



# Module 1A: Welcome to Medicare!



*...helping people with Medicare  
make informed health care decisions*

**National Medicare Training Program Workbook**



**National Medicare  
TRAINING PROGRAM**

*Celebrating 12 years of training excellence!*

# Module 1A: Welcome to Medicare!



Welcome to Medicare! This short presentation is designed to give you an overview of the Medicare program—and to let you know where you can get more information.

**NOTE:** This training module was developed and approved by the Centers for Medicare & Medicaid Services (CMS), the Federal agency that administers Medicare and Medicaid. The information in this module was correct as of April 2009. To check for an updated version of this training module, visit [www.cms.hhs.gov/NationalMedicareTrainingProgram/TL/list.asp](http://www.cms.hhs.gov/NationalMedicareTrainingProgram/TL/list.asp) on the web.

This set of National Medicare Training Program materials is not a legal document. The official Medicare program provisions are contained in the relevant laws, regulations, and rulings.

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# Module 1A: Welcome to Medicare!

## SLIDE 2 *Speaker's Notes*

After a short introduction, we will cover information on:

- Original Medicare
- Medicare Supplement Insurance (often known as Medigap)
- Medicare Advantage and other Medicare Plans (e.g., HMOs and PPOs)
- Medicare prescription drug coverage
- Medicaid and Medicare Savings Programs

### Welcome to Medicare

- Introduction to Medicare
- Original Medicare
- Medicare Supplement Insurance (Medigap)
- Medicare Advantage and other Medicare plans
- Medicare prescription drug coverage
- Medicaid and Medicare Savings Programs

5/15/2009

Welcome to Medicare!

2

### Notes:

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# Module 1A: Welcome to Medicare!

## SLIDE 3 *Speaker's Notes*

Medicare is a health insurance program for:

- People age 65 and older
- People under age 65 with disabilities who have been getting Social Security disability benefits for a set amount of time (24 months in most cases)
  - People with Amyotrophic Lateral Sclerosis (ALS), also known as Lou Gehrig's Disease, automatically get Medicare Part A (Hospital Insurance) and Medicare Part B (Medical Insurance) the month their disability benefits begin.
- People of all ages with End-Stage Renal Disease (ESRD) (people who have permanent kidney failure and need dialysis or a kidney transplant)

President Lyndon Johnson signed the bill for the Medicare and Medicaid programs into law on July 30, 1965. Medicaid began January 1, 1966, and Medicare began July 1, 1966. Medicare is the nation's largest health insurance program, currently covering about 44 million Americans.

The Medicare program is managed by the Centers for Medicare & Medicaid Services (CMS). However, most people sign up for Medicare with the Social Security Administration. People retired from the railroad sign up with the Railroad Retirement Board.

### What Is Medicare?

- Health insurance for
  - People 65 years of age and older
  - People under age 65 with certain disabilities
  - People of all ages with End-Stage Renal Disease
- Managed by Centers for Medicare & Medicaid Services (CMS)
- Sign up with Social Security or Railroad Retirement Board (RRB)

5/15/2009      Welcome to Medicare!      3

### Notes:

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# Module 1A: Welcome to Medicare!

## SLIDE 4 *Speaker's Notes*

Social Security tells people it is best to apply for Medicare 3 months before age 65. You don't have to be retired to get Medicare. The retirement age for full Social Security benefits is slowly going up to age 67, but you can still get full Medicare benefits at age 65.

You can't get Medicare benefits before age 65 unless you have a disability or End-Stage Renal Disease.

If you are already receiving Social Security benefits (for example, getting early retirement), you will be automatically enrolled in Medicare without having to apply again. You will get a Medicare card and other information about 3 months before age 65 or before your 25th month of disability benefits.

### Applying for Medicare

- Apply 3 months before age 65
  - Don't have to be retired
  - Contact Social Security
- Enrollment automatic if you get Social Security or Railroad Retirement benefits



Welcome to Medicare! 4

### Notes:

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## SLIDE 5 *Speaker's Notes*

Medicare has the following parts:

- **Part A** helps pay for inpatient hospital stays but also helps cover skilled nursing care, home health care, and hospice care.
- **Part B** helps cover medically-necessary services like doctors visits and outpatient care. Part B also covers some preventive services including screening tests and shots, diagnostic tests, some therapies, and durable medical equipment like wheelchairs and walkers.
- **Part C** is another way to get your Medicare Benefits. It combines Parts A and B, and sometimes Part D (prescription drug coverage). Medicare Advantage Plans are managed by private insurance companies approved by Medicare. These plans must cover medically-necessary services. However, plans can charge different copayments, coinsurance, or deductibles for these services.
- **Part D** is drug coverage that helps pay for outpatient prescription drugs.

### Medicare Coverage Basics

- Part A (Hospital Insurance)
- Part B (Medical Insurance)
- Part C (Medicare Advantage Plan)  
(like an HMO or PPO)
- Part D (Medicare Prescription Drug Plan)

5/15/2009

Welcome to Medicare!

