

***MEDICARE 101**

***Fairfax County's *Virginia Insurance Counseling and Assistance Program (VICAP) 2017**

*Who are We?

☞ Virginia Insurance Counseling and Assistance Program (VICAP)

- In Fairfax County Government: Pennino Bldg., Suite 708; 12011 Government Parkway, Fairfax 22035; 703-324-5851, TTY 711
- <http://www.fairfaxcounty.gov/dfs/olderadultservices/vicap.htm>
- Volunteers with one full-time supervisor
- We get a little money from Medicare to provide free, independent, no-conflict of interest, objective advice on Medicare and on health insurance problems you may have.
- Disclaimer: As volunteers, we can help, but do NOT make a health insurance change/decision without reconfirming or seeing it in writing. Use your employment HR Departments to double-check.

*What is Medicare?

- A \$680 Billion health insurance program for citizens (or legally here for at least 5 years) 65 and older (about 48 million people).
- Under age 65 starting 2 years after you start getting Social Security disability payments (about 9 million people)
 - Sooner with kidney failure (ESRD)
 - Sooner with Lou Gehrig's Disease (ALS).
- An “individual” insurance plan - no family, spouse or group rates
- Administered by the Centers for Medicare & Medicaid Services (CMS) in U.S. Dept. of HHS largely thru contractors.

*Today: Your key choices

☞ Today's talk: focus on key choices you need to make

☞ Good news:

☞ if you make a bad choice, you can usually fix during the annual open enrollment period (Oct.15 – Dec. 7, except in one case—Medigap—see later pages)

☞ Bad news:

- if you don't make some choices in a timely manner, you may have to pay late enrollment penalties all your life.
- You need to 'shop' or review your choices every year!

* Medicare Coverage Basics:

TO MAKE CHOICES YOU NEED TO KNOW A FEW BASICS



Part A
Hospital
Insurance



Part B
Medical
Insurance



Part C
Medicare
Advantage
Plans (like
HMOs and
PPOs).
Includes Part A
& B and
sometimes Part
D coverage



Part D
Medicare
Prescription
Drug
Coverage

To Repeat: The 4 Parts of Medicare

Medicare administered in 3 parts:

Part A—hospital/inpatient services

Part B—Doctor/Outpatient services

Part D—Prescription drug benefits

Where's Part C?? Part C = Medicare Advantage Plans (e.g., HMOs, PPOs—managed care)

The way to get A, B, and (usually) D thru one private plan

Part C is administered by private insurance companies

Not a separate program: everyone in Medicare Advantage is still in Medicare

*Why so many parts?

☞ Medicare started in 1965, with just Part A and B

☞ Now often called **Traditional, Original, or Fee-for-Service Medicare**

☞ Part D drugs added in 2006, administered by you shopping and choosing among private plans.

☞ Part C (Medicare Advantage or Medicare Managed Care) started growing in the 1980s—very different from traditional Medicare.

To Repeat: Original Medicare v. Medicare Advantage

Original, Traditional, Fee-for-Service Medicare (Part A, B)

Traditional Medicare program administered directly through the Federal government's contractors.

Medicare Advantage (Part C)

Medicare health plan offered through private insurance companies, heavily regulated by the Federal government.

*Part A: Hospital-type stuff

⌘ Automatic at 65, no charge—you or your spouse (current, ex, or deceased) earn it through 10 years (40 quarters) of work, paying Social Security taxes, so you pay NO premiums after you are eligible at 65.

⌘ If you haven't worked 40 quarters, can buy it (talk to us afterwards).

⌘ Covers hospitals, SNFs (skilled nursing facility care for 100 days following 3 day+ admission in hospital), hospice, etc.

Good Benefit, BUT: Hospital first day deductible: about \$1,316!
60-day admission cycles.

*Part B Doctor-type stuff

- ⌘ Voluntary, pay monthly premium (\$134 per individual for most new enrollees—if lower or higher income, see p.16).
- ⌘ But if you don't sign up when “first eligible” (will define later—see p. 30), you could face late enrollment penalties.
- ⌘ Covers 80% of most Doctor bills, home health visits, wheelchair-type equipment (DME=durable medical equipment), Doctor-administered drugs like chemo.
- ⌘ Do most Doctors see Medicare patients? Yes, but check and look for those who take assignment.

