Capital Health PLAN℠

An Independent Licensee of the Blue Cross and Blue Shield Association

MEDICARE ADVANTAGE (HMO)

MEDICARE MADE EASY

A Guide to Understanding Your Medicare Options

2024.08.001

Medicare can seem complicated and confusing. It helps to learn and start thinking about your choices ahead of time — before you have to make decisions about your Medicare coverage. This guide is designed to help you understand Medicare so that you can make the best choice for your needs.

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What is Medicare?

Established in 1965, Medicare is a federally funded health insurance program for:

- People age 65 or older; or
- People younger than 65 who have certain disabilities; or
- People of any age with End Stage Renal Disease (ESRD), permanent kidney failure requiring dialysis or kidney transplant.

Part A: Hospital Insurance
Medicare Part A helps pay for inpatient care in a hospital or skilled nursing facility, some home health care and hospice care.

Part B: Medical Insurance
Medicare Part B helps pay for services from doctors and other health care providers, outpatient care, durable medical equipment and some preventive services.

IMPORTANT

Medicare does not cover everything.

Original Medicare provides basic coverage, and there will be gaps in the coverage. You should expect to be responsible for a portion of your health care costs. This is why many people enroll in a Medicare Advantage or Supplement Plan (Medigap) that will help pay for costs and benefits not covered by Original Medicare.

You are eligible to enroll in Medicare when:

You are turning 65.

- If you elected to receive early benefits from Social Security or the Railroad Retirement Board you will automatically be enrolled in Medicare Part A and Part B starting the first day of the month you turn 65.
- You must contact the Social Security Administration to enroll if you are not already receiving social security benefits.
- If your birthday is on the first day of the month, Medicare Part A and Part B will start the first day of the prior month.

You are under 65 and are awarded Medicare benefits due to a disability.

- You will typically be enrolled in Medicare Part A and Part B after you are awarded disability benefits from Social Security or certain disability benefits from the Railroad Retirement Board.

You must have earned 40 credits from about 10 years of Medicare-covered employment to be eligible. You are eligible for Medicare even though you have not elected to receive your Social Security or Railroad Retirement Board benefits.

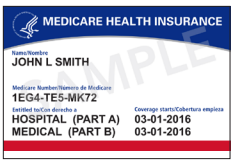
Note: If you do not qualify for Medicare based on your own work history, you may be able to qualify based on your spouse's work history if he/she is at least 62 years of age and you are at least 65 years of age even if your spouse is deceased or you are divorced. If you remarry, you may not be able to collect benefits on your former spouse's work history unless your former spouse is deceased.

You will need to sign up for Medicare if:

- You are close to 65, but not receiving Social Security or Railroad Retirement Board benefits.
- You worked for a railroad.
- You have End Stage Renal Disease (ESRD).

You will be enrolled in Medicare automatically if:

- You are already receiving Social Security benefits.
- You are already receiving Railroad Retirement Board benefits.
- You have been receiving Social Security disability for 24 months.



When you are automatically enrolled in Medicare, you will receive your red, white and blue Medicare card in the mail before your 65th birthday or your 25th month of disability.

How is Medicare Organized?

Medicare is divided into four different parts - A, B, C and D - which cover different aspects of your health care. The chart below shows what each Medicare Part covers and the costs that are associated with them.

