Your Guide to Understanding Medicare 2017

One of the most important decisions you’ll ever make for your health & financial wellbeing

This guide is not an insurance solicitation or promotion for any particular insurer or insurance plan. Individual Medicare Advantage or Medicare Supplement Plans offered by insurers are subject to specific conditions, exclusions and limitations. Please review the policy terms and conditions for details prior to making any enrollment decision. Callers who are interested in Medicare coverage may be referred to a licensed agent. Medicare has neither reviewed nor endorsed this information.
Welcome to the American Grandparents Association’s Guide to Understanding Medicare.

We know that Medicare can be confusing, whether you’re choosing coverage for yourself or a loved one.

That’s why we created this easy-to-use guide, which cuts through the jargon to help you make the choice that best meets your needs.

If you have questions or want to know more about Medicare, give us a call at (844) AGA-1010, or visit our Medicare information page at AGAmedicare.com.

Sincerely,

Steve Leber

Steve Leber
CEO
American Grandparents Association
Medicare Fast Facts

What is Medicare?
Medicare is the government’s health insurance program typically for people 65 and older. Medicare has four parts:

<table>
<thead>
<tr>
<th>Part A</th>
<th>Helps cover inpatient hospital expenses and hospice care</th>
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<tbody>
<tr>
<td>Hospital Insurance</td>
<td><strong>ORIGINAL MEDICARE</strong> Helps cover inpatient hospital expenses and hospice care</td>
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<thead>
<tr>
<th>Part B</th>
<th>Helps cover doctor visits, hospital outpatient care, and some home health care</th>
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<tr>
<td>Medical Insurance</td>
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Part A and Part B together are commonly referred to as “Original Medicare.”

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<thead>
<tr>
<th>Part C</th>
<th>These plans are an alternative to Original Medicare, and cover the same services as Part A and Part B, plus “extras” like prescription drugs.</th>
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<tbody>
<tr>
<td>Medicare Advantage Plans</td>
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<thead>
<tr>
<th>Part D</th>
<th>There are several different Part D plans offered, and they vary in cost and medications covered.</th>
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<tr>
<td>Prescription Drug Plans</td>
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<tr>
<th>Medicare Supplement Plan</th>
<th>Also called “Medigap” insurance, this helps cover the 20% of expenses that are not covered when you have “Original Medicare”.</th>
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</thead>
</table>

Issued by the government to you
Issued by private insurance companies to you

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Your Medicare Options Simplified

There are essentially two paths you can take when choosing Medicare.

**Original Medicare: Part A and Part B**
- Covers hospitalization (Part A) and doctor services (Part B)
- Covers ANY doctor or hospital that accepts Medicare
- Offered by the federal government
- Everyone eligible to begin coverage at age 65

**Medicare Advantage Insurance: Part C**
- Medicare Advantage Plans combine Medicare Part A and Part B and are an alternative to Original Medicare.
- Medicare Advantage Plans are usually HMOs, which require you to use in-network doctors and hospitals
- May include vision, dental, prescription drug coverage, and other services
- Offered by private insurance companies
- Everyone eligible to begin coverage at age 65

**Medicare Supplement Plans/Medigap (optional)**
- Covers the 20% and additional hospitalization fees not covered by Original Medicare
- Covers ANY doctor or hospital that accept Medicare
- Offered by private insurance companies
- Everyone eligible to begin coverage at age 65

**Part D Prescription Drug Plan (optional)**
- Covers a percentage of prescription drug costs
- Offered by private insurance companies
- Everyone eligible to begin coverage at age 65
- Failure to enroll results in late penalty; penalty increases the longer you go without coverage

**Part D Prescription Drug Plan (optional)**
- Covers a percentage of prescription drug costs
- Offered by private insurance companies
- Everyone eligible to begin coverage at age 65
- Failure to enroll results in late penalty; penalty increases the longer you go without coverage

**Result**
- Extensive coverage for medical, hospitalization, and prescriptions when you have:
  - Original Medicare and
  - Medicare Part D and
  - Medicare Supplement Plan (Based on Medicare Supplement Plan selected)

