

MA and Drug plans must usually accept you regardless of your health status whenever you choose to sign up with them. You can sign up with, drop, or switch MA and drug plans during a Fall “Open Enrollment” period, which runs from October 15 to December 7; and, *if you are* enrolled with an MA plan, you can switch MA plans or return to Original Medicare (with or without Part D coverage) during *the first three months* of a year.

### **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 it is not intended as a substitute for legal advice.*

Senior Citizens’ Law Office, Inc.  
4317 Lead Avenue SE, Suite A  
Albuquerque, NM 87108  
(505) 265-2300  
www.sclonm.org

**Senior Citizens’ Law Office, Inc. is funded in part by the City of Albuquerque Area Agency on Aging and New Mexico Civil Legal Services and Access to Justice Commissions (Revised 1/2020)**



---

# **MEDICARE: A BASIC INTRODUCTION**

---

### **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, coinsurance, 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 2020 is \$144.60. Your premium might be lower or higher depending on your income. There are cost-sharing charges for most services, but they are eliminated or reduced for most *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 premium, a deductible, and co-pays of varying amounts for each prescription. For many years, there was a coverage gap called the “donut hole,” but it has been replaced by a period during which beneficiaries are charged 25% for both brand name and generic drugs.

## 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 and at certain other times.