



# 17 Things Medicare First-Timers Need to Know



United  
Medicare  
Advisors

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### Introduction

There are currently about 55 million Medicare beneficiaries living in the United States. Many of them have searched for a simple explanation of what they can expect, how much it will cost, and where they can go for help. Later this year, United Medicare Advisors will help its 100,000<sup>th</sup> person make an informed decision regarding their Medicare insurance.

We cite this number with great pride as we know that each and every single one of those people were helped in some way by our services. We hope that this e-book delivers great value to you and anyone with whom you choose to share it. We encourage you to use this book as a resource. In the conclusion section, you will find links to our website where you can find deeper explanations, our podcast and video library, and much more.

**No matter your situation, we are here to help you Learn, Compare, and Save.**

**the basics.**

### 1) What is Medicare?

Medicare is health insurance for people 65 years and older and for people younger than 65 that have permanent disabilities or End-Stage Renal Disease.

**More Basic Medicare Terms:**

<http://www.unitedmedicareadvisors.com/medicare-resources/essential-terms>

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### 2) What is Original Medicare?

Also referred to as “Traditional Medicare”, this is the combination of Part A and Part B of Medicare.

**Part A helps pay for inpatient care** and services from hospital stays, skilled nursing facilities, and home health care. **Part B helps pay for doctor’s office visits**, outpatient care, preventative services, and medical supplies.

**Part A and Part B both pay for 80% of covered services at the doctor and hospital.** The remaining 20% is where Medicare Supplement comes in to help.

**Original Medicare**

**Part A  
Hospital Insurance**

**Part B  
Doctor's Office  
Insurance**

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### 3) How much does Medicare cost?

**For most people, Part A is free** because of the Medicare taxes paid during one’s working years. For those not eligible for premium-free Medicare Part A, it will cost up to \$411 each month for 2016.

**In 2016, most people will pay \$121.80 per month for Part B.** This amount varies based on your income.

**ADVISOR TIP:** Keep in mind that both Part A and Part B have deductibles and other costs that can be covered by a Medicare Supplement plan.

**Read more here:**

<http://www.unitedmedicareadvisors.com/medicare-resources/medicare-a-and-b-basic-costs>

### 4) How do I enroll in Medicare?

**If you are already receiving benefits from Social Security or the Railroad Retirement Board (RRB),** you'll automatically get both Part A and B starting the first day of the month you turn 65.

**If you're under 65 and disabled,** you'll automatically get both Part A and B after you get disability benefits from Social Security or disability benefits from the RRB for 24 months.

**If you have ALS (Lou Gehrig's disease),** you'll get both Part A and B automatically the month your Social Security disability benefits begin.

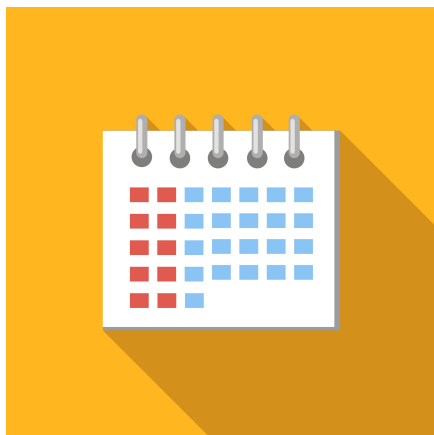
**The technical term for this time is your "initial enrollment period"** and it begins three months prior to your 65<sup>th</sup> birthday, includes your birthday, and continues for three more months after your birthday. Note: If you do not sign up for Part B when you're first eligible, you may have to pay a continual late fee for enrolling later.

**ADVISOR TIP:** We recommend that our clients contact their local Social Security office three months prior to their 65<sup>th</sup> birthday to ensure they are lined up to receive Medicare benefits. This helps to avoid any potential confusion or delay.

**To locate your Social Security office, visit:** <https://secure.ssa.gov/ICON/main.jsp>

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### 5) Can I defer Medicare to a later start date?



Since most people get Medicare Part A without any charge, there is no reason to delay this coverage.

**Medicare Part B, however, does have a monthly premium and can indeed be delayed without penalty.**

To delay Medicare Part B without penalty, you must be covered by an employer group health plan. Depending upon the costs associated with your employer plan at age 65, it may make sense to begin Medicare Part B even if you are going to keep working.

**Read More Here:**

<http://www.unitedmedicareadvisors.com/blog/should-i-start-medicare-now>

### 6) What is Medicaid?

**Medicaid is a joint federal and state program for people with limited income and resources.** It is governed by the state which means that each state's Medicaid program varies in coverage and admission requirement.

Depending upon the state-level guidelines (that operate within federal law), the beneficiary may still have to pay part of their medical costs through deductibles, premiums, copays, and coinsurance.

For more information on your state's Medicaid program or to see if you are eligible, visit: <https://www.medicaid.gov/>

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### 7) What types of services are not covered by Original Medicare?

Though Medicare is great health insurance, it simply does not cover everything.

