



# Wealth Advisers, Ltd.

## Demystifying Medicare

### 'Parts' of Medicare

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#### **Part A - Hospital Insurance**

- Helps cover inpatient care in hospitals, skilled nursing facilities, hospice and home health care
- Most people do not pay a premium for Part A

#### **Part B – Medical Insurance (Elective)**

- Helps cover “medically-necessary” services:
  - Doctors’ services, outpatient care, preventive services to maintain health, and supplies
- There is a premium for Part B

#### **Part C – Medicare Advantage Plans**

- Similar to an HMO or PPO
- Coverage is run by private companies approved by Medicare
- Includes Parts A (except hospice care) & B, and usually Part D
- Some plans may offer extra coverage
- May join at anytime the plan is accepting new members, and you may terminate at any time and return to original Medicare

#### **Part D – Prescription Drug Coverage**

- Prescription drug option run by Medicare-approved private insurance companies
- Helps cover the cost of prescription drugs
- May help lower the cost of your prescription drugs and help protect against higher costs in the future
- Must be enrolled in Part A and/or Part B benefits.

**Please note that Medicare does not provide coverage for medical care during international travel. You will need a supplemental policy in order to be covered abroad.**

### **Medigap – Supplemental Insurance**

- Sold by private insurance companies to fill the “gap” in Original Medicare coverage
- There are 12 different Medigap policies (Plans A through L)
- The benefits in Plans A-L are the same for any insurance company
- Must have Part A and Part B

### **Federal Employee Health Benefits**

- Generally helps pay for the same kind of expenses as Medicare
- FEHB plans do provide coverage for emergency care outside of the US
- Even with FEHB you can still get Medicare

## **When to enroll?**

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There is a seven month window in which you need to enroll in Medicare: the three months prior to your 65th birthday, the month of your 65th birthday, and the three months following your 65th birthday. If you are currently receiving Social Security benefits, you will automatically be enrolled in Medicare Part A (Hospital Benefits) in the month you turn 65. Be warned that Medicare charges a penalty that increases the premium costs if you do not enroll in a timely fashion.

If you are over age 65 and still work, you may be covered under an employer or group benefit plan that does not require that you sign up for Medicare right away. Once you terminate employment, there is a special enrollment period to sign up for Medicare that is the eight months following the month your group coverage ends, or the month when employment ends, whichever comes first. There is no penalty for signing up for Medicare during this time.

If you missed your initial seven month enrollment window and do not fall into the special enrollment period, you may still enroll in Medicare during the general enrollment period. The general enrollment period runs between January 1 and March 31 each year. Note that there may be a penalty for signing up during this period.

### **Questions?**

For more detailed information on the different plans and types of coverage within Medicare, we encourage you to visit the Medicare website, [www.medicare.gov](http://www.medicare.gov) or call 1-800-MEDICARE (1-800-633-4227).