

## **What is Medicare, Am I Eligible for It and How Do I Enroll?**

### **WHAT IS MEDICARE AND WHO QUALIFIES FOR IT?**

Medicare, also referred to as “Original” Medicare, is a health insurance program run by the United States federal government. The Program designates different sections to describe its benefits – Medicare Part A, Medicare Part B, Medicare Part C and Medicare Part D. Medicare is designed to provide health insurance coverage for:

- People age 65 or older who worked (or whose spouse worked) and paid Social Security and Medicare taxes;
- People under age 65 who have a disability and have received Social Security Disability Insurance (SSDI) for 24 months;
- People of all ages who have been diagnosed with **End-Stage Renal Disease** or ESRD (permanent kidney failure requiring dialysis or transplant) or **Amyotrophic Lateral Sclerosis** (ALS, also known as Lou Gehrig’s Disease).

### **WHAT IS THE DIFFERENCE BETWEEN MEDICARE PARTS A, B AND D?**

**Medicare Part A** (or just Part A) is **hospital insurance**. It helps pay for inpatient care in hospitals, skilled nursing facilities, hospice care and some home health care.

Part A is free if the recipient or his/her spouse paid Social Security and Medicare taxes while working for at least ten years. If the ten-year limit is not met then one may still be eligible, however, there is a premium cost. In 2016 the premium is \$226.00 per month for 7.5-10 years of work history and \$411.00 for fewer than 7.5 years.

**Medicare Part B** (or just Part B) is **medical insurance**. It helps pay for doctors’ services and outpatient hospital care. Additionally, it covers other services like durable medical equipment, lab tests, x-rays, and different types of therapy (e.g., physical therapy and some home health care) not covered by Part A.

To receive Part B you must pay a monthly premium. The monthly premium for those enrolling in 2016 is \$121.80 if you have an annual income at or below \$85,000. For those recipients enrolled in Medicare prior to 2016, their monthly premium is \$104.90. Any beneficiary whose income exceeds \$85,000, is subject to higher premium costs depending upon his / her income.

**Medicare Part D** (or just Part D) is prescription drug insurance. It helps cover the cost of outpatient prescription drugs. Unlike Parts A and B, Part D coverage is provided by private insurance companies who contract with the federal government. The private insurers directly administer the prescription drug program.

To receive Part D you must choose a plan from a private insurer that fits your prescription needs. Premiums, deductibles and coinsurance vary depending upon the plan that you select.

## **WHAT IS MEDICARE PART C?**

Medicare Part C, also known as Medicare Advantage Plan (MAP), is a private health plan, approved by the federal Medicare program, that combines the benefits of both Medicare Part A and B. Part C recipients receive their hospital and medical coverage from the private insurer's plan and not through the "Original" Medicare program. MAPs provide coverage for all Medicare services and, sometimes, additional services e.g., vision, hearing and dental. Many MAPs also offer prescription drug plans.

Generally, MAP participants must choose doctors within the health plan network and obtain referrals from their primary care provider to see specialists. This differs from "Original" Medicare wherein a recipient may see any medical provider that accepts Medicare.

The out-of-pocket costs for Part C plans, e.g., premiums, deductibles and copayments, vary depending upon the private plan selected.

A Medicare recipient can choose to get his / her Medicare coverage through either "Original" Medicare or a MAP.

## **HOW DO I ENROLL IN MEDICARE PART A AND B?**

There are three different periods when one can enroll in Medicare Parts A and B. There is the initial enrollment period, general enrollment period and special enrollment period.

Initial Enrollment Period: This period of time spans 7 months. It includes the 3 months prior to the month in which you turn 65, the month you actually turn 65, and the 3 months subsequent.

General Enrollment Period: If you do not sign up for Medicare Parts A and B when you are first eligible (i.e., initial enrollment period) then you can sign up during the General Enrollment Period which extends from January 1 – March 31 each year. Your coverage begins July 1.

Special Enrollment Period: Once your Initial Enrollment Period ends, you may have the chance to sign up for Parts A and B during a Special Enrollment Period. If you're covered under an employer plan based on current employment, you have a Special Enrollment Period to sign up for Part A and Part B at any time as long as you or your spouse is working, and you're covered by the employer health plan.

Additionally, you also have an 8-month Special Enrollment Period to sign up for Part A and Part B that starts the month after the employment ends or the health plan coverage based on that current employment ends, whichever happens first. If you sign up during the Special Enrollment Period your coverage begins the first day of the month after you enroll.

### **If you are age 65 and receiving Social Security retirement benefits**

Most people are automatically enrolled in Part A and Part B. Generally, you will be automatically enrolled if you receive Social Security retirement benefits and turn age 65. Your Medicare card along with a letter and packet of information will be mailed to you about three months before you turn 65. The letter will explain how Medicare works, the automatic enrollment process and the option to decline Part B coverage. This requires the recipient to opt out.