**Result**
- Extensive coverage for in-network medical, hospitalization, and prescriptions when you have:
  - A Medicare Advantage Plan that includes prescription drug coverage or
  - A Medicare Advantage Plan plus Medicare Part D (Subject to coinsurance, copayments, and deductibles)
Eligibility & Enrollment

You Are Eligible for Original Medicare and Medicare Advantage If:

- You are within three months of your 65th birthday or older.
- You are under age 65 and have certain disabilities.
- You have End-Stage Renal Disease, which is permanent kidney failure requiring dialysis or a kidney transplant.

In all three cases, you must be a citizen of the United States or a legal, permanent resident for at least five years.

When to Enroll in Original Medicare or Medicare Advantage

The earliest you can enroll is the 7-month period surrounding your 65th birthday:

If you are not collecting Social Security benefits yet, the smartest time to enroll in Original Medicare is during your Initial Enrollment Period, a seven-month window that includes the three months before the month you turn 65, the month of your birthday, and the three months after you turn 65. If you sign up after your Initial Enrollment Period, you may have to pay late penalties.
Eligibility & Enrollment (continued)

Enrolling after your Initial Enrollment Period:

You can still enroll in Original Medicare or a Medicare Advantage Plan after your Initial Enrollment Period. To do so, most people must wait for the **General Enrollment Period: January 1 to March 31, annually.** However, some people may qualify for a **Special Enrollment Period**, such as:

- If you are about to lose your employer-provided health coverage, you will have eight months starting the month your current coverage ends to enroll in a plan.
- If one of the following situations applies to you, typically you will have two months to join or switch plans: you move to a new area; you move back to the U.S. from a foreign country; you move out of a skilled nursing facility or other medical institution. (Visit Medicare.gov for a complete list.)

How to Enroll in Original Medicare

**Fast Fact:** Medicare is administered through Social Security. You must enroll through the Social Security office.

There are various ways to enroll in Original Medicare:

- If you **already receive** Social Security benefits, you will be enrolled automatically for Original Medicare just before your 65th birthday. The government will mail you an “Initial Enrollment Package” with all the details about three months before your 65th birthday.

- If you **have delayed** your Social Security benefits, enroll in one of the following ways during your Initial Enrollment Period (to avoid late penalties) or during the General Enrollment Period:

  - Call Social Security at (800) 772-1213.
  - Make an appointment at your local Social Security office.
  - Enroll online at the Social Security administration website: ssa.gov/medicare/apply.html.
5 Questions to Ask Before You Enroll in Medicare

1. **Do you want to keep your doctor?**
   If keeping the same doctor is critical, consider enrolling in Original Medicare plus a Medicare Supplement Plan, both of which cover ANY doctor that accepts Medicare patients. If you’re leaning towards enrolling in a Medicare Advantage Plan, carefully check the plan details to make sure your doctor is in-network.

2. **What is your health history?**
   If you’re in good health, Original Medicare or a Medicare Advantage plan may work equally well for you. But if you have health issues and may need hospitalization, make sure your doctors and hospitals are in-network before choosing a Medicare Advantage Plan. If you opt for Original Medicare, Part A only pays for 80% of your hospitalization costs, with no spending cap. That means you’ll be responsible for paying the remaining 20%, unless you buy a Medicare Supplement Plan, which covers the 20% not covered by Original Medicare.

3. **What is your financial situation?**
   How much money you make matters—the higher your income, the higher your Original Medicare premiums. Before choosing a Medicare plan, cost out your yearly medical expenses (medications, doctor visits, and anything else health-related). Your goal is to figure out how much you can realistically spend on healthcare.

4. **Are you on several medications?**
   When shopping for a Prescription Drug Plan, make sure that your exact medications are covered under the plan you’re considering. Check the plan’s “formulary” (the list of covered medications) before you make any decisions. Also, make sure your pharmacy is in the plan’s network.

