WHEN DO I NEED TO SIGN UP?

How much does Medicare cost?

meet MEDICARE

Get to know how it works

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AARP® Real Possibilities

Does my plan cover hospital care?

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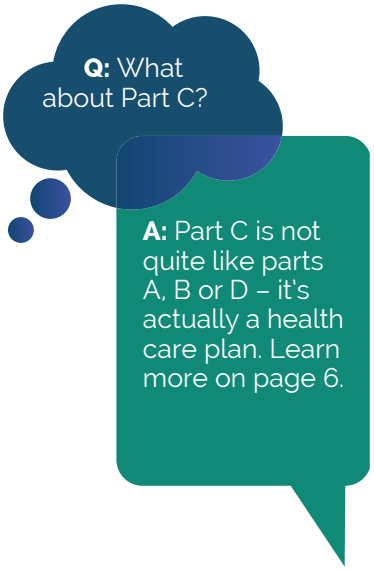
welcome

MEET **MEDICARE**

Getting to know how your Medicare works is an important step in planning for your future. No matter where you're headed in life, Medicare will be part of it — helping to protect your health and wallet.

Our team of experts have put together this booklet to help you get to know your Medicare, so you can get the most out of your coverage. We'll break down Medicare's parts, choices and deadlines so you can figure out what works best for you. Because when you're confident Medicare has you covered, you can focus on turning your life goals into real possibilities.

About Medicare



Medicare is a federal health insurance program that helps people age 65 and over. It also helps some younger people with disabilities and people with end-stage kidney disease pay for their health care.

You may have heard that Medicare is made up of different parts. Each part helps cover different types of health services. We've broken down the parts to help you understand the benefits and services Medicare helps pay for and monthly premium costs you should consider. To learn more about other costs you may have to pay for, such as deductibles, co-payments, or coinsurance, check out the *Paying for Medicare* section on page 11.

Parts	What it Helps Pay For	Premium Costs to Consider
Part A Hospital	Inpatient hospital care, some home health, hospice, and skilled nursing facility care.	Most people don't pay a premium for Part A because they already paid for it through their payroll taxes while working. If you do not have premium-free Part A, you may be able to buy it under certain conditions.
Part B Medical	Doctor visits, some home health care, medical equipment, some preventive services, outpatient hospital care, rehabilitation therapy, lab tests, X-rays, mental health services, ambulance services, and blood.	You pay a monthly premium for Part B. If you don't sign up for Part B when you are first eligible, and decide to sign up later, you may have to pay a monthly penalty for as long as you have Medicare.
Part D Prescription Drugs	Prescription drugs.	You pay a monthly premium for Part D. If you don't sign up for a Part D plan when you are first eligible, and decide to sign up later, you may have to pay a monthly penalty for as long as you have Medicare Part D.

Like most other insurance, Medicare does not pay all your health care costs. You're responsible for paying the costs that are not covered, such as deductibles, co-payments, and coinsurance. It is important to consider these costs, along with your monthly premium, to find a plan that works for you and your wallet. There are also some health care services that Medicare doesn't cover. For example, Medicare does not cover an extended stay in a nursing home, or routine dental and vision care. It also does not cover health care when you travel outside the United States.

Getting Medicare

You are most likely eligible to enroll in Medicare when you turn 65. Some people get it automatically, and some people have to sign up. See where you fall on the chart below.

I'm already receiving Social Security benefits	I'm not receiving Social Security benefits	I'm still working and covered by my employer	I'm not sure
You're automatically signed up for Medicare once you turn 65. You should get a packet of information, including your Medicare card, in the mail. If you don't get this information before your 65th birthday, contact the Social Security Administration at 1-800-772-1213.	You will need to sign up for Medicare at your local Social Security office or online at www.SocialSecurity.gov.	You might not need Medicare right away. Check with your employer to find out how Medicare works with other insurance that you may have.	Call your local Social Security office or the Social Security Administration at 1-800-772-1213.

To qualify for Medicare, you or your spouse need to have paid Medicare and Social Security payroll taxes for at least 10 years while working, or meet other specific requirements. If you are 65 and don't have the earnings history, you still may be able to buy Medicare coverage. You must be a citizen or permanent resident of the United States.