5

### Notes:

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## SLIDE 6 *Speaker's Notes*

Most people don't have to pay a monthly payment (premium) for Medicare Part A because they or their spouse paid Medicare or FICA taxes while they were working. (FICA stands for "Federal Insurance Contributions Act." This is the tax withheld from your salary, or that you pay from your self-employment income, that helps pay for the Social Security and Medicare programs.)

If you and your spouse did not pay Medicare taxes while you were working, or did not work long enough (10 years in most cases) to get premium-free Part A, you may still be able to get Part A by paying a monthly premium. In 2009, the Part A premium is \$244 (for a person who has worked 30-39 quarters) or \$443 (for a person who has worked less than 30 quarters) in Medicare-covered employment.

For information on Part A eligibility, enrollment, or premiums, call Social Security at 1-800-772-1213. TTY users should call 1-800-325-0778.

### Medicare Part A

- Most people don't pay a monthly premium for Part A
- People with less than 10 years of Medicare-covered work
  - Can still get Part A
    - Will pay a premium
- For information about Part A eligibility
  - Call Social Security
    - 1-800-772-1213
    - TTY users call 1-800-325-0778

5/15/2009

Welcome to Medicare!

6

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## SLIDE 7 *Speaker's Notes*

You can choose whether or not to enroll in Medicare Part B (Medical Insurance). You will pay a monthly premium for Medicare Part B, which is \$96.40 in 2009.

In 2009, people with annual incomes over \$85,000 if you file an individual tax return or over \$170,000 if you are married filing jointly, pay these higher premiums. These amounts change each year. Most people still pay the standard Part B premium.)

You can sign up for Part B any time during a 7-month period that begins 3 months before the month you become eligible for Medicare. This is called the **Initial Enrollment Period (IEP)**.

If you don't take Part B when you are first eligible, you may have to wait to sign up during a **General Enrollment Period (GEP)**. This period runs from January 1 through March 31 of each year, with coverage beginning July 1 of that year.

If you wait until after you are first eligible to get Part B, you will also have to pay a premium penalty of 10% for each full 12-month period you could have had Part B but didn't sign up for it, except in special cases. In most cases, you will have to pay this penalty for as long as you have Part B.

### Enrolling in Medicare Part B

- You choose whether or not to enroll in Part B
  - Will pay monthly Part B premium
    - \$96.40 in 2009
- Initial Enrollment Period (IEP)
  - 7 months, starting 3 months before month eligible
- General Enrollment Period (GEP)
  - January 1 through March 31 each year
  - Coverage begins July 1
  - Premium penalty, in most cases

5/15/2009 Welcome to Medicare! 7

### Notes:

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## SLIDE 8 *Speaker's Notes*

If you are covered by a group health plan because you or your spouse is currently working, you may be able to wait to sign up for Part B without a penalty. This is called a **Special Enrollment Period**. You can enroll in Part B anytime you are still covered by your employer or union group health plan or during the 8 months following the month the job ends or the group health plan coverage ends, whichever is first.

### Enrolling in Medicare Part B

- Some people can delay enrolling in Part B without penalty
  - If have employer or union group health plan
    - Based on your or your spouse's current job
    - Will get a Special Enrollment Period (SEP)
      - Sign up within 8 months after coverage ends

5/15/2009

Welcome to Medicare!

8

### Notes:

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## SLIDE 9 *Speaker's Notes*

People who choose Medicare Part B usually have the premium taken out of their monthly Social Security or Railroad Retirement payment. If you are a Federal government retiree, you may be able to have the premium taken out of your retirement check.

For information about Medicare Part B premiums, you can call the agency that enrolled you in Medicare (Social Security or Railroad Retirement Board), or the Office of Personnel Management (OPM) for retired Federal employees.

If you don't get a retirement payment, Medicare sends you a bill every 3 months for Medicare Part B premiums. You can pay the bill by credit card, check, or money order.

You can also choose to have your Part B premiums automatically deducted from your bank account using Medicare "Easy Pay." (Easy Pay can also be used to pay the premium for Part A.) You can contact 1-800-MEDICARE (1-800-633-4227) to ask for a Medicare Easy Pay Authorization Form.

### Paying the Part B Premium

- Taken out of monthly payments
  - Social Security
  - Railroad retirement
  - Federal government retirement
- For information about premiums
  - Call Social Security, Railroad Retirement Board, or Office of Personnel Management

5/15/2009

Welcome to Medicare!

9

### Notes:

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## SLIDE 10 *Speaker's Notes*

We have just talked about what services Medicare covers and how to sign up for Part A and Part B. (We will talk about how to sign up for prescription drug coverage in a few minutes.) You can choose to get your Medicare health care coverage in different ways. The Medicare plan you choose affects your costs, benefits, and convenience, and your choice of doctors, hospitals, and pharmacies. No matter how you choose to get your Medicare health care, you are still in the Medicare Program.

