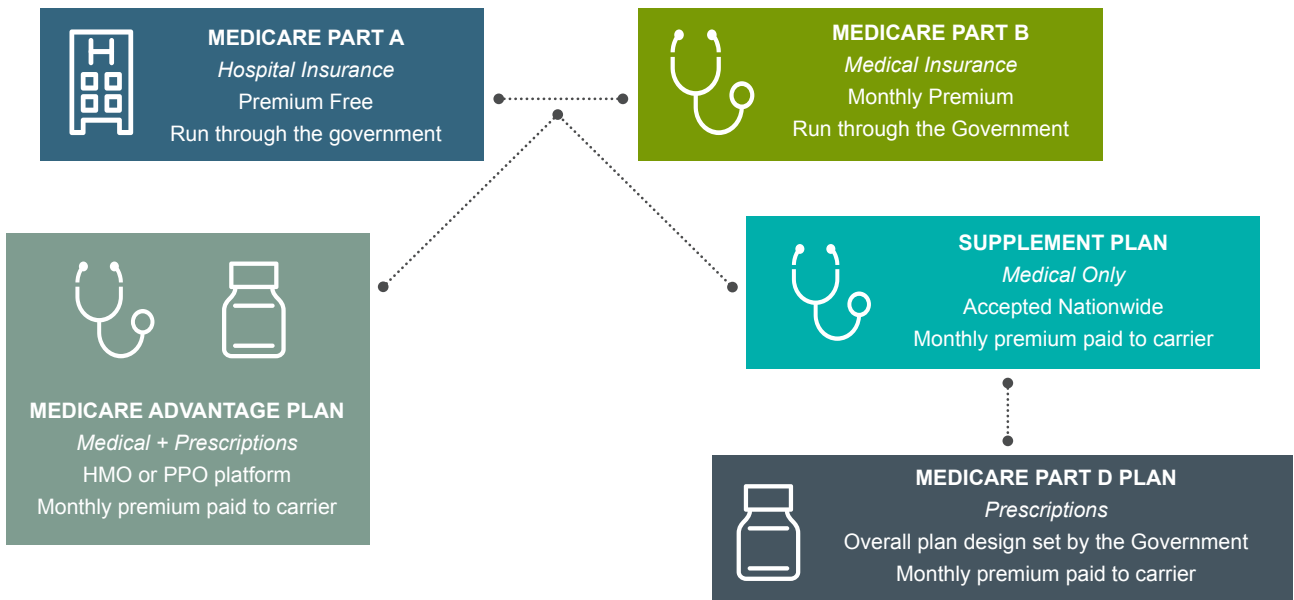




Medicare Q&A 2017

A Guide to Medicare Coverage and Enrollment

1. What are the different parts of Medicare?



Part A is Medicare’s hospital insurance; there is no cost for this coverage for individuals with 10 or more years of Medicare-covered employment. There are deductibles and copays associated with this coverage.

Part A Service	You Pay in 2017
Inpatient Hospital Days 1-60	\$1,316.00 deductible
Inpatient Hospital Days 61-90	\$329.00 per day
Inpatient Hospital Days 91+	\$658.00 per day
Skilled Nursing Facility Days 1-20	\$0 per day
Skilled Nursing Facility Days 21-100	\$164.50 per day



Part B provides coverage for medical services such as physician services, outpatient hospital services, physical/speech/occupational therapy and durable medical equipment. There is an annual deductible of \$183/ individual and 20% coinsurance for all services. There is a monthly cost for Part B, which is based on your annual income. It is paid to the government.

You Pay in 2017	If Your Yearly Income in 2015 was	
Part B	Single	Married Couple*
\$134.00	\$85,000 or less	\$170,000 or less
\$187.50	\$85,001-\$107,000	\$170,001-\$214,000
\$267.90	\$107,001-\$160,000	\$214,001-\$320,000
\$348.30	\$160,001-\$214,000	\$320,001-\$428,000
\$428.60	Above \$214,000	Above \$428,000



Part D is Medicare prescription drug coverage. The government determines the plan designs, but the plans themselves are provided through private vendors. All Part D plans contain the same three “stages” of coverage:

- » **1st stage:** Initial Coverage covers prescriptions at copays until the vendor and the member have paid out \$3,700,
- » **2nd stage:** Donut Hole is where the member pays for 100% of the costs of Rx until the member has paid out \$4,950 (please note there is a 60% discount on Rx purchased in the donut hole at point of sale)
- » **3rd stage:** Catastrophic Coverage is after the member has paid \$4,950 in Rx costs for a calendar year, they will now pay copays on their prescriptions until the end of the year.
- » A monthly premium applies, which is paid to the vendor and there may be an additional, income-related, monthly adjustment that is paid to Social Security. Some plans, but not all, have a deductible The deductible limit for 2017 is \$400. See: <https://www.medicare.gov/part-d/costs/deductible/drug-plan-deductibles.htm>

You Pay in 2017	If Your Yearly Income in 2015 Was...	
Part D	Single	Married Couple**
Your Plan Premium	\$85,000 or less	\$170,000 or less
\$13.30 + Your Plan Premium	\$85,001-\$107,000	\$170,001-\$214,000
\$34.20 + Your Plan Premium	\$107,001-\$160,000	\$214,001-\$320,000
\$55.20 + Your Plan Premium	\$160,001-\$214,000	\$320,001-\$428,000
\$76.20 + Your Plan Premium	Above \$214,000	Above \$428,000

* These are the rates for married couples who file joint tax returns. Married couples who file separately have different income brackets.
See: <https://www.medicare.gov/your-medicare-costs/costs-at-a-glance/costs-at-a-glance.html#collapse-4809>

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See: <https://www.medicare.gov/part-d/costs/premiums/drug-plan-premiums.html>



2. How do you fill in the “gaps” of Medicare?



Most people purchase “Medicare Advantage” (Part C) or “Medicare Supplement” plans. These plans cover you for certain things that Parts A and B do not cover and can be purchased through private vendors. A monthly premium applies, which is paid to the vendor.

