

Understanding Your Medicare Options

Medicare Made Clear™

Top Medicare questions

- 1 Who is eligible for Medicare?
- 2 What are my **coverage options**?
- 3 When can I **enroll**?
- 4 What are my **next steps**?
- 5 Once I am covered by Medicare, how could I **save money**?
- 6 Where can I find **more information**?

QUESTION 1:

**Who is eligible
for Medicare?**

ELIGIBILITY

Original Medicare (Parts A and B)



65 years old



**U.S. citizen and resident
(at least five consecutive
years)**



Special situation
For example, people of any age
with end-stage renal disease
(ESRD) or amyotrophic lateral
sclerosis (ALS)

Medicare Made Clear™

ELIGIBILITY

Original Medicare (Parts A and B)

Front

MEDICARE HEALTH INSURANCE

1-800-MEDICARE (1-800-633-4227)

NAME OF BENEFICIARY
JANE DOE

MEDICARE CLAIM NUMBER **000-00-0000-A** SEX **FEMALE**

IS ENTITLED TO **HOSPITAL (PART A)** EFFECTIVE DATE **07-01-1986**
MEDICAL (PART B) EFFECTIVE DATE **07-01-1986**

SIGN HERE → *Jane Doe*

Back

1. Carry your card with you when you are away from home.
2. Use your hospital or doctor and your card when you require hospital, medical, or health services under Medicare.
3. Your card is good wherever you live in the United States.

STATEMENTS issued only for use of the named beneficiary. Without approval of the card is unlawful and will make the provider liable in penalty if found, and in violation of 42 CFR 401.104.

CMS
Centers for Medicare & Medicaid Services
Bethesda, MD 20894-1000
Voice: 1-800-633-4227

If you have questions about Medicare, call 1-800-MEDICARE (1-800-633-4227) or MAIL us at www.medicare.gov

TTY/VOICEMAIL: 1-877-486-2048

I DO NOT WANT MEDICAL INSURANCE Check Here

Within Signature (or Legal Representative)

SIGN HERE

Signature by Mark (X) Must Be Witnessed

Signature of Witness

Address of Witness

If you DO NOT want Medical Insurance

1. Check the box above (top right), sign your name, and return the entire form to the enclosed envelope. Do NOT tear off the Medicare card. It would be improper to use it since you do not want Medical Insurance. You must return the form BEFORE the Medical Insurance effective date shown on the card.

2. Since you are entitled to Hospital Insurance, even though you do not want Medical Insurance, we will issue you a new card showing that you have Hospital Insurance only.

QUESTION 2:

