

must usually accept you regardless of your health status whenever you choose to sign up with them. You can also sign up with, drop, or switch MA and drug plans during a Fall “Open Enrollment” period.

### **Can You Appeal Medicare Decisions?**

Yes, you can appeal most decisions about your eligibility, premium charges, and services coverage. In many cases you will get written notices that tell you how to appeal.

### **Is There Help With Paying for Medicare Costs?**

There are programs that assist lower income seniors in paying some of the Medicare cost sharing. For example, there are programs that help with Medicare premiums and cost-sharing. Contact the Senior Citizens’ Law Office for more information.

*Note: The purpose of this brochure is to provide you with general information. It does not address every situation or problem you may face under Medicare, and is not intended as a substitute for legal advice.*

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# **MEDICARE: A BASIC INTRODUCTION**

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### **What is Medicare?**

Medicare is a nationwide health insurance program. Enacted by Congress in 1965, Medicare was intended to pay for health care services to ensure a basic level of health care for the nation’s elders (and, later, persons with disabilities). Just as with most private health insurance, Medicare coverage includes a lot of cost sharing in the form of premiums, deductibles and co-pays.

## Who Can Get Medicare?

Individuals age 65 or older and who are eligible for Social Security; individuals receiving Social Security Disability benefits for 24 months; certain individuals receiving Railroad Retirement benefits; individuals who worked for governmental agencies and paid into Medicare; and individuals with end-stage renal disease (ESRD). Individuals 65 or older, but not otherwise eligible for Medicare, can purchase the coverage.

## How Does Medicare Coverage Work?

Coverage is divided into three “parts;” A, B, and D. Almost all beneficiaries take Parts A and B; most also take Part D.

**Part A** covers hospital, skilled nursing home, home health, and hospice services. Most people do not have to pay a premium for Part A, because they or a spouse paid into Medicare from their past earnings. There are large cost sharing charges for hospital stays, and skilled nursing home stays after the 20<sup>th</sup> day.

**Part B** covers outpatient services, including doctor visits, lab and X-rays, medical equipment and ambulance trips. Unlike Part A, everyone pays a monthly premium for Part B; the standard amount in 2017 averages \$109. Your premium might be higher depending on your income. There are cost sharing charges for most services, except for many *preventive* services.

**Part D** covers prescription drugs. Coverage is available only from private plans, and each plan’s coverage rules can differ. There can be a monthly premium, a deductible, and a gap in coverage known as the “donut hole” when the plan pays nothing; and there are usually co-pays for each prescription.

By law, charges for drugs in the “donut hole” are decreasing; in 2016 they are 45% of cost for name brands, 58% for generics.

## What Is Medicare “Part C”?

**Part C** refers to the part of the Medicare law that authorizes private, mostly HMO-like, health plans to provide Medicare services to beneficiaries willing to sign up with them. They are technically known as “**Medicare Advantage**” (MA) plans.

## How Do You Sign Up For Medicare?

A few months before your 65<sup>th</sup> birthday, or 24<sup>th</sup> month of disability benefits, you will get a mailing that includes a Medicare card showing you will soon have Part A and B. Everyone else has to apply, usually with the Social Security Administration. You will have the chance to decline Part B, but unless you or your spouse is working and has health coverage you will face higher premiums and delayed coverage when you try to take it later.

## What Are Your Basic Medicare Choices?

When you first get Medicare, it is on a fee-for-service basis (k/a “**Original Medicare**”); you can use any willing medical provider. You can *buy* “**Medigap**” insurance, which mainly covers some Part A and B cost sharing. You can choose to sign up with a Part D plan (if you don’t have other drug coverage, you may pay higher premiums if you choose to sign up later). You can choose to sign up with a MA plan --- which often includes Part D coverage --- but must get all or most of your Medicare services through them. Any Medigap, MA or Part D plan premiums are in *addition* to your Part B premium

**Medigap insurance does not work with MA plan coverage.** Medigap insurers cannot reject you for health reasons during the first six months you have Medicare. MA and Drug plans