



The Road to Medicare: Planning Your Drive Toward 65

Seniors' Health Insurance Information Program
North Carolina Department of Insurance
Mike Causey, Commissioner

855-408-1212 • www.ncshiip.com

It is very important for everyone becoming eligible for Medicare to get accurate information about coverage and delivery options, including supplemental health insurance, Medicare health plans and prescription drug coverage. Attention to these issues will help you avoid serious and costly problems later. This fact sheet will help you map your journey to Medicare highlighting roadblocks and warning signs along the way.

Some road signs you need to watch out for are:

- **Caution: Slippery Road Ahead** — Ways to prepare for Medicare
- **Green Light: Enrollment** — When and how you need to enroll in Medicare
- **Detour: Working Past 65** — Information for beneficiaries who plan to work beyond age 65
- **Which Way to Supplemental Coverage?** — Choices in health insurance to supplement Medicare
- **Stop: Get Help** — Resources for further information and assistance on the road to Medicare

The Seniors' Health Insurance Information Program (SHIIP), a division of the North Carolina Department of Insurance, is available for additional guidance and information at any turn of the road. Contact SHIIP at **855-408-1212** or ncshiip@ncdoi.gov. Trained SHIIP volunteer counselors are also available in every county in North Carolina to help with your specific situation. The SHIIP Web site, www.ncshiip.com, also provides information and publications to assist you.

Caution: Slippery Road Ahead

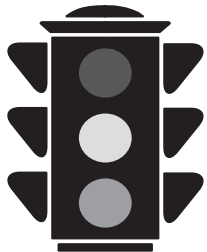
Several months before turning 65 you should begin to learn more about Medicare and how it relates to your circumstances. For example:

- If you or your spouse have paid into the Social Security System for 10 or more years, you are eligible for premium-free Medicare Part A (Hospital Insurance) at age 65. If you have paid in fewer than 10 years, you can buy Medicare Part A coverage. Everyone pays a premium for Medicare Part B (Medical Insurance).
- If you have been on Medicare due to disability, you have a brand new six-month Open Enrollment Period for purchasing Medicare supplemental insurance when you turn 65.
- Talk to your employer's benefits officer and ask for any information about company health insurance after age 65. If you have an Employer Group Health Plan (EGHP) that will continue to pay secondary after you become eligible for Medicare, study the benefits booklet to find out the cost and benefits of the plan. You will then need to decide if you should keep your EGHP as secondary to Medicare or if you need to drop your EGHP and purchase a Medicare supplement or join a Medicare Advantage plan. If your EGHP has drug benefits, make sure they are as good as or better than Medicare Part D.
- **If you will not be covered by an EGHP plan that will pay secondary to Medicare**, begin to investigate other health insurance options — either an individual Medicare supplement policy (Medigap) or a Medicare Advantage plan. SHIIP can provide information about the Medicare supplement plans, Medicare Advantage (Medicare Part C) plans and Medicare Prescription Drug Plan (Medicare Part D) options available in North Carolina.



- Learn more about what Medicare will and will not cover. Get a copy of the *Medicare & You Handbook* or *The Guide to Health Insurance for People with Medicare* from Medicare or from SHIIP. Understanding what Medicare covers and does not cover will give you some idea of the health care costs you may incur.
- As a new Medicare beneficiary, you are entitled to a one-time “Welcome to Medicare” visit with your primary care provider within twelve months of the day your Medicare Part B becomes effective.

Green Light: Enrollment



Automatic Enrollment

If you are already receiving Social Security benefits or Railroad Retirement benefits, your enrollment in Medicare is automatic. Your Medicare card should arrive in the mail shortly before your 65th birthday. Check the card when you receive it to verify that you are entitled to both Medicare Parts A and B.

Initial Enrollment

If you are not eligible for Automatic Enrollment, contact the Social Security Administration at **800-772-1213** or enroll online at **www.socialsecurity.gov**, or visit the nearest Social Security office to enroll in Medicare Part A and Medicare Part B. You have a seven-month window in which to enroll in Medicare without incurring a penalty.

If you’re not automatically enrolled in premium-free Part A, you can sign up for it once your Initial Enrollment Period starts. Your Part A coverage will start six months back from the date you apply for Medicare, but no earlier than the first month you were eligible for Medicare. If your birthday is on the first day of the month, your coverage starts the first day of the prior month. However, you can only sign up for Part B (or Part A if you have to buy it) during the times listed below.

