Medicare.

Part D plans are managed by private Medicare-approved insurers. You must enroll in a private plan to receive Part D services. Part D covered drugs generally:

- Vary plan to plan
- Include commonly used brand-name and generic drugs
- Don't include over-the-counter medicines

A Part D drug plan can be added to your Medicare benefits as a stand-alone plan if you've chosen Original Medicare or are planning to choose it. A cost-effective way to buy Part D drug benefits is getting them through a Medicare Advantage plan with hospital and medical coverage, known as Medicare Part C, described in the next section.



Most Medicare drug plans have a coverage gap. After you and the plan spend a certain amount on prescriptions, coverage stops. At that point, you're responsible for paying future prescription costs until you reach a predetermined amount. If you reach the coverage gap for your Medicare drug plan, you'll be able to purchase brand-name and generic drugs at a discounted price.

Higher-income Medicare recipients pay a monthly income-related premium for Part D benefits. In addition to the Part D federal government premium cost, you may have a monthly premium charged by the Part D private insurer. Other costs may include an annual deductible and coinsurance or copayments.

If you have limited financial resources, you may qualify for Extra Help to put toward Part D plan costs. Certain organizations, such as the Social Security Administration, offer financial assistance.

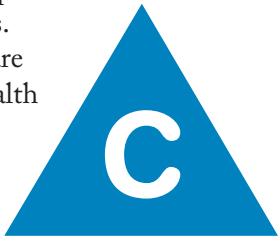
Part C Medicare Advantage = Medicare Parts A, B and often D

Medicare Part C, or Medicare Advantage, integrates Medicare Part A and Part B coverage with additional medical benefits not covered by Original Medicare. Many Medicare Advantage plans include Part D drug benefits. Medicare Advantage plans are available through private health insurers and may include:

- Routine eye and dental care
- Hearing aids and eyewear
- Wellness programs
- Discount programs for services and products, such as acupuncture and vitamins

When you enroll in a Medicare Advantage plan, you're still a Medicare beneficiary and receive all the entitlements and privileges of Original Medicare. You're simply choosing to assign the administration of your Medicare benefits to a private insurer and will receive your benefits through the Medicare Advantage plan you join. The federal Centers for Medicare & Medicaid Services, or CMS, oversees the private health insurers to manage benefits for you if you enroll in a Medicare Advantage plan. When you enroll in Medicare Advantage, CMS applies your Original Medicare benefits to your Medicare Advantage plan. To be eligible for a Medicare Advantage plan, you must:

- Reside in the U.S.
- Live in the plan service area
- Be entitled to Medicare Part A
- Have enrolled in Medicare Part B
- Continue to pay your Part B premium
- Not have end-stage renal disease, in most cases

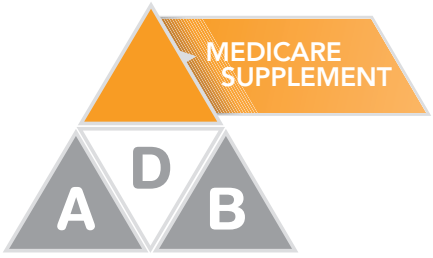


Original Medicare versus Medicare Advantage

Original Medicare only helps pay for certain medical costs, but you may find it doesn't cover all the services you need. If you choose Original Medicare, you can extend your coverage by adding a stand-alone Medicare Part D drug plan. You may also want to get coverage that fills the gaps in Original Medicare coverage. One way to enhance Original Medicare coverage is to add a Medicare Supplement insurance policy from a private insurer.

Medicare Supplement plans expand or eliminate Original Medicare coverage limits and, depending on the plan, cover all or a portion of Medicare deductibles and coinsurances. Medicare Supplement plans are accepted nationwide. As long as you pay your premium, a Medicare Supplement policy is guaranteed renewable. A Medicare Supplement policy only covers one person. If you and your spouse both want Medicare Supplement coverage, each of you will need to buy separate policies.

Monthly premiums are generally impacted by such variables as where you live, if you use tobacco and your age, height, weight and gender. Since costs vary, it's important to compare Medicare Supplement policies.



Under certain circumstances, you're guaranteed the right to buy a Medicare Supplement policy. In these situations, insurance companies can't place conditions on a Medicare Supplement policy, such as exclusions for preexisting conditions, or charge more due to past or present health problems.

