

# What is Medicare?

## MEDICARE

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Here's information to help you understand Medicare coverage options, so you can make informed choices based upon your health, your budget or both. When you're ready, our trained counselors can work with you one-on-one to help you make The Right Call.

What does Medicare cover?

Medicare has two parts.

Hospital Insurance (Part A)

Medicare Part A helps pay for four kinds of medically necessary care:

- inpatient hospital care
- inpatient care in a skilled nursing facility following a hospital stay
- home health care
- hospice care

Part A has deductibles and coinsurance, but most people do not have to pay premiums for Part A. If you have a specific question regarding Medicare Part A coverage or claims, call 1-800-MEDICARE (1-800-633-4227). The Medicare and You Handbook also has Part A benefit information.

## Medical Insurance (Part B)

Medicare Part B helps pay for:

- doctor's services
- outpatient hospital care
- durable medical equipment
- diagnostic tests
- many other health services and supplies that are not covered by Medicare Part A.

Part B has premiums, deductibles, and coinsurance amounts that you must pay yourself or through coverage by another insurance plan. If you have a specific question regarding Medicare Part B coverage or claims, call 1-800-MEDICARE (1-800-633-4227). The Medicare and You Handbook also has Part B benefit information.

Who can receive Medicare benefits?

Medicare is a health insurance program for:

- People 65 years of age and older.
- The disabled—those under age 65 who have received Social Security or Railroad Retiree disability benefits for 24 consecutive months. Call SHIIP at 800-351-4664 for the Medicare and Other Insurance for People with Disabilities factsheet.
- Those with a diagnosis of ALS or Lou Gehrig's Disease.
- People with end-stage renal disease (permanent kidney failure treated with dialysis or a transplant).

To be eligible for Medicare, a person must be a US citizen and resident of the U.S. or an alien living in the U.S. for five years who has been lawfully admitted for permanent residence.

I am turning 65 but will continue to work. Should I sign up for Medicare Part B?

You may be able to delay enrollment in Medicare Part B without penalty if you or your spouse continue to be actively employed and are covered by the employer's group health plan. In this situation you can enroll in Medicare Part B during a special eight-month enrollment period when you retire (whether you keep employer-sponsored retiree insurance coverage or not). The Social Security Administration determines when you are eligible to enroll in Medicare. Call their toll-free number, 800-772-1213, with your specific questions. Ask Social Security to send information about your situation in writing. Keep this information on file.

If you're 65 or older, you or your spouse are employed and the employer has 20 or more employees, you must be offered the same health insurance benefits under the same conditions offered to younger workers and spouses. [Note: If you're eligible for Medicare because of a disability, there must be at least 100 employees.] The employer cannot provide a Medicare supplement insurance policy instead of regular group coverage.

Employers with fewer than 20 employees (100 if disabled) are not required to offer health insurance coverage to employees over age 65.

I am 62 years old. Can I sign up for Medicare since I am now receiving my Social Security benefits?

No, you will be eligible for Medicare when you are 65. Since you are currently receiving Social Security benefits the Social Security office will automatically enroll you in Medicare and send you a Medicare card shortly before you turn 65.

I lost my Medicare Card. How do I get a new one?

Contact the Social Security Administration at 1-800-772-1213 to ask for a new card. Medicare cards can also be replaced online. Go to [www.ssa.gov/medicarecard.us](http://www.ssa.gov/medicarecard.us).

I recently moved. How do I change my address with Social Security and Medicare?

Call the Social Security Administration at 1-800-772-1213 to make your address change. If you are a Railroad Retiree, call 1-800-808-0772. You can also go to [www.ssa.gov](http://www.ssa.gov).

Some people on Medicare have limited finances. Are there any programs to help them with health care costs?

Title XIX or Medicaid is a public assistance program that pays for certain health care costs for qualified people. It is funded by both federal and state governments. In Virgin Islands it is administered by the Department of Health. Eligibility is based on income and resource limits.

## DRUG BENEFIT

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Prescription drug coverage is now available from Medicare through Part D plans offered by private insurance companies. SHIP can help you sort through the choices to find a plan that best meets your needs, so you can make The Right Call.

Is there coverage for prescription drugs under Medicare?

In 2006 Medicare added a prescription drug benefit called Medicare Part D. Medicare contracts with private companies to offer prescription drug plans. You can enroll in a plan that offers only drug coverage or you can enroll in a Medicare Advantage plan which includes drug coverage, along with other health coverage.

There are many plans to choose from. Generally you must stay in the plan you choose for a calendar year (there are some exceptions). Every year from October 15-December 7 there is an annual election period when you can change plans, drop coverage or add coverage. The plans can change premiums, co-payments and formularies (list of drugs they cover) every year so reviewing plans during the election period is important. The best way to compare plans is to use the Medicare website. SHIP counselors can also help you compare plans.

You may have "creditable drug coverage" through an employer, union or other plan. If it is creditable (as good as, or better than Medicare's coverage) you do not need a Medicare Part D plan.