Initial Enrollment Period (seven months)	
Three months before your 65th birthday	The month you turn 65, and one to three months after your 65th birthday
Enroll during this time and your Medicare will be effective the first day of your 65th birth month.	Enroll during this time and your coverage will be effective the first day of the month after you sign up.

NOTE: *If you are in your Initial Enrollment Period, the Special Enrollment Period does not apply.*

During this Initial Enrollment Period, you will also have the option to enroll in a Medicare Prescription Drug Plan (PDP) available under Medicare Part D. Enrollment in a Medicare PDP is strictly voluntary. These plans are offered by private insurance companies approved by Medicare. Information about PDPs can be found on the SHIIP website at **www.ncshiip.com**. If you fail to enroll in a Medicare PDP during your Initial Enrollment Period and you do not have equal or better coverage through an EGHP, you will incur a one- percent penalty for each month that you are late enrolling. You will only be allowed to enroll during the Medicare Open Enrollment Period (October 15th through December 7th each year), for Medicare Advantage and Medicare Part D.

General Enrollment

If you are not automatically enrolled, or you do not enroll in Medicare Parts A and B during your Initial Enrollment Period, you cannot enroll until the General Enrollment Period, which is January 1st through March 31st each year (unless you are entitled to Special Enrollment – see next page). Your monthly Medicare Part B premium may increase to include a permanent ten-percent penalty for each year of delayed enrollment (unless you are eligible for Special Enrollment).

General Enrollment Period for Medicare Parts A & B (Every year)	
Enroll during this time	Your Medicare coverage will begin
January 1st through March 31st	The first day of the month after you sign up



Detour: Working Past 65 (Special Enrollment)

After your Medicare Initial Enrollment Period (see Page 2) is over, you may have a chance to sign up for Medicare during a Special Enrollment Period (SEP). For example, if you didn't sign up for

Part B (or Part A if you have to buy it) when you were first eligible **because you have Employer Group Health Plan (EGHP) coverage based on current employment** (your own, a spouses', or a family member's if you have a disability), you can sign up for Part A and/or Part B:

Any time you're still covered by the EGHP **OR** During the eight-month period that begins the month after the employment ends or the EGHP ends, whichever happens first.

NOTE: COBRA isn't considered to be coverage based on current employment and does not count as an EGHP for a Special Enrollment Period. The same is true for retiree health plans, VA coverage, and individual health insurance coverage (like coverage through the Health Insurance Marketplace).

Your Medicare coverage generally starts the first day of the month after you sign up. If you sign up for Part B while you're still working, or within the first full month after losing your EGHP, you can request to delay your Part B start date up to three months. Usually, you won't have to pay a late-enrollment penalty if you sign up during the Special Enrollment Period. This Special Enrollment Period doesn't apply if you're eligible for Medicare based on End-Stage Renal Disease (ESRD), or you're still in your Initial Enrollment Period.

When deciding whether to enroll in Medicare while there is still active employment, you will need to take into consideration which insurance will be primary and which insurance will be secondary. Talk to your employer's benefits officer and ask for information about company health insurance options for people who continue working past their 65th birthday. Ask specifically how many hours you must work to keep your EGHP, and whether the EGHP will be "**primary**" (20 or more employees) or "**secondary**" (less than 20 employees) to Medicare. Carefully study the company's current benefit booklet to determine costs and benefits of the plan



Which Way to Supplemental Coverage?

Medicare is a major federally-funded medical plan that provides a basic foundation of benefits. However, it does not pay 100 percent of all medical bills. Medicare beneficiaries are responsible for premiums, deductibles, and coinsurance. These amounts can be significant. Because of these costs, most beneficiaries need some kind of plan, policy or program to fill in the "gaps."

Medicare Supplement Insurance

Medicare supplement plans are one health insurance option for people with Original Medicare. There are standardized Medicare supplement insurance plans available that are designed to fill the gaps left by Original Medicare (Parts A and B). These are sold by private insurance companies as individual insurance policies and are regulated by the Department of Insurance. After age 65 and for the first six months of eligibility for Medicare Part B, beneficiaries have an Open Enrollment Period and are guaranteed the ability to buy any of these plans from any company that sells them. Companies cannot deny coverage or charge more for current or past health problems. If you fail to apply for a Medicare supplement within your Open Enrollment Period, you may lose the right to purchase a Medicare supplement policy without regard to your health. Information about the Medicare supplement plans sold in North Carolina is available from SHIIP (**855-408-1212** or **www.ncshiip.com**).