People anywhere in the country can get Original Medicare. It is also known as “fee-for-service.” However, there are other plans besides Original Medicare that people can choose to get their Medicare health coverage.

Medicare Advantage Plans let private insurance companies give you choices in Medicare coverage. There are several types of Medicare Advantage Plans, as well as other types of Medicare plans. (You may have heard Medicare Advantage called “Medicare Part C.”)

Some people get Medicare prescription drug coverage as part of these Medicare Advantage Plans and other Medicare plans. There are also Medicare Prescription Drug Plans that add coverage to Original Medicare and some other Medicare plans.

Now let's go over each of these types of Medicare plans, starting with Original Medicare.

### Medicare Plan Choices

- Original Medicare
- Medicare Advantage Plans (like an HMO or PPO)
- Other Medicare Plans
- Medicare Prescription Drug Plans

5/15/2009      Welcome to Medicare!      10

### Notes:

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## SLIDE 11 *Speaker's Notes*

In Original Medicare, you may go to any doctor, specialist, hospital, or other health care provider that accepts Medicare.

While most people don't pay a premium for Part A, there is a **Part A deductible** for inpatient hospital stays. The deductible is the amount you must pay for health care before Medicare begins to pay. There is a deductible of \$1,068 in 2009 for hospital stays up to 60 days, and higher costs for longer stays. Costs are different for other Part A services.

For Part B, you pay the monthly premium, \$96.40 in 2009, and the Medicare **Part B deductible**, which is \$135 in 2009. This means in 2009 you will pay the first \$135 of your Medicare-approved Part B medical services before Medicare Part B starts paying for care. If you need blood, you must pay for the first three pints.

These amounts can change every year.

You also pay **some copayments or coinsurance** for Part B services. The amount is different for different services but is 20% in most cases.

After you get health care services, you get a Medicare Summary Notice (MSN) showing Medicare's payments. This notice lists the service you received, what was charged, what Medicare paid, and how much you may be billed.

If you have other health insurance coverage, such as a plan from your former job, that plan may cover some or all of these costs. In a few minutes we'll talk about private insurance policies called Medigap that also may help with these costs. If you can't afford to pay these costs, there are programs that can help, which we'll talk about later.

### Original Medicare

- Go to any health care provider that accepts Medicare
- For Part A services in 2009, you pay
  - \$1,068 deductible for hospital stays up to 60 days
    - Additional costs after 60 days
  - Different costs for other Part A services
- For Part B services in 2009, you pay
  - \$135 annual deductible
  - 20% coinsurance for most Part B services
- Some programs may help with costs

5/15/2009

Welcome to Medicare!

11

### Notes:

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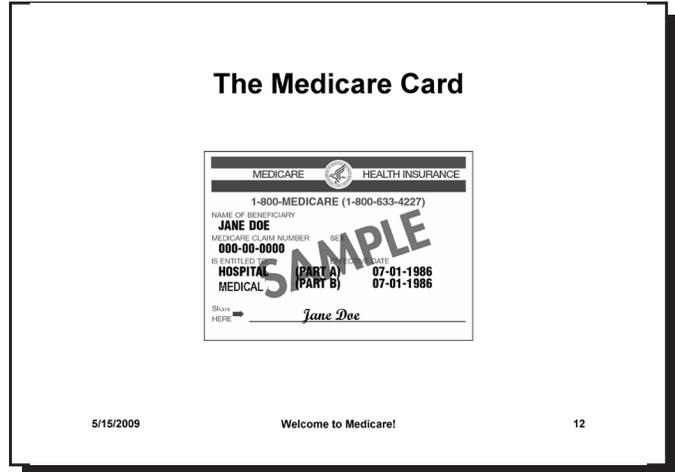
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# Module 1A: Welcome to Medicare!

## SLIDE 12 *Speaker's Notes*

When you enroll in Medicare, you get a red, white, and blue Medicare card. The card shows the type of Medicare coverage you have (Part A Hospital Insurance and/or Part B Medical Insurance) and the date your coverage began. You will use your Medicare card when you get health care services and supplies. If you belong to a Medicare Advantage Plan, other Medicare plan, or Medicare Prescription Drug Plan, the plan will send you its own membership card to use.



The Medicare card also shows your Medicare claim number. For most people, the claim number has 9 numerals and 1 letter. There also may be a number or another letter after the first letter. The 9 numerals show which Social Security record your Medicare is based on. The letter or letters and numbers tell how you are related to the person with that record. For example, if you get Medicare on your own Social Security record, you might have the letter "A," "T," or "M" depending on whether you get both Medicare and Social Security benefits or Medicare only. If you get Medicare on your spouse's record, the letter might be a B. For railroad retirees, there are numbers and letters in front of the Social Security number. These letters and numbers have nothing to do with having Medicare Part A or Part B.

If any information on the card is wrong, contact Social Security, or the Railroad Retirement Board for people who get railroad benefits.

You should protect your Medicare card and number like you would a credit card.

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## SLIDE 13 *Speaker's Notes*

We've talked about Original Medicare. Now let's talk about **Medigap**.