**What are my
coverage options?**

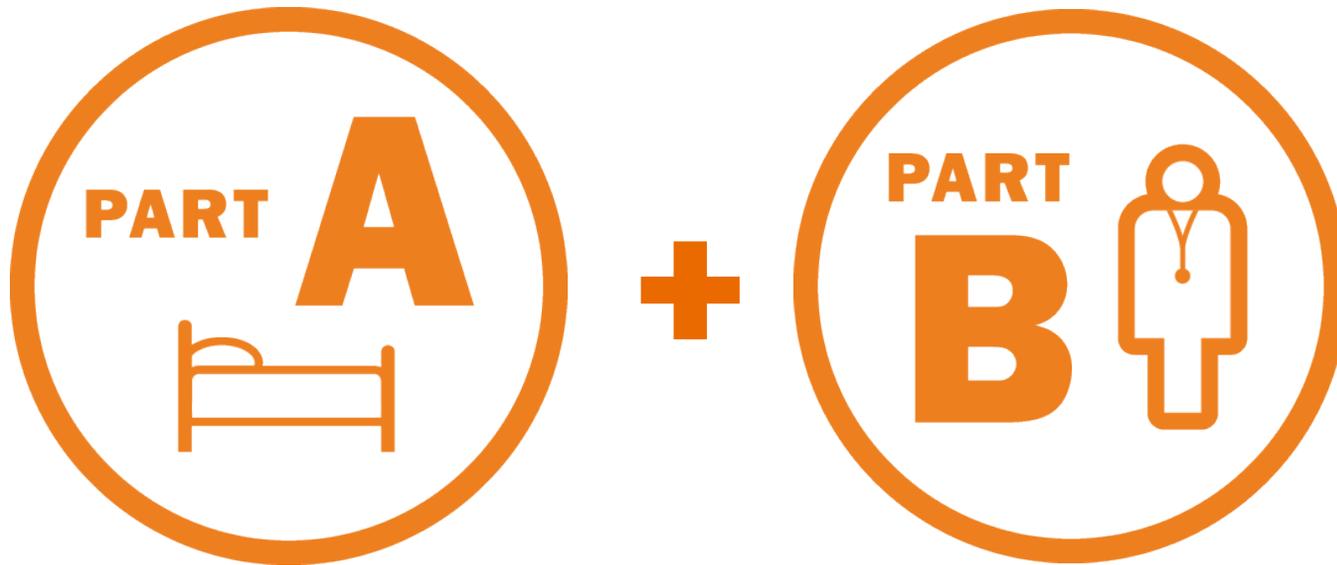
COVERAGE OPTIONS

Coverage options



COVERAGE OPTIONS

Original Medicare



COVERAGE OPTIONS



Hospital insurance

- **Inpatient hospital care**
- **Inpatient mental health care**
- **Skilled nursing services**
- **Hospice care**
- **Some blood transfusions**

COVERAGE OPTIONS



Fast facts

Costs

- Most people don't pay a monthly premium
- You pay only your deductible for a hospital stay of fewer than 60 days

Enrollment

- You can't be turned down because of your medical history or a pre-existing condition

Coverage

- Stays of more than 60 days require a daily copay
- Multiple stays may mean multiple deductibles
- You can go to any qualified hospital in the U.S. that accepts new Medicare patients
- Hospital care outside the U.S. isn't usually covered

COVERAGE OPTIONS

Fast facts



Doctor and outpatient visits

- Physician services
- Outpatient hospital services
- Ambulance
- Outpatient mental health
- Laboratory services
- Durable medical equipment (wheelchairs, oxygen, etc.)
- Outpatient physical, occupational and speech-language therapy
- Some preventive care

COVERAGE OPTIONS



Fast facts

Costs

- No maximum out-of-pocket
- For coinsurance, you pay 20% of Medicare-approved cost
- Part B has a monthly premium that is determined by your income
- May have higher premiums if you join after your initial enrollment period

Enrollment

- You can't be turned down because of your medical history or any pre-existing condition

Coverage

- You can get care throughout the U.S., but generally not outside the country
- Participating physicians who accept new Medicare patients
- Some preventive health care is provided

COVERAGE OPTIONS



What's not covered

- Medicare Part A and Part B deductibles, coinsurance and premiums
- Medicare Part B excess charges (amount billed over what Medicare agrees to pay)
- Prescription drug coverage
- Additional benefits such as hearing and dental

COVERAGE OPTIONS

Medicare Advantage plan



COVERAGE OPTIONS

Fast facts



Medicare Advantage plan

- **Combines Part A and Part B and, in many cases, includes prescription drug coverage**
- **Offered by private insurance companies like UnitedHealthcare®**
- **Often includes additional benefits like routine vision care, hearing care, wellness services and nurse phone line support**

COVERAGE OPTIONS



Eligibility for Part C

- **Must be enrolled in Medicare Parts A and B**
- **Must live in plan service area**
- **Eligibility is not affected by health or financial status**
- **Must not have end-stage renal disease (ESRD)***

*There are special rules for ESRD. People with ESRD may be able to join a Medicare Special Needs Plan (SNP) if one is available in their area.

COVERAGE OPTIONS

Fast facts



Costs

- Plan premiums and terms can change from year to year
- Must continue to pay your Part B monthly premium

Coverage

- Convenience of one single plan
- Many plans include prescription drug coverage (Part D)
- Coverage is often limited to a service area — unless it's an emergency
- May be required to see doctors and hospitals that are included in the plan's network
- May offer additional benefits not covered by Medicare like dental, vision, hearing and preventive care

COVERAGE OPTIONS

Types of Part C plans



Coordinated care plans

- Health Maintenance Organization (HMO) plans
- Preferred Provider Organization (PPO) plans
- Special Needs Plans (SNP)
- Health Maintenance Organization Point of Service (HMO-POS) plans

Other plans

- Private Fee-For-Service (PFFS) plans
- Medical Savings Account (MSA) plans

COVERAGE OPTIONS

Prescription drug plan



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COVERAGE OPTIONS



Helps with the cost of prescription drugs

- Only offered through private insurance companies
- You must continue to pay your Part B premium

Fast facts



Costs

- Prescription drug coverage varies from plan to plan
- Catastrophic coverage protects you from very high drug costs
- Benefits can change each year

Coverage

- Each plan has a list of drugs that it covers
- Make sure your drugs are covered before you enroll in a plan
- The list of drugs can change each year

