



# Ready for Medicare

A Guide to Getting the Best Coverage




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# What is Medicare?

## Medicare is health insurance provided by the federal government.

It's available to people on disability and to all Americans 65 or over, regardless of health or income, to eliminate or defray the costs of staying healthy.

**As an American citizen, you're entitled to Medicare benefits.**

## Medicare isn't all-expenses-paid coverage.

No part of Medicare pays for all of your medical costs. Some costs and services aren't covered at all. You'll still pay premiums, deductibles and with some coverage, co-pays and coinsurance. Often, these are paid for out-of-pocket.\*

**There are plans you can purchase that will lower these costs, too.** (See page 7).

*\*Depending on their financial situations or state of health, some Medicare beneficiaries may qualify for assistance from other government programs – like Medicaid – to cover some or all of the costs of Medicare.*



## Medicare Milestone:

In 1965, President Johnson signed Medicare into law at the Truman Library in Independence, MO. The first Medicare recipients were former president Harry S. Truman and his wife Bess.





## STEP 1

# KNOW YOUR KEY DATES

CHOOSING THE RIGHT PLAN

### The Year You Turn 65

#### ICEP

##### INITIAL COVERAGE ELECTION PERIOD

The year that you turn 65, you have **seven months** to sign up for Medicare: three months before your birth month, your birth month, and three months after.

### Oct. 15 – Dec. 7

#### AEP

##### ANNUAL ENROLLMENT PERIOD

The time every year when you can make changes to your plan, like adding or dropping coverage.

### Jan. 1 – Mar. 31

#### MA OEP

##### MEDICARE ADVANTAGE OPEN ENROLLMENT PERIOD

The time every year when those who are enrolled in a Medicare Advantage Plan can make a one-time change. During the Medicare OEP you can switch from one Medicare Advantage plan to another or disenroll from a Medicare Advantage plan to return to Original Medicare.

#### Special Enrollment Period

If the unexpected happens – like a move to a new area, your current coverage changes or you choose to enroll in a 5 Star Plan – the government gives you eight months to change your coverage. This is called the **Special Enrollment Period\* (SEP)**.

*\*Additional special rules may apply if you qualify for Medicaid in your state*

Having the right plan for your needs and state of health can save you thousands of dollars.

***You can help get optimal coverage by asking yourself these questions:***

### What coverage do I need now?

**Do you have any preexisting long-term or chronic conditions?**

**These may include:**

- Asthma
- Diabetes
- Congestive Heart Failure (CHF) or other forms of heart disease
- Arthritis or rheumatoid arthritis
- Hypertension (high blood pressure)
- Ulcerative Colitis or Crohn's disease
- Glaucoma or other eye disease
- Chronic Obstructive Pulmonary Disease (COPD)
- Depression

**If you do, consider a plan that covers the costs associated with your condition:**

- Specialist care
- Equipment
- Home accommodations
- Prescription drugs. If you have or develop a long-term condition, chances are you'll need Part D Prescription Drug Plan.

### What coverage will I need later?

Based on your family history, think about what coverage you may need in the future (for instance, if there's a family history of Alzheimer's or another form of dementia, coverage that includes long-term care is worth thinking about).



#### Medicare Milestone

Medicare was a major force in desegregating hospitals after passage of the Civil Rights Act. Hospitals needed to comply with the Civil Rights Act in order to receive federal funding.



#### Medicare Fact

More than one-third of all Medicare beneficiaries live with four or more chronic conditions.



To get a better idea of what kind of coverage you can afford, use this worksheet to estimate your net worth:

My Income	My retirement plan <i>(401k, 403b, Thrift Savings Plan, etc.)</i>	My pension <i>(union or company)</i>	My veteran's benefits	Investment income <i>(such as dividends)</i>	Social Security	Other income
My Assets	Savings	Investments <i>(stocks, bonds, IRA)</i>	Other assets			

<b>Total Net Worth</b>

# FIND THE PLAN THAT FITS

## CHOOSING THE RIGHT PLAN

Medicare has four parts:



**Part D** is for prescription benefits and may/may not be included in Part C options. It can be bought separately and will need to be purchased independently if Original Medicare is selected, with or without a supplemental plan.