*Part D: D stands for Drugs

☞ Voluntary; run by private, for-profit plans. You shop on Medicare.gov website for one of 23 plans that's best for you; pay a monthly premium (ranges from about \$17 to \$151.50/month**). Need to check each year to see if plan has changed in ways that could hurt you.

☞ Started in 2006. Weak-ish benefit: had a 'donut hole' where for about \$3,760 you had no coverage.

☞ Benefit getting much better: By 2020, basic benefit will be a deductible, then you'll pay about 25% of roughly first \$10,000 in drug costs, then owe about 5% of drug's cost (95% will be covered) if the drug is on the formulary.

**Note: Medigap policies do not cover your Part D cost. Do NOT shop just on basis of premiums!! Look at [Medicare.gov](https://www.medicare.gov) website's total estimated cost. See our "tips" sheet on how to use the Medicare Plan Finder website.

*Part C: Managed Care

☞ In 1980s, managed care started to grow—now called Medicare Advantage or Part C (managed care: HMOs, PPOs, etc.)

☞ It is an option, you shop for a plan on Medicare.gov website (when you first enroll or each fall during ‘open enrollment season’) and pay a monthly premium (ranging from about \$25-\$129/month per person—and again, look at website’s estimated total costs, not just premiums!)

☞ **C = A + B + D*** *not all C’s cover Drugs, but most do. Note: if you join Part C, you cannot buy a Medigap policy (p. 14)

*How Medicare “Advantage” Plans work

- ☞ Pay a premium and get all Part A, B and (maybe) D services through plan.
- Use doctors and hospitals in plan’s network.
- Benefits and cost sharing may differ from Original Medicare.
- Must still pay Part B premium; can NOT buy Medigap policy.
- May get extra benefits such as vision, hearing and dental services.
- Prescription drug coverage usually included.
- ☞ Still in Medicare Program: Have Medicare rights and protections.

* MEDIGAP OR MEDICARE SUPPLEMENTS

☞ *If you choose Original Fee-for-Service Medicare, these are optional, private insurance policies you can buy to cover the deductibles, co-pays, and some other things that Medicare does not pay for—they largely fill in the non-Part D financial gaps in Medicare.

☞ *Heavily regulated by Feds and State Insurance Departments to prevent consumer abuses.

☞ *Most seniors who don't have extra coverage thru former employer/union, buy a Medigap (some don't).

☞ Costs: about \$100+/month/person at age 65—cost varies wildly by plan and your age. Costs usually go up as you age—in recent years about 3% per year.

☞ Good place to save \$\$\$ by shopping carefully.

* Common Confusion

* Medicare Advantage or Medicare Plans are NOT Medicare Supplement or Medigap Plans

* They are **TOTALLY DIFFERENT**

* Beware: People have been sold one kind when they wanted the other.

* Lower & higher income

☞ The numbers used in this talk are for middle income people.

☞ If you are among the 27%-plus living on less than about \$18,090 or less than \$24,360 for a couple and do **not** have a lot of liquid assets (CDs, bonds, etc.), there is help with Medicare's premiums or other costs....**talk to us afterwards.**

- The lower your income under these numbers, the better the help.
- You may qualify for Medicaid at roughly $\frac{1}{2}$ the above numbers or if your medical costs are large.

☞ If you know someone who needs help—**TELL THEM ABOUT THIS:** Millions eligible for this help NOT getting it!

*Higher Income People

- ☞ If you are among the 6% making more than \$85,000 (\$170,000 joint returns) Modified Adjusted Gross Income (your AGI + tax exempt interest), your monthly Part B and D premiums will be higher (see next chart).
- ☞ Note: Current year's premium based on income reported to IRS 2 years ago. (But if your current income is lower, you can ask SSA to lower your premium).
- ☞ These numbers are not adjusted for inflation, so a larger percent will pay in future.
- ☞ Budget pressures on Federal government and Medicare are such, these numbers may—in my opinion—get tighter in future.