If you're under 65 and disabled, you'll automatically get Part A and Part B after you get disability benefits from Social Security for 24 months or certain disability benefits from the Railroad Retirement Board for 24 months.

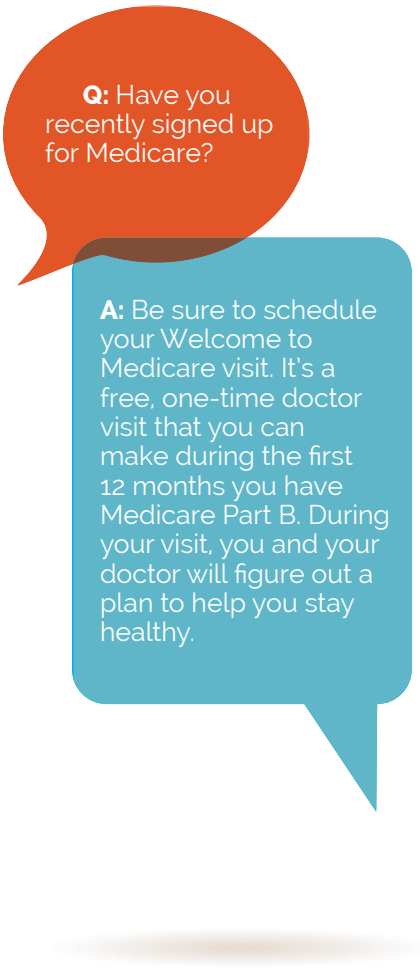
Initial Enrollment

When it comes to signing up for Medicare, timing is everything. Most people are eligible to sign up for Medicare when they turn 65. At that time, you have a seven-month window during which you can first sign up for Medicare:

- During the three months before the month you turn 65
- During the month you turn 65
- During the three months after the month you turn 65

The best time to sign up for Medicare is during the three months before the month you turn 65. By signing up during this period, you won't have a lapse in coverage from your previous plan.

And remember, you have a chance to review your coverage every year to see what new benefits Medicare has to offer and to make sure your plan still works for you. You have the opportunity to change your Medicare plan during Medicare's Open Enrollment period which takes place annually from **October 15 to December 7.**

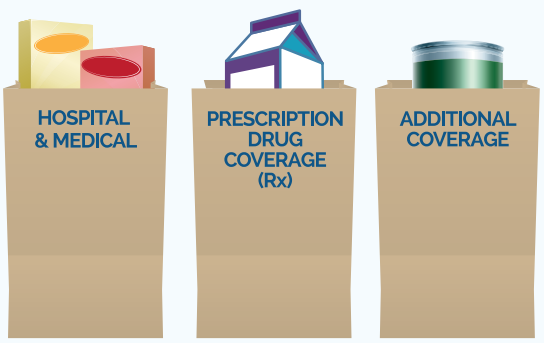


For quick answers to some of the most common Medicare questions, visit our Medicare Q&A Tool at **www.aarp.org/MedicareQA**

YOUR MEDICARE Choices

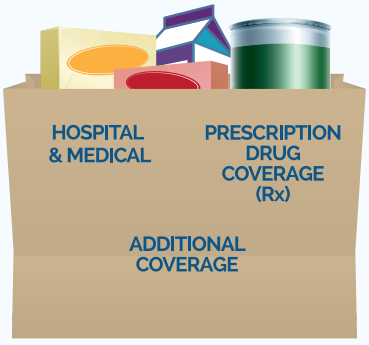
You have a choice of how you get your Medicare coverage.

The decisions you make are important because they affect how you receive and pay for your health care. Comparing your choices and checking the prices is not that different from the way you shop for groceries.



Original **MEDICARE**

or



MEDICARE Advantage

You can go to any hospital and doctor that accepts Medicare.

You might be limited to hospitals and doctors on your plan's list.

If you need prescription drug coverage, you can buy a separate plan.

Most Medicare Advantage plans already include prescription drug coverage. If yours doesn't, you can buy a separate plan.

You can also buy supplemental insurance, called Medigap, to help cover some of the costs not covered by Original Medicare.