There are additional costs beyond any required Medicare Part A and Part B premiums you may have with Original Medicare:

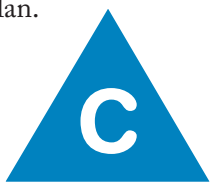
- A deductible, which is a set amount you pay every year before Medicare coverage begins
- The entire cost of services not covered by Medicare
- Coinsurance, which is a portion of the cost of Medicare-approved services (usually 20 percent)
- Part D drug plan premium, if you choose to add drug benefits
- Medicare Supplement plan premium, if you elect to buy supplement insurance

Medicare Advantage includes Medicare Parts A and B and additional benefits, plus Medicare Part D in many cases. Medicare Advantage plans foster good health by including:

- Health assessments
- Care management resources for managing chronic conditions
- Preventive services and annual wellness exams at no additional cost
- More covered services, which could include dental, vision, hearing and fitness

Choose a Medicare plan that fits you

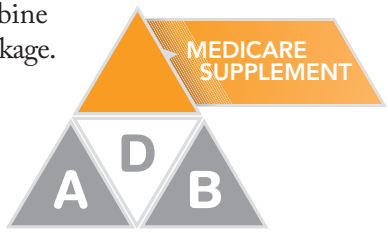
You can choose a Medicare Advantage plan (Part C) that bundles coverage of the different parts together in a single plan.



A Medicare Advantage plan includes:

- Part A – Hospital
- Part B – Medical
- Part D – Prescription Drugs (most plans)
- Some coverage that's similar to what you'd get in a Medicare supplement plan
- Often includes additional benefits, such as dental, vision, hearing and fitness

Or you can purchase them separately and combine different types of Medicare coverage into one package.



Part A – Hospital
Part B – Medical
Part D – Prescription Drugs
Medicare Supplement

There are several types of Medicare Advantage plans,* including:

Health Maintenance Organization or HMO – An HMO requires you to choose a primary care physician, or PCP, to manage your medical needs. When you need a specialist or other provider, your PCP coordinates care with other specialists, providing referrals as appropriate. Care provided, arranged or authorized by the HMO and your PCP within the HMO network is covered.

Point of Service or POS – A POS is an HMO that lets you get some out-of-network services at in-network costs.

Preferred Provider Organization or PPO – A PPO allows you to visit any health provider you'd like. You often pay more to see doctors outside the preferred provider network. Referrals aren't usually necessary to see specialists.

Private-Fee-for-Service or PFFS – A PFFS plan decides how much it will pay doctors, other health care providers, and hospitals, and how much you must pay when you get care. The government requires a PFFS plan to have a provider network. If you join a PFFS plan, you can see any of the network providers. You can also choose an out-of-network doctor, hospital, or other provider who accepts the plan's terms, but you may pay more.

Special Needs Plan or SNP – SNPs are for people with a chronic illness, older adults with limited income and seniors living in a nursing home. You must meet certain qualifications to be eligible.

* Plan availability varies by location.

Explaining Medicare coverage

As you evaluate your Medicare coverage, it's important to understand the plans you're considering. Here are answers to some frequently asked questions:

Q. When can I enroll in a Medicare Advantage plan?

A. Anyone who is eligible for Medicare can enroll in a Medicare Advantage plan. Since you're already enrolled in Original Medicare, you can join a Medicare Advantage plan during the Annual Election Period (October 15 through December 7).

Q. Can I change Medicare plans if the one I'm enrolled in isn't meeting my current needs?

A. Yes, you can switch once a year during the Annual Election Period.

Q. What about Medicare Part B? Do I need to continue paying the monthly premium to enroll in a Medicare Advantage plan?

A. Yes. In most cases, if you enroll in a Medicare Advantage plan, you must continue to pay your Part B premium.

Q. What if I need to join or change Medicare Advantage plans outside the designated times?

A. You can only do so in special circumstances. These include:

- Moving out of your existing plan's service area
- Living in a facility, such as a nursing home
- Qualifying for Extra Help, such as if you receive both Medicare and Medicaid, get Supplemental Security Income, or apply for and receive financial assistance

Q. Can I enroll in both a Medicare Advantage plan and Medicare Supplement policy?

A. No. If you have a Medicare Advantage plan, you don't need and can't buy a Medicare Supplement policy.

Q. Can I enroll in both a Medicare Advantage plan and a stand-alone prescription drug plan (PDP) for drug coverage?

A. Usually, no. If your Medicare Advantage plan offers drug coverage, you have to use that plan's drug coverage. If your plan offers drug coverage and you enroll in a stand-alone PDP, you'll be automatically disenrolled from the Medicare Advantage plan and returned to Original Medicare.