*Higher Premium Chart

% of cost you pay	Part B/month	Drug Plan Premium/month	Income for Single	Income for a Couple
25%	\$134	Plan Premium	< \$85,000	Under \$170,000
35%	\$187.50	\$13.30	\$85,001-\$107,000	\$170,001-\$214,000
50%	\$267.90	\$34.20	\$107,001-\$160,000*	\$214,001-\$320,000*
65%	\$348.30	\$55.20	\$160,001-\$214,000*	\$320,001-\$428,000*
80%	\$428.60	\$76.20	> \$214,000*	Above \$428,000*

*New law in April lowered these numbers starting in 2018 (see page 19)

*New schedule starting in 2018 for Part B/D Premiums

% of Part B total costs YOU pay in premiums	Based on 2016 Income Single	Based on 2016 Income Married Couple
25%	Under \$85,000	Under \$170,000
35%	\$85,001-\$107,000	\$170,001-\$214,000
50%	\$107,001-\$133,500	\$214,001-\$267,000
65%	\$133,501-\$160,000	\$267,001-\$320,000
80%	>\$160,000	>\$320,000

* Lots of things Medicare does NOT cover

☞ In general, Medicare does not help with dental, hearing aids, normal eye care (but does cover cataract surgery, etc.), foreign travel, etc.

☞ You can buy private dental, eye insurance, etc.

☞ **BIGGEST OMISSION:** Medicare does not cover custodial, non-skilled care nursing home, assisted living, Alzheimer's facility-type care:

- A year in a home can easily cost more than \$60,000; in a Skilled Nursing Facility (SNF), \$120,000

- About 35% of people who reach age 65 are expected to enter a nursing home at least once in their lifetime. The average stay is a year.

Reference: <http://longtermcare.gov/the-basics/how-much-care-will-you-need/>

*Plan for Medical Expenses!!

☞ US Administration on Aging says, in 2012 out-of-pocket health care costs for seniors averaged about \$5,100.

☞ On average, Medicare households spend 14% (one out of seven dollars) of their annual income on health care (compared to 5% for under 65s).

☞ The budget debates in Washington point to some more shifting of costs to seniors sometime in the future. Plan for some higher costs (in my opinion).

*Review

☞ Basics: Parts A (hospital), B (doctors), C (Managed Care: $C=A+B+D$, but never a Medigap policy), D (drugs), Medigap/Medicare Supplement policies

☞ Lower income can get help

☞ If higher income, have higher premiums

☞ A lot Medicare does not cover



ON TO YOUR CHOICES

*Whatever age you start Medicare, you face your first, key major annual choice and decision

☞ FEE-FOR SERVICE (FFS)

☞ Traditional Medicare

☞ You probably will want to enroll in Part B and D

☞ If no retiree coverage plan, you may want to buy a private Medigap policy

You can choose



☞ MEDICARE “ADVANTAGE”

☞ Managed Care - Part C

☞ Usually includes the Part D drug program

☞ You have to enroll in Part B

☞ You can not buy a Medigap

Each year, *usually** in the fall ‘open enrollment period,’ you can choose to switch between FFS and Medicare Advantage. Or you can choose to switch among the 23 drug plans available in Fairfax County within FFS or among the 15 local Medicare Advantage plans. The switch becomes effective January 1.

BE CAREFUL! With a few exceptions, you probably will not be able to easily switch Medigap plans after you first choose one. Once you do not have a Medigap plan, it may be impossible or difficult to re-purchase an affordable one. This can make switching back and forth between FFS and Managed Care a problem.

(*There are special times you can switch (for example, if you move) – ask me afterwards)

*REPEAT: KEY MEDICARE COVERAGE CHOICES

Original Medicare

- Part A
- Part B
- Part D
- Supplement, such as an employee retiree plan, military retiree plan or an individual privately-purchased Medigap plan



Medicare Advantage a/k/a Medicare Part C

- Combines Part A, Part B and usually Part D.
- No supplement/Medigap plan allowed for uncovered cost!

Repeat, Repeat!

Medicare Coverage Choices

OR

	Original, Traditional, Fee-for-Service Medicare	Part C Medicare Advantage Managed Care
Part A, Hospital	Yes	Yes
Part B Doctor, etc.	<p>Optional?</p> <p>Recommended enroll, if you don't have other , good insurance.</p> <p>If you have good insurance because you are actively working, you can delay enrolling.</p> <p>After you quit working, even if you have good retiree insurance (such as company, union, FEHB), you may want to or have to enroll in Part B.</p>	Yes, must enroll.
Part D, drugs	<p>Recommend, Yes</p> <p>But if you have "creditable" coverage from another source(such as retiree insurance), probably don't enroll— would probably be a duplication</p>	Recommend, Yes
Medicare Supplement, a/k/a Medigap	<p>If no other retiree coverage, consider buying (your time to buy easily and "cheaply" is very limited—see page 39*)</p>	Medigap Prohibited

* Some Pros to Consider: FFS vs. Managed Care

☞ Fee-for-Service (About 84% of Virginians in “traditional” Medicare)