Original Medicare pays for many health care services and supplies, but it doesn't pay all of your health care costs. A Medigap policy is a **health insurance policy sold by private insurance companies** to fill the "gaps" in coverage under Original Medicare, like deductibles, coinsurance, and copayments. Some Medigap policies also cover benefits that Medicare doesn't cover, like emergency health care when you travel outside the United States.

The insurance companies that sell these policies must follow Federal and state laws that protect you. A Medigap policy must be clearly identified as "Medicare Supplement Insurance."

A Medigap policy only works with Original Medicare. If you join a Medicare Advantage Plan or other Medicare plan, your Medigap policy can't pay any deductibles, copayments, or other costs you pay under your Medicare plan.

In all states except Massachusetts, Minnesota, and Wisconsin, a Medigap policy must be one of 12 standardized plans (A - L) so you can compare them easily. Each plan has a different set of benefits. The benefits in any Medigap Plan A - L are the same for any insurance company. It's important to compare Medigap policies, because costs can vary for the same coverage. In some states, you may be able to buy another type of Medigap policy called Medicare SELECT (a Medigap policy that requires you to use specific hospitals and in some cases, specific doctors to get full benefits).

**NOTE:** insurance companies don't have to offer every Medigap plan. Each company decides which Medigap policies it will sell and the price for each plan, with state review and approval.

### Medigap

- Health insurance policy
  - Sold by private insurance companies
  - Must say "Medicare Supplement Insurance"
  - Covers "gaps" in Original Medicare
    - Deductibles, coinsurance, copayments
    - Does not work with Medicare Advantage Plans
  - Up to 12 standardized plans A - L
    - Except in Massachusetts, Minnesota, Wisconsin
    - So you can compare easily

5/15/2009

Welcome to Medicare!

13

### Notes:

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## SLIDE 14 *Speaker's Notes*

The best time to buy a Medigap policy is during your Medigap open enrollment period. The open enrollment period lasts for 6 months starting on the first day of the month you are enrolled in Medicare Part B and age 65 or older. During the Medigap open enrollment period, you have the right to buy any Medigap policy sold in your state. (Some states give people under age 65 special rights to buy a Medigap policy.)

You may also buy some Medigap policies if you lose certain kinds of health coverage through no fault of your own, e.g., if your employer group health plan coverage ends, if you move out of the service area, or, in some cases, if you leave your Medicare Advantage Plan. You may also buy a Medigap policy any time if an insurance company will sell you one, but if you are outside of your open enrollment timeframe, the insurance company may use your health history to decide if it will sell you one and how much you have to pay.

**NOTE:** You can no longer buy Medigap policies covering prescription drugs because Medicare now offers prescription drug coverage. However, if you already have a Medigap policy that covers prescription drugs, you may keep it.

You pay the insurance company a monthly premium for your Medigap policy, and you also pay your monthly Medicare Part B premium (\$96.40 in 2009). After you get a health care service, you will get a Medicare Summary Notice showing what Medicare paid, and your Medigap insurance company will send you information on what it paid.

For more information about Medigap policies, visit [www.medicare.gov](http://www.medicare.gov) on the web, or call 1-800-MEDICARE (1-800-633-4227) and ask for a copy of *Choosing A Medigap Policy: A Guide to Health Insurance for People With Medicare* (CMS Pub. No. 02210). TTY users should call 1-877-486-2048. You can also call your local State Health Insurance Assistance Program (SHIP) for a list of the Medigap policies, including premium amounts, being sold in your state.

### How Medigap Works

- You can buy a Medigap policy
  - Within 6 months of enrolling in Part B
    - Must be age 65 or older
  - If you lose certain kinds of health coverage through no fault of your own
  - If you leave your Medicare Advantage Plan
    - In some cases
  - Whenever the company will sell you one
- Pay a monthly premium
- Generally go to any doctor or specialist

5/15/2009

Welcome to Medicare!

14

### Notes:

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## SLIDE 15 *Speaker's Notes*

There are other ways to get your Medicare benefits. You can choose to join a Medicare Advantage Plan or some other Medicare plan.

There are five types of Medicare Advantage Plans:

- **Health Maintenance Organizations (HMO) Plans**—In general, you must get health care from providers in the plan's network. Some HMO Plans let you choose a Point-of-Service option, where you can go to doctors and hospitals that aren't part of the plan, but it may cost more.
- **Preferred Provider Organization (PPO) Plans**—Similar to an HMO plan but you can also see out-of-network doctors for covered services and you don't need a referral to see a specialist. Going to a provider that isn't part of the plan will usually cost more.
- **Private Fee-for-Service Plans**—You can go to any Medicare-approved doctor or hospital that accepts the plan payment terms for covered services. The private company decides how much it will pay and how much you pay for services. Extra benefits are often offered for an extra premium.
- **Special Needs Plans**—Only some groups of people can join a Special Needs Plan, including people in some long-term care facilities (like a nursing home); people who have both Medicare and Medicaid; and people who have certain chronic or disabling conditions. Special Needs Plans are only available in limited areas.
- **Medicare Medical Savings Account Plans**—These plans have two parts. One part is a Medicare Advantage Plan with a high deductible, and one part is a Medical Savings Account into which Medicare deposits money you can use to pay health care costs.