	Original Medicare (Parts A and B) <i>Generally covers about 80% of care costs.</i>	Medicare Advantage (Part C) <i>Requires copays/coinsurance.</i>	Supplemental Insurance (Medigap or MedSupp) <i>Covers some gaps in Original Medicare. Requires Original Medicare to buy. You cannot have both Medigap and Medicare Advantage coverage.</i>
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<b>Who provides it?</b>	Federal government	Private insurance companies	Private insurance companies
<b>Are co-pays/coinsurance necessary?</b>	Yes	Yes	Varies
<b>Where can I get care?</b>	Any doctor, hospital or other provider who accepts Medicare	Limited to your insurer's in-network providers	Any doctor, hospital or other provider who accepts Medicare
<b>Monthly Premiums</b> <i>(For more information)</i>	<b>Part A:</b> Free for most people  <b>Part B:</b> Requires premium. Your premium is automatically subtracted from your Social Security payment.	Possibly. Many plans have a \$0 premium option in some areas.	Yes
<b>Limits annual out-of-pocket expenses</b>	No	Yes	Varies
<b>Helps pay for care in skilled nursing facility</b>	Yes	Yes	Varies
<b>Helps pay for home health care options</b>	Yes	Yes	Varies

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## FIND THE PLAN THAT FITS

CHOOSING THE RIGHT PLAN

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<b>Helps pay for inpatient hospital stays</b>	Yes	Yes	Yes
<b>Helps pay for hospice care</b>	Yes	Yes	Varies
<b>Durable medical supplies</b> <i>(like wheelchairs)</i>	Yes	Yes	Varies
<b>Helps pay for some medical care</b> <i>(including doctor visits)</i>	Yes	Yes	Varies
<b>Helps pay for preventive care</b> <i>(like flu shots, screenings and annual wellness visits)</i>	Yes	Yes	May cover certain deductibles, copays and coinsurance for Parts A and B.
<b>Dental coverage</b> <b>Vision coverage</b> <b>Hearing exams/hearing aid coverage</b>	Varies <i>(May require purchase of additional coverage.)</i>	Varies	Varies
<b>Helps pay for prescription drugs</b>	Generally, for prescription drug coverage, you will need to purchase a prescription drug Part D plan.	Yes <i>(Part D only)</i>	No, Must purchase a Part D prescription drug plan.
<b>Additional benefits</b>	No	Some plans include gym memberships, transportation services, home meal delivery, in-home care and other added benefits.	No

**In addition to supplemental plans, other insurance plans that supplement Medicare include:**

Medicaid | Employer or union plans | Veterans' benefits | Long-term care insurance plans | Indian Health Service, Tribal and Urban Indian plans





## STEP 4

# FIND THE PLAN THAT FITS

## CHOOSING THE RIGHT PLAN

With this in mind, consider the estimated costs:

Part A Premium	Part B Premium	Part C Premium	Part D Premium
<p>Most people pay <b>\$0/month</b></p> <p>If you paid Medicare taxes for 30-39 quarters: <b>\$274/month</b></p> <p>If you paid Medicare taxes for less than 30 quarters: <b>\$499/month</b></p> <p><i>There are other methods of eligibility in addition to what is stated above.</i></p>	<p><b>\$170.10/month</b></p> <p><i>(Typically this increases each year.)</i></p>	<p><b>Varies by plan.</b></p> <p><i>You will still pay the monthly Part B premium.</i></p>	<p><b>Varies by plan.</b></p> <p><i>Some Part C (Medicare Advantage) plans also include Part D.</i></p> <p><i>Unlike other parts of Medicare, Part D does depend on your income — higher-income consumers will pay more for coverage.</i></p>
<p><b>Part A Hospital (Inpatient) Deductible and Coinsurance:</b></p>	<p><b>Part B Deductible and Coinsurance:</b></p>		<p><b>Supplemental Insurance Premium</b></p>
<ul style="list-style-type: none"> <li>▪ <b>\$1,556 deductible/each benefit period</b></li> <li>▪ <b>Days 1-60:</b> \$0 coinsurance per day of each benefit period</li> <li>▪ <b>Days 61-90:</b> \$389 coinsurance per day of each benefit</li> <li>▪ <b>Days 91-beyond:</b> \$778 coinsurance per each "lifetime day"</li> </ul> <p><i>Could have up to five benefit periods per year.</i></p>	<p><b>\$233</b></p> <p>After your deductible is met, you'll pay approximately 20% of:</p> <ul style="list-style-type: none"> <li>▪ <b>Doctor Office Visits</b></li> <li>▪ <b>Doctor services</b> <i>(including those you receive in the hospital)</i></li> <li>▪ <b>Outpatient therapy</b></li> <li>▪ <b>Durable medical equipment</b></li> </ul>		<p><b>\$150/month</b></p> <p><i>(This is an average and varies by plan.)</i></p>

2022 Cost Estimates. This section is ONLY to help you estimate costs and should NOT be taken as definitive. Please talk to a Medicare professional before you choose your coverage.

# Personalizing Your Coverage

**You may not want or need every option.**

Medicare allows you to combine different parts and plans to get the coverage you need\*

Part A + Part B	Part A + Part B + Part D	Part A + Part B + Supplemental	Part A + Part B + Part D + Supplemental (MedSupp or Medigap)	Part C	Part C + D
This is Original Medicare. You can choose both parts, or just one.	Original Medicare plus Part D prescription drug coverage.	Original Medicare plus a supplemental plan.	Original Medicare, Part D prescription drug coverage and a Medigap plan. Remember — you cannot have both Medicare Advantage and a supplemental plan.	Medicare Advantage with no prescription drug coverage.	You can buy Medicare Advantage with built-in drug coverage, <b>OR</b> Medicare Advantage without built-in drug coverage plus a stand-alone Part D plan ( <i>this only works with certain Medicare Advantage plans, depending on the insurer</i> ).