- You have complete freedom of choice of any doctor or hospital who takes Medicare anywhere in the nation
- Easier to travel domestically and find care
- Can seek out Nation’s finest doctors and hospitals
- No skimping on care

☞ Managed Care (about 16% choosing these plans)

- Simpler: you pick a plan that manages what hospital/doctor you see and your Rx’s, and usually has such low copays that you don’t really need a Medigap policy
- Avoids overuse of services, over-testing & abuse of over-referral
- Saves money avoiding overuse and by getting volume discounts, many plans can afford to offer some benefits Medicare doesn’t (e.g., hearing, dental, gym memberships)
- Good coordinated, managed care that can be better for you (e.g., avoids 2 different doctors prescribing drugs that inter-act dangerously)
- Lower total premium costs? (see page 38)
- Plans have to offer ‘catastrophic’ protections: a limit on your total out-of-pocket expenses

*Some Cons to Consider: FFS vs. Managed Care

☞ Fee-for-Service (About 84 % in “traditional” Medicare)

- May be more expensive in terms of monthly premium cost (see page 39)
- Care uncoordinated: contradictory treatments or omissions more likely? (reported 251,000 deaths per year due to medical errors!)
- Complicated: YOU have to do more shopping , make more decisions.

☞ Managed Care (about 16% choose these plans)

- Restricts your chance to get best care/may limit your choice of providers.
- E.g., If the best place in the world to treat a certain cancer is at Mayo in Minnesota and your plan doesn't have a contract with Mayo, it may not pay your bills or you pay extra.
- Your long-time doctor may not be in the plan.
- If you travel a lot outside of your plan's network of providers, coverage can be a problem.
- Complicated to negotiate the Plan's rules of who-you-can-see and how-often.
- Skimping on care? Getting some expensive services or services used by older, sicker people may be a real hassle.

*Some Cons to Consider: FFS vs. Managed Care (continued)

☞ Fee-for-Service
(About 84% in “traditional” Medicare)

- ☞ Managed Care
(about 16% choose these plans)
- Once you’ve been in managed care more than a year, you do not have a right to buy a Medigap policy with no medical underwriting --- meaning, if you want Traditional Medicare, you may not be able to buy an affordable Medigap policy that covers your specific medical conditions. This can make deciding to move back to Traditional Medicare more expensive.
 - Need to shop each year, because plans can change dramatically from year-to-year. Plans may leave Fairfax County. (Plans may even change their doctors during the year)

