

Medicare Basics - 2015

Medicare is health insurance for people age 65 or older, under age 65 with certain disabilities, and any age with End-Stage Renal Disease (permanent kidney failure requiring dialysis or a kidney transplant.)

Most people get their Medicare health care coverage in one of two ways. Your costs vary depending on your plan, coverage, and the services you use.

ORIGINAL MEDICARE PLAN

**Part A
(Hospital)**

**Part B
(Medical)**

Medicare provides this coverage. Part B is optional. You have your choice of doctors. Your costs may be higher than in Medicare Advantage Plans.



**Part D
(Prescription Drug Coverage)**

You can choose this coverage. Private companies approved by Medicare run these plans. Plans cover different drugs.



**Medigap
(Medicare Supplement Insurance)**

You can choose to buy this private insurance (or an employer/union may offer similar coverage) to fill in gaps in Part A and Part B coverage. Costs vary by policy and company.

OR

MEDICARE ADVANTAGE PLANS like HMOs and PPOs

Called "Part C," this option combines your **Part A (Hospital) and Part B (Medical)**

Private insurance companies approved by Medicare provide this coverage. Generally, you must see doctors in the plan. Your costs may be lower than in the Original Medicare Plan, and you may get extra benefits.



**Part D
(Prescription Drug Coverage)**

Most Part C plans cover prescription drugs. If they don't, you may be able to choose this coverage. Plans cover different drugs.

We can assist you in choosing a Part D provider based on your drug needs.

Medicare Basics 2015

PART A (Hospital)

HELPS PAY FOR: Care in hospitals as an inpatient, critical access hospitals, skilled nursing facilities, hospice care and some home health care.

SKILLED NURSING FACILITY BENEFITS: Part A benefits include drugs, supplies, appliances, and equipment ordinarily furnished, laboratory and X-ray services for the first 20 days. For the next 80 days of continuous service, you pay a \$157.50 daily co-payment and Medicare pays the balance. Skilled nursing facility stay must occur within 30 days of a hospital in-patient admission of three days or more and must be extension of treatment of hospitalized condition requiring daily skilled nursing care.

COST: Most people get Part A automatically when they turn age 65. There is no monthly premium for Part A because they or a spouse paid Medicare taxes while they worked.

If you or your spouse did not pay Medicare taxes while you worked and are age 65 or older, you may still be able to buy Part A.

In 2015, you pay up to \$407 each month if you don't get premium-free Part A*. If you pay a late enrollment penalty, this amount is higher.

If you are not sure you have Part A, look on your red, white and blue Medicare card. It will show "Hospital Part A" on the lower left corner of the card.

**When individuals have fewer than required number of quarters.*

**For more
information visit:
www.medicare.gov**

PART B (Medical)

HELPS PAY FOR: Doctors' services, outpatient hospital care, and some other medical services that Part A does not cover, such as the services of physical and occupational therapists and some home health care. Part B also helps pay for these covered services and supplies when they are medically necessary. Part B also covers some preventive services.

COST: You pay the Part B premium each month and the amount varies from year to year, based on your yearly income. The amounts are shown in the following table:

Individuals who file an individual tax return with income	Individuals who file a joint tax return with income:	Part B Income-related month adjustment amount	Total Monthly Part B Premium amount ¹
Less than or equal to \$85,000	Less than or equal to \$170,000	\$0.00	\$104.90
Greater than \$85,000 and less than or equal to \$107,000	Greater than \$170,000 and less than or equal to \$214,000	\$42.00	\$146.90
Greater than \$107,000 and less than or equal to \$160,000	Greater than \$214,000 and less than or equal to \$320,000	\$104.90	\$209.80
Greater than \$160,000 and less than or equal to \$214,000	Greater than \$320,00 and less than or equal to \$428,000	\$167.80	\$272.70
Greater than \$214,000	Greater than \$428,000	\$230.80	\$335.70
Individuals who are married and lived with their spouse at any time during the year, but file a separate tax return from their spouse		Part B Income-related month adjustment amount	Total Monthly Part B Premium amount
Less than or equal to \$85,000		\$0.00	\$104.90
Greater than \$85,000 and less than or equal to \$129,000		\$167.80	\$272.70
Greater than \$129,000		\$230.80	\$335.70

¹ There may be an late-enrollment penalty. If you have questions about your Part B premium, call Social Security at 1-800-772-1213. TTY users call 1-800-325-0778.

States have programs that pay some or all of beneficiaries' premiums and coinsurance for certain people who have Medicare and a limited income. Information is available at 800-MEDICARE (800-633-4227) and, for hearing and speech impaired at TTY/TDD: 877-486-2048

You also pay a Part B deductible each year before Medicare starts to pay its share.
Visit www.medicare.gov for more information.

SKILLED NURSING FACILITY BENEFITS: Part B benefits include diagnostic tests, therapy, certain supplies, artificial limbs, braces and certain ambulance fees. Patient needs to receive the service while in a certified nursing center. The 2015 Part B deductible is \$147; if the Part B deductible applies you must pay all costs until you meet the yearly Part B deductible before Medicare begins to pay its share. Then, after your deductible is met, you typically pay 20% of the Medicare-approved amount of the service

ENROLLMENT: Enrolling in Part B is your choice. You can sign up for Part B anytime during a 7-month period that begins 3 months before you turn 65. Call the Social Security Adm. at 1-800-772-1213 or visit or call your local Social Security office to sign up.

ENROLLMENT (Continued)

If you didn't sign up for Medicare Part B when you first became eligible, you may be able to sign up during the General Enrollment Period. This period runs from January 1st through March 31 of each year. If you have not signed up for Medicare Part B, we can assist you in signing up for the coverage.

If you DO NOT sign up for Part B during the 7-month period, there is a late-enrollment penalty of an additional 10% for each 12-month period that you could have had Part B but didn't. You may have to pay the penalty as long as you have Part B. In special cases, you may qualify for a special enrollment period.

Medicare Basics 2015

PART D (Prescription Drug)

HELPS PAY FOR: Medicare offers prescription drug coverage through Medicare approved private insurance companies. This coverage may help lower prescription drug costs and help protect against higher costs in the future.

ENROLLMENT: Enrolling at the time you become eligible for Medicare or if you have lost creditable prescription drug coverage (*coverage expected to pay at least as much as standard Medicare prescription drug coverage, like that provided by some employer or union plans*) within the last 63 days, you will pay your lowest monthly premium.

COST: Most drug plans charge a monthly premium that varies by plan. Your costs will vary depending on which drugs you use. Having a variety of plans to choose from gives you a chance to pick a plan that meets your unique needs at the best price possible. We can assist you in choosing a Part D provider based on your drug needs.

If you decided not to enroll in a Medicare drug plan when you are first eligible, you may pay a late-enrollment penalty if you choose to join later. The amount of the penalty changes every year. You will have to pay the penalty as long as you have Medicare prescription drug coverage.

For more information about Medicare:

- Visit www.medicare.gov on the web
- Call 1-800-MEDICARE (1-800-633-4227) to get help in English, Spanish and other languages. TTY users should call 1-877-486-2048
- Register for MyMedicare.gov on the web. You can access the Medicare information you need on the web any time. View claims, order forms, and publications.
- Call your State Health Insurance Assistance Program for free counseling about choosing plans, buying a Medigap policy and your Medicare rights, including appeals.