Enrollment

- Coverage is not automatic
- Penalties may apply if you enroll late

COVERAGE OPTIONS

Part D formulary

Formulary: A list of drugs that the insurance plan covers

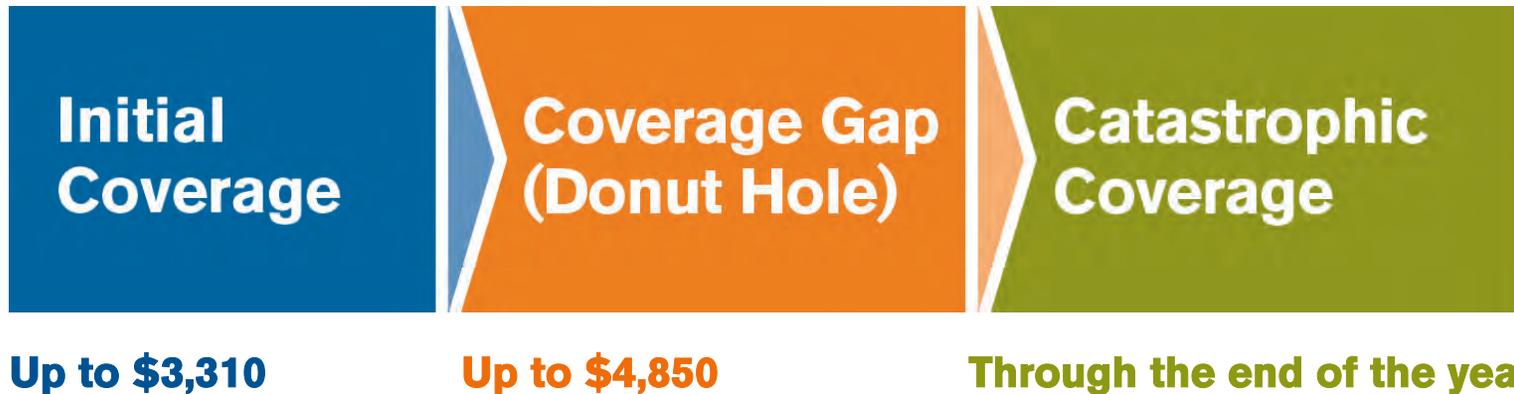
Many drug plans have a tiered formulary. That means the plan divides drugs into groups called “tiers.” Generally, the lower the tier, the lower your copay.

Formulary	Tiered Formulary
Tier 5 (\$\$\$\$\$)
Tier 4 (\$\$\$\$\$)
Tier 3 (\$\$\$)
Tier 2 (\$\$)
Tier 1 (\$)

COVERAGE OPTIONS

Understanding drug coverage stages

If your plan has a deductible, you pay the total cost of your drugs until you reach the deductible amount set by your plan. Then you move to the initial coverage stage.



Note: On January 1 of each year, the coverage cycle starts over and the dollar limits can change. Amounts listed above reflect the 2016 plan year.

COVERAGE OPTIONS

Example

Heavy prescription drug spending.

Enrico, age 66, has several chronic conditions. Without coverage he spends more than \$950 a month on drugs. He has Original Medicare (Medicare Part A and Part B), plus a stand-alone Medicare Part D drug plan with a \$384 annual premium. Because his drug costs are high, he reaches Stage 3, catastrophic coverage.



Total annual savings with Medicare Part D plan: \$5,930

Total annual drug costs without a Medicare Part D drug plan (\$950 per month x 12 months)	\$11,400
Annual premium for Part D drug plan (\$32 per month x 12 months)	\$384
Stage 1 – Initial coverage (Enrico’s share during this stage)	\$720
Stage 2 – Coverage gap (his additional cost-sharing up to the limit)	\$4,130
Stage 3 – Catastrophic coverage (his share during this stage)	\$236
Total Enrico pays out-of-pocket for the year	\$5,470

COVERAGE OPTIONS

Standardized Medicare supplement insurance plan



COVERAGE OPTIONS

Medicare supplement insurance plan



- **Helps cover some of what Medicare Parts A and B don't — such as coinsurance, copayments and deductibles**
- **Offered by private insurance companies**
- **Plans are named A, B, C, D, F, G, K, L, M, N, and a high-deductible plan, F**
- **Benefits vary by plan**
- **Generally, the more comprehensive the coverage, the higher the premium**

COVERAGE OPTIONS

Medicare supplement insurance plan



Eligibility

- Generally must be enrolled in Medicare Parts A and B
- Resident of the state in which you are applying for coverage
- Age 65+ (or under age 65 with certain disabilities in some states)
- People of any age with end-stage renal disease

COVERAGE OPTIONS



Fast facts

Costs

- Helps with some of the out-of-pocket costs not paid by Medicare
- Premiums vary based on the plan and insurance carrier

Enrollment

- Guaranteed right to enroll during your Open Enrollment Period (OEP)
- This period begins the first day of the month that you are enrolled in Medicare Part B, and in most states it lasts for six months
- Coverage can be denied if you enroll late

Coverage

- Goes with you anywhere in the U.S.
- Guaranteed to continue as long as you pay your premium on time and have not made any material misrepresentation on your application for insurance

COVERAGE OPTIONS

Medicare Choices

Step 1: Enroll in Original Medicare when you become eligible.

