

What is Medicare?

Medicare is the federal health insurance program for people who are 65 or older, certain people with disabilities under age 65 and people with End-Stage Renal Disease or Lou Gehrig's Disease. The program helps with the cost of health care but does not cover all medical expenses or the cost of long-term care. Medicare has four Parts: Part A, Part B, Part C and Part D.

Who is eligible?

In general, individuals who are U.S. citizens, who are 65 years old and who have worked at least 10 years in the USA or individuals deemed disabled for 24 months may be eligible for Original Medicare Part A at no cost and Part B by paying a premium based on income.

How do I enroll in Medicare?

An individual can enroll in Medicare at a Social Security office, by calling Social Security (800-772-1213) or online at www.Medicare.gov. There are specific timeframes involved when enrolling. Consult with a NAHU professional about these enrollment periods.

Why is it important to enroll?

There are regulations surrounding enrolling in Medicare that can result in a financial penalty. If you are working, you may or may not need to enroll in Part A and/or Part B. Other regulations involve COBRA, HSA health plans, creditable and non-creditable plans and other types of plans. A NAHU professional can help you understand whether you need to enroll in Medicare. If you are working, a NAHU professional can compare your current plan to Medicare to determine which plan best meets your needs.

This material is for informational purposes only and is neither an offer of coverage nor medical advice.

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MEDICARE OVERVIEW

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Medicare and Group Health Plans

What are the challenges of being Medicare-eligible and covered by a GHP?

It is all too common when an individual discovers that the choices made a few months or a few years prior may have lifelong consequences. When deciding whether to enroll in Medicare while covered under a group health plan, it is important to understand the impact of participation in either or both. A NAHU professional has the knowledge needed to help you make informed decisions.

What are some considerations?

The type of group health plan(s) offered by your employer (or your spouse's employer) is an important consideration. For example, high deductible health plans (HDHPs) are gaining popularity. However, participation in this type of plan may interfere with your ability to make health savings account (HSA) contributions. Additionally, it is important to know whether the group health plan offers "creditable" coverage. If the group benefit is not creditable - not as good as Medicare's plan - then you need to know when and how to enroll in what. For Medicare-entitlement, timing is (almost) everything.

What are the consequences?

This depends on your individual circumstances. There is a limited period of time to enroll or you may be faced with a gap in benefits, a lifetime of penalties, and lose your ability to contribute to your HSA. Engaging a NAHU professional before you become Medicare-eligible is a worthwhile step. The short-term investment will have a long-term return.

Original Medicare

Part A

(hospital coverage)

Part B

(doctor and outpatient coverage)

Part D (optional)

(prescription drug coverage)



What is Medicare Supplement (Medigap)?

Medicare Supplement, or Medigap, plans cover the "gaps" in Original Medicare (Part A and Part B). These gaps include items like copayments, coinsurance and deductibles. Medicare Supplement plans are provided by private insurance companies.

Medicare Advantage

Part C or Medicare Advantage

(combines Part A, Part B and usually Part D)

What is Medicare Advantage?

Medicare Advantage is offered through private insurance companies. Its popularity comes from low or no premiums and a cap on total out-of-pocket expenses. Medicare Advantage plans may include drug coverage and additional benefits not covered by Original Medicare such as Dental & Vision. These plans have copays and possibly other costs.