5. **Are you still working?**
   If you get health insurance through your employer, sit with your company’s human resources manager to look at your current coverage. Then compare it to Medicare’s benefits and cost. You’ll want to cost out Original Medicare plus a Prescription Drug Plan plus a Medicare Supplement Plan vs. a Medicare Advantage Plan plus a Prescription Drug Plan, if needed. Then compare the costs and coverages to your employer’s health benefits.
Medicare Parts A and B

When you turn 65, you are automatically enrolled in Medicare Part A and Part B if you are already receiving Social Security. Part A and Part B are commonly referred to as Original Medicare and are provided by the federal government.

Medicare Part A

Is Hospital Insurance that:

• Helps cover hospital costs including inpatient care (semi-private rooms, hospital meals and supplies, etc.). Coverage includes critical access hospitals and skilled nursing facilities. *It does not cover custodial or long-term care.*

• Helps cover some hospice care and some home health care. You must meet certain conditions to get these benefits.

Medicare Part A covers:

✓ Semi-private rooms
✓ Hospital meals
✓ Skilled nursing services
✓ Medication and medical supplies in-hospital
✓ Intensive care
✓ Lab tests, x-rays in hospital
✓ Blood and transfusions
✓ Operating and recovery room services
✓ Rehabilitation services
✓ Some hospice

Medicare Part A doesn’t cover:

✗ Custodial care
✗ Long-term care (nursing home care)
✗ At-home hospice care
✗ Cosmetic surgery

Part A Costs:

2017 Monthly premium: $0, if you or your spouse paid Medicare taxes while working

2017 Yearly deductible: $1,316

For home health services, Medicare covers part-time or intermittent skilled nursing care, but it must be deemed “medically necessary” and approved by a doctor.

Once your deductible is met, days 1-60 of hospitalization are covered 100%. After 60 days, you must pay an amount set by Medicare, and there is no maximum amount for out-of-pocket expenses. Only a Medicare Supplement Plan will cover your hospital costs if you are hospitalized for more than 60 days.
Medicare Part B

Is Medical Insurance that:

• Helps cover doctor visits and treatments, hospital outpatient care, and home health care.

• Helps cover tests, shots, ambulance services, and some preventive services (flu shots, PAP tests, etc.) to maintain your health and to keep certain illnesses from getting worse.

Medicare Part B covers:

- Doctor visits
- Outpatient medical services
- Emergency room care
- Some preventive services (like flu shots)
- X-rays, MRIs and CT scans
- Lab services
- Some screenings (mammograms, colonoscopies, bone density tests, PAP tests, diabetes screenings, and prostate exams)
- Skilled nursing care
- Mental health care

Part B Costs:

2017 Monthly premium: $134 to $428.60, depending on your annual income

2017 Yearly deductible: $183

Medicare Part B doesn't cover:

- 20% coinsurance for all medical services
- Prescription medication
- Most dental care
- Eye exams for prescribing glasses
- Dentures
- Acupuncture
- Hearing aids and exams
- Chiropractic services
- Foot care

Once your deductible is met, Part B generally pays 80% of the Medicare-approved amount for covered services. That means you are responsible for the remaining 20%—and there is no maximum amount for out-of-pocket expenses. For more extensive coverage, consider adding a Medicare Supplement Plan, which helps pay the 20%.

When you sign up for Medicare Part B, you are entitled to a free preventive visit that includes a basic medical check-up, a vision test, shots, and other screenings.
So to Recap the Costs of Medicare Parts A & B...