Many Medicare Advantage plans include additional benefits, such as vision, dental, or gym membership. You cannot add a Medigap plan to a Medicare Advantage plan.

Have more questions?

Check out AARP's Medicare Q&A Tool for answers at **www.aarp.org/MedicareQA**

A Little More About Your Choices

Original Medicare

Original Medicare, also known as traditional Medicare, is a fee-for-service health plan. This means you can choose any doctor or hospital that accepts Medicare. Medicare will pay its share of the doctor or hospital bill and you pay the rest.

CHECK OUT YOUR CHOICES

Original Medicare includes Part A (hospital) and Part B (medical). Part B is optional, but if you don't sign up when you are first eligible and decide to get it down the road, you may have to pay a monthly penalty for as long as you have Part B coverage. To get drug coverage under Original Medicare, you have to also buy a Medicare-approved Part D prescription drug plan.

Because Medicare doesn't cover all of your health care costs, you might want to find out about Medicare Supplemental Insurance, sometimes referred to as Medigap. Medigap is private health insurance that helps cover some of the costs not covered by Original Medicare. You have to buy and pay for Medigap on your own. For some people with low incomes, the Medicaid program, which is run by your state, can act like a Medigap plan by covering costs that Medicare doesn't cover and possibly helping with Medicare premiums.

Medicare Advantage

Medicare Advantage plans are an alternative to Original Medicare. Medicare Advantage is also known as Medicare Part C. These Medicare plans are offered by private insurance companies and pay for the same health care services as Original Medicare. Some plans also pay for additional health care services that aren't covered by Original Medicare. Examples of Medicare Advantage plans include Health Maintenance Organizations (HMOs) and Preferred Provider Organizations (PPOs).

In most Medicare Advantage plans, you can only go to doctors, specialists, hospitals and pharmacies on the plan's list. Otherwise, you may pay more or you may not be covered for services at all. If you have a Medicare Advantage plan, you may have to choose one doctor to be your primary care doctor, or main health care provider. Usually, your primary care doctor will coordinate all of your health care, send you to a specialist when you need one, and admit you to the hospital if it becomes necessary.

Medicare Advantage plans may include extra benefits and services, like dental, vision, hearing, health club memberships, and coverage when traveling outside the U.S.

Medicare doesn't automatically enroll you in a Medicare Advantage plan. You need to choose a plan and sign up directly. If selecting a Medicare Advantage plan, you must live in the plan's service area to enroll. The Medicare Advantage plan you choose will let Medicare know that you have enrolled in one of their plans. Medicare Advantage plans are available in most parts of the United States. You must have both Part A and Part B with a Medicare Advantage plan. Many Medicare Advantage plans also include Part D. People with end-stage kidney disease are not eligible to enroll in a Medicare Advantage plan.

Medicare Prescription Drug Coverage

If you already take medications or think you may need them down the road, you should consider getting Medicare prescription drug coverage (Part D), which helps pay for some of the costs of prescription drugs. Medicare Part D plans are sold by private insurance companies that have been approved by Medicare to offer prescription drug coverage.

There are two ways you can get a Medicare prescription drug plan

1. **Original Medicare doesn't include prescription drug coverage** so you'll need to buy a separate "stand-alone" drug plan (which covers drugs only) if you want prescription drug coverage.

or

2. **Your Medicare Advantage plan may already include prescription drug coverage** in addition to your hospital and medical coverage. Some types of Medicare Advantage plans do not include prescription drugs. If you select one of these plans and want prescription drug coverage, you would need to buy a separate "stand-alone" drug plan.

YOU'VE GOT OPTIONS

For your prescription drug coverage, you've got choices. You can choose from many drug plans. If you are newly eligible for Medicare, you can enroll in a Medicare Part D plan up to three months before or no later than three months after the month you become eligible. A monthly late enrollment penalty may apply if you enroll after this initial period and will continue for as long as you have Medicare Part D coverage.

Like other insurance, there is a monthly premium for Part D prescription drug coverage. If you have a limited income and resources, you may be able to get help with covering the costs of your prescription drugs. To learn more about your options, call Social Security at 1-800-772-1213 or visit www.SocialSecurity.gov. You can also call your State Health Insurance Assistance Program (SHIP) for free one-on-one health insurance counseling. To find the number for your state SHIP office, call 1-800-633-4227.