Medicare Parts, Coverage and Costs

PART	COVERAGE	DEDUCTIBLE	COPAYMENT/ COINSURANCE	PREMIUM
A	Covers hospital and skilled nursing facility stays, hospice, home health care. **Provided by Federal Government.**	Yes	Yes	Most will not pay a premium
B	Covers outpatient care, doctor services, physical and occupational therapy, behavioral health services, preventive care. **Provided by Federal Government.**	Yes, except for preventive services	Yes, 20% or more for services	Yes, monthly premiums depend on adjusted gross income
C	Combines Medicare Part A and Part B and usually Part D. Generally offers extra benefits beyond Original Medicare. **Provided by private health plans approved by Medicare**.	Varies by plan. $0 deductible plans are available	Varies by plan	Yes. $0 premium plans are available
D	Covers outpatient prescription drugs. **Provided by private health plans approved by Medicare.**	Varies by plan. $0 deductible plans are available	Varies by plan	Yes. Often combined with Medicare Advantage
*	Covers Medicare Part A and Part B cost sharing (deductible and coinsurance) for Original Medicare covered services. Does not include Part D prescription drugs. Provided by private insurance companies approved by the State.	Varies by plan	Varies by plan	Yes, monthly

Medicare Part A
Hospital Insurance

Part A covers inpatient care in a hospital or skilled nursing facility, as well as home health care and hospice services.

What do I pay?

Part A Premium	Most people do not pay a monthly premium for Part A because they or their spouse paid Medicare taxes while working (10 year minimum). You may be able to buy Part A if you are not otherwise eligible.
Part A: Hospital Inpatient Deductible in Original Medicare	There is a deductible for each benefit period.
Part A: Your Costs in Original Medicare	$0 Home Health Services $0 Hospice There is a coinsurance per day beginning on day 61 for inpatient hospitalization. There is a coinsurance per day beginning on day 21 for skilled nursing facility stays.

Medicare Part B
Medical Insurance

Part B covers doctor visits and other professional services you receive on an outpatient basis.

What do I pay?

Part B Premium	Most people pay a standard premium each month. If your adjusted gross income is above a certain amount, you will pay more. You also could pay a late enrollment penalty if you delayed your enrollment.
Part B: Deductible in Original Medicare	There is a deductible each year.
Part B: Your costs in Original Medicare	There is no copayment for Medicare-covered preventive services (check with your provider). You typically pay 20% for most Medicare-approved doctor services, outpatient therapy, and durable medical equipment.

Medicare Part C
Medicare Advantage

Part C allows private health plans to offer Medicare-approved plans. Health plans contract with the federal government for the purpose of offering Medicare plans that combine hospital costs, doctor visits and other medical services in one plan. The plans must cover all Medicare Part A and Part B services and may include prescription drug coverage and additional benefits.

What do I pay?

You will continue to pay your Medicare Part B premium and a Part C premium if required. Plans may or may not have deductibles. Many plans charge copayments/coinsurance.

It is recommended to look at the plan for details. All plans have an annual out-of-pocket limit.

Why choose a Medicare Advantage Plan?

- Combines medical/drug coverage
- Additional benefits such as vision, hearing and wellness programs
- May have lower cost sharing than Original Medicare
- Limits on out-of-pocket costs
- Opportunity to change your coverage once a year
- Most plans do not have a deductible

Star Ratings

How Medicare Advantage and Prescription Drug Plans are rated

All Medicare Advantage and Prescription Drug Plans receive an annual star rating from the Center for Medicare and Medicaid Services (CMS). The Star Rating program can help Medicare beneficiaries make better informed choices about their health care coverage since the ratings are based on quality and performance.

A Five Star overall rating is the best rating that a plan can receive. For more details on the Medicare Star Ratings program, please visit www.medicare.gov.

Medicare Part D
Prescription Drug Coverage

Part D plans help pay for the cost of prescription drugs and are sold through private companies. Prescription Drug Plans (PDPs) may offer different drug lists and costs. Part D guidelines are set by Medicare.

There are two ways to get a Prescription Drug Plan. Purchase a Medicare Advantage plan with prescription drug coverage (MAPD) or purchase a stand-alone Prescription Drug Plan (PDP).

What do I pay?

Some plans have deductibles and may charge copayments/coinsurance. Most plans "tier" their drugs so your share of the cost will vary depending on the drugs you use, plan choice and if your pharmacy is in your plan's network. Once you have spent the annually established dollar limit, your coverage will automatically be considered "catastrophic coverage," Beginning in 2025, drug manufacturers pay a portion of the plan's full cost for covered Part D brand name drugs and biologics during the Catastrophic Coverage Stage. Discounts paid by manufacturers under the Manufacturer Discount Program do not count toward out-of-pocket costs.