### Medicare Advantage Plans

- Health Maintenance Organization (HMO) Plans
  - Some have Point-of-Service option
- Preferred Provider Organization (PPO) Plans
- Private Fee-for-Service (PFFS) Plans
- Special Needs Plans
- Medicare Medical Savings Account (MSA) Plans
  - Since 2007

5/15/2009

Welcome to Medicare!

15

### Notes:

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# Module 1A: Welcome to Medicare!

## SLIDE 16 *Speaker's Notes*

There are three other types of Medicare plans:

- **Medicare Cost Plans**—Like an HMO, but services you get outside the plan are covered under Original Medicare. Only available in some parts of the country.
- **Demonstrations/Pilot Programs**—Demonstrations are special projects that test improvements in Medicare coverage, payment, and quality of care. They are usually for a specific group of people and/or are offered only in specific areas. There are also pilot programs for people with multiple chronic illnesses. These programs are designed to reduce health risks, improve quality of life, and provide savings.
- **PACE (Programs of All-inclusive Care for the Elderly)**—PACE combines medical, social, and long-term care services for frail elderly people. This program can help them continue to live at home for as long as possible before moving to a nursing home.

You can visit [www.medicare.gov](http://www.medicare.gov) on the web or call 1-800-MEDICARE (1-800-633-4227) to get the most up-to-date and detailed Medicare plan information, including which plans are available to you. TTY users should call 1-877-486-2048.

### Other Medicare Plans

- Medicare Cost Plans
- Demonstrations/Pilot Programs
- Programs of All-inclusive Care for the Elderly (PACE)

5/15/2009 Welcome to Medicare! 16

### Notes:

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## SLIDE 17 *Speaker's Notes*

Most people with Medicare can choose to join a Medicare Advantage Plan. To be eligible to join a Medicare Advantage Plan, you must meet the following conditions:

- Live in the area served by the plan
- Have Medicare Part A and Part B
- Continue to pay the monthly Medicare Part B premium. However, some plans may offer an extra benefit by paying some of your Medicare Part B premium.
- And pay an extra monthly premium to the plan (if the plan has one)

If you have End-Stage Renal Disease (ESRD), you usually can't join a Medicare Advantage Plan. However, there are some exceptions, such as if you are already in a plan and then develop ESRD.

### Eligibility for Medicare Advantage

- Live in plan's service area
- Have Medicare Part A and Part B
  - Continue to pay Part B premium
  - May also pay monthly premium to plan
- Don't have ESRD at enrollment
  - Some exceptions

5/15/2009

Welcome to Medicare!

17

### Notes:

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## SLIDE 18 *Speaker's Notes*

Let's talk more about how Medicare Advantage Plans work.

In most Medicare Advantage Plans, you usually get all your Medicare-covered health care through that plan. The plan may offer extra benefits like prescription drug coverage and coverage for vision, hearing, dental and/or health and wellness programs. You may have to see doctors that belong to the plan or go to certain hospitals to get services.

You will have to pay other costs (such as copayments or coinsurance) for the services you get. These costs may be different from those in Original Medicare.

It's important to know that if you join a Medicare Advantage Plan, you

- Are still in the Medicare program
- Still get all your regular Part A and Part B services
- Still have Medicare rights and protections

### How Medicare Advantage Plans Work

- Usually get all Part A and B services through plan
  - May have to use the plan's providers
- May get extra benefits
  - Vision, hearing, dental services
  - Prescription drug coverage
- Still in Medicare program
  - Get all Part A and Part B services
  - Have Medicare rights and protections

5/15/2009

Welcome to Medicare!

18

### Notes:

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## SLIDE 19 *Speaker's Notes*

Now all people with Medicare can join a plan that covers prescription drugs.

If you have either Medicare Part A (Hospital Insurance), or Medicare Part B (Medical Insurance), or both Part A and Part B, you can join a Medicare drug plan. You must join a plan to get Medicare prescription drug coverage. However, people who live outside the U.S. or who are in jail may not join a plan and can't get coverage.

CMS has contracts with private companies that offer Medicare Prescription Drug Plans. These companies work with the drug companies to get lower drug prices for the people who join their plans.

You may also get Medicare drug coverage through a Medicare Advantage Plan or other Medicare plan if you are enrolled in one. Some employers and unions may provide Medicare prescription drug coverage to their retirees through their group health plans.

**NOTE:** Medigap policies with prescription drug coverage aren't Medicare drug plans.

It's important to understand that Medicare prescription drug coverage isn't automatic. So while anyone with Medicare can get this coverage, you must sign up with a plan to get it.