For answers to some of the most common questions about Medicare prescription drug coverage, visit our Medicare Q&A Tool at **www.aarp.org/MedicareQA**

CHOOSING A PLAN

Take the time to think about your options before you choose a Medicare plan. Read through information that is available on all the plans. Talk to your doctor, friends and family who have Medicare.

Ask yourself these questions....

Cost

- ❑ How much will I have to pay for my health care and prescription drugs?
- ❑ How much are my premiums, deductibles, and other costs?
- ❑ How much will I pay for services like hospital stays or doctor visits?
- ❑ How much will I pay if I visit a provider not on my plan's list?

Coverage

- ❑ Does the plan cover the services I need?
- ❑ Do I need to get referrals?
- ❑ Do I have, or am I eligible for, other types of health or prescription drug coverage *(for instance, from a former or current employer or a union)*?
- ❑ Do I need coverage in another state, or outside the U.S.?

Convenience

- ❑ Do I have my choice of health care providers?
- ❑ Do I have my choice of pharmacies?
- ❑ Does the plan cover my doctors and nearby hospitals?
- ❑ Do I have to choose my hospital and health care providers from a plan's list?

Ready to Compare Plans?

Compare the costs, benefits, and quality of the plans you're considering. You can always call Medicare if you need more information. And ask yourself what is most important to you in a Medicare plan — cost, coverage, or convenience?

Fill out this form to guide you....

Figure out if the plan you are considering works with your budget:

Monthly premium(s) x 12: _____

Out-of-pocket expenses: + _____

(Such as co-payments for doctor visits, prescription drug costs, etc.)

= _____

Use this list as you review the services your plan offers and that you're likely to use:

- ❑ Prescription drugs
- ❑ Dental
- ❑ Vision
- ❑ Hearing
- ❑ Coverage in another state or outside the U.S.
- ❑ Health club membership
- ❑ _____ *(fill in the blank)*

If you are still covered by your employer, check with your employer to find out how Medicare works with other insurance that you may have.

List your doctors, hospitals, pharmacies, and prescription drugs so that you can make sure they are on your plan's list:

_____

_____

_____

For more information about Medicare plans available in your area, visit **www.Medicare.gov** or call 1-800-MEDICARE (1-800-633-4227).

Paying for Medicare

It's important to know that, like most other insurance, Medicare doesn't pay for all of your health care costs. You will have to share in the cost of your care by paying monthly premiums and out-of-pocket costs, such as deductibles, co-payments, and coinsurance, for the services you use. Don't forget to consider all the costs so that you can find a plan that works for you and your wallet.

Generally, how much you pay for Medicare depends on:

1. Which Medicare plan you choose

There are two main ways to get Medicare coverage. Depending on which plan you choose, the way you pay for your coverage will be different.

If you choose Original Medicare, most people don't pay a monthly premium for Part A but do for Part B. You will also have to pay for out-of-pocket costs such as deductibles, co-payments, and coinsurance. With this plan, Medicare pays its share of the doctor or hospital bill, and you pay the rest unless you have other health insurance that helps pay for these costs. For example, Medicare pays about 80 percent of the cost of your doctor bill, and you pay about 20 percent.

If you choose a Medicare Advantage plan, you pay a monthly premium for your hospital and medical coverage. When it comes to how you share in

the cost of your care with your plan, your out-of-pocket costs depend on which plan you choose. You may have to pay deductibles, co-payments, and coinsurance. For example, you may have a $25 co-payment each time you visit your doctor. With all Medicare Advantage plans, there are limits on how much you may have to pay out-of-pocket.

Medicare costs can change every year. You can call Medicare at 1-800-MEDICARE (1-800-633-4227) or go to www.Medicare.gov to find out about premiums, current deductibles, co-payments, and other costs. Or you can call your plan directly.

UNDERSTAND THE COSTS

2. How often you go to the doctor/hospital and your prescription needs

Most Medicare plans have out-of-pocket costs, such as deductibles, co-payments, and coinsurance, which you are responsible for paying in addition to your monthly premium.