In addition, for the first time Medicare is offering a Prescription Payment Plan option that works with your current drug coverage, and it can help you manage your drug costs by spreading them across monthly payments that vary throughout the year (January - December).

How to choose a Part D plan

Once you are eligible for Medicare, you can join a Part D plan. You have a chance to review your plan and make a change each year during the Annual Enrollment Period (AEP) if needed.

- Make sure that the plan you choose covers the medications you take. A plan's list of covered drugs is called a "formulary."
- Check whether the plan includes your pharmacy.
- Compare both premium and cost sharing for plans you are considering.
- Look for Part D plans with a higher star rating. Ratings are based on quality and performance.

? Did you know?

You may choose not to take Part D coverage. As with Part B, we advise you to consider that decision carefully.

You may have to pay a penalty if you did not have creditable coverage and you decide later that you need Part D coverage.

Medicare Supplement Plans (Medigap)

A Medicare Supplement plan (Medigap) is a plan sold by private insurance companies that may help fill the gaps in Original Medicare coverage (Part A and Part B). These plans may pay for some or all of the cost sharing or gaps in coverage such as copayments, coinsurance and deductibles. Medicare Supplement plans do not include prescription drug coverage. You must purchase a Part D plan separately.

What do I pay?

You will pay a monthly premium to the plan in addition to any deductibles, copayments or coinsurance that are included in your plan. In addition, you will still pay your Part B premium.

There are standarized plans (A-N) approved by Medicare. Each state chooses how many plans it will offer.

Usually plans offering more coverage and lower cost sharing have a higher premium.

When can I join a Medicare Supplement plan?

- Any time after you turn 65. With some plans you may save money on your premium if you enroll during your Initial Enrollment Period (IEP).
- You may not purchase a Medicare Supplement plan at the same time you have a Medicare Advantage Plan.
- A Medicare Supplement plan is guaranteed renewable as long as you pay your premium.
- You are covered nationwide and will be accepted by any Medicare-approved facility or health care provider that is accepting patients with Original Medicare.

Before You Make A Decision...

Talk about your decision with a Medicare professional. You can call 1-800-633-4227 (1-800-MEDICARE) 24 hours a day, 7 days a week. TTY users should call 1-877-486-2048. You will also find additional resources in the back of this booklet.

Things to consider when choosing a plan:

- How much is the monthly premium?
- What are my out-of-pocket costs if I need care?
- Is my doctor in the network?
- Are my prescription drugs covered?
- What is the plan's Star Rating (MAPD and PDP only)?

How to sign up for Original Medicare (Part A + Part B)

Apply online at www.socialsecurity.gov

Visit your local Social Security office

Call Social Security

Medicare Coverage Options

Original Medicare with prescription drug coverage (optional)

Original Medicare for hospital, doctor and outpatient service coverage, with optional Part D prescription drug coverage purchased separately.

Part A
Hospital

+

Part B
Doctor & Outpatient

+

Part D
Prescription Drug
OPTIONAL*

Medicare Advantage with prescription drug coverage

Offered by private health plans. Combines Part A and Part B and may include additional benefits such as hearing, vision and prescription drug (Part D) coverage.

Part C
Medicare Advantage

+

Part D
Prescription Drug**

Original Medicare with Medicare Supplement (Medigap)

Medicare Part A and Part B for covered benefits, with Medicare Supplement (Medigap) coverage for Medicare-approved services.

Part A
Hospital

+

Part B
Doctor and Outpatient

+

Medigap
Medicare Supplement

+

Part D
Prescription Drug
OPTIONAL*

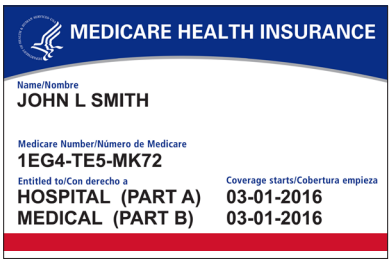
*Must be purchased separately
**Included in most plans

What cards will I need to carry?