**Medicare Part A** is Hospital Insurance and covers your hospitalization.

**Medicare Part B** is Medical Insurance and covers your doctor visits.

<table>
<thead>
<tr>
<th>2017 Medicare Part A costs:</th>
<th>You pay:</th>
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<tbody>
<tr>
<td>Monthly premium</td>
<td>$0</td>
</tr>
<tr>
<td>Copayment</td>
<td>You pay a percentage of hospital costs, depending on your plan</td>
</tr>
<tr>
<td>Yearly deductible</td>
<td>$1,316</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>2017 Medicare Part B costs:</th>
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</tr>
<tr>
<td>Copayment</td>
<td>20% of all covered services, unless you buy a Medicare Supplement Plan</td>
</tr>
<tr>
<td>Yearly deductible</td>
<td>$183</td>
</tr>
</tbody>
</table>

**Late Enrollment Costs for Original Medicare**

**Part A**: If you don’t sign up for Medicare Part A during your Initial Enrollment Period, your monthly premium may go up 10% when you do enroll. You’ll have to pay the higher premium for twice the number of years you are past 65. In other words, if you didn’t sign up for two years, you’ll pay the higher premium for four years.

**Part B**: If you don’t sign up for Medicare Part B during your Initial Enrollment Period, you may pay a late enrollment penalty for the duration of your Part B coverage when you do sign up. Your monthly Part B premium may go up 10% for each 12-month period that you didn’t sign up. Other penalties also may apply for both Parts A and B.

If you have limited income you may be able to get help paying for your Medicare costs through a Medicare Savings Program. Call your State Medical Assistance (Medicaid) office to ask about qualifications.
What is a Medicare Supplement Plan?

Also known as Medigap Insurance, a Medicare Supplement Plan is insurance that helps pay the remaining 20% of costs Original Medicare doesn’t cover.

Medicare Supplement Insurance can help cover:
- Medical service copayments
- Plan deductibles
- Skilled nursing care
- Excess hospitalization charges
- Medical emergencies when you travel outside the U.S.

Medicare Supplement Cost:
Medicare Supplement Plan premiums vary depending on the insurance company, the state where you live, your age and gender, and the coverage selected.

There are 10 standard Medicare Supplement Plans, each referred to by a different letter of the alphabet, A-N. (Not to be confused with the four parts of Medicare, A-D!) As shown below, each Medicare Supplement Plan offers distinct benefits, such as emergency health coverage while traveling abroad or skilled nursing care. Note that Plan F offers the broadest range of coverage.

<table>
<thead>
<tr>
<th>Plan Pays For:</th>
<th>Medicare Supplement Plan Letters</th>
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<tbody>
<tr>
<td></td>
<td>(The dots represent 100% coverage)</td>
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<tr>
<td></td>
<td>A  B  C  D  E  F  G  H  I  J  K  L  M  N</td>
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<tr>
<td>Part A coinsurance &amp; hospital costs</td>
<td>● ● ● ● ● ● ● ● ● ●</td>
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<tr>
<td>Part A deductible</td>
<td>● ● ● ● ● ● ● ● ● ●</td>
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<tr>
<td>Skilled nursing</td>
<td>● ● ● ● ● ● ● ● ● ●</td>
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<td>Part B deductible</td>
<td>● ● ● ● ● ● ● ● ● ●</td>
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<tr>
<td>Part B excess charges</td>
<td>● ● ● ● ● ● ● ● ● ●</td>
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<tr>
<td>Foreign travel</td>
<td>● ● ● ● ● ● ● ● ● ●</td>
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<tr>
<td>Blood for transfusions</td>
<td>● ● ● ● ● ● ● ● ● ●</td>
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Enrolling in a Medicare Supplement Plan

The 6-month Period Beginning with the Month You Turn 65
Is The Best Time to Sign Up for a Medicare Supplement Plan

The Month of Your 65th Birthday + The 5 months after your birthday month

Note: While you can sign up for Original Medicare up to three months before your 65th birthday, you can’t sign up for a Medicare Supplement Plan until the month you turn 65.

4 Reasons to Sign Up for a Medicare Supplement Plan When You Turn 65 (or the five months after your birthday month):

1. You cannot be denied coverage. During this period, you can enroll without undergoing a medical exam, which means, any health issues you have won’t affect your premium.

2. You can choose ANY insurance provider you want, and they must cover you.

3. Coverage begins immediately. There is no waiting period for pre-existing conditions, and benefits will be paid from the time your insurance policy is active.

