

## **Kaiser Permanente Group Guide to Medicare Basics**

The National Medicare program was created in 1965 and, for many years, has given people peace of mind knowing they'll have access to healthcare coverage. Medicare is administered by the Centers for Medicare and Medicaid Services, or CMS and provides health care coverage to people who are 65 and over and people under 65 who have certain disabilities.

There are many things to know about Medicare and Kaiser Permanente wants you to have all information you need. In this short video, we'll explain some of the basics and give you resources to learn more.

First, Medicare is made up of 4 parts – Part A, Part B, Part C and Part D. Part A is hospital insurance. And Part B is medical insurance. Together, Part A and Part B are known as Original Medicare. Part C is often referred to as Medicare Advantage. And Part D is prescriptions.

Let's start with Part A.

Part A is hospital insurance. It covers:

- Inpatient hospital
- Skilled nursing
- Hospice
- and home health care

It does not cover custodial care or long-term care.

If you or your spouse paid Medicare taxes while you were working and you worked for the designated number of years, you usually won't have to pay a monthly premium for Part A. This is sometimes called premium-free Part A. Once you're eligible, you can sign up at your Social Security Office and receive a

red, white and blue card to use when you get care.

Next, Part B.

Part B is the optional medical insurance that covers non-hospital things like:

- Doctor's visits
- Outpatient Care
- Preventive Services
- Lab and x-ray
- Durable Medical Equipment
- Ambulance services
- Mental Health
- Dialysis
- and more

If you qualify for Part A, you'll also be eligible for Part B. However, there is a monthly premium for Part B coverage and you'll need to keep paying it for as long as you have the benefit. And here's something important to remember: You must sign up for Part B as soon as you're eligible, because if you don't, you may have to pay a late enrollment penalty. This penalty increases the Part B monthly premium by 10% for each 12-month period you decline coverage. And the amount is not a one-time penalty - it lasts for as long as you have the coverage.

Although there are a few exceptions to the penalty, such as for a person who continues to work after age 65 and is covered under a group insurance plan with 20 or more employees, it's important to keep the timelines in mind.

Now, let's move on to Part C.

Part C is often referred to as Medicare Advantage. Part C allows you to choose a private insurance company to provide your Medicare benefits. When you sign up for a Medicare Advantage Plan, you receive your health care through a private insurance company. Medicare Advantage Plans cover all of the services Original Medicare covers with a few exceptions.

Medicare Advantage plans feature a network of providers you must use for care. If you choose to see a provider outside of the network, you'll be financially responsible, except in the case of emergency or urgent care. Once you've enrolled, you'll use the Medicare Advantage plans' member ID card when you get care. But you should still hold onto your red, white and blue Medicare card.

And finally, Part D.

Part D provides outpatient prescription drug coverage and can only be purchased from a private company. You're eligible for Part D if you're entitled to Part A and/or enrolled in Part B. A Part D plan must have a list of covered drugs called a formulary. And you may only have one Part D plan at a time. If you're currently enrolled in a Medicare Advantage plan and decide to enroll in a separate Part D plan, you will be disenrolled from your Medicare Advantage plan.

You can enroll in Part D through one of these options:

- A Medicare Advantage plan that includes Part D prescription drug coverage
- or a Stand-Alone Prescription Drug Plan

Like Part B, Part D also has a Late Enrollment Penalty. However, the penalty for Part D is 1 percent of the

monthly premium for every month you defer your enrollment. And the penalty doesn't apply to those who are eligible for Low-Income Subsidy also called "Extra Help." To apply for Extra Help and get assistance in paying for your prescription drug premiums and costs, contact Social Security or your state Medicaid office, or call 1-800-Medicare for more information.

Now that we've covered Medicare Part A, Part B, Part C and Part D, let's talk some more about Enrollment.

First – How to enroll in Part A and Part B:

The Initial Coverage Enrollment Period for Part A and Part B begins 3 months before your 65th birthday and ends 3 months after the month you turn 65 – a total of 7 months. If you miss your initial enrollment period, you can sign up during the general enrollment period between January 1st and March 31st each year. And your coverage starts the first day of the month after you sign up. If you decide to continue working after 65, but lose your employer or union coverage, you can sign up during a Special Enrollment Period which is anytime outside of the General Enrollment or Initial Enrollment Periods.

Next, enrolling in Part C (Medicare Advantage plans) and Part D (the Medicare prescription benefit).

To be eligible for Part C and Part D, you must:

- Reside in the approved service area and
- Have Part A and Part B

Another way to be eligible is if you have an employer or union health plan or have coverage through a

company that offers Medicare Advantage Plans, you may be able to join one of their Medicare Advantage Plans.

It's also important to know when to enroll since most plans have a limited enrollment period.

First, you can change Medicare plans during the Open Enrollments your employer holds during the year. You can also enroll in a Medicare plan, under your employer group, during Special Election Periods if you've experienced specific qualifying events like:

- Loss of employer or union group coverage
- Qualification for Low Income Status
- or Relocation – you have moved or are moving

Finally, let's talk about Medicare Star Quality Ratings. Each year the Centers for Medicare and Medicaid Services monitor and evaluate Medicare Health Plans. And rate the plans between 1 and 5 stars.

The ratings are based on major categories that include:

- Preventive Care
- Chronic Care
- Prescription Drug Services
- Customer Service
- And Member Satisfaction

And they give you an easy, unbiased way to evaluate the quality of different plans.

Thank you for taking the time to learn a little more about the Medicare basics. To get more information about Social Security, state assistance and Medicare including Medicare Star Quality Ratings, please refer to these resources, or find them in our enrollment materials.

We also invite you to visit your employer website where you can learn more about the benefits and services your employer group offers. If your employer group currently does not offer post-65 retiree benefits, have them contact their Kaiser Permanente account management team to learn more.

Thanks for watching and Be Well!