Depending on how you select your coverage, you may need to carry different types of Medicare ID cards, as shown below.

Original Medicare with prescription drug coverage

You will need a government-issued red, white and blue Original Medicare card. If you purchase a Part D Prescription Drug Plan, you will also need a separate card that will be issued by that plan.



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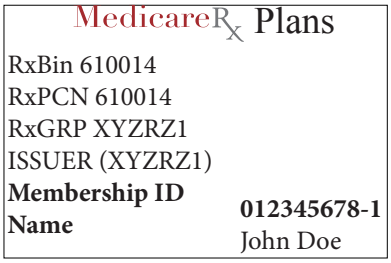
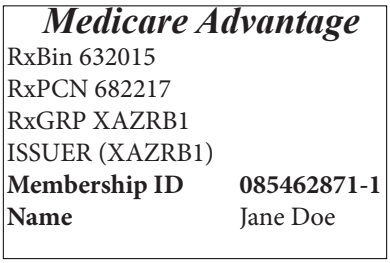


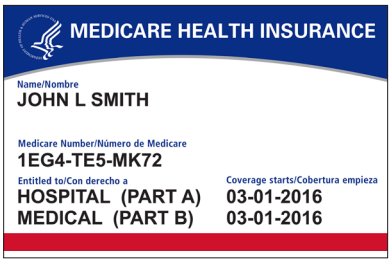
Medicare Advantage with prescription drug coverage

You will receive a Medicare Advantage ID card from the private health plan you purchase your plan from. The look of these cards will vary by company.



Part A and Part B with Medigap

You will need your Original Medicare and Part D cards, and Medicare Supplement ID card. The look of these cards will vary by company.



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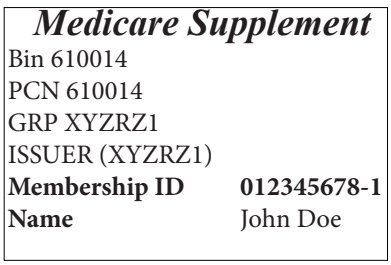

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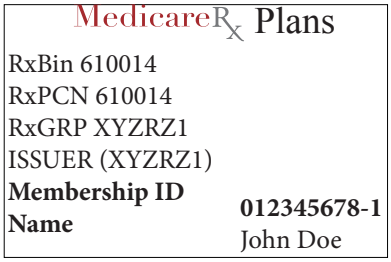


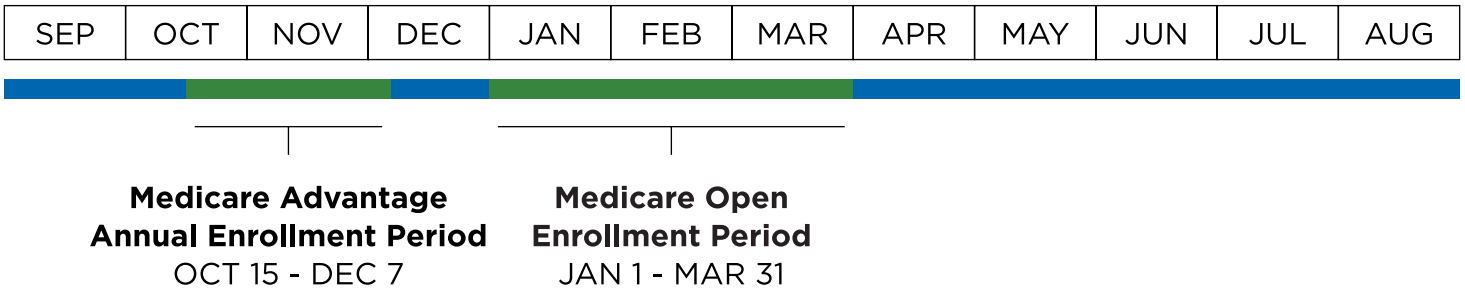
Medicare Enrollment Periods

Medicare Initial Election Period (IEP)

