

# Medicare FAQs

## What is Medicare?

Medicare is a national health insurance program for those aged 65 and older, under age 65 with disabilities, and with end-stage renal disease.

It includes four parts. There are also supplemental plans.

**Eligibility:** Must be a U.S. Resident and either be a U.S. citizen, or an alien lawfully admitted for permanent residence in the U.S. for 5 continuous years prior to the month you enroll.



**Part A** covers your inpatient hospital care, inpatient care in a skilled nursing facility, hospice care, and home health care.

It's important to note that you have a deductible per Benefit Period before Medicare pays. Your Benefit Period starts when you're admitted to the hospital and ends 60 consecutive days after hospital discharge.

Most people don't pay a monthly premium for Part A if they or their spouse paid Medicare (FICA) taxes while working for at least 10 years.



After the annual deductible, **Part B** generally covers 80% of your doctor visits, diagnostic tests, lab work and X-rays.

They must be for an eligible service and with a Medicare provider.

Most people pay a monthly premium for Part B, which is based on your Modified Adjusted Gross Income reported on your IRS tax return from 2 years ago. If your Modified Adjusted Gross Income is above a certain amount, you may pay an Income Monthly Adjustment Amount. (IRMAA). Your monthly Part B premium changes in January of each year.

Medicare premiums vary each year. To see the latest costs and eligible services, visit [www.medicare.gov](http://www.medicare.gov)



Medicare Part C, also known as a Medicare Advantage Plan, combines Parts A, B, and usually D. These plans sometimes include other benefits like eyecare and dental coverage. These plans are offered by Medicare-approved private companies and are based on where you live. In most cases you'll need to see covered providers in your local area for medical services. Some plans require a referral to see a specialist. Other plans may allow you to see out-of-network providers at a higher cost. Most Part C networks are smaller than the Medicare network of providers.

The premium for Medicare Advantage varies by plan and where you live.



**Part D** is a drug plan that helps cover the cost of your prescriptions.

To avoid a penalty, you need to purchase a Part D plan or have other creditable prescription drug coverage. You can purchase Part D through a Medicare Advantage Plan or a Prescription Drug Plan through PEHP.

The cost for a Part D plan will vary by plan.



Since Medicare doesn't pay for everything, you may want to [add a supplemental plan](#) to help cover some Medicare-eligible expenses not paid by Parts A & B.

PEHP has medical, prescription, dental, and vision plans to cover all your healthcare needs during retirement. You're eligible for PEHP Medicare Supplement plans when you enroll in Medicare A & B. You can see plans and rates online at [www.pehp.org/medsup](http://www.pehp.org/medsup)

## What are your options?

Whichever you choose, you must enroll in Part A & B.

1



Enroll in Part A & B, and add Part D.

2



Enroll in Part A & B, and add PEHP supplemental plan and PEHP Part D.

3



Enroll in Part C, which combines A, B, and usually D.

## When can you enroll?

3 months before the month you turn 65	2 months before the month you turn 65	1 month before the month you turn 65	The month you turn <b>65</b>	1 month after the month you turn 65	2 months after the month you turn 65	3 months after the month you turn 65
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You're automatically enrolled if you get social security benefits, are under age 65 and disabled, or if you have ALS.

If you enroll the 3 months before your birthday, coverage begins the 1st day of your birthday month. If you enroll during your birthday month or the 3 months after your birthday month, your coverage will begin the first of the following month.

If you don't apply for Medicare at age 65, you may face penalties for late enrollment.

## What happens if you work past age 65?

### Special Enrollment

If you plan to work beyond age 65 and stay on an employer health plan, you can delay enrollment in Medicare Part A and Part B. You must be an active employee or spouse covered by an employer health plan.

Employer must have 20+ employees to qualify. Check with your employer to see if you meet Medicare's rules for special enrollment.

COBRA coverage, retiree health plans, VA coverage, and individual health coverage (like the Health Insurance Market Place) aren't considered coverage based on current employment.

You can still enroll in Part A & B while covered by another health plan, but you will need to see if the added cost is worth it to you.

## What happens if you miss your initial enrollment period?

### General Enrollment

If you missed your initial enrollment period and don't qualify for special enrollment, you can still enroll during Medicare General Enrollment; however, your Part A monthly premium may go up 10%. You will pay the higher premium for twice the number of years you could have had Part A.

Your monthly premium for Part B may go up 10% for each full 12 months you could have had Part B but didn't sign up for it. The late enrollment penalty lasts for as long as you have Part B.

Visit [www.medicare.gov](http://www.medicare.gov) for Part A and Part B late enrollment penalties.

Medicare General Enrollment runs from January 1-March 31. Coverage is effective the first of the month following your enrollment.

## Where and how do you enroll?

To enroll in Medicare, go to the Social Security Administration website at [www.ssa.gov](http://www.ssa.gov). You don't need to re-enroll again.

## Where can you find Medicare providers?

You can find doctors, hospitals, and other providers online at [www.medicare.gov](http://www.medicare.gov). You'll also find where to get medical supplies, and search for services or tests to see if Medicare covers it. Medicare providers are located nationwide, so you're not limited to visiting providers where you live.

## What are your options if your spouse retires and you're not eligible for Medicare yet?

If your spouse is retiring and you're losing medical coverage through their employer, you have options:

1. Ask if your spouse's employer offers Early Retiree coverage for you
2. You can enroll in COBRA coverage through the same employer
3. You can shop for a health plan through the Marketplace at [www.healthcare.gov](http://www.healthcare.gov)



## Can you still have a Health Savings Account (HSA)?

When you enroll in Medicare, you can still have a health savings account to pay for eligible medical expenses; however, you're no longer eligible to make or receive contributions.

If your spouse is still working and enrolled in a high-deductible health plan through their employer, they can continue to make contributions to an HSA account up to the IRS annual limits.

## When should I stop contributing to my HSA to avoid penalties?

First, if you're retiring at age 65 or before the full retirement age, you can contribute to your HSA up to the month Medicare begins. For example, if you turn 65 in May, you could contribute through April. In this case you would only be able to contribute up to one-third (4months/12months) of the IRS max. Remember the IRS counts any contributions, so make sure you take into account any money received from your employer as well.

Second, if you're working beyond age 65, you need to stop all HSA contributions six months before you plan on enrolling in Medicare or face tax penalties. The reason for this is you can't contribute to an HSA when covered by Medicare, and Medicare gives you retroactive coverage for premium-free Part A back six months from when you enroll.

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