A few of the major areas where Medicare does not provide coverage are:

- Routine dental, vision, or hearing care
- Long-term care
- Dentures
- Cosmetic surgery
- Acupuncture
- Routine foot care



**ADVISOR TIP:** Look for a dental plan that also covers vision and hearing care. Those three areas are where you can incur a lot of unexpected but necessary costs that can be alleviated by basic insurance coverage.

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## 8) What is the Part D “Donut Hole” coverage gap and what is the Affordable Care Act doing to close it?

**The Affordable Care Act (ACA) is closing the Medicare Part D coverage gap by the year 2020.** This gap, commonly known as the “Donut Hole”, occurs once you and your drug plan have spent \$3,130 (in 2016) on your drugs. The coverage gap forces you to pay a much higher percentage of drug costs until you reach the other end of the gap. From now until 2020, that percentage will decrease. See below for more on how this will function.

### Brand-Name Drugs

1. The drug company signs an agreement with Medicare to participate in the Medicare Coverage Gap Discount Program.
2. In 2014, you pay 47.5% of the plan’s cost for the brand name drug when you are in the Coverage Gap
3. The entire price, including the discount the drug company pays, goes towards the amount you need to pay to get out of the Coverage Gap.

### Generic Drugs

1. The drug company signs an agreement with Medicare to participate in the Medicare Coverage Gap Discount Program.
2. In 2014, you pay 72% of the plan’s cost for the generic drug when you are in the Coverage Gap.
3. Only the amount you pay counts towards the amount you need to pay to get out of the Coverage Gap.

**The important stuff:** The 47.5% for brand-name drugs and 72% for generic drugs are both decreasing from now until 2020 to 25%. That percentage is what you pay right now before the Coverage Gap, thus why we are able to say there will be no more gap or change once you hit a certain amount.



# medicare supplement.

### 9) What are Medicare Supplement plans?

Medicare Supplement (Medigap) plans are health insurance policies sold by insurance companies that help you fill the gaps in Original Medicare. As you may remember, Original Medicare covers 80% of charges associated with services at the hospital and doctor.

**Medigap plans cover the remaining 20%.**

**Medigap plans are Federally Standardized and organized by a letter of the alphabet.** For example, Plan F is one of the more popular plans available. Plan F is sold by a wide variety of insurance carriers, but each of these plans offers the same basic benefits with the monthly premium being the only difference.

**ADVISOR TIP:** When shopping for Medigap plans, first determine what level of coverage you need for your specific situation and then choose the least expensive (and highly-rated) carrier for that plan letter.

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### 10) What is Federal Standardization?

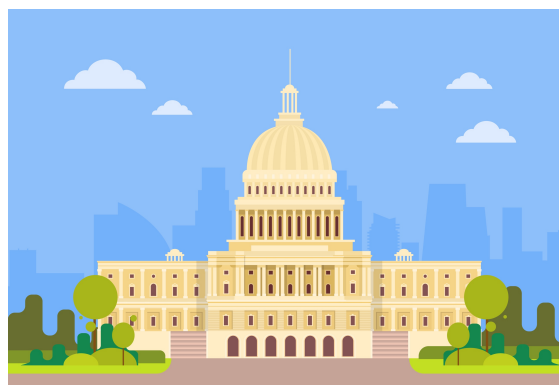
**If you only remember one thing about Medicare Supplement plans, make it this.**

Medicare Supplement plans are standardized by the Federal Government. This means that regardless of the insurance carrier, each plan letter offers the same basic benefits with premium cost being the only difference.

**Example:**

Plan F from carrier #1 is \$189/mo

Plan F from carrier #2 is \$140/mo



**In this case, each of those plans is the exactly the same and you'd be wasting \$49 per month or \$588 per year if you bought the plan from carrier #1.**

**Here is our full explanation:** <http://www.unitedmedicareadvisors.com/medicare-resources/federal-standardization>

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### 11) Do doctors/hospitals care which carrier runs my Medicare Supplement insurance plan?

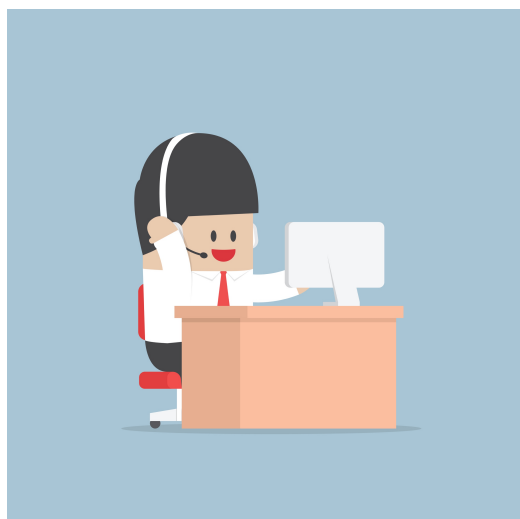
*In short, no.*

So long as your doctor and hospital accept Medicare, they must accept any and all Medicare Supplement plans. This is due to the aforementioned concept of Federal Standardization and means that they will accept any plan regardless of plan letter or insurance carrier.