If you are in good health and don't require many health care services, you will likely have fewer out-of-pocket costs. If you have more health care needs that require doctor or hospital visits or prescription drugs, you will likely pay more in out-of-pocket costs as you use those services. It is important to consider your health status and how often you might visit the doctor or hospital, as well as your prescription drug needs, to get a sense of how much you'll have to pay.

3. Whether you have other health insurance

If you have additional coverage from an employer or union, you may get help paying for some of the costs that Medicare does not cover. Be sure to check with your employer to find out how other insurance coverage you may have works with Medicare.

If you have Original Medicare, you can also buy Medicare Supplemental Insurance — also known as Medigap — to help cover some of the costs.

Also, if you qualify, you might be able to get help through Medicaid or other public programs. Medicaid is a program funded by the federal and state governments to help people with low incomes pay for health care.

4. Whether you qualify for help with Medicare costs

If you have a limited income, there are programs in addition to Medicaid that can help you pay for some of your monthly premiums and other out-of-pocket costs. They include:

- Medicare Savings Programs
- Extra Help with Medicare Prescription Drug Plan Costs
- State Prescription Drug Assistance Programs
- The PACE Program (Programs of All-inclusive Care for the Elderly)

To qualify, you must meet certain income and resource guidelines. To find out if you are eligible for one of these programs, visit www.Medicare.gov or call 1-800-MEDICARE (1-800-633-4227). You can also contact your local State Health Insurance Assistance Program (SHIP) at 1-800-633-4227.

Check for Changes

Medicare costs, such as your monthly premium or deductibles, can change from year to year. Additionally, Medicare Advantage and prescription drug plans can also change the health services and benefits they cover and how they charge for them. Make sure your plan will still meet your needs for the following year. If you want to explore your options, you can change your plan during Medicare's Open Enrollment period that takes place annually from **October 15 to December 7**.

Medigap

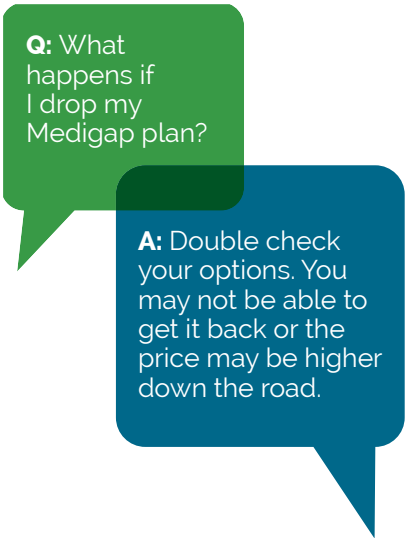
If you have Original Medicare, you might decide to buy Medicare Supplemental Insurance, also known as Medigap. A Medigap plan helps you pay for costs that Medicare doesn't cover, such as your share of costs for doctor and hospital services. Medigap only works with Original Medicare. Medigap cannot be used to pay a Medicare Advantage plan's deductibles, co-payments, and premiums.

Medigap plans are sold by private health insurance companies. They must offer standard Medigap plans to people on Medicare. In most states, these standard plans are labeled Plan A – D, F, G and K – N. Each offers a different set of benefits, fills different gaps in Medicare coverage, and varies in price.

Generally, Medigap policies cover some or all of the cost of:

- Hospital coinsurance for Medicare covered hospital stays
- Medicare coinsurance on your Medicare-covered doctor's bills and other Medicare Part B services
- The first three pints of blood you need each year
- Hospice care coinsurance

Some Medigap plans may also cover additional health services.



Enrolling in Medigap

You can buy a Medigap plan during the six months following your initial enrollment in Original Medicare at age 65. This is called the Medigap Open Enrollment period. It's only available once in most states. After your Medigap Open Enrollment period, depending on state law, insurance companies may be able to refuse to sell you Medigap coverage.

Generally, if you're under age 65 and on Medicare due to a disability, you don't have an Open Enrollment period for Medigap. However, some states require insurers to sell Medigap to people under age 65 with disabilities. Contact your state insurance department for more information.

