

Understanding Medicare

We're here to help

This brochure is designed to help you understand the type of Medicare coverage you need.

- + First, learn about the different parts of Medicare
- + Then, decide how you want to receive your Medicare coverage
- + Finally, learn about eligibility and when to enroll



Learn about the different Parts of Medicare



The chart below explains all of Medicare's specific parts, how they work and who offers them. You'll also learn about Medicare supplement insurance coverage.

Parts	What it covers	How it works	What it costs
Original Medicare: Part A Part B	<p>Original Medicare includes Part A and Part B coverage.</p> <p>Medicare Part A is hospital insurance that helps cover inpatient hospital care, skilled nursing facility care, hospice and home health care.</p> <p>Medicare Part B is medical insurance that helps cover medically necessary doctor services and outpatient care. It also includes some preventive services to help you maintain good health and to keep certain illnesses from getting worse.</p> <p>Medicare supplement insurance is typically needed with Original Medicare.</p>	<p>Original Medicare is offered by the federal government.</p> <p>You're automatically enrolled in Part A when you turn age 65, or when you become eligible for Medicare.</p> <p>If you get benefits under Social Security or Railroad Retirement, in most cases you'll be automatically enrolled in Part B.</p>	<p>You usually don't pay a monthly premium for Part A coverage.¹ But, you will typically pay a monthly Part B premium.¹</p> <p>Original Medicare covers about 80% of the cost of many health care services. It doesn't pay for all of your costs, including copayments, coinsurance and deductibles.</p> <p>You'll be responsible for the other 20%.</p>
Part C	<p>Medicare Part C is a Medicare Advantage health coverage choice, such as an HMO or PPO, which replaces Original Medicare. It provides all services covered under Part A and Part B, plus additional services to help you manage your health care. Most plans include the Part D prescription drug benefit, too. However, plans without drug coverage are also available.</p> <p>Medicare Advantage plans are available to people enrolled in Part A and Part B.²</p> <p>Supplement insurance is not needed with Part C.</p>	<p>Medicare Advantage plans are offered by private insurance companies that are approved by Medicare.</p> <p>You have to choose to enroll in a Medicare Advantage plan.</p> <p>Not all plans work the same way, so find out the plan's rules before joining.</p>	<p>You typically pay a monthly premium for a Medicare Advantage plan. With all Medicare Advantage plans, you'll continue to pay your Part B premium. You'll also pay copayments, coinsurance and deductibles that are typically less than those of Original Medicare.</p> <p>Some insurance companies offer Medicare Advantage plans with a zero-dollar monthly premium.</p>
Part D	<p>Medicare Part D is Medicare Prescription Drug Coverage that helps cover the cost of prescription drugs.</p> <p>With Part D, the government pays a portion of certain prescriptions, so it may help lower your prescription drug costs. Not all prescription drugs are covered. The government determines which drugs are covered.</p>	<p>Part D Medicare prescription drug plans are offered by private insurance companies that are approved by Medicare.</p> <p>You're eligible for Part D when you first become eligible for Medicare.</p> <p>You have to choose to enroll in a Part D plan. If you don't enroll or don't have creditable coverage, you will have to pay a premium penalty.</p>	<p>You typically pay a monthly premium for a Part D plan. You also pay copayments or coinsurance for your Part D covered prescriptions. With most plans, after you and your drug plan have spent a certain amount for covered drugs you reach a coverage gap, often called the "donut hole." Once you've reached the coverage gap for that calendar year, you may have to pay more for your prescriptions. Some insurance companies offer enhanced Part D plans that provide additional coverage in this gap phase. All plans will pay some of the cost of generics, and you will receive a discount on the cost of brand-name drugs. You may reach the catastrophic coverage level, in which you will be responsible for no more than 5% of your prescription drug costs.</p>
Medicare supplement insurance coverage	<p>Medicare supplement insurance helps cover expenses such as copayments, coinsurance and deductibles that Original Medicare doesn't cover.³ It is often called a Medigap policy and is purchased in addition to Part A and Part B.</p> <p>Part D Medicare prescription drug coverage must be purchased separately because it is not offered with any Medicare supplement policy.</p>	<p>Medicare supplement plans are standardized plans that are offered by private insurance companies.</p> <p>You have to choose to enroll in a Medicare supplement plan.</p>	<p>There are several ways that premium rates are calculated for Medicare supplement coverage:</p> <p>Entry age rate – Your rate is based on your age when you apply. You lock in your entry age rate.⁴</p> <p>Attained age rate – Your rate increases as you age.</p> <p>Community age rate – Everyone pays the same consolidated rate.</p>

Footnotes:

- Source: www.medicare.gov
- 1 See www.medicare.gov or your local state Social Security office for details.
 - 2 In most cases you cannot join a Part C Medicare Advantage Plan if you have End-Stage Renal Disease (ESRD). See www.medicare.gov for special rules for people with ESRD.
 - 3 You may already have employer or union coverage that may pay costs that Original Medicare doesn't pay. If you have employer or union coverage, check with your benefits administrator.
 - 4 Some rates may change due to medical inflation or overall claims experience, but members are not singled out for premium increases based on health or age. Members should receive notice of any rate changes.



Learn about eligibility and when to enroll

Who's eligible for Medicare?

To be eligible for Medicare, you must meet these requirements:

- + You must be age 65 or older, or be eligible due to disability or End-Stage Renal Disease.
- + You or your spouse must have been employed for at least 10 years.
- + You must be a U.S. citizen or permanent resident.

If you don't meet these requirements, you'll need to call **1-800-MEDICARE (1-800-633-4227)** to find out if you can apply for Medicare under special circumstances.

Enrollment Periods

The federal government has specific enrollment periods for Medicare. If you don't enroll during these times, you may pay a monthly penalty in addition to your premium.

Initial Enrollment Period

The seven-month period to enroll in Medicare: three months before the month you become Medicare eligible, the month you become eligible, and three months afterward.

Annual Enrollment Period

Enroll in Medicare coverage or switch to a different plan Oct. 15–Dec. 7.

Annual Disenrollment Period

Jan. 1–Feb. 14 of every year Medicare Advantage Members can switch back to Original Medicare and may enroll in a Part D plan during this same time frame.

Special Enrollment Period

There are many special defined scenarios to enroll outside of the other enrollment periods.

Decide how you want to receive your Medicare coverage

Original Medicare (Parts A and B)	OR	Medicare Advantage Plan (Part C)
 Part A Hospital Insurance		 Combines Part A & B , available with or without Prescription Coverage (Part D*)
 Part B Medical Insurance		
Plus		
 Medicare Supplement Insurance (Medigap Insurance)		
Plus		
 Part D* Prescription Drug Coverage (PDP Plan)		

Need more help?

Visit www.medicare.gov

Or, Call **1-800-MEDICARE (1-800-633-4227)**

24 hours a day, 7 days a week

TTY/TDD users call
1-877-486-2048

Not all plans are the same

Make sure the plan(s) you select offer(s) the benefits you want and the coverage you need.

If you have limited income and resources

You may be able to get extra help paying for your Part D Prescription Drug Plan premium and prescription drugs. For more details, see www.medicare.gov, or call your local state Social Security office.

Legal:

Blue Cross and Blue Shield of North Carolina is an HMO, PPO and PDP plan with a Medicare contract. Enrollment in Blue Cross and Blue Shield of North Carolina depends on contract renewal.

Blue Cross and Blue Shield of North Carolina is an independent licensee of the Blue Cross and Blue Shield Association. U6588, 11/15

Footnote:

Source: www.medicare.gov

*There may be a penalty for not enrolling in Part D when you first become eligible for Medicare.