### Medicare Prescription Drug Coverage

- Coverage began January 1, 2006
- All people with Medicare can join a plan
- Provided through
  - Medicare Prescription Drug Plans
  - Medicare Advantage and other Medicare plans
  - Some employers and unions

5/15/2009

Welcome to Medicare!

19

### Notes:

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# Module 1A: Welcome to Medicare!

## SLIDE 20 *Speaker's Notes*

In general there are three periods of time when you can sign up for Medicare prescription drug coverage.

The **Initial Enrollment Period** lasts for 7 months starting 3 months before the month you become eligible for Medicare.

The **Annual Coordinated Election Period**, from November 15 – December 31 each year. During this period, if you are not in a Medicare drug plan, you can choose to enroll in one. If you are in a Medicare drug plan, you can choose to drop or switch plans. The change you make will start on January 1 of the next year.

There are many special cases in which you get a **Special Enrollment Period**, such as if you move out of the plan's service area or move into or out of a long-term care facility. The time you have to make a change is different depending on the reason for the Special Enrollment Period.

Some people with Medicare can join or switch plans at any time. This is true for people who qualify for extra help with their drug plan costs and those who live in an institution, like a nursing home. (Since June 2007, **all** people who qualify for the extra help have this continuous Special Enrollment Period. Previously, this was only true for some people with the extra help.) We will talk about this extra help in a few minutes.

### Enrollment Periods

- Initial Enrollment Period (IEP)
  - 7 months
  - Starts 3 months before month eligible for Medicare
- Annual Coordinated Election Period (AEP)
  - November 15 through December 31 each year
  - Can join, drop, or switch coverage
    - Effective January 1 of following year
- Special Enrollment Period (SEP)

5/15/2009

Welcome to Medicare!

20

### Notes:

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# Module 1A: Welcome to Medicare!

## SLIDE 21 *Speaker's Notes*

Let's look at an example.

Marie turned 65 on June 25, 2009, and plans to retire on December 31, 2009. She has group health plan coverage from her employer.

Her Initial Enrollment Period (IEP) began March 1, 3 months before the month of her birthday, and ends 3 months after her birthday month, at the end of September.

Her Special Enrollment Period (SEP) begins the following month and continues for the 8 months after she loses her coverage based on current employment.

The General Enrollment Period (GEP), for all people with Medicare, runs from January 1 through March 31 of every year.

### Part B Enrollment Periods *Example*

- Marie turned 65 on June 25, 2009. She will have group health coverage from her employer until she stops working on December 31, 2009
- Part B enrollment opportunities

Enrollment period	Begins	Ends
IEP	3/1/09	9/30/09
SEP	10/1/09	8/31/10
GEP (each year)	1/1	3/31

5/15/2009

Welcome to Medicare!

21

### Notes:

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## SLIDE 22 *Speaker's Notes*

If you don't enroll in a Medicare drug plan when you are first eligible, you may have to pay a penalty to enroll later. In most cases, if you wait until after the end of your Initial Enrollment Period to join a Medicare drug plan, not only will you have to wait until the next annual enrollment period to join, but your premiums will go up 1% for every month you waited to enroll. You will have to pay this penalty as long as you have Medicare prescription drug coverage.

The penalty doesn't apply if you have other coverage that, on average, is at least as good as Medicare prescription drug coverage. Examples include coverage provided by the Veterans Administration, TRICARE, and the Federal Employee Health Benefits Program, and some types of retiree drug coverage.

### Late Enrollment Penalty

- If you wait to enroll
  - Additional 1% of national base premium for every month eligible but not enrolled
  - Must pay the penalty as long as enrolled in a Medicare drug plan
- No penalty if you have other coverage at least as good as Medicare drug coverage

5/15/2009

Welcome to Medicare!

22

### Notes:

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## SLIDE 23 *Speaker's Notes*

Costs are different for different plans. Plans must have a standard (minimum) level of coverage. Plans may give you more coverage and/or more drugs, but may charge you a higher monthly premium. You can find the actual coverage and costs of the Medicare drug plans on [www.medicare.gov](http://www.medicare.gov) or by calling 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

### Medicare Prescription Drug Plans

- At a minimum, must offer standard benefit
  - In 2009 you may pay
    - Monthly premiums
    - Annual deductible, no more than \$295
    - Copayments or coinsurance
    - Very little after \$4,350 out-of-pocket
- May offer more benefits
- Can get plan information and costs
  - [www.medicare.gov](http://www.medicare.gov)
  - 1-800-MEDICARE (1-800-633-4227)

5/15/2009

Welcome to Medicare!

23

In general for coverage in 2009, you may pay

- A monthly premium. Some plans have \$0 premiums. Others have higher premiums but might cover more. The average national monthly premium for 2009 is about \$28.00.
- Deductible. This is the amount you must pay for covered prescriptions each year before the plan starts to pay. Some plans have a \$0 deductible (usually for a higher premium). No plan can have a deductible higher than \$295 in 2009.
- Copayment/Coinsurance. This is the amount you must pay for each prescription after meeting the deductible. In some plans, the copayment (a set amount) or coinsurance (a percentage of the cost) is the same for any prescription. In other plans, there are different levels or "tiers" with different costs. The amount may be different depending on how much you have spent that year. There may be a point during the year when you will be paying all of the cost of your drugs (100% coinsurance), called a coverage gap. Some plans don't have this coverage gap.