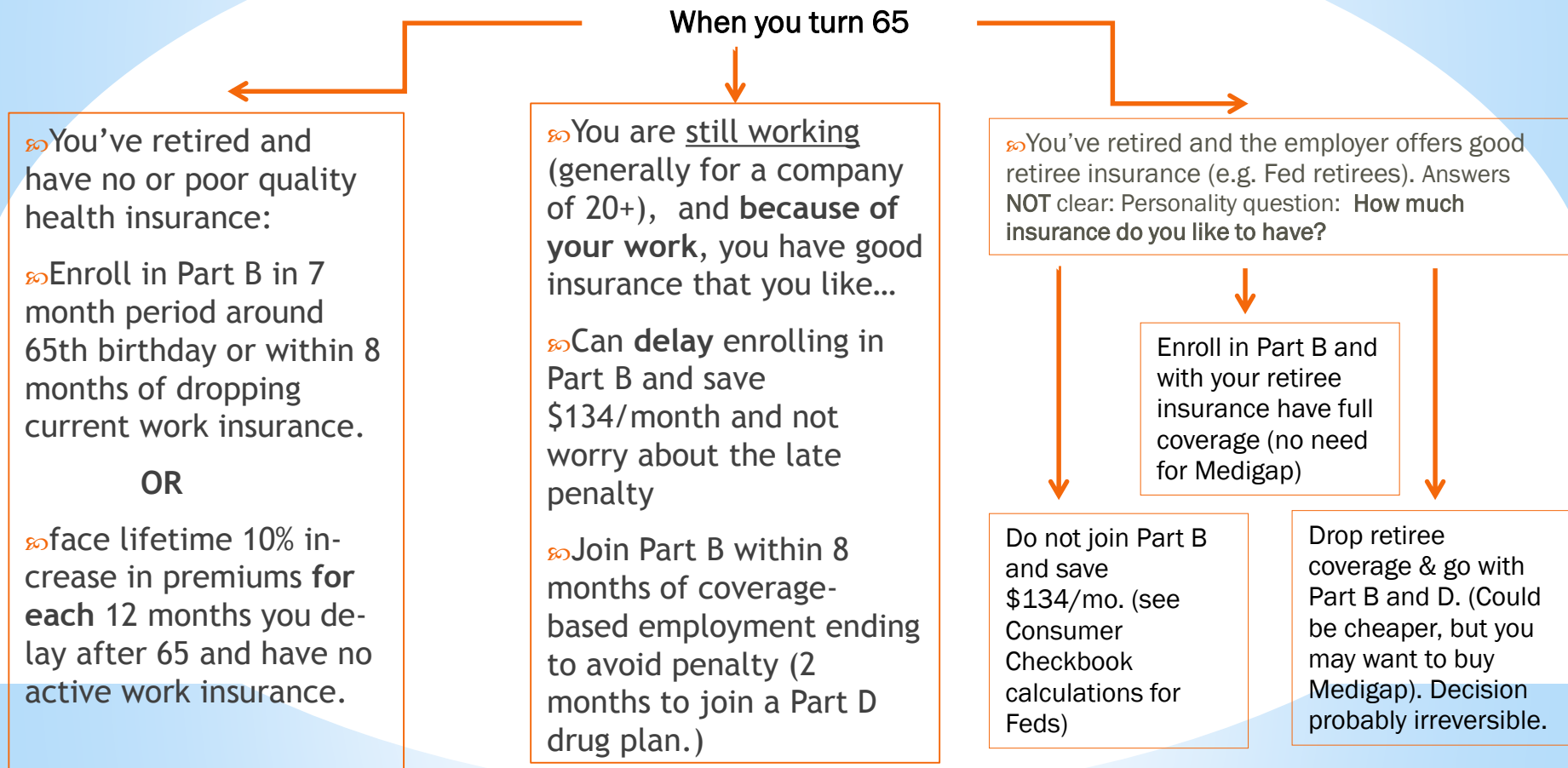
*If you choose to go the Managed Care (Medicare Advantage, Part C) route

- ☞ Pick one that covers drugs (our personal recommendation).
- ☞ Check that your doctors and hospital of choice are included in the plan's Network of Providers.
- ☞ Go for the plans with a higher quality star rating; avoid plans with less than 3.5 stars.
- ☞ Consider the issue of **for-profit** versus **not-for-profit** plans.
- ☞ Medicare Cost Contract- An experiment in Fairfax County

*Part B Issues

Note: If you pick Managed Care Part C, you have to enroll in Part B.

If you decide on Traditional, Fee-for-Service Medicare, you have to decide whether to sign up for Part B at \$134/month (this amount will inflate with health inflation).



Warning!

Talk to your company HR Department before you make any changes to your employer-provided insurance. Especially if you work for a smaller than 20-person company.

Talk to us afterwards if you have a Health Savings Account and are starting Medicare.

Talk to us afterwards if you have COBRA insurance.

These are complicated areas and you need to double-check before making a change.

*Part D Drug Coverage

The future of medicine is drugs: and the new drugs are breathtakingly expensive: Be sure you have drug insurance!

Join a Part D plan, IF you do **not** have “creditable” drug coverage from current or former employer (creditable means as good as or better than Medicare’s drug benefit – your current plan will tell you if it is “creditable” or not).

Traditional Fee-for-Service Medicare

Join a Part D plan in the 7-month period around turning 65 **and not** having other “creditable” (good) drug coverage. After that, every month you delay (or have a break in creditable coverage of >63 days), adds about 1% to your premium for the rest of your life.

Managed Care Part C

Recommendation: Join a plan that covers drugs.

If plan doesn’t cover Rx, enroll in a Part D plan.

* Drug Plan Choice

(see our tip sheet on using the Medicare.gov website)

☞ Take lots of Rx?

- Enter drugs on Medicare's Drug finder (easy to use) Website: look at the total cost, not just premiums
- Key issues: Are your drugs covered?
- Look at restrictions on how you can fill your prescriptions
- Is a Pharmacy near you in the plan?
- Try for higher star ratings
- Consider mail order to save \$\$
- Shop each year! Plans Change! Studies show 85% of us could save about \$350/year if we shopped!

*Note: Medigap Policies do not cover your share of Part D cost.

☞ Take no or few or cheap generic Rx?

