

# Understanding **MEDICARE**

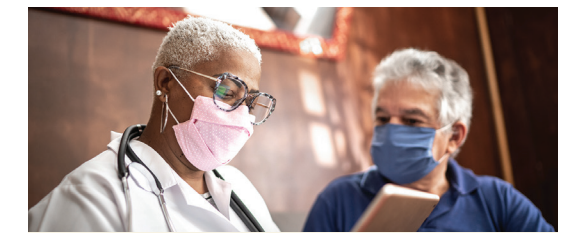
We're Here to Help



# Learn About the Different Parts of Medicare

This chart explains the different parts of Medicare, how they work and who offers them. You'll also learn about Medicare supplement insurance coverage.

Parts	What It Covers	How It Works	What It Costs
<b>Original Medicare: Part A Part B</b>	<p><b>Original Medicare includes Part A and Part B coverage.</b></p> <p><b>Medicare Part A</b> is hospital insurance that helps cover inpatient hospital care, skilled nursing facility care, hospice and home health care.</p> <p><b>Medicare Part B</b> is medical insurance that helps cover medically necessary doctor services and outpatient care. It also includes some preventive services to help you maintain good health and to keep certain illnesses from getting worse.</p>	<p><b>Original Medicare</b> is offered by the federal government.</p> <p><b>You're automatically enrolled</b> in Part A when you turn age 65, or when you become eligible for Medicare.</p> <p><b>If you get benefits under Social Security or Railroad Retirement</b>, in most cases you'll be automatically enrolled in Part B.</p>	<p><b>You usually don't pay a monthly premium for Part A coverage.</b><sup>1</sup> But, you will typically pay a monthly Part B premium.<sup>1</sup></p> <p><b>Original Medicare covers about 80%</b> of the cost of Medicare approved services. It doesn't pay for all of your costs, including copayments, coinsurance and deductibles.</p> <p><b>You'll be responsible for the other 20%.</b></p>
<b>Part C</b>	<p><b>Medicare Part C is a Medicare Advantage health coverage choice</b>, such as an HMO or PPO, which replaces Original Medicare. It provides all services covered under Part A and Part B, plus additional services to help you manage your health care. Most plans include the Part D prescription drug benefit, too. However, plans without drug coverage are also available.</p> <p>Medicare Advantage plans are available to people enrolled in Part A and Part B.</p>	<p><b>Medicare Advantage plans are offered by private insurance companies</b> that are approved by Medicare.</p> <p><b>You have to choose to enroll</b> in a Medicare Advantage plan.</p> <p><b>Not all plans work the same way</b>, so learn about the plan's rules before joining.</p>	<p><b>You typically pay a monthly premium for a Medicare Advantage plan.</b> With all Medicare Advantage plans, you'll continue to pay your Part B premium. You'll also pay copayments, coinsurance and deductibles that are typically less than those of Original Medicare.</p> <p>Some insurance companies offer Medicare Advantage plans with a \$0 monthly premium.</p>
<b>Part D</b>	<p><b>Medicare Part D is Medicare prescription drug coverage</b> that helps cover the cost of prescription drugs.</p> <p>With Part D, the government pays a portion of certain prescriptions, so it may help lower your prescription drug costs. Not all prescription drugs are covered. The government determines which drugs are covered.</p>	<p><b>Part D Medicare prescription drug plans</b> are offered by private insurance companies that are approved by Medicare.</p> <p><b>You're eligible for Part D</b> when you first become eligible for Medicare.</p> <p><b>If you don't enroll when eligible</b> or don't have creditable coverage, you will have to pay a premium penalty.</p>	<p>You typically pay a monthly premium for a Part D plan. You also pay copayments or coinsurance for your Part D covered prescriptions. With most plans, after you and your drug plan have spent a certain amount for covered drugs you reach a coverage gap. Once you've reached this gap for that calendar year, you may have to pay more for your prescriptions. You may also reach the catastrophic coverage level, in which you will be responsible for no more than &lt;5%&gt; of your prescription drug costs.</p>
<b>Medicare Supplement Insurance Coverage</b>	<p><b>Medicare supplement insurance</b> helps cover expenses such as copayments, coinsurance and deductibles that Original Medicare doesn't cover.<sup>2</sup> It is often called a Medigap policy and is purchased in addition to Part A and Part B.</p> <p>Part D Medicare prescription drug coverage must be purchased separately because it is not included with any Medicare supplement policy.</p> <p>If you are currently enrolled in a Medicare Advantage plan, you are not eligible to enroll in a Medicare supplement plan.</p>	<p><b>Medicare supplement plans</b> are offered by private insurance companies.</p> <p><b>You have to choose to enroll</b> in a Medicare supplement plan.</p>	<p>There are several ways that premium rates are calculated for Medicare supplement coverage:</p> <p><b>Entry age rate</b> – Your rate is based on your age when you apply. You lock in your entry age rate.<sup>3</sup></p> <p><b>Attained age rate</b> – Your rate increases as you age.</p> <p><b>Community age rate</b> – Everyone pays the same consolidated rate.</p>



