

Kaiser Permanente - Individual 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.

Part A is hospital insurance. And Part B is medical insurance. Together, Part A and Part B are known as Original Medicare.

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've worked at least 10 years in a job covered by Social Security and are over 65, you probably won't have to pay a monthly premium for 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 xray
- 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, you will pay 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. So, if you delay for 3 years, your monthly premium goes up 30%! 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, 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 still have Original Medicare. But you receive your health care through a private insurance company. Medicare Advantage Plans cover all of the services Original Medicare covers except for Hospice and clinical research studies care. And you can get those exceptions covered under Original Medicare.

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.

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

- A Medicare Advantage plan that includes Part D prescription drug coverage
- A Stand-Alone Prescription Drug Plan or
- with Some employers or unions

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 Original Medicare or Part A and Part B:

The initial enrollment period for Original Medicare 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 will begin on July 1 of that same year. 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 ³ 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.

The Initial Enrollment Period for a Medicare Advantage Plan with Part D is the same as Original Medicare: 3 months before you turn 65, your birthday month and the 3 months after you turn 65 – totaling 7 months to enroll.

If you miss your Initial Enrollment Period, you'll have another chance to enroll during the Annual Enrollment Period between October 15 and December 7. During this time, you can enroll, drop or change your Medicare Advantage and/or Part D plan.

There are also Special Enrollment Periods that allow people to change plans or enroll outside of the regular enrollment periods due to:

- Loss of employer or union group coverage
- Qualification for Low Income Status also referred to as Extra Help
- or Relocation – you have moved or are moving

Another way to sign up outside of the regular enrollment periods is if you enroll in a Medicare health plan that has received a 5-star Quality Rating. 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.

For 5-star rated Medicare Health Plans and Prescription drug plans, there is a 5-star special enrollment period that runs from December 8th to November 30th of the following year.

One more thing: If you'd like to make changes to Part D or Part C, each year from January 1st through March 31st you can switch to another Medicare Advantage Plan or disenroll from your current plan and return to Original Medicare. During this time, you may also purchase a stand-alone Part D prescription drug plan.

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 our website: kp.org/medicare where you can learn more about the benefits and services we offer, and even enroll online. Thanks for watching and Be Well!