- Join a very low premium plan so you avoid the late penalty and have basic and emergency catastrophic coverage; You have chance to change plan each year as your needs change.
- Shop each year! Plans Change! Studies show 85% of us could save about \$350/year if we shopped!

***Medigap/Medicare Supplement Private Policies (to help pay deductibles and co-pays); They generally do NOT pay for things Medicare does NOT pay for -- e.g. vision, dental, long-term care -- or your share of Part D cost)**

☞ Traditional, Fee-for-Service

- Have to be in Part B
- If you don't have a good retiree health plan (like Feds) shop for one of 10 Medigap models (see chart on the next page)
- Each model, for e.g. Plan G, covers the exact same things. In general, go with the lowest cost plan in the model you want
- Most people pick a Model G plan, but there are ones with cheaper premiums that do not provide quite as much insurance
- Note-Yearly cost goes up with inflation not on basis of your use
- **KEY: to avoid medical underwriting and to have a guaranteed right to get a policy, buy within 6 months after turning 65 AND enrolling in Part B (e.g., you finally enroll in Part B at age 70: you have a 6-month window where they generally have to sell you a policy, no questions asked about your health history).**

☞ Managed Care/Part C

- Not applicable: prohibited -- would almost always be a waste of money.

What Medigap Plans Cover

Medigap Benefits	Plan A	Plan B	Plan C	Plan D	Plan F/F*	Plan G	Plan K	Plan L	Plan M	Plan N
Medicare Part A Coinsurance and Medigap Coverage for hospital benefits	X	X	X	X	X	X	X	X	X	X
Medicare Part B Coinsurance or Copayment	X	X	X	X	X	X	50%	75%	X	X****
Blood (first three pints)	X	X	X	X	X	X	50%	75%	X	X
Part A Hospice Care Coinsurance and Copayments	X	X	X	X	X	X	50%	75%	X	X
Skilled Nursing Facility Coinsurance			X	X	X	X	50%	75%	X	X
Medicare Part A Deductible		X	X	X	X	X	50%	75%	50%	X
Medicare Part B Deductible (approx. \$200)			X		X					
Medicare Part B Excess Charges					X	X				
**Foreign Travel Emergency (up to plan limits- 80%/\$50,000)			80%	80%	80%	80%			80%	80%
2018 out-of-pocket yearly							\$5,120***	\$2,560***		

*Medigap Plan F offers a high deductible option. You must pay the first \$2,200 (deductible) in Medigap-covered costs before the Medigap policy pays anything.

**You must also pay a separate deductible for foreign travel emergency - \$250 per year

***After you meet your out-of-pocket yearly limit and your \$183 Part B Deductible in 2017, the plan pays 100% of covered services for the rest of the calendar year.

****Plan N - You may be charged up to \$20 for an office visit and up to \$50 for an emergency room visit before the plan pays. The emergency room copayment will be waived if you are admitted to the hospital

Note -- Plan A represents the basic core benefits (included in all plans with some variations).

Shopping for Medigap Made Easy

There are many companies selling up to 10 different model plans in Virginia.

For a very handy listing of 30 established companies, the policies they sell, and their cost listed by your approximate age, go to <http://www.scc.virginia.gov/boi/pubs.aspx#medsup>.

Or call us (703-324-5851, TTY 711) for a copy we can mail you.

Medigap Pop Quiz

(Copied from Medicare Rights Center.org—a great source of information.)

Mrs. P has decided to buy Medigap Model Plan G to help cover some of her costs. She has found two companies in her area that offer this plan. One costs \$153.50 per month and the other costs \$186 a month. If she is mainly concerned about costs, should she buy the cheaper one?

- A. Yes, the cheaper one offers the same benefits as the more expensive one.
- B. No, the cheaper one does not offer as many benefits.
- C. Maybe. Both plans might have different benefits.
- D. Maybe. The difference in cost is generally a fair indicator that the plan offers different benefits.