Once you spend \$4,350 out-of-pocket for covered drug costs during 2009, you pay 5% (or a small copayment) for the rest of the calendar year. This is called catastrophic coverage, and it could start even sooner in some plans. All these amounts can change each year

### Notes:

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## SLIDE 24 *Speaker's Notes*

We've already discussed how **all people with Medicare** can get Medicare prescription drug coverage. Many **people with limited income and resources** will get extra help paying for prescription drugs.

The extra help is for people with Medicare who have an income below 150% of the Federal poverty level and limited resources.

The income limit for 2009 is \$1,300/month for one person or \$1,750/month for a married couple.

Medicare counts the income of you and your spouse if you are living together, even if your spouse doesn't apply for the extra help. Limits may be higher if you live in Alaska or Hawaii or have relatives living in the same household and you provide at least half of their support.

Resources also are counted for you and your spouse if you are living together. The resource limit is \$11,990 for one person and \$23,970 for a married couple.

Resources include money in a checking or savings account, stocks, and bonds. Resources don't include your home, car, burial plot, up to \$1,500 for burial expenses, furniture, or other household items.

### Extra Help With Drug Costs

- Available for many people with limited income and resources
  - Income limit in 2009
    - \$1,300/month (one person)
    - \$1,750/month (married couple)
  - Resource limit
    - \$12,510 (one person)
    - \$25,010 (married couple)

5/15/2009

Welcome to Medicare!

24

### Notes:

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## SLIDE 25 *Speaker's Notes*

People with the lowest incomes will pay no premiums or deductibles and have small or no copayments. Those below the Federal poverty level will save over 95% on average. Those with slightly higher incomes will have no or a reduced premium, have a reduced deductible, and pay a little more out-of-pocket.

### Extra Help With Drug Costs

- People with lowest income and resources
  - Pay no premiums or deductibles
  - Have small or no copayments
- Those with slightly higher income and resources
  - Pay no or a reduced premium
  - Have a reduced deductible
  - Pay a little more out of pocket

5/15/2009

Welcome to Medicare!

25

### Notes:

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## SLIDE 26 *Speaker's Notes*

**Certain people may automatically qualify for the extra help and don't have to apply. These include:**

- People with Medicare and full Medicaid benefits (including prescription drug coverage).
- People with Medicare who get Supplemental Security Income (SSI) benefits but not Medicaid.
- People who get help from Medicaid paying their Medicare premiums (belong to Medicare Savings Programs).

**If you are not in one of these groups, you should apply with Social Security or your State Medical Assistance (Medicaid) office to find out if you qualify for the extra help. You can apply online by visiting [www.socialsecurity.gov](http://www.socialsecurity.gov) on the web.**

If you qualify, you still need to join a Medicare drug plan to get extra help paying your prescription drug costs. If you don't join a plan on your own, Medicare will enroll you in a plan to make sure you have coverage. Medicare will send you a notice telling you what plan you are in and when your coverage begins.

### Eligibility for Extra Help

- You may automatically qualify if you have Medicare and
  - Get full Medicaid benefits or
  - Get Supplemental Security Income (SSI) or
  - Get help from Medicaid paying your Medicare premiums
- Others must apply and qualify

5/15/2009

Welcome to Medicare!

26

### Notes:

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## SLIDE 27 *Speaker's Notes*

Now let's talk about some of the programs that can help people save on their Medicare health care costs.

Medicaid is a joint Federal and state program that helps pay medical costs for some people with limited income and resources. Medicaid is paid for in part by the Federal government and in part by the state government. The program is run by each state. It can cover children, people who are aged, blind, or disabled, and some other groups, depending on the state.

For people who have both Medicaid and Medicare, most of their health care costs are covered. People with Medicaid may get coverage for services that aren't fully covered by Medicare, such as nursing home care and home health care.

Each state decides who is eligible for Medicaid, how people will apply for Medicaid, and how much help they will get. To see if you qualify, you need to contact your State Medical Assistance (Medicaid) office. The office names are different in different states.

To apply for Medicaid in this state, *[Name of State]*, you would contact *[Name of Agency]*.  
**(Instructor to add state and agency information.)**

### Medicaid

- Federal and state program
  - For some people with limited income and resources
- If eligible, most health care costs covered
- Each state decides
  - Who is eligible
  - How people apply
- Office names vary
  - Social Services
  - Public Assistance
  - Human Services

5/15/2009 Welcome to Medicare! 27

### Notes:

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## SLIDE 28 *Speaker's Notes*

States have programs that pay Medicare premiums for people with limited income and resources. These Medicare Savings Programs may also pay Medicare Part A and Part B deductibles and coinsurance. These programs often help people whose income or resources are too high to get Medicaid.

