

Medicare Basics



Medicare is a government health care program for:

- ▶ Those age 65 and over
- ▶ Those under age 65 with certain disabilities
- ▶ Those of any age with End-Stage Renal Disease (ESRD)

The following provides an overview of Original Medicare (Parts A and B), Medicare Advantage plans (Part C), Medicare Prescription Drug plans (Part D) and Medicare Supplement plans.

Original Medicare includes Parts A and B.

It's important to know exactly how Original Medicare works, as well as what it does and doesn't cover. Original Medicare pays for many — but not all — health care services and supplies.

• Medicare Part A

Part A provides coverage if you are a patient in a hospital or receiving inpatient skilled care in a nursing facility. It also offers coverage for hospice care and home health care. You're eligible if you or your spouse paid into Social Security for at least 10 years through your employment and you are a citizen or permanent resident of the United States. Most individuals do not pay a premium for Part A because they or their spouse paid Medicare taxes while working. However, Part A can have substantial deductibles, copayments and coinsurance.

• Medicare Part B

Part B is coverage that pays benefits for doctor services, outpatient care, lab services and other medical services. There is a monthly premium, which most people have deducted right from their monthly Social Security check. In addition, there is a Part B annual deductible amount. Copayments, coinsurance and other deductibles may apply.

The following plans, offered by Excellus BlueCross BlueShield, help cover expenses not covered by Original Medicare (Parts A and B).

• Medicare Part C — Medicare Advantage Plans

Medicare Advantage plans are health plan options that are run by private health insurance companies like Excellus BlueCross BlueShield and are approved by Medicare. You must be entitled to Part A and enrolled in Part B to be eligible. All of your Part A and Part B coverage is provided by the Medicare Advantage plan, not Original Medicare. There may be a monthly premium payment associated with the Medicare Advantage plan that you will need to pay to the private health insurance company (in addition to your monthly Part B premium).

• Medicare Part D — Prescription Drug Coverage

Part D offers coverage for your prescription drug needs and is available through private health insurance companies like Excellus BlueCross BlueShield. There are two ways to get prescription drug coverage: 1) through a stand-alone plan that covers prescription drugs only, or 2) through a Medicare Advantage plan that includes health care and prescription drug coverage. You are eligible for Part D coverage if you are entitled to Medicare Part A and/or enrolled in Part B. There may be a monthly premium payment associated with the Part D plan that you will need to pay to the private health insurance company (in addition to your monthly Part B premium).

• Medicare Supplement Plans (Medigap Plans)

Medicare Supplement plans work hand-in-hand with Original Medicare to help pay costs that Original Medicare does not, such as copayments, coinsurance and deductibles. You pay a monthly premium to a private health insurance company, like Excellus BlueCross BlueShield (in addition to your monthly Part B premium). To join, you must be entitled to Medicare Part A and enrolled in Part B.

Excellus BlueCross BlueShield contracts with the federal government to offer Medicare Advantage and Medicare Prescription Drug plans.

Medicare Advantage Timeline



You can join, switch or drop a Medicare Advantage plan at these times:

- ▶ When you first become eligible for Medicare (from 3 months before you turn age 65 to 3 months after the month you turn age 65).
- ▶ If you get Medicare due to a disability, you can join during the 3 months before to 3 months after your 25th month of disability.
- ▶ Between November 15 – December 31 each year. Your coverage will begin on January 1 of the following year.
- ▶ Between January 1 – March 31 of each year. However, you can't join or switch to a plan with prescription drug coverage during this time unless you already have Medicare prescription drug coverage (Part D). You also can't drop a plan with prescription drug coverage or join, switch or drop a Medicare Medical Savings Account plan during this period.

In most cases, you must stay enrolled in the plan you choose for that calendar year (starting the date your coverage begins).

In certain situations, you may be able to join, switch or drop Medicare Advantage plans during a Special Enrollment Period. A few examples of a Special Enrollment Period are:

- ▶ If you lose creditable coverage (loss of employer group coverage)
- ▶ If you make a permanent move into or out of the plan's service area
- ▶ If you have both Medicare and Medicaid
- ▶ If you become approved for Low Income Subsidy (LIS — extra help)
- ▶ If you qualify for any other exceptional conditions determined by the Centers for Medicare & Medicaid Services (CMS)

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