



**ClearMatch™**  
MEDICARE

# First Steps

A beginner's  
guide to Medicare

Everything you  
need to know  
before you turn 65

- ✓ Save time
- ✓ Help prevent penalties
- ✓ Learn the Medicare lingo

✓ **TAKE OUR QUIZ**

Which type of plan is  
right for you?



# Welcome to Medicare!

You're about to join more than 60 million Americans who use the federal government's health insurance plan. "Medicare is good, comprehensive insurance that continues to make great strides in preventive benefits," says Melinda Munden, deputy commissioner of the North Carolina Department of Insurance. "You've worked hard all your life and paid into the system. So take advantage of it now."

It may surprise you to learn that Medicare isn't a one-size-fits-all policy. You have some big and exciting decisions to make. In the next few pages, you'll learn the key terms, dates, and rules that will help you shop with confidence. To kick things off, here's the menu of Medicare plans you'll be choosing from.



## ORIGINAL MEDICARE

The government's coverage is divided into two parts. **Part A** covers inpatient services. Think hospital and hospice care, plus mental health facilities. "Most people don't pay premiums for Part A," says Daniel Moran, a specialist at the Dartmouth Center for Health and Aging. Then there's **Part B**, which covers 80% of doctor visits and other outpatient services. For Part B, most people will pay a monthly premium around \$150.



## MEDICARE ADVANTAGE

Also known as **Part C**, Medicare Advantage (MA) includes everything from Medicare Parts A and B, plus extras such as vision, dental insurance, and prescription drug coverage. Many even include gym memberships. The fees vary depending on coverage, but many people find Medicare Advantage plans with \$0 monthly premiums — although you still pay the Part B premium.



## MEDICARE SUPPLEMENT

If you have Original Medicare — Parts A and B — you may have medical bills that aren't covered. Medicare Supplement plans, also called Medigap, fill the gaps. They cover your co-payments, co-insurance, and deductibles. Some Medigap plans also cover emergency hospital stays abroad and establish out-of-pocket maximums that limit how much you can potentially pay during any one calendar year.



## PRESCRIPTION DRUG COVERAGE

Original Medicare won't cover your prescriptions. That falls to Medicare **Part D**. Each of these prescription drug plans comes with a unique formulary, which lists the specific medications it covers. Before you enroll, you'll want to scan the list to make sure your current prescriptions make the cut. (As an alternate to Part D, many people choose to receive their medication coverage through a Medicare Advantage plan.)

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To speak to a licensed insurance agent, call ClearMatch Medicare at 888-921-1317.



**96**  
**percent**

The percentage  
of Medicare  
patients  
who say they're  
satisfied with  
the quality  
of their medical  
care.

Source: Centers  
for Medicare and  
Medicaid Services



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## Which Plan Is Right for You?

For most people seeking coverage beyond Original Medicare, the decision comes down to Medicare Advantage or Medicare Supplement. (You can't have both at the same time.) To help you decide which is best for you, answer the questions below. Give yourself 1 point for each "true" and zero points for each "false."

1. Paperwork doesn't bother me. I don't mind managing medical bills from multiple providers.

TRUE | FALSE

6. I've had HMOs or PPOs in the past. I'd be happy to stick with that kind of plan.

TRUE | FALSE

2. Keeping my monthly bill low is a big priority. I can't afford high premiums.

TRUE | FALSE

7. I'd go to the gym more if the membership were included in my healthcare plan.

TRUE | FALSE

3. I don't mind staying within a network of medical providers.

TRUE | FALSE

8. My hearing is starting to go south, but I'm not sure I can afford hearing aids.

TRUE | FALSE

4. I don't do a ton of traveling, so I don't necessarily need access to doctors in different cities or countries.

TRUE | FALSE

9. My vision isn't what it used to be, but I try to get to the eye doc every few years. Glasses are expensive!

TRUE | FALSE

5. Prescription drugs? I only take a couple of pills.

TRUE | FALSE

10. I'm in the dentist's chair every six months to a year, no exceptions.

TRUE | FALSE

### SCORE: 0 - 5

Consider a **Medicare Supplement** plan. It will require more organization to cobble policies together — if you want vision, dental, or drug coverage, you'll have to buy them separately. But the coverage can be worth it. With Medigap, "you rarely end up paying any medical bills," says Sandy Leith, a director at the Illinois Department on Aging. "Think of it as a kind of cleaning service — people just walk behind you and sweep up whatever Medicare leaves behind."

