

# The Road to Medicare: Planning Your Drive



## Toward 65

**It is very important for everyone becoming eligible for Medicare** to get accurate information about coverage and delivery options, including supplement health insurance, Medicare health plans and prescription drug coverage. Attention to these issues will help you avoid serious and costly problems later. This fact sheet will help you map your journey to Medicare highlighting roadblocks and warning signs along the way.

Some road signs you need to watch out for are:

**Caution: Slippery Road Ahead** - Ways to prepare for Medicare

**Green Light: Enrollment** - When and how you need to enroll in Medicare

**Detour: Working Past 65** - Information for beneficiaries who plan to work beyond age 65

**Which Way to Supplement Coverage?** - Choices in health insurance to supplement Medicare

**Stop: Get Help** - Resources for further information and assistance on the road to Medicare

Delaware Medicare Assistance Bureau “DMAB”, Delaware’s State Health Insurance Assistance Program (SHIP), a division of the Delaware Department of Insurance, is available for additional guidance and information at any turn of the road. Contact DMAB at **302-674-7364** or by email at [DMAB@delaware.gov](mailto:DMAB@delaware.gov). Trained DMAB volunteer counselors are also available in every county in Delaware to help with your specific situation. The Delaware Department of Insurance Web site, [www.insurance.delaware.gov/dmab](http://www.insurance.delaware.gov/dmab), also provides information and publications to assist you.

### Caution: Slippery Road Ahead



Several months before turning 65 you should begin to learn more about Medicare and how it relates to your circumstances. For example:

+Request a copy of your Social Security Statement from the Social Security Administration at **1-800-772-1213** or [www.socialsecurity.gov](http://www.socialsecurity.gov). This will specify how many credits of work you have and how much you have paid into the Social Security System. If you or your spouse have 40 or more credits of work and have paid into the Social Security System, you are eligible for premium-free Medicare Part A (Hospital Insurance) at age 65. If you do not have sufficient credits of work to qualify, you can buy Medicare Part A coverage. Everyone pays a premium for Medicare Part B (Medical Insurance).

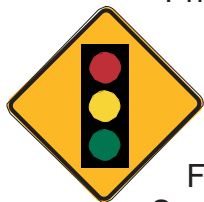
+If you have been on Medicare due to disability, you have a brand new six-month Open Enrollment Period for purchasing Medicare supplement insurance when you turn 65.

+Talk to your employer's benefits officer and ask for any information about company health insurance after age 65. If you have an employer group health plan (EGHP) that will continue to pay secondary after you become eligible for Medicare, study the benefits booklet to find out the cost and benefits of the plan. You will then need to decide if you should keep your EGHP as secondary to Medicare or if you need to drop your EGHP and purchase a Medicare supplement or join a Medicare Advantage plan. If your EGHP has drug benefits, make sure they are as good as or better than Medicare Part D.

+If you will not be covered by an EGHP plan, begin to investigate other health insurance options - either an individual Medicare supplement policy (Medigap) or a Medicare Advantage plan. DMAB can provide information about the Medicare supplement plans, Medicare Advantage (Medicare Part C) plans and Medicare Prescription Drug Plan (Medicare Part D) options available in Delaware.

+Learn more about what Medicare will and will not cover. Get a copy of the Medicare & You Handbook or Delaware Medicare Supplement Insurance Guide from the DMAB office. Understanding what Medicare covers and does not cover will give you some idea of the health care costs you may incur.

+As a new Medicare beneficiary, you are entitled to a one-time Welcome to Medicare Wellness Physical within one year of the day your Medicare Part B becomes effective.



### Green Light: Enrollment

#### Automatic Enrollment

If you are already receiving Social Security benefits, Railroad Retirement benefits, or Federal Retiree benefits your enrollment in Medicare is automatic. Check with Social Security to verify your Automatic Enrollment as well as your current address. Your Medicare card should arrive in the mail shortly before your 65<sup>th</sup> birthday. Check the card when you receive it to verify that you are entitled to both Medicare Parts A and B.

#### Initial Enrollment

If you are not eligible for Automatic Enrollment, contact the Social Security Administration at **1-800-772-1213** or **www.socialsecurity.gov**, or visit the nearest office to enroll in Medicare Part A and Part B. You have a seven-month window in which to enroll in Medicare without incurring a penalty.