ORIGINAL MEDICARE

 **PART A** +  **PART B**

Covers hospital stays Covers doctor and outpatient visits

Government-provided

Step 2: If you need more coverage, you have choices.

Option 1

or

Option 2

Keep Original Medicare and add:

MEDICARE SUPPLEMENT INSURANCE



Covers some or all of the costs not covered by Parts A & B

Offered by private companies

and/or

MEDICARE PART D



Covers prescription drugs

Offered by private companies

MEDICARE ADVANTAGE (PART C)

 Combines Parts A & B

 Additional benefits

 Most plans cover prescription drugs

Offered by private companies

QUESTION 3:

**When can
I enroll?**

ENROLLMENT

Parts A and B

When can I first enroll?

- The three months before your 65th birthday, the month of, and the three months after
- Enrollment in Part A is automatic if you are already receiving Social Security Benefits



What if I'm late?

- For Part A, usually no penalties (unless you didn't pay enough into Social Security)
- For Part B, premiums will be higher after the Initial Enrollment Period (unless you qualify for an exception)

ENROLLMENT

Example



Enrolling after the Initial Enrollment Period. Susan waited to sign up for Part B three full years after she was eligible. She'll pay a 10% penalty for each full 12-month period she waited. The penalty is added to the Part B monthly premium, which is \$121.80 in 2016.

2016 standard Part B premium	\$121.80
3 years x 10% = 30% of \$121.80	\$36.54
Susan's part B monthly premium for 2016	\$158.34

ENROLLMENT

Parts C and D

When can I first enroll?



What if I'm late?

Wait until the Open Enrollment Period (OEP), Oct. 15 – Dec. 7.

ENROLLMENT

What if I work past age 65?

If working past age 65

- May enroll in Medicare Parts A and B
- Recommend talking to your benefit administrator
- Keep records of your health insurance coverage

Retiring after 65

- When retiring, you're eligible for a Special Enrollment Period
- Allows for 63 days after employer-sponsored coverage ends to enroll in a Medicare plan without penalty — best to sign up before you retire to avoid a lapse in coverage

ENROLLMENT

Medicare supplement insurance plans

When can I first enroll?

Your state may have a six-month guaranteed window that starts when you turn 65 and enroll in Part B.

MONTH YOU QUALIFY



What if I'm late?

You can apply later but may be charged a higher premium due to existing health problems, or rejected depending on your health history.

QUESTION 4:

**What are my
next steps?**

NEXT STEPS

- 1 Review enrollment periods**
- 2 Research your options**
- 3 Ask questions**
- 4 Get answers**
- 5 Find financial help**
- 6 Enroll**
- 7 Yearly review**

QUESTION 5:

**Once I am covered
by Medicare, how
could I save money?**



Maximize your benefits

- **Utilize preventive services**
- **Stay in your network**
- **Look for “extra” benefits compared with Original Medicare**

What should I think about as I compare my options?

Health status

- Has my health changed?

Finances

- Has my financial situation changed?

Location

- Have I moved? (Could qualify for SEP)
- Will I be away from my hometown for a significant period of time in the next year?
- How frequently do you travel and where?

My coverage needs

- Are my doctors and hospital in-network?
- Are my prescriptions covered?
- Could I benefit from coverage for things like a gym membership, routine dental care, hearing aids, etc.?

QUESTION 6:

**Where can I find
more information?**



MedicareMadeClear.com

- **Videos**
- **Newsletter**
- **Quizzes**
- **Tools**
- **Answers**



National Medicare Education Week

- **UnitedHealthcare created National Medicare Education Week (NMEW), September 15–21**
- **Designed to help consumers learn about Medicare and find the coverage that meets their needs**
- **More than 30 events across the country**
- **Additional online tools and resources available**

Additional information resources

- **Visit [Medicare.gov](https://www.Medicare.gov)**
- **Call 1-800-MEDICARE (1-800-633-4227),
TTY 1-877-486-2048, 24 hours a day/7 days a week**
- **Call your State Health Insurance Assistance Program (SHIP)
to see if you qualify for any financial assistance**

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Questions?

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