Medicare Prescription Drug Coverage (Medicare Part D)

The Medicare Prescription Drug Plans (PDPs) are sold by private insurance companies approved by Medicare. All people new to Medicare have a seven-month window to enroll in a PDP – three months before, the month of and three months after their Medicare becomes effective. The month you enroll affects the PDP's effective date. All people with Medicare are eligible to enroll in a PDP; however, unless you are new to Medicare or are entitled to a Special Enrollment Period, you must enroll or change plans during the Open Enrollment Period for Medicare Advantage and Medicare Part D, **Oct. 15 through Dec. 7**. There is a monthly premium for these plans. If you have limited income and assets/resources, assistance is available to help pay premiums, deductibles and co-payments. You may be entitled to "Extra Help" through the Social Security Administration. To apply for this benefit contact SHIIP or the Social Security Administration at **800-772-1213** or **www.socialsecurity.gov**.

Employer or Military Retiree Coverage

If you or your spouse has an Employer Group Health Plan (EGHP) as retiree health coverage from an employer or the military (TRICARE for Life), you may not need additional insurance. Review the EGHP's costs and benefits and contact your employer benefits representative or SHIIP to learn how your coverage works with Medicare.

Medicaid or Medicare Savings Programs

Medicare beneficiaries with limited income or very high medical costs may be eligible to receive assistance from the Medicaid program. There are also Medicare Savings Programs for other limited-income beneficiaries that may help pay for Medicare premiums, deductibles, and coinsurance. There are specified income and resources limits for both programs. Contact your local county Department of Social Services or SHIIP to apply for one of these programs..



Other Medicare Insurance Options

Medicare Advantage (Medicare Part C)

Medicare Advantage plans are another health insurance option for Medicare beneficiaries.

Medicare Advantage plans (HMOs, PPOs, SNPs and/or PFFS) are available in our state and provide all Medicare Part A and Part B benefits and possibly some extra benefits. Members may be required to utilize a network or group of preferred providers. Check with your health care providers to see if they

accept the insurance plan you are considering. All plan options may not be available in the county in which you reside. If you join a Medicare Advantage Plan, you are still in the Medicare Program but you receive your Medicare benefits from the private carrier. You are no longer enrolled in Original Medicare. Information about Medicare Advantage plans in North Carolina is available from SHIIP (**855-408-1212** or **www.ncshiip.com**). You may enroll in a Medicare Advantage plan during your Initial Enrollment Period (see page 2) during the Medicare Open Enrollment Period from **Oct. 15 through Dec. 7**, or the New Medicare Advantage Open Enrollment Period from **Jan 1 through Mar 31**.



Stop: To Get Help

Seniors' Health Insurance Information Program (SHIIP)
855-408-1212 or www.ncshiip.com
NC Department of Insurance



The **Seniors' Health Insurance Information Program (SHIIP)**, a division of the NC Department of Insurance, offers free, objective information about Medicare, Medicare Advantage plans, Medicare claims, Medicare supplement insurance, Medicare Prescription Drug Plans, fraud and abuse prevention and long-term care insurance. Trained SHIIP volunteer counselors are available for one-on-one counseling in every county in the state.

Medicare • 800-633-4227 or www.medicare.gov

Medicare provides information 24 hours a day, seven days a week about eligibility, enrollment and coverage.

Social Security Administration • 800-772-1213 or www.socialsecurity.gov

Contact the Social Security Administration to enroll in Medicare or to request a replacement Medicare card.

Employer Benefits Representative

See your representative for information about Employer Group Health Plan coverage.

Your local Department of Social Services (DSS)

County DSS offices have information about Medicaid, Extra Help and Medicare Savings Program eligibility and applications.

TRICARE for Life • 877-TRICARE (800-444-5445) or www.tricare.mil

TRICARE for Life representatives can assist military retirees with questions on eligibility and coverage.



SHIIP

State Health Insurance
Assistance Program

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