

# GETTING READY FOR MEDICARE

Whether you're new to Medicare, getting ready to turn 65, or preparing to retire, you'll need to make several important decisions about your health coverage. If you wait to enroll, you may have to pay a penalty, and you may have a gap in coverage. There are late enrollment penalties for late enrollment for both Part B and Part D (prescription drug coverage). Use these steps to gather information so you can make informed decisions about your Medicare:

## Step 1: Learn About the Different Parts Of Medicare

The different parts of Medicare help cover specific services. Medicare Part A (Hospital Insurance) covers inpatient hospital stays, care in a skilled nursing facility, hospice care, and some home health care. Medicare Part B (Medical Insurance) covers certain doctors' services, outpatient care, medical supplies, and preventive services. Part D covers prescription drugs and must be purchased through individual insurance carriers.

## Step 2: Decide If You Want Part A & Part B

Most people should enroll in Part A when they turn 65, even if they have health insurance from an employer. This is because most people paid Medicare taxes while they worked so they don't pay a monthly premium for Part A. Certain people may choose to delay Part B. In most cases, it depends on the type of health coverage you may have. Everyone pays a monthly premium for Part B. The premium varies depending on your income and when you enroll in Part B.

If you don't enroll in Medicare Part B when you're first eligible, you may have to pay a Part B late enrollment penalty, and you may have a gap in coverage if you decide you want Part B later.

## Step 3: How You Are Enrolled In Medicare Part A & B and When It Is Effective

If you are going to be receiving benefits from Social Security or the Railroad Retirement Board (RRB) **at least 4 months** before you turn 65, you typically do not need to sign up. In most cases, you'll automatically get Part A and Part B starting the first day of the month you turn 65.

If your birthday is on the first day of the month, Part A and Part B will start the first day of the prior month.

**If you aren't getting benefits from Social Security (or the RRB) at least 4 months before you turn 65, you'll need to sign up with Social Security to get Part A and Part B. You can enroll in Medicare online at [www.ssa.gov/medicare](http://www.ssa.gov/medicare).**

If you're automatically enrolled, you'll get your red, white, and blue Medicare card in the mail 3 months before your 65th birthday or your 25th month of disability. If you don't get Medicare automatically, you'll need to apply for Medicare online at [www.ssa.gov/medicare](http://www.ssa.gov/medicare).

## Step 4: Choose Your Coverage

If you decide you want Part A and Part B, there are 3 main ways to get Medicare coverage —

- Original Medicare with a Prescription Drug Plan (PDP)
- Medicare Advantage Plan (either HMO or PPO) that includes prescription drug coverage.
- Medicare Supplement Insurance (Medigap) with a PDP Plan

## Medicare Advantage Plans (Part C)

Many Medicare Advantage (MA) Plans (either HMOs or PPOs) have networks of health care providers which include doctors, other health care providers, hospitals, and facilities. It's important to understand your plan's provider network to make sure you get the care you need at the lowest cost.

## What's Medicare Supplement Insurance (Medigap)?

---

A Medicare Supplement Insurance (Medigap) policy helps pay some of the health care costs that Original Medicare doesn't cover, like:

- Copayments
- Coinsurance
- Deductibles

Medigap policies are sold by private companies.

Some Medigap policies also cover services that Original Medicare doesn't cover, like medical care when you travel outside the U.S. If you have Original Medicare and you buy a Medigap policy, here's what happens:

- Medicare will pay its share of the Medicare-approved amount for covered health care costs.
- Then, your Medigap policy pays its share.

## 8 Things to Know About Medigap Policies

1. You must have Medicare Part A and Part B.
2. A Medigap policy is different from a Medicare Advantage Plan. Those plans are ways to get Medicare benefits, while a Medigap policy only supplements your Original Medicare benefits.
3. You pay the private insurance company a monthly premium for your Medigap policy. You pay this monthly premium in addition to the monthly Part B premium that you pay to Medicare.

4. A Medigap policy only covers one person. If you and your spouse both want Medigap coverage, you'll each have to buy separate policies.
5. You can buy a Medigap policy from any insurance company that's licensed in your state to sell one.
6. Any standardized Medigap policy is guaranteed renewable even if you have health problems. This means the insurance company can't cancel your Medigap policy as long as you pay the premium.
7. Some Medigap policies sold in the past cover prescription drugs. But, Medigap policies sold after January 1, 2006 aren't allowed to include prescription drug coverage. If you want prescription drug coverage, you can join a Medicare Prescription Drug Plan (Part D). **If you do not enroll in a Medicare Prescription Drug Plan (Part D, often referred to as a PDP plan) when you are first eligible and you do not have other "creditable drug coverage" you will incur a lifetime penalty if you enroll at a later date.**
8. It's illegal for anyone to sell you a Medigap policy if you have a Medicare Advantage Plan, unless you're switching back to Original Medicare.

## **Step 5: Find Out When You Can Enroll in Medicare Advantage or a Medicare Supplement Plan**

There are only certain times when people can enroll in a Medicare Advantage Plan. Depending on the situation, some people may be enrolled in Medicare Parts A & B automatically, and others need to apply for Medicare. The first time you can enroll in Medicare Advantage is called your Initial Enrollment Period. Your 7-month Initial Enrollment Period usually:

- **Begins 3 months before the month you turn 65**
- **Includes the month you turn 65**
- **Ends 3 months after the month you turn 65**

The Medicare Supplement Open Enrollment Period (OEP) which guarantees your right to enroll in a Medicare Supplement plan without having to qualify through medical underwriting starts when you are both 65 or older and enrolled in Medicare Part B. The OEP last for six months. After the OEP you will have to pass medical underwriting to enroll in a Medicare Supplement plan.

## **4 TASKS FOR YOUR FIRST YEAR WITH MEDICARE**

---

1. Fill out an Authorization Form if you want your family or friends to call Medicare on your behalf. Medicare can't give personal health information about you to anyone unless you give permission in writing first.
2. Make a "Welcome to Medicare" Preventive Visit appointment during the first 12 months you have Medicare. This free, one-time comprehensive preventive visit puts you in control of your health and your Medicare from the start.
3. Sign up for MyMedicare.gov to access your personal Medicare information 24 hours a day, every day. Through this secure online service, you can:
  - Track your health care claims
  - View your "Medicare Summary Notices" (MSNs)
  - Order a replacement Medicare card
  - Check your Medicare Part B deductible status
  - View your eligibility information
  - Track your preventive services
  - Find information about your Medicare health plan or Medicare Prescription Drug Plan (Part D), or search for a new one
  - Keep your Medicare information in one convenient place
4. Learn what Medicare covers. You'll get a list of tests, items, and services that are covered no matter where you live. If your test, item, or service isn't listed, talk to your doctor or other health care provider about why you need it. And, ask if Medicare will cover it.

Covell Consultants LLC is licensed with most of the major Medicare Advantage Prescription Drug plans (MAPD, Medicare Part C), Medicare Prescription Drug Plans (Medicare Part D, PDP) and Medicare supplement carriers. We can help you find the right plan for your needs.

Covell Consultants LLC  
10801 Lomas Blvd NE, Suite 103  
Albuquerque NM 87112  
Office (505) 232-8302  
Fax (855) 290-5117  
customerservice@covellconsultantsllc.com  
www.covellconsultantsllc.com