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Medicare FAQs

As you approach retirement, you may be wondering about Medicare and what you need to do to maintain your healthcare coverage. There is a wealth of information on Medicare available at Medicare.gov, but here we focus on the basics you need to get started.

What Does Medicare Cover?

There are several different types of Medicare, and each offers different coverage per the table below. You must be enrolled in Medicare Part A in order to enroll in any other Medicare programs.

"Original Medicare"		"Medicare Advantage"			
Part A	Part B	Part C	Part D	Medigap	Medicaid
Hospital Insurance	Medical Insurance	HMO/PPO alternative to Original Medicare	Prescription drug coverage	Medicare Supplement Insurance	State assistance for low-income populations
<ul style="list-style-type: none"> ■ Inpatient care in hospitals or religious nonmedical health care institution ■ Skilled nursing facility care (not custodial or long term care) ■ Hospice care ■ Home health care 	<ul style="list-style-type: none"> ■ Services from doctors and other health care providers ■ Outpatient care ■ Home health care ■ Durable medical equipment ■ Some preventive services 	<ul style="list-style-type: none"> ■ Includes all benefits and services covered under Part A and Part B ■ Usually includes Medicare prescription drug coverage (Part D) as part of the plan ■ Run by Medicare-approved private insurance companies ■ May include extra benefits and services for an extra cost 	<ul style="list-style-type: none"> ■ Helps cover the cost of prescription drugs ■ Run by Medicare-approved private insurance companies ■ May help lower your prescription drug costs and help protect against higher costs in the future 	<ul style="list-style-type: none"> ■ Helps fill in gaps in Original Medicare coverage (not Part C) ■ Private insurance that offers additional standardized benefit packages 	<ul style="list-style-type: none"> ■ Never pays first ■ Pays after Medicare, employer group plans, and Medigap have paid

Source: [Medicare and You](#) handbook. More information can be found at "[What Medicare Covers](#)" at Medicare.gov.



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Who is eligible for Medicare?

Most people qualify for Medicare at age 65. They will automatically receive a Medicare card in the mail three months prior to their 65th birthday if they fulfill the following eligibility requirements (or have certain disabilities prior to age 65):

- U.S. citizen or legal resident
- Resided in the United States for a minimum of five years
- Worked at least 10 years in Medicare-covered employment
- Have had Social Security deductions taken from payroll

If you fulfill all of these eligibility requirements, you automatically receive Medicare Part A without having to pay a premium. You will also be enrolled in Medicare Part B, which does require a monthly premium, unless you opt out of coverage.

If you do not fall under these categories, you may participate in “voluntary enrollment” in Medicare, which would require you to pay premiums for Part A.

What does Medicare cost?

Part A: Most people who become eligible for Medicare at age 65 do not pay any premium for Part A. If you are not eligible for free premiums, the cost for 2019 is \$437 per month.

Part B: See the table at right. The monthly premium for Medicare Part B varies based on your income. (note: The cost of 2021 premiums will be available later this fall.)

Medicare Advantage (Part C) and Medicare Prescription Drug Plans (Part D): Costs for Medicare Part C and Part D vary because they are provided by private insurers. You can compare plans available in your area at Medicare.gov.

When Do I Need to Sign Up for Medicare?

You *must* enroll in Medicare during certain time periods. If you don’t, you may have to pay a delayed enrollment penalty for the rest of your life.

- **You become eligible during a 7-month period around age 65.** You may sign up for Medicare 3 months before you turn 65, during the month you turn 65, or up to 3 months after you turn 65. After this time you may have to pay higher premiums.
 - If you qualify for auto-enrollment, you will not need to sign up for Medicare Part A or B manually.
 - When you sign up for Medicare Part B, you must also sign up for any supplemental Medigap insurance to cover future needs—even if you don’t plan to use it right now.

If your yearly income in 2018 (for what you pay in 2020) was			You pay each month (in 2020)
File individual tax return	File joint tax return	File married & separate tax return	
\$87,000 or less	\$174,000 or less	\$87,000 or less	\$144.60
above \$87,000 up to \$109,000	above \$174,000 up to \$218,000	Not applicable	\$202.40
above \$109,000 up to \$136,000	above \$218,000 up to \$272,000	Not applicable	\$289.20
above \$136,000 up to \$163,000	above \$272,000 up to \$326,000	Not applicable	\$376.00
above \$163,000 and less than \$500,000	above \$326,000 and less than \$750,000	above \$87,000 and less than \$413,000	\$462.70
\$500,000 or above	\$750,000 and above	\$413,000 and above	\$491.60



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- **Open Enrollment:** October 15-December 7. You may change your Medicare coverage during this time without penalty. You may not be able to change your Medigap policy. New coverage begins on January 1.
- **General Enrollment:** January 1-March 31 each year. If you didn't sign up for Part A or B when you first became eligible, you may sign up during General Enrollment, but you may have to pay a higher premium. Coverage begins on July 1 of the year.
- **Special Enrollment:** If you are covered by employer-provided group health insurance, you may delay Medicare with no penalty. But when the employment ends or the health insurance plan coverage ends (whichever comes first), you have 8 months to sign up for Part A and/or Part B. After 8 months, you may have to pay a delayed enrollment penalty for the rest of your life.

Do I need additional insurance beyond Medicare?

This can vary depending on your situation.

What if I continue to work and have employer provide health insurance after age 65?

It is not uncommon for one spouse to remain working when the other retires, leaving the retiree with Medicare benefits as well as coverage under the employer-provided plan. In this case, [“coordination of benefits”](#) rules determine [which plan pays which healthcare costs](#).

What is Medicare Supplemental Insurances (Medigap)?

Original Medicare (Parts A and B) may not cover all of your medical expenses, so supplemental Medigap policies are available to fill the coverage gaps. Though Medigap policies are purchased through private insurers, these policies offer standardized benefits and are categorized by letter.

Why Do I Need to Review Medicare Coverage?

Medicare's Open Enrollment period allows people who already have Medicare to make changes—but fewer than 4 in 10 seniors review their coverage. Most people assume that if they like their existing coverage, it will stay the same. This can be a costly mistake, because Medicare Advantage and Medicare Part D (prescription coverage) can change which drugs they cover from year to year.

How Do I Find the Right Coverage?

Use the [Medicare Plan Finder](#) online comparison tool at Medicare.gov.

What Changes Can I Make During the Enrollment Period?

- Switch from Original Medicare to a Medicare Advantage plan or vice versa.
- Change your Medicare Advantage plan
- Join a Medicare prescription drug plan or pick a new drug plan
- Drop your drug coverage



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