Remember your Rights

If you think you want to buy a Medigap plan, remember that you have the right to review your new Medigap policy for 30 days. You must cancel it during that time for a full refund if you decide it doesn't meet your needs. You also have the right to cancel your Medigap plan at any time. In most cases, as long as you pay your premium, your Medigap coverage will continue year after year. By law, Medigap providers aren't allowed to sell you more than one Medigap plan.

There are some things you should consider when buying a Medigap plan:

Do you have a retiree health plan?
If you have a comprehensive retiree health plan through your former employer or union that supplements Original Medicare, you might not need a Medigap plan. If your retiree health plan provides more generous benefits or benefits not covered by Medicare or Medigap, you should think about your options carefully before dropping the plan. You may not be able to get it back once you disenroll from your retiree health plan. Check with your union or former employer's health plan first.

Can you accept some limits on your care?
Medicare Select is a Medigap plan that limits the providers you can see. Costs can be lower than standard Medigap policies because Medicare Select plans cover care only at certain hospitals and might be limited to using specific doctors.

Resources

For more information about Medigap plans available in your area, visit www.Medicare.gov or call 1-800-MEDICARE (1-800-633-4227).

State insurance departments are responsible for licensing and regulating insurance companies that do business in their state, and for approving their Medigap policies. They often have consumer information and can help with complaints. The National Association of Insurance Commissioners links you directly to your state insurance department through its website at www.naic.org.

Things You Should Know About Medicare

- Get information from people and organizations you trust, such as your doctor, your friends and family, the State Health Insurance Assistance Program (SHIP), and the Medicare program. Don't rely only on information from insurance companies.
- Medicare Advantage plans must include Part A and Part B.
- Be sure to take advantage of your Welcome to Medicare visit during the first 12 months you have Medicare.
- If you don't sign up for Medicare when you're first eligible, you may have to pay a monthly penalty for as long as you have Medicare, if you decide to sign up later.
- Each year you have a chance to review your coverage, see what new benefits Medicare has to offer, and make sure your Medicare choice still works for you.
- Regardless of the plan you choose, everyone enrolled in Medicare has a right to receive reasonable and necessary services covered by Medicare. Everyone has a right to appeal denials of care and coverage.
- If you drop your Medigap coverage or retiree health insurance, you might not be able to get it back. Check with your former employer or union before you make any changes.
- Once you sign up for Medicare after turning 65, you have a six month period when you can buy any Medigap plan you choose. During this period, you can't be turned down or charged more because of past or present health problems.

For quick answers to some of the most common Medicare questions, visit our Medicare Q&A Tool at **www.aarp.org/MedicareQA**

Get answers to your Medicare questions

We hope this booklet has helped you get to know how your Medicare works. If you still have questions, check out the resources listed below. And don't forget to grab a pen and paper to jot down important notes!

Medicare has a toll-free help line you can call to get answers to your Medicare questions on coverage, costs, appeals and more. Help is also available in Spanish.

- Call: **1-800-MEDICARE (1-800-633-4227)** or **TTY 1-877-486-2048** *(hearing and speech impaired)*
- Visit: **www.Medicare.gov**

Social Security has a toll-free number you can call if you are ready to sign up for Medicare or if you want to contact your local Social Security office. Help is also available in Spanish.

- Call: **1-800-772-1213**
- Visit: **www.SocialSecurity.gov**

AARP's Medicare Q&A Tool is an easy-to-use tool that provides answers to your most frequently asked questions about Medicare. The tool is also available in Spanish.

- Visit: **www.aarp.org/MedicareQA**

Check out Medicare for Dummies, available in paperback and e-book, to help you navigate Medicare successfully.

- Visit: **www.aarp.org/bookstore**

AARP's Doughnut Hole Calculator helps you find ways to lower your prescription drug costs. The calculator is available in English and Spanish.

- Visit: **www.aarp.org/DoughnutHole**

Meet Medicare Glossary

Appeal
An appeal is the action you can take if you disagree with a coverage or payment decision made by Medicare or your Medicare health plans.

Coinsurance
An amount you may be required to pay as your share of the cost for services after you pay any deductibles. Coinsurance is usually a percentage (for example, 20%).