4. Once you’re insured, your insurance provider can NEVER drop you, as long as you continue to pay your premium.

After age 65 1/2, you can still sign up for a Medicare Supplement Plan, but you may have to undergo a medical exam and could be denied coverage. Even if you qualify for coverage, your premium may be higher if you have a preexisting condition.
Medicare Part C

Medicare Part C refers to Medicare Advantage Plans, the alternative to Original Medicare.

During your Initial Enrollment Period and after, instead of enrolling in Original Medicare, you can choose to enroll in a Medicare Advantage Plan, which is offered by Medicare-approved private insurance companies. All Medicare Advantage Plans offer at least the same benefits as Original Medicare, and in some cases also include prescription drug coverage, vision, and dental—but the coverage is limited to in-network doctors and hospitals.

What Do Medicare Advantage Plans Cover?

All Medicare Advantage Plans cover:
✓ All of the services of Original Medicare Part A (hospitalization) except hospice care.
✓ All of the services of Original Medicare Part B (medical services).
✓ Emergency and urgent care.

Some Medicare Advantage Plans cover:
✓ Vision care
✓ Hearing care
✓ Dental care
✓ Other health and wellness programs
✓ Prescription drugs

But:
✗ Medicare Advantage plans only cover in-network care.

Part C Costs:
The cost of a Medicare Advantage Plan depends on the insurance company offering the plan, the state where you live, and your age and gender. It’s important to note that in addition to paying your monthly Medicare Advantage premium, you must still pay your Medicare Part B premium.

Unlike Original Medicare, all Medicare Advantage plans have an out-of-pocket limit of $6,700 so long as you visit in-network doctors. Once you reach that limit, the plan covers your medical costs for in-network services. For out-of-network services, you are responsible for the full amount.
Medicare Supplement Plans vs. Medicare Advantage

Q: What’s the difference between a Medicare Advantage Plan and a Medicare Supplement Plan?

A: A Medicare Supplement Plan is insurance coverage in addition to your Original Medicare coverage. It helps cover the 20% of hospitalization and doctor expenses that Parts A and B don’t cover, and you can visit ANY doctor who accepts Medicare. The most you will pay in a given year is the sum of your Medicare Supplement and Medicare Part B premiums. There is no deductible beyond your premiums for most Medicare Supplement Plans—you know exactly how much you’re going to pay annually for medical expenses.

A Medicare Advantage Plan is a way to get Medicare benefits instead of getting Original Medicare. Medicare Advantage Plans cover in-network doctor visits, hospitalization, and often prescription drug costs. Your out-of-pocket maximum is $6,700 per year, as long as you use in-network doctors and hospitals. It’s important to note that, in addition to paying your monthly Medicare Advantage premium, you must still pay your Medicare Part B premium.

So, depending on your Medicare Supplement Plan, your expenses for Medicare covered services may be just the cost of your premiums, but with Medicare Advantage, the costs could be lower (if you stay in-network) or they could be higher (up to your out of pocket max of $6,700), or even higher if you need to use out-of-network doctors.

You cannot have both Medicare Supplement Insurance and a Medicare Advantage Plan at the same time. You can either have Original Medicare plus Medicare Supplement Insurance, or a Medicare Advantage Plan.
**Medicare Part D**

**Medicare Part D is a Prescription Drug Plan**

Medicare Part D Plans are offered by private insurance companies, and cover your prescription drug costs.

There are two ways to get prescription drug coverage through Medicare:

1) Add a Medicare Part D Plan to your Original Medicare.

2) If you opt for a Medicare Advantage Plan (Part C), prescription drug coverage may be included. If not, you will have to buy Part D separately.

Medicare Part D costs extra—typically, there’s a monthly premium, plus a potential yearly deductible and copayments.

### Which drugs are covered?

Each Medicare Prescription Drug Plan covers different drugs and lists them on its formulary. Many Medicare formularies classify drugs by tiers, and each tier has a different cost associated with it. Before you choose a Prescription Drug Plan, make sure you look at the plan’s formulary to see if your medications are covered, and how much the plan costs.

