

Medicare Options

It is important for you to think about your particular health care needs. Do you have a doctor you prefer to see? Do you have a condition that requires frequent doctor visits? How many times have you been hospitalized in the past couple of years? How much have you spent on health care in the past few years?

Once you have an understanding of your health needs, you need to understand your Medicare options so you can decide which one best suits your needs.

Everyone starts with Original Medicare—your red, white and blue card. Then you can decide if you want to get supplemental insurance or join a Medicare private health plan (also called Medicare Advantage) and get all of your benefits that way.

Note: If you want Medicare drug coverage (Part D), it must work with your health coverage.

Your Medicare plan choices are:

1. Original Medicare.
2. Original Medicare with supplemental coverage (Medigap).
3. Original Medicare with supplemental coverage (Medigap) and/or Medicare private drug plan.
4. A private Medicare plan. (Medicare Advantage Plans)
The most common types:
 1. Health Maintenance Organization (HMO);
 2. Preferred Provider Organization (PPO) plan; or
 3. Private Fee-For-Service (PFFS) plan;

If you do not get the care you think you need under Medicare, don't take no for an answer. Appeal the decision. Appealing is easy and free.

If you do nothing, you will automatically get Original Medicare.

1. Original Medicare

Original Medicare (also known as traditional or regular Medicare) is the fee-for-service program offered by the federal government. The government pays for part of each service you get.

You are automatically enrolled in Original Medicare when you sign up for Medicare. If you want to stay with Original Medicare, you do not have to do anything.

In Original Medicare, you can use almost any doctor or hospital in the country and can get care when you think you need it.

But, unless you have supplemental coverage, you will have to pay a large hospital deductible, an annual deductible for doctors' visits, and 20% of the cost of most outpatient medical care.

Original Medicare does not cover routine dental care, hearing aids, vision care, routine foot care, or long-term care. To get Medicare drug coverage (Part D) and keep Original Medicare, you must join a Medicare private drug plan that offers only drug coverage (see below).

2. Original Medicare with Supplemental Coverage

If you do not have insurance from a former employer that fills gaps in Medicare, there are several insurance companies that sell supplemental coverage to fill these gaps. They sell policies called **Medigaps that help cover Medicare deductibles, coinsurance and some additional benefits.**

As of June 1, 2010 there are 10 different standardized Medigap plans, labeled A – N (except in Massachusetts, Minnesota and Wisconsin). **Not all plans are available in all areas.**

Each Medigap plan pays for a particular set of benefits. Plan A offers the fewest benefits and is usually the least expensive. Plans that offer more benefits, like plan F are generally more expensive.

All Medigap plans (A-N) must include the following basic benefits:

- Hospital coinsurance coverage 3
- 365 additional days of full hospital coverage
- Full or partial coverage for the 20 percent coinsurance for doctor charges and other Part B services
- Full or partial coverage for the first 3 pints of blood you need each year

Depending on which Medigap plan you choose, you can get coverage for additional expenses Medicare doesn't cover, including:

- Hospital deductible (plans B to N)*
- Skilled nursing facility coinsurance (plans C to N)*
- Part B deductible (plans C and F)
- Excess doctor charges (plans F and G)
- Emergency care outside the U.S. (plans C to J)
- At-home recovery (plans D, G, I and J)
- Preventive care that Medicare does not cover (plans E and J)

***Note:** Medigap plans K and L will only pay for a portion of the cost that Medicare does not cover until you reach a yearly out-of-pocket limit.

Medigaps with drug coverage stopped being sold as of 2006. **If you have a Medigap H, I, or J policy with drug coverage that you bought before 2006**, you cannot have drug coverage both through your Medigap and through the Medicare drug benefit.

Health coverage from a former job, often called “retiree” coverage, **generally gives you better coverage than a Medigap plan**. You should think carefully before giving it up because you may not be able to get it back.

3. Original Medicare, with supplemental coverage (Medigap) and/or Medicare private drug plan.

If you want to get Medicare prescription drug coverage (Part D), you must choose a private plan offering the drug benefit in your area and enroll in it. You can choose to have the premium, which may vary by plan, taken out of your monthly Social Security check or pay it directly to the company.

To continue to get all your other medical services (such as doctor visits, hospital stays) through Original Medicare, you must choose a stand-alone Part D Plan (PDP). A "stand-alone" plan provides only prescription drug coverage. You can also have a Medigap policy to cover your other out-of-pocket costs (see above).

Note: If you qualify for Extra Help paying for the Medicare drug benefit because your income is low, your monthly premium will be free or reduced. If you have Medicaid or you are enrolled in a Medicare Savings Program (MSP), you will be able to change your Medicare drug plan once a month

4. Medicare Advantage Plans

4a. Medicare HMO's

(Medicare HMOs are run by private companies that are paid by the federal government to provide Medicare-covered health care. **You must have both Medicare Part A and Part B to enroll in a Medicare HMO.**

Unlike Original Medicare, **a Medicare HMO will only let you see certain doctors or hospitals within your area** unless you have an emergency. These doctors and hospitals are part of what is called the HMO's network. You must choose a primary care physician (PCP) from the network. That doctor decides when you can see a specialist.