**Enrollment Periods**  
The federal government has specific enrollment periods for Medicare. If you don't enroll during these times, you may pay a monthly penalty in addition to your premium.

**Initial Enrollment Period**  
This is the seven-month period you can first enroll in Medicare: Three months before the month you become Medicare eligible, the month you become eligible and three months afterward.

In addition, there are other enrollment periods available. Visit [Medicare.gov](https://www.medicare.gov) for complete information on Medicare enrollment periods.

- Notes:
- 1 See [Medicare.gov](https://www.medicare.gov) or your local state Social Security office for details.
  - 2 You may already have employer or union coverage that may pay costs that Original Medicare doesn't pay. If you have employer or union coverage, check with your benefits administrator.
  - 3 Some rates may change due to medical inflation or overall claims experience, but members are not singled out for premium increases based on health or age. Members should receive notice of any rate changes.

Source: [Medicare.gov](https://www.medicare.gov)








## Who's Eligible for Medicare?

To be eligible for Medicare, you must meet these requirements:

- You must be age 65 or older or be eligible due to disability or End Stage Renal Disease (permanent kidney failure requiring dialysis or transplant).
- You must be a U.S. citizen or legally living in the U.S. for the past five years.

If you don't meet these requirements, you'll need to call **1-800-MEDICARE (1-800-633-4227)** to find out if you can apply for Medicare under special circumstances.

## Decide How You Want to Receive Your Medicare Coverage

Original Medicare (Parts A and B)	OR	Medicare Advantage Plan (Part C)
<b>Part A:</b> Hospital Insurance   <b>Part B:</b> Medical Insurance		<b>Combines Parts A and B</b> , available with or without Prescription Drug Coverage (Part D*)  +  +  Note: * There may be a penalty for not enrolling in Part D when you first become eligible for Medicare. Source: <i>Medicare.gov</i>
+		
<b>Medicare Supplement Insurance (Medigap Insurance)</b> 		
+		
<b>Part D* Prescription Drug Coverage (PDP)</b> 		

## Not All Plans Are the Same

Make sure the plan(s) you select offer(s) the benefits you want and the coverage you need.

## If You Have Limited Income and Resources

You may be able to get Extra Help paying for your Part D Prescription Drug Plan premium and prescription drugs. For more details, visit **Medicare.gov**, or call your local state Social Security office.

## Have a Medicare Question? Call Medicare Today!

**Phone:** 1-800-MEDICARE (1-800-633-4227)

**Hours:** 24 hours a day, 7 days a week

**TTY:** 1-877-486-2048

**Online:** **Medicare.gov**

Blue Cross and Blue Shield of North Carolina (Blue Cross NC) provides free aids to service people with disabilities as well as free language services for people whose primary language is not English. Please contact 1-800-665-8037 (TTY: 711) for assistance.

*Blue Cross and Blue Shield of North Carolina (Blue Cross NC) proporciona asistencia gratuita a las personas con discapacidades, así como servicios lingüísticos gratuitos para las personas cuyo idioma principal no es el inglés. Llame al 1-800-665-8037 (TTY: 711) para obtener ayuda.*

For Medicare Supplement only: Neither Blue Cross and Blue Shield of North Carolina nor its agents are endorsed by or affiliated with the United States government or the federal Medicare program.

® Marks of the Blue Cross and Blue Shield Association. Blue Cross and Blue Shield of North Carolina is an independent licensee of the Blue Cross and Blue Shield Association. U6588, 9/21