Whether or not you are eligible for these programs depends on how much you have in income and resources. The income amounts can change every year as the Federal poverty level changes.

Some states also have their own programs to help people with Medicare pay for health care, including State Pharmacy Assistance Programs. Contact the State Health Insurance Assistance Program (SHIP) in your state to find out which programs are available in your area.

The PACE program combines medical, social, and long-term care services for frail elderly people living in the community. It provides all medically-necessary services, including prescription drugs. You can only get PACE in some states, and the state decides who will qualify.

Programs are different in the U.S. territories (Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, and American Samoa).

### Other Savings Programs

- Medicare Savings Programs
  - Help from Medicaid paying Medicare premiums
  - For people with limited income and resources
  - May also pay deductibles and coinsurance
- State programs
- Programs of All Inclusive Care for the Elderly (PACE)

5/15/2009

Welcome to Medicare!

28

### Notes:

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# Module 1A: Welcome to Medicare!

## SLIDE 29 *Speaker's Notes*

If you need more information about Medicare, use the following resources:

- 1-800-MEDICARE (1-800-633-4227). This is the official Medicare helpline. You can call 24 hours a day, 7 days a week. TTY users should call 1-877-486-2048.
- [www.medicare.gov](http://www.medicare.gov) on the web
- Your State Health Insurance Assistance Program (SHIP). SHIP phone numbers can be found in the *Medicare & You* handbook and on the [www.medicare.gov](http://www.medicare.gov) website.
- The *Medicare & You* handbook, mailed each fall to all Medicare households
- Other Medicare publications, which you can get through 1-800-MEDICARE or the Medicare website

### For More Information

- 1-800-MEDICARE (1-800-633-4227)
  - TTY users call 1-877-486-2048
- [www.medicare.gov](http://www.medicare.gov)
- State Health Insurance Assistance Program (SHIP)
- *Medicare & You* handbook
  - Other publications

5/15/2009

Welcome to Medicare!

29

### Notes:

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# Module 1A: Welcome to Medicare!

## SLIDE 30 *Speaker's Notes*

We've just covered a great deal of basic information about Medicare. You've learned that Medicare is a national health insurance program run by the Centers for Medicare & Medicaid Services (CMS) for people who are age 65 and over, people under age 65 who have certain disabilities, and people who have End-Stage Renal Disease.

We talked about enrolling and paying for Medicare Part A (Hospital Insurance) and Medicare Part B (Medical Insurance). And you know the difference between Medicare and Medigap, which is another name for Medicare Supplement Insurance.

We talked about the plans you can choose for getting your Medicare coverage and the basics of how they work. They include Original Medicare, Medicare Advantage Plans (like an HMO or PPO) and other types of Medicare plans.

We talked about how all people with Medicare can now get coverage for prescription drugs and that those with limited income and resources can get extra help with their drug costs.

Finally, we discussed the Medicaid and Medicare Savings Programs designed to help with out-of-pocket costs. And, most importantly, you know where to get more information.

### Summary

- Medicare coverage
- Original Medicare
- Medicare Supplement Insurance (Medigap)
- Medicare Advantage and other Medicare plans
- Medicare prescription drug coverage
- Medicaid and Medicare Savings Programs

5/15/2009

Welcome to Medicare!

30

### Notes:

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## SLIDE 31

### *Exercise*

1. To be entitled to Medicare, you must be at least 65 years of age and retired.
  - A. True
  - B. False

### Exercise

1. To be entitled to Medicare, you must be at least 65 years of age and retired.
  - A. True
  - B. False

5/15/2009

Welcome to Medicare!

31

### Notes:

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## SLIDE 32

### *Exercise*

2. Most people don't pay a monthly premium for Part A.
  - A. True
  - B. False

### Exercise

2. Most people don't pay a monthly premium for Part A.
  - A. True
  - B. False

5/15/2009

Welcome to Medicare!

32

### Notes:

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SLIDE 33  
*Exercise*

- 3. Some people can delay enrolling in Part B without paying a penalty.
  - A. True
  - B. False

**Exercise**

- 3. Some people can delay enrolling in Part B without paying a penalty.
  - A. True
  - B. False

5/15/2009      Welcome to Medicare!      33

**Notes:**

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## SLIDE 34

### *Exercise*

4. Medicare Advantage Plans are another way to get your Medicare benefits.
- A. True
  - B. False

### Exercise

4. Medicare Advantage Plans are another way to get your Medicare benefits.
- A. True
  - B. False

5/15/2009

Welcome to Medicare!

34

### Notes:

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SLIDE 35  
*Exercise*

- 5. You must have both Medicare Part A and Medicare Part B to enroll in a Medicare Prescription Drug Plan.
  - A. True
  - B. False

**Exercise**

- 5. You must have both Medicare Part A and Medicare Part B to enroll in a Medicare Prescription Drug Plan.
  - A. True
  - B. False

5/15/2009Welcome to Medicare!35

**Notes:**

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