### Does my plan cover my local pharmacy?

Some Prescription Drug Plans are international, some national, and others only cover certain areas.

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**Part D Costs:**

The cost for Medicare Prescription Drug Plans varies depending on the insurance company. In 2017, monthly premiums could be as low as $0 or upwards of $200. Your annual deductible with any plan cannot be more than $400.

If you wait longer than 63 days after enrolling in Medicare to choose a Prescription Drug Plan, you may be charged a late enrollment penalty, which goes up every month you are uninsured.
What is the donut hole?

If you regularly take prescription medication, you’ve likely heard of the “donut hole,” a gap in prescription drug coverage under Medicare Part D.

In 2017, after you pay your $400 deductible and your plan pays $3,300 for covered medications (a total of $3,700), you enter the donut hole.

When you reach the donut hole, your normal coverage ends and a new rule applies: You pay a higher amount for your medications (51% for generic and 40% for brand name) until you and your Part D plan spend a combined total of $1,250. Once prescription drug costs paid by you and your Part D Plan exceed $1,250, you leave the donut hole, and you are responsible for copayments only—your Part D plan pays the rest of the drug costs.
## Keep These Dates in Mind

<table>
<thead>
<tr>
<th>Plan Type</th>
<th>Initial Enrollment</th>
<th>Change Your Plan</th>
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</table>
| **Original Medicare**     | The seven-month period that includes the **3 months before** the month you turn 65, your birthday month, and the **3 months after** the month you turn 65. | **October 15, 2017 to December 7, 2017**  
During this period, a.k.a. **Open Enrollment**, you can switch between Original Medicare and Medicare Advantage. |
| **Medicare Advantage**    | The **seven-month** period that includes the **3 months before** the month you turn 65, your birthday month, and the **3 months after** the month you turn 65. | **October 15, 2017 to December 7, 2017**  
During **Open Enrollment**, you can switch to a different Medicare Advantage Plan or switch to Original Medicare.  
**January 1, 2018 to February 14, 2018**  
During this **Disenrollment Period**, you can leave your Medicare Advantage Plan and enroll in Original Medicare. |
| **Medicare Supplement**   | The **six-month** period that begins the first day of the month you turn 65.        | **Anytime**, however, you may pay a higher premium or be turned down for coverage.  |
| **Prescription Drug**     | The **seven-month** period that includes the **3 months before** the month you turn 65, your birthday month, and the **3 months after** the month you turn 65. | **October 15, 2017 to December 7, 2017**  
During **Open Enrollment**, you can join, switch, or drop your Prescription Drug Plan. |
Resources to Learn More

Social Security (to enroll in Original Medicare)
  • 1-800-772-1213
  • Socialsecurity.gov Enroll in Social Security and find out about Medicare benefits.

Medicare (to learn more)
  • 1-800-MEDICARE (1-800-633-4227) Speak to a representative who can explain terms and help you choose a plan.

State Health Insurance Assistance Program (to get help)
  • https://www.shiptacenter.org/ Get free counseling at local offices if you are a Medicare enrollee.

Department of Veterans Affairs (for veteran-specific options)
  • 1-800-827-1000
  • Va.gov Get questions answered about benefits for U.S. military veterans.
If you would like to learn more about Medicare, please call (844) AGA-1010 or visit AGAmedicare.com.

The American Grandparents Association connects, educates, and engages America's 70 million grandparents and their families by offering information, benefits, and discounts on healthcare, travel, and more. Visit us at AGAmedicare.com.

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Your Common Medicare Questions, Answered

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Q: Do I need Medicare if I’m still working?

A: If you are still working and get health insurance from your employer, the best thing to do is to cost out two things:

1) Original Medicare (Part A & Part B), with or without a Medicare Supplement Plan and a Prescription Drug Plan
2) A Medicare Advantage, or Medigap, Plan (Part C) that would offer the coverage you need

Then compare each of these to your employer’s current health benefits. Even with your employer’s health coverage it may be worth it to sign up for Medicare, because Part A is usually free, and though there is a premium with Part B, it may cover medical expenses not covered by your employer.

