Helping your employees understand Medicare

Medicare helps nearly 50 million older and disabled Americans save on their health care expenses. But Medicare is not one-size-fits-all. People have choices. This brochure provides an overview of Medicare, how and when to enroll, and coverage options.
Who is eligible for Medicare?
In general, a person is eligible for Medicare if they have met the following requirements:

- U.S. citizen or legal resident (living in the U.S. for at least five years in a row)
- 65 years or older, or younger with a qualifying disability

What is Medicare and what Medicare choices are available?
Medicare has several parts, and each part provides a different type of medical coverage. Medicare recipients can choose which part(s) they want to enroll in, depending on their coverage needs.

Medicare Choices

Step 1
Enroll in Original Medicare when an individual becomes eligible.

Original Medicare

- Covers hospital stays
- Covers doctor and outpatient visits

Government-provided

Step 2
If an individual needs more coverage, they have choices.

Option 1 or Option 2

Option 1
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

Medicare Part D

- Covers prescription drugs
- Offered by private companies

Option 2

Medicare Advantage (Part C)

- Combines Parts A & B
- Additional benefits
- Most plans cover prescription drugs
- Offered by private companies
## When and how does a person enroll in Medicare?

Enrollment times and procedures vary depending on which part(s) of Medicare one is signing up for:

<table>
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<tr>
<th>WHEN CAN A PERSON ENROLL?</th>
<th>HOW DOES A PERSON ENROLL?</th>
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</table>
| **PART A** | As soon as they become eligible for Medicare.  
If working beyond 65 with a high-deductible employer-sponsored plan, they may want to wait to enroll until they lose that coverage. | In most cases, if a person is already getting benefits from either Social Security or the Railroad Retirement Board (RRB), they are automatically enrolled in Part A. Usually there is no monthly premium.  
If a person is not getting benefits from Social Security, they can enroll in Part A online at Medicare.gov or by visiting the local Social Security office. |
| **PART B** | As soon as they become eligible for Medicare. If working beyond 65 with employer-sponsored insurance coverage, they may want to wait until they lose that coverage or retire because Part B has a monthly premium. | In most cases, if a person is already getting benefits from either Social Security or the Railroad Retirement Board (RRB), they are automatically enrolled in Part B. Most people pay a monthly premium; 2015 premiums range from $104.90 to $335.70.  
If a person is not getting benefits from Social Security and wants to either enroll in Part B or decline coverage, they can do so online or by visiting the local Social Security office. |
| **PART C** | As soon as they are eligible for Original Medicare (Parts A and B). They must continue to pay their Part B premium. | Part C plans are provided by private insurance companies, which have their own enrollment processes. |
| **PART D** | As soon as they are eligible for Original Medicare (Parts A and B). | Part D plans are provided by private insurance companies, which have their own enrollment processes. |
| **MED SUPP** | A Medicare supplement insurance plan can be purchased any time after a person turns 65 and enrolls in Medicare Part B. If a person purchases a Medicare supplement plan within six months of turning 65, the insurance company cannot consider their medical health when setting the premium. | Medicare supplement plans are provided by private insurance companies, which have their own enrollment processes. |
**What are the Medicare enrollment periods and when do they occur?**

There are certain times during the year when a person can enroll in Medicare for the first time or switch Medicare plans. There are five different types of enrollment periods:

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<tr>
<th>TYPE OF ENROLLMENT PERIOD</th>
<th>WHEN IT OCCURS</th>
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<tbody>
<tr>
<td>Initial Enrollment Period (IEP)</td>
<td>Eligibility month (65th birthday)</td>
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<td></td>
<td>3 months before 3 months after</td>
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<td>This is the seven-month time period when a person is first eligible for Medicare: it includes the month of the person’s 65th birthday and the three months before and after the birthday month. If a person becomes eligible for Medicare due to a disability, the timing of the IEP is based on their disability date.</td>
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<td>Medicare Open Enrollment Period (OEP)</td>
<td>Eligibility period</td>
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<td>Example: New enrollees turning 65</td>
<td>Sept Oct Nov Dec Jan Feb Mar Apr May June July Aug</td>
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<td>Current year Upcoming year</td>
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<td>This is the time period (October 15 – December ?) when any Medicare recipient can enroll in or change Medicare plans. After enrollment, the person’s coverage will begin on January 1 of the new year.</td>
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<td>Special Enrollment Period (SEP)</td>
<td>This is for new beneficiaries who chose not to enroll or who were unable to enroll during their IEP. People must meet certain requirements to qualify for an SEP. If they qualify, they are granted time to enroll in Medicare without a late-enrollment penalty.</td>
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<td>Example: Older than 65 and still working, losing coverage</td>
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<td>General Enrollment Period (GEP)</td>
<td>Each year, those who didn’t enroll in Medicare during their IEP or SEP have another chance to enroll between January 1 and March 31. In some situations, late-penalties apply.</td>
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<td>Medicare Supplement Open Enrollment Period</td>
<td>Month a person qualifies (Turns 65 years old)</td>
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<td>5 months after 65th birthday month</td>
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<td>This is the six-month time period when a person can buy a Medicare supplement insurance plan. It begins the month a person turns 65 and is enrolled in Part B. During this time, a person has a guaranteed right to buy any Medicare supplement plan sold in their state, regardless of their health status. If a person does not enroll in a Medicare supplement plan during this period, they can still apply for coverage at a later time, but an insurance company may deny coverage or charge a higher premium based on the beneficiary’s health status.</td>
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How do people know when they are eligible to enroll in Medicare?