### SCORE: 6 - 10

You might be better off going with a Medicare Advantage plan. These provide many perks, and they're still relatively easy to manage. "Medicare Advantage bundles all your care into one plan," Leith explains. "It works like the HMO or PPO plans you may have had at work."



## 10 Things You Should Know about Medicare

Now that you know the basics, it's time to go deeper. Here are some key features that might surprise you.

### 1

#### Enrollment begins when you're still 64

You don't have to wait until your birthday: You can sign up for Medicare three months before the month you turn 65. So if your birthday is Nov. 15, your first day to enroll is Aug. 1. To do so, call Social Security at 800-772-1213 (TTY: 800-325-0778). Alternately, you can visit your local Social Security office in person or apply online at ssa.gov/benefits/medicare.

### 2

#### Medicare has gone virtual

During COVID-19 lockdowns, Medicare began covering telehealth visits, which allowed patients to speak with doctors virtually. As a result, 1 in 4 beneficiaries saw providers through a computer or other device in 2020, according to the Kaiser Family Foundation (KFF). The feedback was largely positive, so now Congress may make telehealth coverage permanent.

### 3

#### Original Medicare has no out-of-pocket maximum

An out-of-pocket maximum is the most your insurance plan can possibly bill you during a calendar year. With Medicare Parts A and B, there isn't one — which means there's no limit to how much you can pay if you become seriously ill or injured and rack up big medical bills. "You could be in big trouble," says Moran. "A typical hospital admission

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can cost up to \$10,000 a day." If you want the reassurance of a spending cap, you'll need a Medicare Advantage or Medicare Supplement plan.

### 4

#### Retirement isn't a requirement

You can receive Medicare even if you still work. If your company has fewer than 20 employees, Medicare will become your primary insurance while your employer's group plan will fill in the gaps. If you work for a bigger company, the choice is yours: You can use Medicare, your employer's plan (in this case, you can delay Medicare without paying a penalty), or a combination of the two.

### 5

#### If you don't sign up on time, you could be penalized

Medicare can levy stiff penalties on people who miss their sign-up window. If you sign up late for Part B, for instance, you'll pay a penalty of 10% of the standard premium for each 12-month period you don't have coverage. And that penalty lasts the entire time you receive Medicare benefits.

### 6

#### There's a drug penalty too

For Part D (prescription coverage), Medicare calculates the late penalty by multiplying 1% of the "national base beneficiary premium" times the number of months you didn't have Part D. Yeah, it's tricky. But for 2021, if you'd skipped 24 months of coverage, you'd pay \$8 extra per month for the rest of your life.

### 7

#### MA plans mirror the healthcare you may have had in the past

Some MA plans are PPOs (preferred provider organizations), while others function as HMOs (health maintenance organizations). If you've had either of these plans in the past, MA will seem very familiar to you.

### 8

#### Your enrollment might be automatic

If you've been receiving benefits from Social Security for more than four months, you'll be signed up for Original Medicare (Parts A and B) automatically as soon as you're eligible. But you still need to sign up for a prescription plan, and you

may want to sign up for Medicare Supplement or Medicare Advantage (which could include your prescription coverage).

### 9

#### You may be eligible to receive Medicare before turning 65

Age isn't the only way to qualify for Medicare. People with end-stage renal disease, for example, can become eligible before 65. The same goes for those receiving Social Security Disability Insurance or disability benefits from the Railroad Retirement Board.