- Disability for 24 months
- Turning 65
  - 7 month period, during which you can join a Medicare Advantage Plan
  - Starts 3 months before the month you are eligible for Medicare, includes the month you are eligible, and ends 3 months after you are eligible for Medicare

When is my **7-Month** Initial **Enrollment Period**?

Medicare Advantage **Enrollment Periods**



Medicare Enrollment Periods

Medicare Advantage Annual Enrollment Period (AEP)

- October 15 - December 7
- Can move from one plan to another
- Medicare Advantage, Medicare Supplement or Original Medicare
- Changes become effective January 1

Medicare Open Enrollment Period (OEP)

- January 1 - March 31
- Allowed to disenroll from a Medicare Advantage plan and:
- Switch from a Medicare Prescription Drug Plan (MAPD) to a Medicare Advantage (MA) only plan
- Switch from a Medicare Advantage (MA) only plan to a Medicare Prescription Drug Plan (MAPD)
- Switch between two different Medicare Advantage (MA) only plans
- Join Original Medicare (Part A and Part B), with or without prescription drug coverage (Part D)

Medicare Advantage Special Election Period (SEP)

May join, leave or change plans if:

- Move into or out of the plan's service area
- Lose employer or union group coverage
- Enter or leave a long term care facility or skilled nursing facility
- Qualify for the federal Extra Help Program (Low Income Subsidy)
- Qualify for State Medicaid program
- Join a 5-Star plan if in a lower rated plan

Medicare Supplement (Medigap) Enrollment Periods

- The best time to purchase a Supplement (Medigap) plan is during your six month Open Enrollment period which begins the first day of the month in which you are 65 or older and enrolled in Medicare Part B
- Once the Open Enrollment period starts, it cannot be delayed or replaced
- If you apply for Supplement (Medigap) coverage after your Open Enrollment period, there is no guarantee that an insurance company will sell you a policy if you do not meet the medical underwriting requirements and they could charge a higher premium
- Some requirements may vary by State

Medicare Eligibility F.A.Q.

Do I need to sign up for Medicare before I turn age 65?

If you are not currently receiving Social Security benefits, then yes, you do need to contact Social Security during the three months before turning 65.

Can I switch Medicare plans?

Yes. In fact, it's smart to review your medical needs every year and decide whether your current Medicare plan is working for you. You have the option with Medicare Advantage plans to change once a year during the annual enrollment period (AEP), unless you qualify for a special enrollment period during the year.

What if I miss an enrollment date?

It's best to call Medicare directly at 1-800-633-4227 (1-800-MEDICARE) 24 hours a day, 7 days a week. TTY/TDD users should call 1-877-486-2048. Talk with a representative, explain your circumstances, and ask if you can still enroll or need to wait until the next enrollment period.

If I start receiving Social Security Benefits at 62, am I eligible for Medicare?

No. You must be 65 to be eligible for Medicare benefits. The exception is if you are under age 65 and have a qualified disability or End Stage Renal Disease.

What if I wait until 66 or older to start my Medicare Benefits?

You must contact Social Security to enroll and start your benefits. You could pay a higher premium for late enrollment. If you are covered under a group health plan based on current employment, you will be eligible for a Special Enrollment Period to sign up for Medicare Part A and/or Part B any time as long as you or your spouse is working. You also have eight months starting the month after the employment ends to sign up for Part B without a penalty.

Will my Medicare Part A premium automatically be deducted from my Social Security check?

No. Most people will not pay a monthly premium for Part A if you or your spouse paid Medicare taxes while working (10-year minimum). If you don't meet the requirements and purchase Part A, you will receive a monthly bill from Medicare.