Q: Does Medicare cover long-term care?

A: Original Medicare covers:

• Care in a long-term care hospital
• Some skilled nursing care in a skilled nursing facility
• Eligible home health services
• Hospice and respite care

Most long-term care isn’t actually medical care, but rather help with basic, personal tasks of everyday life, sometimes called “activities of daily living” or “custodial care.” Original Medicare does not cover this type of long-term care.

Q: Does Medicare cover nursing homes?

A: Original Medicare only covers skilled care given in a certified nursing facility for individuals who meet certain conditions. To learn more, visit medicare.gov and search “Medicare Coverage of Skilled Nursing Care.” Medicare Advantage Plans generally do not cover nursing home care.

Q: Do I have to be on the same plan(s) as my spouse?

A: No. All Medicare plans are issued on an individual basis. However, certain Medicare Supplement Plans offer a spousal discount. Look for that option when comparing plans.
Q: Does Medicare cover emergency medical services while traveling outside the U.S.?

A: Original Medicare covers hospitalization and doctors’ services anywhere within the U.S., but generally does not cover medical costs outside the country. However, some Medicare Supplement Plans will cover emergency services you when you’re traveling outside the U.S.

Q: When can I sign up for Original Medicare?

A: The earliest you can enroll is the seven-month window surrounding your 65th birthday: the three months before the month you turn 65, the month of your birthday, and the three months after you turn 65. You can also sign up during a General Enrollment Period (Jan. 1 to March 31 of every year) after that seven-month window, but unless you delayed enrolling because you had health insurance through your job or your spouse’s job, you may have to pay late penalties. The government gives you an eight-month grace period after the end of your employment health insurance to sign up for Original Medicare.

Q: Why would someone opt to buy a Medicare Advantage Plan over getting Medicare Part A and Medicare Part B?

A: When it comes to Medicare, the decision is yours. However, you may want to get a Medicare Advantage Plan instead of Original Medicare if:

- Your area has a large selection of in-network doctors and hospitals.
- You don’t travel and your doctor is in-network for the Medicare Advantage Plan you want.
- You’re healthy and don’t expect to need hospitalization services or medical attention beyond preventative health care.
- You want to cap your out-of-pocket health spending. Original Medicare has no out-of-pocket maximum. You keep paying a portion of the cost of services you use, unless you have a Medicare Supplement Plan. Medicare Advantage Plans, by law, have an out-of-pocket maximum of $6,700 per year, as long as you use in-network doctors. Past that limit, the plan pays for all covered expenses.
- You want an alternative to the 20% coinsurance charged by Original Medicare Part B. Remember, the 20% is unlimited (unless you have a Medicare Supplement Plan), whereas Medicare Advantage out-of-pocket is limited to $6,700 for in-network services.
• You want coverage for vision and dental. Original Medicare doesn’t cover these routine services. Certain Medicare Advantage Plans do.
• You take prescription drugs. With a few exceptions, most prescriptions aren’t covered in Original Medicare, so you will need to buy a Prescription Drug Plan. Some Medicare Advantage Plans include prescription drug coverage.

Q: How do I know whether it’s better to get a Medicare Advantage Plan, or Original Medicare with a Medicare Supplement Plan?

A: It’s a health decision as well as a financial decision. 1) If you’re really fit and healthy and are comfortable with the risk of 20% co-insurance, stick with Original Medicare. 2) If you want to limit your healthcare bills to a guaranteed amount every year and know that everything is covered, get Original Medicare plus a Medicare Supplement Plan. Know, however, that the premiums for a Medicare Supplement Plan could be expensive. 3) If you’d rather use a network where costs could be lower, a Medicare Advantage Plan may be for you. But with Medicare Advantage, you could pay as much as $6,700 a year in medical expenses. Everyone’s healthcare needs are different. To find the right plan for you, it’s best to reach out to licensed plan representatives for more information.

Q: How do Medicare Supplement Plans differ from each other?