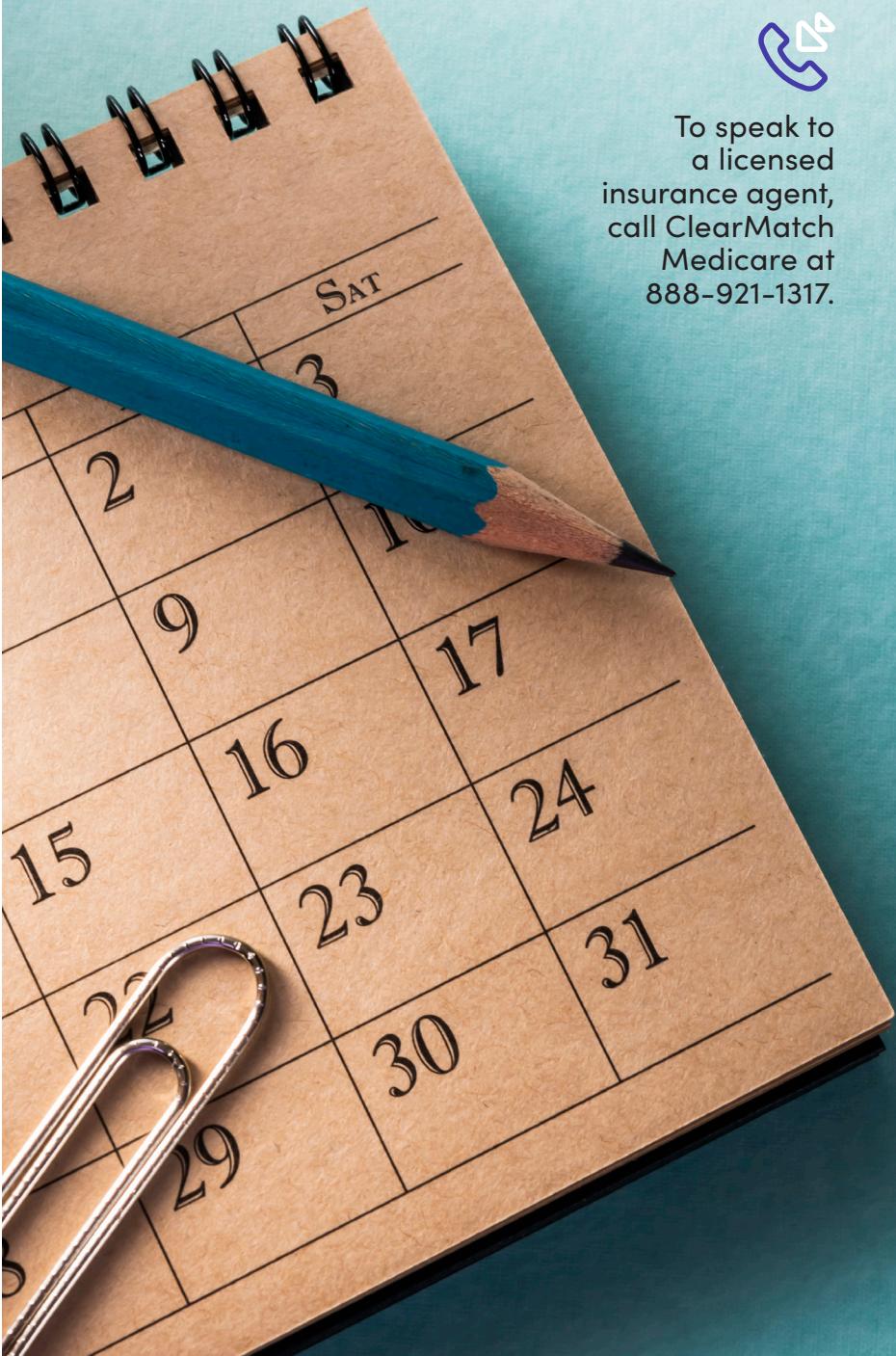
### 10

#### Checkups may not be what they seem

In place of an annual physical, Original Medicare covers an "Annual Wellness Visit," which is about planning and prevention. The doctor will take your vitals, discuss your health risks, and possibly do a cognitive assessment. But the minute you ask about knee pain or diabetes, you'll get a bill. "This is the biggest Medicare surprise people complain about," explains Moran. It also highlights an important point: You need to understand your plan's preventive services before you enroll.

# Mark Your Calendar

These Medicare dates and deadlines are too important to miss!



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## Initial Enrollment Period (IEP)

When you first become eligible for Medicare, you have a 7-month window to sign up. It begins 3 months before the month of your 65th birthday, runs through your birthday month, and ends 3 months later.

## Special Enrollment Periods (SEP)

Certain life events, such as moving to a new state, trigger SEP windows that allow you to make changes to your Medicare plan. If you're still working when you turn 65 and delay Medicare enrollment, leaving your job will also trigger an SEP. You'll have 8 months to sign up with no late penalty.

## Annual Enrollment Period (AEP)

**Oct. 15 to Dec. 7:** This is when you can join or switch your MA or Part D prescription plan for the coming year. You can also switch from Original Medicare to MA, or from MA to Original Medicare.

## Medicare Advantage Open Enrollment Period (OEP)

From **Jan. 1 to March 31**, you'll have one more opportunity to switch to a different MA plan or go back to Original Medicare. If the decision sacrifices a drug plan, you'll also have the option to sign up for Medicare Part D. But OEP is really only for people who aren't happy with MA. You can't join a new plan if you're not already in one.