People currently receiving benefits from Social Security or the Railroad Retirement Board (RRB) will receive a letter and informational materials confirming their Medicare eligibility three months before their 65th birthday:

• The materials explain what choices are available and what actions the person needs to take
• The person receiving the letter can change or postpone Medicare enrollment, or accept the enrollment as is
• If the person is still employed and the employer provides group health coverage, they may want to postpone Medicare enrollment until retirement

People who are not receiving Social Security or RRB benefits when they turn 65 will not receive a letter notifying them of their Medicare eligibility. If they want to enroll in Original Medicare, they will need to contact a Social Security office for information and enroll. To avoid a gap in coverage, they should do this before their 65th birthday.
Age and retirement: How do they affect a person’s Medicare choices?

For your employees, Medicare coverage options vary depending on whether they have reached 65 and whether they have retired or are still working. The chart below shows what those options are:

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<th>RETIRING BEFORE 65</th>
<th>RETIRING AT 65</th>
<th>CONTINUING TO WORK AFTER 65</th>
<th>RETIRING AFTER 65</th>
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<td><strong>Medicare:</strong> Persons younger than 65 are not eligible for Medicare unless they have a qualifying disability. Employees who retire before 65 will need to find other health care insurance.</td>
<td><strong>Medicare:</strong> Employees turning 65 can enroll in a Medicare plan. If your company offers health insurance to retirees, a Medicare plan may work with the employer-sponsored coverage. Make sure to review your company’s health plan to see if it requires retirees to enroll in Original Medicare (Parts A and B). Once retirees enroll in Original Medicare, they may also want to review the Medicare Advantage plans available in their area by going to Medicare.gov.</td>
<td><strong>Medicare:</strong> Many people who choose to work past 65 enroll in only Part A because there is no monthly premium. Others choose to enroll in both Parts A and B (Original Medicare). However, Part B comes with a monthly premium based on a person’s income; for that reason, many don’t enroll in Part B until they lose their employer-sponsored coverage. If your company offers health insurance, a Medicare plan may work with your employer-sponsored coverage. Review your company’s health plan to see if it makes sense for your employees to enroll in Original Medicare (Parts A and B) in addition to the coverage you provide.</td>
<td><strong>Medicare:</strong> When employees have worked past 65 and then choose to retire, they are eligible for a Special Enrollment Period (SEP) (see p. 4). The SEP gives individuals 63 days after their employer-sponsored coverage ends to enroll in a Medicare plan without penalty. It is best to sign up before they retire to avoid a lapse in coverage. During the SEP, individuals can enroll in a Medicare Advantage plan (Part C), a prescription drug plan (Part D) or a Medicare supplement insurance plan as long as they have already enrolled in Original Medicare (Parts A and B) first.</td>
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<td><strong>Retiree coverage:</strong> Some employers or unions may provide supplemental health care coverage as part of their retiree benefits.</td>
<td><strong>Individual health insurance:</strong> This is designed for individuals and families with members under 65. A variety of plans are available with different levels of coverage. Professional or alumni associations the retiree belongs to are often good sources for health insurance plans.</td>
<td><strong>COBRA:</strong> The Consolidated Omnibus Budget Reconciliation Act (COBRA) provides workers with group health care coverage for limited periods of time under certain circumstances, including job loss, a reduction in work hours and other life events.</td>
<td><strong>What about coverage for spouses?</strong> Except in cases of disability, Medicare does not cover individuals under 65, even if their spouse is receiving Medicare benefits. If an employee retires and enrolls in Medicare, their spouse will need to find other health insurance if they are not yet 65.</td>
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Resources for more information

- **MedicareMadeClear.com**: For more information about coverage, options and eligibility. Watch videos, sign up for newsletters, take quizzes, find time-saving tools and gets answers to your Medicare questions.

- **Medicare Helpline**: For questions about Medicare and detailed information about the plans and policies available. Go to Medicare.gov or call 1-800-MEDICARE (1-800-633-4227), TTY 1-877-486-2048, 24 hours a day, 7 days a week.

- **Social Security Administration**: For questions about eligibility and enrolling in Medicare and Social Security retirement or disability benefits, and for questions about getting possible help with the costs of Medicare coverage. Call 1-800-772-1213, TTY 1-800-325-0778, between 7 a.m. and 7 p.m., Monday through Friday.

- **State Health Insurance Assistance Program (SHIP)**: For questions about buying insurance, choosing a health plan, buying a stand-alone prescription drug plan or Medicare supplement plan, and your rights and protections under Medicare, contact your State Health Insurance Assistance Program. The program offers free counseling for decisions about Medicare coverage. In some states, this program is called the Health Insurance Counseling and Advocacy Program (HICAP). Contact information for individual state offices is available at Medicare.gov.
Interested in learning more?

Check out MedicareMadeClear.com to watch videos, sign up for our newsletter, take quizzes, find tools and get answers to your Medicare questions.

Stay informed:

Twitter  Facebook  YouTube  Newsletter

Additional information resources:

• Visit 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 local State Health Insurance Assistance Program (SHIP) to see if you qualify for any financial assistance

Questions?

MedicareMadeClear.com

Looking for more information?


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