A Medicare HMO could save you money because some do not charge premiums, deductibles or coinsurance. You may only have to pay a small

Four Things You Should Know About Medicare Advantage Plans

1. You are limited in when you can switch Medicare Advantage plans or go back to Original Medicare. You can change your choice of Medicare health **and/or** drug coverage between October 15 and December 7 of every year, during the Annual Coordinated Election Period. Your new coverage will start January 1.

copayment each time you see a doctor, as long as you use the HMO's doctors and follow HMO rules. Before joining a plan you should compare exactly what each HMO in your area is charging and offering.

You can get all your Medicare benefits, through a Medicare HMO. If you want the Medicare drug benefit (Part D), you must get this drug coverage as part of your HMO's benefits package. Medicare HMOs must cover The same kinds of care that Original Medicare covers, but they decide when you need it. They may also offer additional benefits like:

- Dental Care
- Eyeglasses and vision care
- Hearing aids
- Physical Exams

4b. Medicare PPOs

Medicare PPOs are private insurance products, much like Medicare HMOs. You must have both Medicare Part A and Part B to enroll in a Medicare PPO. You will be responsible for paying fixed copays if you use in-network providers, but you will also get some coverage if you go out of network. They provide Medicare benefits and may offer some additional benefits. You can get Medicare drug coverage (Part D) as part of your PPO's benefits package.

PPOs differ from HMOs in only two key ways:

1. Medicare PPOs will likely charge higher Monthly premiums than Medicare.
2. But, Medicare PPOs will cover some of the costs of your care if you use doctors and hospitals outside the network.

2. If you want to keep seeing your current doctors, call them to make sure they accept the Medicare Advantage plan.
3. Before joining a Medicare Advantage plan, ask if it will cover the medications you currently take. Many Medicare Advantage plans will cover only specific drugs on their lists.
4. Stay on top of changes in your coverage every year. Doctors and hospitals can leave PFFS plans at any time, and Medicare Advantage plans can raise their premiums, cut their benefits, or end their Medicare contracts each year. Changes are usually announced in September and take effect the following January.

4c. Medicare PFFS

Private insurance companies can offer PFFS plans. These companies pay contracting providers on a fee-for-service basis. **You must have both Medicare Part A and Part B to enroll in a Medicare PFFS plan.**

The companies offering these plans can charge you as much as they want for the premium for the coverage, but they are limited in the amount of copayments and coinsurance they can ask you to pay.

In a PFFS plan, you can go to any doctor or hospital you want, as long as they agree to accept the plan's pre-set fees, terms and conditions. Be aware that if your doctors don't accept the plan, they often won't see you.

Doctors, hospitals and nursing homes may bill you for up to 15 percent above the plan's approved amount (which may be higher than Medicare's payment rate) if the PFFS plan permits them to do so. For example, if the plan's payment structure allows \$100 for a particular service, the doctor can charge you up to \$115: \$100 plus 15% is \$115. The plan pays \$100 and you pay the other \$15. That would be in addition to any copayment or coinsurance the plan may have.

If you join a Medicare PFFS plan that does not offer Medicare drug coverage, you can join a stand-alone Medicare private drug plan (PDP) that offers drug coverage.

Key Points About Your Choices

- If you're happy with your current Medicare coverage, you can keep it without doing anything.
- You are limited in when you can switch HMOs or go back to Original Medicare. You are only allowed to make one Medicare health plan change—either to a private Medicare health plan or to Original Medicare—from January 1 through March 31 each year during the Open Enrollment Period. You cannot add or drop drug coverage during the Open Enrollment Period. You can change your choice of Medicare health and/or drug coverage between October 15 and December 7 of every year, during the Annual Coordinated Election Period. Your new coverage will start January 1.
- You will be signed up automatically for Original Medicare when you first get Medicare, unless you sign up for a private Medicare plan.
- Original Medicare is available everywhere. Private Medicare plans, like Medicare HMOs, Medicare PPOs and Medicare PFFS plans, may not be available in your area.

Choosing a Medicare Plan

If you want to keep seeing the same Doctor....

In Original Medicare: You can see any doctor you want.

In a Medicare HMO: Make sure your doctor is in the plan's network and is accepting new patients under that plan.

In a Medicare PFFS: You can see any doctor you want, as long as the doctor is willing to accept the plan's pre-set fees, terms and conditions. Be aware that if your doctors won't accept the plan, they often won't see you.

If you see more than one doctor...