Co-payment
A fixed amount (for example, $15) you pay for a covered health care service, usually when you receive the service. The amount can vary by the type of covered health care service.

Deductible
The amount you owe for health care services your health plan covers before your health plan begins to pay. For example, if your deductible is $1,000, your plan won't pay anything until you've met your $1,000 deductible for covered health care services subject to the deductible. The deductible may not apply to all services.

Employer-sponsored Health Insurance
Health coverage an individual gets through his or her, or a spouse's job, as either an active or retired employee.

Extra Help
A program that helps some people with Medicare who have limited resources and income to pay for prescription drugs.

Home Health Care
Health care services and supplies a doctor decides you may receive in your home under a plan of care established by your doctor. Medicare only covers home health care on a limited basis as ordered by your doctor.

Hospice Care
A special way of caring for people who are terminally ill. Hospice care involves a team-oriented approach that addresses the medical, physical, social, emotional, and spiritual needs of the patient.

Inpatient Care
Health care that you get when you are admitted to a hospital or skilled nursing facility.

Medicaid
A joint federal and state program that helps with medical costs for some people who have limited income and resources. Medicaid programs vary from state to state, but most health care costs are covered at little or no cost.

Out-of-pocket Costs
Health care or prescription drug costs that you must pay yourself because they are not covered by Medicare or other insurance. Out-of-pocket costs include deductibles, co-payments, and coinsurance for covered services. They also include costs for services that are not covered by a health plan.

Outpatient Care
Medical or surgical care you get from a hospital when your doctor hasn't written an order to admit you to the hospital as an inpatient. Outpatient hospital care may include emergency department services, observation services, outpatient surgery, lab tests, or X-rays. Your care may be considered outpatient hospital care even if you spend the night at the hospital.

Penalty
An amount added to your monthly premium for Part B or Part D (Medicare prescription drug plan) if you don't join when you're firsteligible . You pay this higher amount as long as you have Medicare. There are some exceptions.

Premium
The periodic payment to Medicare, an insurance company, or a health care plan for health or prescription drug coverage.

Preventive Care
Health care to prevent health problems or catch an illness at an earlier stage, such as diabetes screenings, flushots , or mammograms.

Primary Care Doctor
The doctor you often see firstf or most of your health problems. Some plans may require you to see your primary care doctor before you see a specialist, such as an orthopedist (bone doctor) or a cardiologist (heart doctor).

Referral
A written order from your primary care doctor for you to see a specialist or get certain services. In many HMOs, you need to get a referral before you can get care from anyone except your primary care doctor. If you don't get a referral fi rst, the plan may not pay for your care.

Service Area
A geographic area where a health insurance plan accepts members, if it limits membership based on where people live.

Skilled Nursing Facility
A nursing facility with the staff and equipment to give skilled nursing care, skilled rehabilitation services, and other related health services.

For more definitions that may be helpful as you get to know Medicare, visit **www.Medicare.gov**

Notes

learn MORE

Visit *www.aarp.org/MedicareQA*

Write *AARP, 601 E Street, NW, Washington, DC 20049*

Call *1-888-OUR-AARP (1-888-687-2277) TTY 1-877-434-7598*

AARP is a nonprofit, nonpartisan organization, with a membership of nearly 38 million, that helps people turn their goals and dreams into real possibilities, strengthens communities and fights for the issues that matter most to families such as healthcare, employment and income security, retirement planning, affordable utilities and protection from financial abuse. We advocate for individuals in the marketplace by selecting products and services of high quality and value to carry the AARP name as well as help our members obtain discounts on a wide range of products, travel, and services. A trusted source for lifestyle tips, news and educational information, AARP produces AARP The Magazine, the world's largest circulation magazine; AARP Bulletin; www.aarp.org; AARP TV & Radio; AARP Books; and AARP en Español, a Spanish-language website addressing the interests and needs of Hispanics. AARP does not endorse candidates for public office or make contributions to political campaigns or candidates. The AARP Foundation is an affiliated charity that provides security, protection, and empowerment to older persons in need with support from thousands of volunteers, donors, and sponsors. AARP has staffed offices in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands. Learn more at www.aarp.org.

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