Initial Enrollment Period (IEP) Example Sally Smith turns 65 years old on July 15		
April 1st	July	October 31st
Sally's IEP starts three months before her 65 <sup>th</sup> birthday. She can begin the process of enrolling into Medicare Parts A, B, C, and/or D. If she completes an enrollment application for any part of Medicare from April 1 <sup>st</sup> through June 30 <sup>th</sup> , it will become effective July 1 <sup>st</sup> .	Sally's birth month. She can still enroll into any part of Medicare during this month, and it will become effective August 1 <sup>st</sup> .	Sally's IEP ends October 31 <sup>st</sup> . October is her last month to enroll into any part of Medicare for an effective date of November 1 <sup>st</sup> .

During this Initial Enrollment Period, you will also have the option to enroll in a Medicare Prescription Drug Plan (PDP) available under Medicare Part D. Enrollment in a Medicare PDP is strictly voluntary. These plans are offered by insurance companies and private companies approved by Medicare, and Medicare helps pay for the coverage. Information about what PDPs are available in Delaware is available from DMAB (**302-674-7364** or **www.insurance.delaware.gov/dmab**). If you fail to enroll in a Medicare PDP during your Initial Enrollment Period and you do not have equal or better coverage through an EGHP, you will incur a one percent penalty for each month that you are late enrolling, and you will only be allowed to enroll during the October 15 through December 7 Annual Coordinated Election Period.



## General Enrollment

If you do not enroll in Medicare Parts A and B during your seven-month window of eligibility, you cannot enroll until the General Enrollment Period, which is January 1 through March 31 each year (unless you are entitled to Special Enrollment). Your Medicare eligibility will begin the first day of the following month you enroll. For example, if you enroll in Medicare in January, your coverage will begin February 1. Your monthly Medicare Part B premium will increase to include a permanent 10 percent penalty for each year of delayed enrollment (unless you are eligible for Special Enrollment).

General Enrollment Period for Medicare Parts A & B (Every year)	
January 1 through March 31	Medicare coverage begins the first day of the following month you enroll
Enroll here	



### **Detour: Working Past 65 (Special Enrollment)**

If you or your spouse are actively working at age 65, are covered by an employer's group health plan (EGHP) and the company has 20 or more employees, you may be able to delay Medicare Part B coverage without penalty. You will still be eligible for Part A without paying a premium (as long as you or your spouse has 40 credits of work).

- +Talk to your employer's benefits officer and ask for information about company health insurance options for people who continue working past their 65th birthday. Ask specifically how many hours you must work to keep your health insurance plan and whether the EGHP will be "primary" or secondary coverage to Medicare. Carefully study the company's current benefit booklet to determine cost and benefits of the plan.
- +If your EGHP is primary to Medicare, you do not have to enroll in Medicare Part B at this time. You will need to enroll in Medicare Part B within eight months of the EGHP's termination of coverage or when it stops being primary. If your EGHP will be secondary to Medicare despite active employment, you must enroll in Medicare Part B during the seven-month Initial Enrollment Period to avoid future penalties. If you voluntarily dis-enroll from your EGHP before terminating your employment, you could lose any EGHP benefits when you retire.
- +Contact the Social Security Administration at **1-800-772-1213** or go to **www.socialsecurity.gov** or the nearest Social Security Administration to confirm that you have enrolled in Medicare Part A (Hospital Insurance).
- +Give written notice to your company of your intention to continue working after age 65. When you decide to stop working, notify the Social Security Administration immediately. It is also advisable to notify the Social Security Administration that you or your spouse, if covered under your EGHP, will continue to work beyond age 65.



### **Which Way to Supplement Coverage?**

Medicare is a major medical plan that provides a basic foundation of benefits. However, it does not pay 100 percent of all medical bills. Medicare beneficiaries are responsible for premiums, deductibles, and coinsurance. These amounts can be significant. Because of these costs, most beneficiaries need some kind of plan, policy, or program to fill in the "gaps."

## Medicare Supplement Insurance

Medicare supplement plans are one health insurance option for people with Medicare. There are standardized Medicare supplement insurance plans available that are designed to fill the gaps left by

Original Medicare (Parts A and B). These are sold by private companies as individual insurance policies and are regulated by the Department of Insurance. After age 65 and for the first six months of eligibility for Medicare Part B, beneficiaries have an Open Enrollment Period and are guaranteed the ability to by any of these plans from any company that sells them. Companies cannot deny coverage or charge more for current or past health problems. If you fail to apply for a Medicare supplement within your Open Enrollment Period, you may lose the right to purchase a Medicare supplement policy without regard to your health. Information about the Medicare supplement plans sold in Delaware are available from DMAB (**302-674-7364** or **[www.insurance.delaware.gov/dmab](http://www.insurance.delaware.gov/dmab)**).