Do I have to sign up for Medicare Part B (medical services)?

If you are 65 and have credible coverage through an employer, you do not have to sign up for Part B. If you do not have credible employer coverage, you must sign up for Part B or you may incur a late enrollment penalty.

If I choose a Medicare Advantage Plan, will I still pay for Medicare Part B?

Yes, you will continue to pay your Part B premium and the monthly health plan premium.

If I choose just Original Medicare (Part A and B), are there added costs?

Yes. You will pay deductibles, copayments, coinsurance and Part B premiums.

Do I have to buy a Prescription Drug Plan (PDP) separately?

Maybe. Prescription Drug Plans (PDPs) are sold through private health plans as separate policies. Most Medicare Advantage plans include prescription drug coverage. With Original Medicare or Medicare Supplement plans, you must purchase a separate drug plan.

Can I be refused for Medicare coverage?

No. All people age 65 and older are eligible to receive or purchase Medicare benefits.

Resources

Medicare

For more information on Medicare benefits, visit www.medicare.gov or call 1-800-633-4227 (1-800-MEDICARE) 24 hours a day, 7 days a week. TTY users should call 1-877-486-2048.

Social Security Administration

Enroll in Medicare Parts A and B by contacting the Social Security Administration at 1-866-248-2088 (local) or 1-800-772-1213 (TTY 1-800-325-0778) 8:00 am to 7:00 pm, Monday - Friday, or www.socialsecurity.gov. Or visit the Tallahassee office at 2002 Old St. Augustine Road, Suite B-12, 9:00 am to 3:00 pm, Monday, Tuesday, Thursday or Friday and 9:00 am to 12:00 pm on Wednesday.

Serving Health Insurance Needs of Elders (SHINE)

You can also get free information about Medicare through our local SHINE program. Call 1-800-963-5337 or visit www.floridashine.org. TTY users should call 1-800-955-8770. The organization offers counseling and assistance to people with Medicare and their families.

Medicare and You

The official Medicare handbook for Medicare programs is updated each year. You can download a copy by visiting www.medicare.gov or call Medicare to request a copy. For online tools to find and compare drug plans, Medicare Advantage plans and Medigap policies, go to www.medicare.gov.

Area Agency on Aging for North Florida

For help in finding local, state and community-based organizations that serve older adults and their caregivers, call 850-963-5337 or visit www.eldercare.gov.

Your Current Health Plan

Your health plan's customer service center can answer any questions you may have about your current coverage; call the number on your identification card.

Note: The Annual Enrollment Period (AEP), the Open Enrollment Period (OEP) and the Special Enrollment Period (SEP) apply only to Medicare Advantage plans. You can change from Original Medicare to a Medicare Supplement plan, change Medicare Supplement plans, or disenroll from a Medicare Supplement plan any time during the year.

Extra Help (otherwise known as Low Income Subsidy or LIS) may be available to you. This federal program helps people with limited income. The program helps pay for prescription drug costs associated with Medicare Part D. If you qualify for Extra Help (LIS), you may receive help paying for your drug premiums, deductibles and copayments, and will be covered during the Coverage Gap (donut hole). You will also be exempt from the Medicare Part D Late Enrollment Penalty if you didn't have credible drug coverage when you became eligible for Medicare Part D.

To see if you qualify for Extra Help, please call Social Security at 1-800-772-1213 between 8:00 a.m. - 7:00 p.m., Monday - Friday. TTY users should call 1-800-325-0778.

Notes

Notes

Capital Health Plan complies with applicable Federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability, or sex. ATENCIÓN: si habla español, tiene a su disposición servicios gratuitos de asistencia lingüística. Llame al 1-877-247-6512 (TTY: 1-877-870-8943). ATANSYON: Si w pale Kreyòl Ayisyen, gen sèvis èd pou lang ki disponib gratis pou ou. Rele 1-877-247-6512 (TTY: 1-877-870-8943).

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