3. What is the contact information for Medicare and Social Security?



- » To sign up for Medicare, you should contact your local Social Security office up to 3 months prior to your 65th birthday: 1-800-772-1213
- » To enroll online: www.socialsecurity.gov
- » For questions about Medicare coverage: 1-800-633-4227 (1-800-MEDICAR)
- » The Medicare website has many additional resources and informational guides to help answer your questions about Medicare Parts A, B, C and D: www.medicare.gov

4. I am retiring at age 65, when can I enroll in Medicare? When will my Medicare coverage start?



You are eligible for Medicare coverage on first day of the month during which you turn 65 and can contact Social Security to sign up as early as three months prior to your 65th birthday. We recommend you enroll in Medicare no later than the month prior to your birthday so coverage is effective in your birthday month. Requesting enrollment after your birthday could lead to a gap in coverage. Contact Social Security (see question 3) for more information.

Medicare enrollment is usually automatic for individuals who begin collecting Social Security benefits. If an individual is not automatically enrolled in Medicare, they should enroll during their 7-month enrollment window that begins 3 months before the month they turn 65, includes their birthday month, and ends 3 months after they turn 65. Individuals who are still working at the time they turn 65 (and are not automatically enrolled in Medicare) have an 8-month special enrollment window that begins the month after employment terminates or group health plan coverage based on current employment ends, whichever is first. Failing to enroll during one of these two enrollment windows can result in late enrollment penalties. Medicare coverage will be retroactive up to 6 months, but will be effective no sooner than the month during which the individual turns 65. There should only be a gap in coverage if someone enrolls more than 6 months after their 65th birthday month or after their loss of employment-based coverage.

See: <https://www.medicare.gov/sign-up-change-plans/get-parts-a-and-b/when-coverage-starts/when-coverage-starts.html>



5. I am NOT retiring at age 65, do I need to enroll in Medicare?



No, you are not required to join Medicare. At age 65, if you are covered by an active group health plan that has more than 20 employees, you CAN join Part A if you want, but your employer plan will be primary (pay first). If your employer has less than 20 employees the carrier may coordinate your coverage as if you were enrolled in Medicare because Medicare pays primary for groups with fewer than 20 employees.

6. I am retiring and my spouse/partner is under age 65, when can he/she enroll in Medicare?



Your spouse/partner is not eligible for Medicare until his or her 65th birthday. He or she can remain on COBRA for 18 months; if this does not bridge the gap, they can purchase individual coverage through the MA Connector.

A spouse's maximum COBRA coverage period will end on the later of: (1) 36 months after the covered employee became entitled to Medicare; or (2) 18 months after the date of the employee's termination of employment. If the retiring individual enrolled in Medicare fewer than 18 months before retiring, the spouse's maximum coverage period will be longer than 18 months.

See: <http://www.ajg.com/media/969472/an-employers-guide-to-cobra.pdf>

7. I am retiring and I am under age 65, can I enroll in Medicare, what are my options?



If you retire prior to age 65, you need to wait the first day of the month in which you turn 65 to obtain Medicare coverage. You can remain on COBRA for 18 months; if this does not bridge the gap to 65 you can purchase insurance through the MA Connector. There are exceptions for individuals under 65 who may be eligible for Medicare on the basis of disability (including ALS) or end-stage renal disease.

See: <https://www.medicare.gov/sign-up-change-plans/get-parts-a-and-b/when-how-to-sign-up-for-part-a-and-part-b.html>
<https://www.medicare.gov/people-like-me/esrd/getting-medicare-with-esrd.html#collapse-3166>



8. Where do I find information on Medicare Supplements and Medicare Advantage plans?



If you go to www.medicare.gov and click on “Compare Drug and Health Plans” you can input all of your location data to find what vendors and plans are available in your area. In MA; Tufts, Harvard Pilgrim and BCBS of MA all have plans that can be purchased on an individual basis. These plans may be purchased with and without Part D coverage and have different costs associated with them. www.medicare.gov will also give you information on plans in all 50 states. There are exceptions for individuals under 65 who may be eligible for Medicare on the basis of disability (including ALS) or end-stage renal disease.

See: <https://www.medicare.gov/sign-up-change-plans/get-parts-a-and-b/when-how-to-sign-up-for-part-a-and-part-b.html>
<https://www.medicare.gov/people-like-me/esrd/getting-medicare-with-esrd.html#collapse-3166>

9. How do I know which plan is right for me?



Collect all plan and cost data. Then ask yourself the questions below.

- » **Will I be living in more than one state during the year?** This will help you determine if you need an Advantage plan or a Supplement plan
- » **Are my doctors and facilities in the Advantage networks?** Research the individual networks for the Advantage plans you have information on.
- » **Do I take a lot of prescriptions?** To compare total Rx cost for an individual plan go to www.medicare.gov and click on “Compare Drug and Health Plans” you can input all of your prescriptions and get your total annual cost, including copays and premium

10. Who can I contact at my company to obtain more information about Medicare and all of its Parts?



For more information about Medicare, please contact your local Social Security Office.