**VIDEO:** <http://www.unitedmedicareadvisors.com/medicare-resources/video-will-my-doctor-accept-my-medicare-supplement-plan>

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### 12) When do I go through underwriting?



Underwriting is the process of qualifying an applicant for insurance. This process varies for different types of insurance as different versions of risk are analyzed.

**Underwriting occurs if you are applying for a Medicare Supplement plan outside of your Medicare Supplement Open Enrollment Period** (six months after turning 65 AND having Medicare Part B.) All this means is that you will be asked a set of health questions on an application.

**This situation occurs** when someone is switching from one Medicare Supplement plan to another, when switching from Original Medicare to a Medicare Supplement plan, or when leaving Medicare Advantage for a Medicare Supplement plan.

**This situation does not occur** when applying for Medicare Advantage plans or when the individual has what's known as a Guaranteed Issue (GI) Right.

**Read more about GI rights here:**

<http://www.unitedmedicareadvisors.com/medicare-resources/guaranteed-issue-rights>

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# medicare advantage.

## 13) What are Medicare Advantage plans?

Medicare Advantage plans are created by private insurance carriers and essentially take the place of your Original Medicare. All of these plans must cover the same services as Original Medicare, but each plan differs in the out-of-pocket costs you may incur.

Medicare Advantage plans may offer extra coverage such as dental, vision, and hearing, or a discounted gym membership. With Medicare Advantage plans, you are still required to pay the Medicare Part B Premium (\$104.90 for most people in 2016).

*Comparing Medicare Supplement and Medicare Advantage can be quite complex.*

We recommend the following content as additional reading:

<http://www.unitedmedicareadvisors.com/medicare-resources/medicare-advantage-vs-medicare-supplement>

## 14) What are provider networks?

A provider network is a group of doctors and hospitals that accept a given insurance plan. In terms of Medicare, networks are typically associated with Medicare Advantage programs. If you live in an area with a limited number of healthcare providers (common in more rural areas of the country), networks may make it difficult to access care.

**With Medicare Supplement plans, there are no networks.** Since these plans are standardized by the Federal Government, any doctor or hospital anywhere in the country that accepts Medicare must accept any plan.



**With Medicare Advantage plans, the insurance carrier negotiates with providers to have them in the plan's network.** This means that networks can change from year to year, making it vitally important to comparison shop your plan every year.

## 15) What is the Annual Enrollment Period?

Medicare's Annual Enrollment period runs every year from **October 15<sup>th</sup> to December 7<sup>th</sup>**. This period allows certain people rights that they do not have during the rest of the year.

**If you are turning 65, this period does not affect you.** You will simply enroll in your plan(s) during your Initial Enrollment Period.

**Since you can switch Medicare Supplement plans at any point throughout the year,** this period does not affect those plans in any way.

**If you have a Medicare Part D prescription drug plan,** you will be able to compare plans and apply for a new one during this time of the year. If you choose to switch to a new plan, the coverage under that plan will begin January 1<sup>st</sup> of the following year.

**If you have a Medicare Advantage plan,** this is the only time of the year you can switch plans. This holds true no matter if you are switching to another Medicare Advantage program or are moving to a Medicare Supplement plan. When applying for Medicare Supplement in this situation, you'll be required to go through underwriting to qualify for coverage.

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### 16) Where can I go for Medicare news and advice?

We release new pieces of content every single week. This content comes in the form of podcasts, videos, infographics, articles and much more. Here are the places you need to visit to stay in tune with the latest Medicare news:

Blog

[www.unitedmedicareadvisors.com/blog](http://www.unitedmedicareadvisors.com/blog)

Resource Center (Medicare basics, videos, infographics, other associated topics)

[www.unitedmedicareadvisors.com/medicare-resources](http://www.unitedmedicareadvisors.com/medicare-resources)

Podcast

[www.unitedmedicareadvisors.com/podcast](http://www.unitedmedicareadvisors.com/podcast)

Facebook (our online community of more than 13,500 followers)

[www.facebook.com/unitedmedicareadvisors](http://www.facebook.com/unitedmedicareadvisors)

Twitter

[www.twitter.com/umasupplemental](http://www.twitter.com/umasupplemental)

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### 17) How does UMA help its clients?

United Medicare Advisors is a truly independent Medicare Supplement Insurance agency, representing only the top-rated Medicare Supplement Insurance companies. A BBB Accredited Business since 2008, we are your advocate. Our staff of licensed experts is highly trained in all aspects of Medicare and will make the process easy for you to enroll in the best plan that meets your needs.

**If you have specific questions or would like to work with one of our nationally-licensed advisors, feel free to contact us at 877-268-4719 or by email at [info@unitedmedicareadvisors.com](mailto:info@unitedmedicareadvisors.com).**

**Thank you so much for reading our e-book! We look forward to hearing all of your feedback and working with you in the future if you choose to contact us.**



FOR MORE INFORMATION, CALL:

**877-268-4719**



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