#### Medicare Prescription Drug Coverage (Medicare Part D)

The Medicare Prescription Drug Plans (PDPs) are sold by private insurance companies approved by Medicare. All people new to Medicare have a seven-month window to enroll in a PDP - three months before, the month of, and three months after their Medicare becomes effective. The month you enroll affects the PDP's effective date. All people with Medicare are eligible to enroll in a PDP; however, unless you are new to Medicare or are entitled to a Special Enrollment Period, you must enroll during the Annual Coordinated Election Period, Oct.15 through Dec. 7. There is a monthly premium for these plans. If you have limited income and assets/resources, assistance is available to help pay premiums, deductibles, and co-payments. You may be entitled to Low-Income Subsidy Assistance (LIS) or "Extra Help" through the Social Security Administration (**1-800-772-1213** or **[www.socialsecurity.gov](http://www.socialsecurity.gov)**).

#### Employer or Military Retiree Coverage

If you or your spouse has an Employer Group Health Plan (EGHP) as retiree health coverage from an employer or the military (TRICARE for Life), you may not need additional insurance. Review the EGHP's costs and benefits and contact your employer benefit representative to learn how your coverage works with Medicare.

#### Medicaid or Medicare Savings Programs

Medicare beneficiaries with low income may be eligible to receive assistance from the Medicaid program. There are also Medicare Savings Programs for other low-income beneficiaries that may help pay for Medicare premiums, deductibles, and coinsurance. There are specified income and resources limits for both programs. Contact DMAB to apply for one of these programs.



### **Other Medicare Insurance Options**

#### Medicare Advantage (Medicare Part C)

Medicare Advantage plans are another health insurance option for Medicare beneficiaries. Medicare Advantage plans (HMOs, PPOs, PFFS plans and/or MSAs) are available in our state and provide all Medicare Part A and Part B benefits and possibly some extra benefits. Members may be required to utilize a network or group of preferred providers. Check with your doctors and hospital to see if they accept the insurance plan you are considering joining. All four plan options may not be available in the county in which you reside. If you join a Medicare Advantage Plan, you are in the Medicare Program but receive your Medicare benefits from the private carrier. Your benefits will now be administered by the private carrier. Information about Medicare Advantage plans in Delaware are available from DMAB. You may enroll in a Medicare Advantage plan during your Initial Enrollment Period, during the Annual Election Period from Oct.15 through Dec. 7 or during the Medicare Advantage Period, January 1 through March 31 each year.



## Stop: To Get Help

### **State Health Insurance Assistance Program DMAB – 302-674-7364 or [www.insurance.delaware.gov/dmab](http://www.insurance.delaware.gov/dmab)**

The State Health Insurance Assistance Program (DMAB), a division of the Delaware Department of Insurance, offers free, objective information about Medicare, Medicare Advantage plans, Medicare claims, Medicare supplement insurance, Medicare prescription drug plans and long-term care insurance. Trained SHIP volunteer counselors are available for one-on-one counseling in every county in the state.

### **Medicare - 1-800-633-4227 or [www.medicare.gov](http://www.medicare.gov)**

Medicare provides information 24 hours a day, seven days a week about eligibility, enrollment, and coverage.

### **Social Security Administration - 1-800-772-1213 or [www.socialsecurity.gov](http://www.socialsecurity.gov)**

Contact the Social Security Administration to enroll in Medicare Part A or B, or to request a replacement Medicare card.

### **Delaware Department of Health and Social Services (DHSS) - 1-800-372-2022**

Delaware DHSS offices have information about Medicaid and Medicare Savings Program eligibility and applications.

### **Delaware Prescription Assistance Program 1-800-996-9969**

**<https://www.dhss.delaware.gov/dhss/dmma/dpap.html>**

The Delaware Prescription Assistance Program, (DPAP) is funded by tobacco settlement money and provides a \$3,000 prescription benefit per year for low-income seniors or low-income disabled persons. To determine if you are eligible for assistance, please contact DPAP for prescription assistance.

### **TRICARE for Life - 1-800-363-5433 or <http://www.military.com/benefits/tricare/retiree/tricare-for-life.html>**

TRICARE For Life (TFL) is Medicare wraparound coverage for TRICARE beneficiaries who have Medicare Part A and Medicare Part B, regardless of age or place of residence. With TFL, you have the freedom to seek care from any Medicare-participating or nonparticipating provider, or at a military hospital or clinic on a space-available basis. Enrollment is not required, but you must pay Medicare Part B premiums.



Navigating Medicare