Estimate of Premium Cost Per Month

Part C insurance plan premiums	\$0 N/A	In Fairfax County, the 8 plans that also cover drugs range from \$25 to \$129 in premiums. Medicare estimates the average senior will have \$4,070 to \$5,470 in total annual health expenses - this is why you should look at the TOTAL estimated cost, not just the monthly premium cost.
Part D (drugs)	In Fairfax County, 23 drug plan premium range from \$17 to \$151.50 and your estimated TOTAL drug cost ranges from \$1,610 to \$2,766. This is why you should look at the TOTAL estimated cost, not just the monthly premium cost	\$0 (assume you buy a Part C plan that includes drugs)
Private Medigap/Medicare Supplement Insurance	In Fairfax County, the range is about \$120 to \$295 for the most common sold policy (Plan F) purchased at the age of 65.	\$0 N/A: purchase prohibited because it would generally be a huge waste of money.
TOTAL	\$137 - \$446.5 + Part B premium	\$25 - \$129 + Part B premium
Note: Medicare estimates that a Medicare beneficiary with <u>average</u> health will have total (includes covered benefits, premiums, deductibles and copay and other non cover svcs) annual health cost of \$7,620.		

Summary of Key Choices to Make

If you pick Fee-for-Services	If you pick Managed Care
<p>You have probably earned Part A and will get it automatically, but IF you are working and participating in a Health Savings Account, check with your benefits counselor.</p>	<ul style="list-style-type: none"> • Check if your doctor/closest hospital is a member of your Plan's Network • Try for a higher quality star/avoid Plans with less than 3 stars • Consider for-profit vs. not-for-profit issue • Shop each year during Fall Open Enrollment period
<p>If and When you sign up for Part B?</p> <ul style="list-style-type: none"> • Avoid late enrollment penalty 	<p>Must join Part B</p>
<p>Buy Part D?</p> <ul style="list-style-type: none"> • Avoid late penalty • Don't look just at the premium cost: look at the total cost of getting the drugs you know you need and check the restrictions on those drugs • Consider mail order option to save \$\$ • Whenever possible, go with the plan with the most quality stars • Shop each year. Studies shows an average Medicare beneficiary could save \$350 a year by shopping. • If you don't take any/many Rx's, go with the lowest premium plan to avoid late penalty (then you can switch annually for the best plan for the Rx's you may need to take in the future) 	<p>Recommend you pick a plan that covers drugs, so you don't need to pick a separate Part D plan.</p> <p>Check how the plan covers the drugs you know you need to take.</p>
<p>Medigap</p> <ul style="list-style-type: none"> • To avoid medical underwriting/paying much more/not having coverage for a pre-condition, be sure to pick a Medigap policy within 6 months after you are 65 <u>AND</u> enroll in Part B 	<p>Medigap prohibited</p> <ul style="list-style-type: none"> • If you first joined Managed Care and then leave and go to traditional Medicare within one year, you have a one-time right to buy a Medigap policy without medical underwriting • <u>If you wait more than a year, you do not have a guaranteed issue right and you may not be able to get a good or affordable Medigap policy if you go into Fee-for-Service.</u> This could make FFS Medicare more expensive as you age and need more health services.

*Applying for Medicare

∞ Apply 3 months before age 65

- Don't have to be retired

- Contact the Social Security Administration

∞ Enrollment automatic if receiving Social Security (SSA) or Railroad Retirement Benefits (RRB)

Turning 65?

Follow Your Path to Medicare!



*Enrolling in Medicare Part B

- Automatic Enrollment at 65 if receiving early SS retirement
 - Must opt out of Part B if not wanted
- Initial Enrollment Period (IEP)
 - 7 months starting 3 months before, the month of turning 65, and 3 months after
- General Enrollment Period (GEP)
 - January 1 through March 31 each year; Coverage is effective July 1
 - **Premium penalty:** 10% for each full 12 month period eligible but not enrolled;
 - Paid for as long as the person has Part B.

*Enrolling in Medicare Part B

☞ May delay enrolling in Part B with no penalty if:

- Covered under employer or union group health plan
- Based on current/active employment of beneficiary or spouse
- Will get a **Special Enrollment Period (SEP)**
 - Sign up for Part B within 8 months after employer/union group health plan coverage ends to avoid penalty.
 - Sign up for Part D within 63 days after employer/union group health plan coverage ends to avoid penalty.

Be aware: SSA recommends that individuals, who delayed enrolling in Part B because the beneficiary (or spouse) had health coverage based on current/active employment, should enroll in person at a SSA office to show proof they had health coverage.

*Last Points

∞ Help fight fraud: keeps your premiums lower!

∞ Beware: sometimes when you are in a managed care plan provided from your employer while you are still working, you may be “seamlessly converted” to your employers MA plan at age 65. This may or may not be good for you!

∞ Be aware of hospital ‘OBSERVATION STATUS’ issue.

*Pay attention to Congressional Budget Debates.