A: There are 10 standard Medicare Supplement/Medigap plans and they are referred to by letters A-N. (Not to be confused with the four parts of Medicare A-D!) Medicare Supplement Plans A-N offer different levels of coverage and vary in price from one insurance company to the other. Some of the plans cover you if you travel abroad, while others do not. Some pay your Medicare Part B deductible, while others do not. It’s best to reach out to licensed plan representatives to find out how the policies differ.

Q: When can I enroll in a Medicare Supplement Plan?

A: The earliest you can sign up for a Medicare Supplement Plan is during the month of your 65th birthday. If you sign up within six months (including your 65th birthday month) you are guaranteed to receive the policy because insurance companies are not allowed to use medical underwriting before issuing a policy. This means you cannot be denied coverage due to preexisting health issues and are guaranteed to keep your coverage, so long as you pay your premium. If you miss the six-month window, you can still sign up for a Medicare Supplement Plan, but insurance companies are allowed to reject coverage based on your health.
## Keep These Dates in Mind

<table>
<thead>
<tr>
<th>Plan Type</th>
<th>Initial Enrollment</th>
<th>Change Your Plan</th>
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</thead>
<tbody>
<tr>
<td><strong>Original Medicare</strong></td>
<td>The seven-month period that includes the 3 months before the month you turn 65, your birthday month, and the 3 months after the month you turn 65.</td>
<td>October 15, 2017 to December 7, 2017 During this period, a.k.a. <strong>Open Enrollment</strong>, you can switch between Original Medicare and Medicare Advantage.</td>
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<tr>
<td><strong>Medicare Advantage</strong></td>
<td>The seven-month period that includes the 3 months before the month you turn 65, your birthday month, and the 3 months after the month you turn 65.</td>
<td>October 15, 2017 to December 7, 2017 During <strong>Open Enrollment</strong>, you can switch to a different Medicare Advantage Plan or switch to Original Medicare. January 1, 2018 to February 14, 2018 During this <strong>Disenrollment Period</strong>, you can leave your Medicare Advantage Plan and enroll in Original Medicare.</td>
</tr>
<tr>
<td><strong>Medicare Supplement</strong></td>
<td>The six-month period that begins the first day of the month you turn 65.</td>
<td>Anytime, however, you may pay a higher premium or be turned down for coverage.</td>
</tr>
<tr>
<td><strong>Prescription Drug</strong></td>
<td>The seven-month period that includes the 3 months before the month you turn 65, your birthday month, and the 3 months after the month you turn 65.</td>
<td>October 15, 2017 to December 7, 2017 During <strong>Open Enrollment</strong>, you can join, switch, or drop your Prescription Drug Plan.</td>
</tr>
</tbody>
</table>
Resources to Learn More

Social Security (to enroll in Original Medicare)
• 1-800-772-1213
• Socialsecurity.gov Enroll in Social Security and find out about Medicare benefits.

Medicare (to learn more)
• 1-800-MEDICARE (1-800-633-4227) Speak to a representative who can explain terms and help you choose a plan.

State Health Insurance Assistance Program (to get help)
• https://www.shiptacenter.org/ Get free counseling at local offices if you are a Medicare enrollee.

Department of Veterans Affairs (for veteran-specific options)
• 1-800-827-1000
• Va.gov Get questions answered about benefits for U.S. military veterans.
If you would like to learn more about Medicare, please call (844) AGA-1010 or visit AGAmedicare.com

The American Grandparents Association connects, educates, and engages America’s 70 million grandparents and their families by offering information, benefits, and discounts on healthcare, travel, and more. Visit us at AGAmedicare.com.

This guide is not an insurance solicitation or promotion for any particular insurer or insurance plan. Individual Medicare Advantage or Medicare Supplement Plans offered by insurers are subject to specific conditions, exclusions and limitations. Please review the policy terms and conditions for details prior to making any enrollment decision. Callers who are interested in Medicare coverage options may be referred to a licensed agent. Medicare has neither reviewed nor endorsed this information.