In Original Medicare: You can see a specialist whenever you want. If the specialist decides the care is necessary, Medicare usually pays for it.

In a Medicare HMO: You have to get a referral from your primary care doctor to see a specialist, and the specialist has to be in the HMO's network. Sometimes, the HMO may not give the specialist permission to provide care even if the specialist thinks you need it.

In a Medicare PFFS: You can see a specialist whenever you want, as long as the doctor is willing to accept the plan's pre-set fees, terms and conditions. Be aware that if the specialist doesn't accept the plan, he or she often will not see you.

If you travel frequently...

In Original Medicare: You can see any doctor anywhere in the country. If you move or travel within the United States, you do not have to worry about your health care coverage.

In a Medicare HMO: Most do not cover your care outside your community except in emergencies or if you need urgent care. Some HMOs may cover your care away from home. Check with the HMO to find out its rules.

In a Medicare PFFS: You can see any doctor anywhere in the country, as long as the doctor is willing to accept the plan's pre-set fees, terms and conditions. Be aware that if your doctors won't accept the plan, they often won't see you.

If you need prescription drug coverage...

Medicare offers prescription drug coverage (Part D) through private plans. For most people, this coverage is optional. Whether you should take it depends on your circumstances. All plans cover different drugs at different costs and work at different pharmacies. You must choose Medicare drug coverage that works with your Medicare health coverage. In Original Medicare: If you want Medicare drug coverage, you must join a stand-alone Medicare private drug plan (PDP), which offers just prescription drug coverage.

In a Medicare HMO: If you prefer to get your Medicare health benefits from an HMO, you must get your Part D prescription drug coverage as part of your health plan's benefits package. Each plan covers different drugs at different costs and works at different pharmacies.

In a Medicare PFFS: With most PFFS plans, if you want Medicare drug coverage, you must join a stand-alone Medicare private drug plan. Some PFFS plans do offer Medicare drug coverage as part of their benefits packages. Check with the PFFS plan and find out what it offers.

If you need extra benefits, such as vision or dental...

In Original Medicare: Medicare only covers what is medically reasonable and necessary to treat your condition. It covers very few extra benefits. For example, Medicare covers only eye exams for eye diseases and eyewear for cataracts. Medicare only covers treatments for ear disease or injury, and does not cover hearing aids. Medicare does not cover any routine dental services. Medicare does not cover non-ambulance transportation. Medicare covers podiatry services only for foot disease and for diabetics.

In a Medicare HMO: Many HMOs offer other benefits not covered by Original Medicare, such as: Routine eye exams and glasses or contacts; Routine hearing exams and hearing aids; Routine dental care; Non-ambulance transportation (Medicare HMOs that are clinic-based—with network doctors and facilities housed in HMO-owned medical centers—sometimes offer this benefit); Routine podiatry. Typically, HMOs place spending caps or limits on the frequency and types of additional benefits you can get. They also usually only cover these benefits if you get them through network providers. Find out what additional benefits are offered by the HMOs that you are considering and what restrictions apply to the benefits.

Remember: Each year, when the HMO renegotiates its contract with Medicare, it can change its package of additional benefits. HMOs are not required to offer any additional benefits. Moreover, HMOs can raise their premiums annually or drop out of the Medicare program altogether.

In a Medicare PFFS: Like Original Medicare, extra benefits, such as routine vision, hearing and dental services, are not covered.

Using Your Medicare Plan

If you have Original Medicare...

- When you see your doctors, ask if they accept assignment for Medicare claims. **If your doctors accept assignment**, they are willing to take the amount Medicare approves as payment in full. Medicare usually pays 80% of that amount, and you or your Medigap plan pays 20%.

If your doctors do not accept assignment, federal law mandates that they can only charge you up to 15% over the amount Medicare approves. Some states limit doctors' charges even more. Check with your State Health Insurance Assistance Program (SHIP) for the rules in your state.

- You should show your Medicare card whenever you get medical care. This will assure that your doctor sends in a claim to Medicare for payment.

If you lose your card, contact the Social Security Administration right away. You can get the phone number and address of your local Social Security office by calling 1-800-772-1213.

If you are in a stand-alone Medicare private drug plan (PDP)...

If you are enrolled in a stand-alone Medicare private drug plan that works with Original Medicare, you will have to show your drug plan card when you go to the pharmacy. Make sure your doctor prescribes drugs covered by your Medicare private drug plan and that you buy them at a pharmacy in your plan's network. If you do not, the plan will not pay for them. If you need a medication not covered by your plan, ask your doctor to ask the plan for an "exception" to its formulary.

If you are in a Medicare Advantage plan...

- If you are enrolled in a Medicare Advantage plan, you should show your Medicare Advantage plan card instead of your red, white and blue Medicare card whenever you get care. The Medicare Advantage plan, not Medicare, will pay your doctors and other providers.