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Dates to remember

Each year, you can choose whether to keep or change your Medicare coverage. Here are some time frames to remember. For exact dates, visit **www.medicare.gov**.

Time frame	Event
October 15 through December 7	**Annual Election Period** During this time, you can: • Join a Medicare Advantage medical plan or Part D prescription drug plan • Switch a Medicare Advantage medical plan or Part D prescription drug plan • Change from a plan that includes Medicare Part D prescription drug coverage to one that doesn't • Disenroll from a Medicare Advantage plan
January 1	If you joined a new plan, new coverage begins.
January 1 through February 14	**Annual Disenrollment Period** During this time, you can disenroll from your Medicare Advantage plan and choose Original Medicare instead. If you switch to Original Medicare during this time, you can also enroll in a separate Medicare Part D drug plan. After the Annual Disenrollment Period ends, only people who are enrolling in Medicare for the first time or who have special circumstances can join or change Medicare plans. Call the plan for details. **Note:** If benefits are available to you through an employer group plan, contact your benefits administrator for enrollment information.

Get the most from your Medicare benefits

Even the budget-minded don't have to sacrifice their health. Here are tips to help you minimize costs and maximize benefits:

- **Save money on health care by not paying for duplicate coverage.** If you have group benefits from a current or former employer or union, compare your group plan's costs and benefits against a Medicare Advantage plan or Original Medicare with a Medicare Supplement insurance policy.
- **Make sure your provider accepts Medicare before receiving services under Original Medicare.** Otherwise, you may pay up to 15 percent more than the amount Medicare has approved for a particular service.

- **Stay in network for services if you have a Medicare Advantage HMO or PPO.** These plans may negotiate lower rates with providers in their networks. It's good to take advantage of them.
- **Schedule your Medicare-covered physical.** You're entitled to a free physical exam within the first year under any Medicare plan that includes Part B.
- **Get covered immunizations and preventive health screenings.** Get flu shots, mammograms, or prostate cancer tests and other covered screenings to find problems early, when they're most treatable.
- **Take advantage of benefits for special conditions.** People with diabetes, for example, may be eligible for two free fasting plasma glucose screenings annually. The Part B deductible and coinsurance do not apply. Visit **www.medicare.gov** to learn what's covered.
- **Find out if your plan offers discount programs.** From chiropractic services to vitamins to weight-loss programs and more, discount programs can save you a lot.
- **Be aware of changes in coverage.** Be sure to read information you receive from Medicare and your health plan provider.
- **Stay within the pharmacy network to save money on drugs.** It'll help you pay less for your covered prescription drugs.
- **Consider generic drugs.** Ask your doctor to prescribe generic alternatives. They meet FDA requirements, are safe and effective, and cost less. Some Medicare drug plans cover generics during the gap period.
- **Substitute preferred for nonpreferred brands.** Sometimes a generic isn't available. Your doctor may prescribe a drug that's on your plan's nonpreferred brand list. If that happens, ask your doctor if there's a less expensive option from the preferred list that works just as well. Preferred brands have been on the market for a while and are less expensive.
- **Shop around.** Prices vary by pharmacy. Explore mail-order pharmacies; some may offer lower pricing. Plus, your plan may offer a lower copayment for a three-month mail-order supply of medications.
- **Use a discount drug card.** If your plan offers a discount drug card, use it to pay for prescriptions that aren't covered. Some pharmacies may offer discount cards, too. If there's a fee, consider the cost versus the benefit.
- **Ask your doctor for samples.** Physicians are sometimes able to provide samples from pharmaceutical companies.
- **Check pharmaceutical assistance programs.** Some major drug manufacturers offer assistance programs. Visit Medicare's Pharmaceutical Assistance Program website at **www.medicare.gov/pap/index.asp** to determine if programs are offered for the drugs you take.

Helpful resources and phone numbers

You may qualify for help in paying your health care coverage and prescription drugs. Contact these organizations to learn about the financial assistance they offer and how to qualify:

Federal Resources

- **Centers for Medicare & Medicaid Services**

  www.medicare.gov

  1-800-MEDICARE (1-800-633-4227)
  TTY users call **1-877-486-2048**
  Available 24 hours a day, seven days a week

- **Social Security Administration**

  Social Security helps pay premiums, deductibles and prescription copayments for people with limited income and assets. Apply online at **www.ssa.gov**.

  1-800-772-1213
  TTY users call **1-800-325-0778**
  7 a.m. to 7 p.m. Monday through Friday



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