**Note:** It is not advisable to decline Part B unless you have health insurance coverage through an employer or spouse's employer. COBRA and retiree health coverage don't count as current employer coverage. If a recipient does not sign up for Part B when first eligible, he / she may have to pay a penalty for as long as you have Part B.

### **If you are under the age of 65 and receiving SSDI**

If you receive disability benefits from Social Security and are under the age of 65, you will be automatically enrolled after you receive these benefits for 24 months. Your Medicare card, letter and information packet will arrive three months prior to the start of your coverage.

### **If you are age 65 and are not receiving Social Security retirement benefits**

If you turn 65 and are not receiving Social Security benefits then you must affirmatively enroll in Medicare during your initial enrollment period by contacting the Social Security Administration at 800-772-1213. Similarly, for those diagnosed with ESRD or ALS, you should call the Social Security Administration.

**Note:** If you are not automatically enrolled in Medicare Part A and you believe you should be, you should contact the Social Security Administration at 800-772-1213. If you did not sign up for Part A and Part B when you were first eligible, and you aren't eligible for a Special Enrollment Period, you can sign up during the General Enrollment Period (see above). You may have to pay a higher premium for late enrollment in Part A and Part B.

### **ARE THERE ANY PROGRAMS THAT CAN HELP ME PAY FOR MEDICARE PARTS A and B?**

Yes. Individuals who have limited income may qualify for a Medicare Savings Program (MSP). There are three types and each has an income ceiling that cannot be exceeded. There is no resource / asset ceiling.

1. Qualified Medicare Beneficiary or QMB. QMB pays for Medicare Part A and Part B premiums, deductibles and copayments;
2. Specified Low Income Medicare Beneficiary or SLMB. SLMB pays for the Medicare Part B premium; and
3. Qualifying Individual or QI-1. QI-1 pays for the Medicare Part B premium.

### **HOW DO I ENROLL IN MEDICARE PART D?**

To receive Medicare Part D coverage, you have to select a private prescription drug plan offered in your state, i.e., New York State. Enrollment, when eligible, is optional but advisable to avoid incurring a penalty. Enrollment is only allowed during approved enrollment periods. Some people already enrolled in certain low-income assistance programs may be automatically enrolled in a Part D drug plan and receive financial assistance like "Extra Help" also known as "Low-Income Subsidy."

To find a plan and enroll you can:

- Call 800-MEDICARE. There are counselors available to guide you through the various options available;
- Link to the <http://medicare.gov> website. There is a plan-finder tool that allows you to list your medications and compare different plans available; or
- Call the plan directly for information on their offerings.

**Initial Enrollment Period:** If you are enrolled in Medicare Part A and Part B, you can enroll in a Part D plan during the seven-month period that includes the three months before the month you become eligible for Medicare, the month you are eligible, and the three months after the month you become eligible.

If you join a Medicare private drug plan during the three months before you are eligible for Medicare, your coverage will start the month you become eligible. If you join a Medicare private drug plan during the month you become eligible, or during the three months afterwards, your drug coverage will start the first of the month after you enroll.

**Open Enrollment for Part D:** If you do not join a Medicare private drug plan during your Initial Enrollment Period, you may not be able to enroll until the Open Enrollment Period which is October 15 to December 7 every year, for coverage beginning January 1.

**Note:** You may also have to pay a premium penalty. The premium penalty will be 1 percent of the average national premium, for every month you delay enrollment. The average national premium in 2016 is \$34.10 a month. You will have to pay this premium for as long as you are enrolled in Medicare Part D.

In some specific circumstances you will not have to pay the premium penalty. For example, you will not have to pay a premium penalty for late enrollment if:

1. You already have prescription drug coverage at least as good as Medicare's, also known as creditable coverage. In order to avoid the premium penalty, you cannot have been without creditable drug coverage for more than 63 days.
2. You qualify for Extra Help a/k/a Low-Income Subsidy; or
3. You can show that you received inadequate information about whether your drug coverage was creditable.

If any of the above circumstances are met, you will be entitled to a Special Enrollment Period.

## **HELPFUL RESOURCES TO NAVIGATE MEDICARE PART D**

- Medicare Rights Center Hotline: 800-333-4114
- New York State Health Insurance and Assistance Hotline: 800-701-0501
- 800-MEDICARE or [www.medicare.gov](http://www.medicare.gov) website

## **WHO CAN I CONTACT IF I HAVE QUESTIONS?**

You may call MFY Legal Services, Inc.'s Government Benefits Project at 212-417-3732 on Mondays from 10:00 a.m. to 12:00 p.m. If you are a mental health consumer you may call MFY's Mental Health Law Project at 212-417-3830 on Mondays, Tuesdays, and Thursdays from 10:00 a.m. to 5:00 p.m.

**DISCLAIMER: This fact sheet gives general information for NYC residents; it is NOT legal advice.**