*\*While there are options to personalize your coverage, there may be penalties if the plan does not include a Pharmacy Benefit.*

## Medicare Milestone

In 2021, close to **64,000,000** Americans were covered by Medicare.



### Medicare provides a lot of options for coverage.

Unless you're an expert, you'll probably want to consult with one. Mercy can connect you with a licensed, independent Medicare expert who can help. Visit [mercy.net/MedicareOptions](https://mercy.net/MedicareOptions)

# Mercy — Your Medicare Partner

## Why Consider Mercy?

Mercy believes in *preventive care* to help you maintain your good health. And it's much easier (and less expensive) to catch and address potential threats early, before they become life-threatening. Mercy's whole-person approach is designed to help you stay healthy.

## What Mercy Offers

Mercy is one of the 25 largest health care systems and one of the top three Accountable Care Organizations (ACOs) in the country.

- Over 4,000 physicians and 44,000 co-workers across five states (MO, IL, AR, OK and KS)
- 44 acute and specialty care hospitals, including heart, rehab, and orthopedic hospitals
- 305 clinic locations
- 857 physician practices
- 41 urgent care and 13 convenient care sites
- Specialist expertise in every medical area
- A deep well of specialist expertise in aging and gerontology
- Extensive virtual care capacity

## What's an ACO?

Accountable Care Organizations, or ACOs, are groups of doctors, hospitals and other health care entities which come together voluntarily to provide high quality coordinated care to Medicare patients.

### COORDINATED CARE:

- Ensures that patients get the right care at the right time
- Eliminates unnecessary duplication of services
- Prevents medical errors
- Provides greater financial accountability to the federal government and saves taxpayers money



# Some Medicare FAQs

## **Do I go on Medicare automatically as soon as I turn 65?**

No. You may choose to keep working after 65, in which case you can keep your company-provided health insurance. However, you should enroll in Original Medicare during your Initial Coverage Election Period (ICEP) to avoid lifetime penalties.

## **How does Medicare work with Social Security?**

If you're already receiving Social Security benefits, you'll be enrolled in Original Medicare automatically. Your Part B premiums will be automatically deducted from your Social Security check.

## **What if I have retirement benefits from my job, my union, or the military? Can I still go on Medicare?**

Yes. Just remember to contact the administrators at these entities to sign up for retirement benefits when you turn 65. Keep in mind, the more you make from your retirement benefits, the more you'll pay for Medicare Part D.

## **I'm retiring soon and I'll go on Medicare. My spouse isn't 65 yet, and they're covered by my company plan. Can they be added to my Medicare plan, as they were on my company plan?**

No. Medicare Policies are for each individual. If your spouse (or any other dependent) is insured by your current employer, contact the benefits administrator at your job to see if they can remain insured.

## **I'm self-insured through the ACA/Health Insurance Marketplace. Can I keep my current coverage?**

Yes – with some conditions. Once your Medicare Part A coverage begins, you'll be responsible for the full price of your Marketplace plan, and you'll lose any tax credits you may have been receiving (meaning you can no longer write off the cost of your plan on your taxes). To avoid any gap in coverage, keep your Marketplace plan until your Medicare coverage starts.

## **Can I keep my doctor once I go on Medicare?**

If your doctor accepts Original Medicare and you choose Original Medicare, yes. If you choose Medicare Advantage coverage, your doctor (and any other health care provider you use) needs to be in-network with the insurer who's providing your coverage.

## **What if I miss the deadline to sign up?**

If you don't sign up within the seven-month Initial Coverage Election Period (ICEP), you may have to wait and pay a monthly penalty. The longer past your deadline you wait, the more you'll pay in penalties.

If you miss the deadline for the Special Enrollment Period (SEP), you'll have to wait for the next Annual Enrollment Period to sign up. Even if you have qualifying coverage, it is critical to sign up during the election period to avoid lifetime penalties.

# More Help

One of the best places to go for more information is the federal government's official Medicare site:

**[medicare.gov](https://www.medicare.gov)**

A good place to learn how Medicare works with local and state regulations and agencies is the State Health Insurance Assistance Program (SHIP):

**[shiphelp.org](https://www.shiphelp.org)**

Find Medigap policies in your area at:

**[medicare.gov/medigap-supplemental-insurance-plans](https://www.medicare.gov/medigap-supplemental-insurance-plans)**

Learn more:

**[mercy.net/MedicareOptions](https://www.mercy.net/MedicareOptions)**



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