

# Making Medicare Work for You

We know you have questions about moving to Medicare.

We've got answers.

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**MEDICARE  
TRANSITION  
SERVICES**

Not connected with or endorsed by the U.S.  
Government or the Federal Medicare Program.

**THIS GUIDEBOOK  
IS BROUGHT  
TO YOU  
BY MEDICARE  
TRANSITION  
SERVICES.**

Our mission is to empower you throughout your Medicare journey with education, guidance, easy-to-use resources, and memorable customer service.





# Turning 65 is a big deal

It means you're eligible for Medicare even if you keep working after turning 65. As you approach this day, it's smart to consider your health care needs. And whether it makes sense switching from group health coverage to a Medicare plan. But—the fact is many people find Medicare confusing.

*Should I enroll—and when?*

*What are all the Medicare Parts about?*

*How much do I pay out of pocket?*

*What's a Medicare Advantage plan, and is it right for me?*

These are just a few of the questions people ask along their Medicare journey.

Breathe easier. We're here to help.

The good news — **we can save you lots of research and stress.** This guidebook explains Medicare basics, provides answers to many questions, and gives you confidence with arriving at the right decision for you and your family.

If you have more questions as you go, no worries. Just reach out to our Medicare representatives. They'll steer you through all your options. And they'll help you decide if changing to a Medicare plan now is right for you.

So, let's get started!

**CALL AND SPEAK WITH A MEDICARE REPRESENTATIVE:**



**1-888-413-3106 (TTY: 711)**

**This number takes you to a licensed insurance agent.  
9 AM to 6 PM ET, Monday–Friday**

Visit us online: [www.MedicareTransitionServices.com](http://www.MedicareTransitionServices.com)

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*"I confess. This whole Medicare thing has thrown us for a loop. We need answers. And a little friendly guidance would help, too."*



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# First things first. What is Medicare?

Medicare is the federal health insurance program for:

- People 65 years or older
- Under 65 with certain disabilities
- People of any age with End-Stage Renal Disease (ESRD) (permanent kidney failure requiring dialysis or a kidney transplant)

## Know your Medicare alphabet

Medicare is divided into four different Parts. Each Part covers specific health services.



**PART A**  
Hospital  
Care



**PART B**  
Medical  
Care



**PART C**  
Medicare  
Advantage



**PART D**  
Prescription  
Drugs

↑  
ORIGINAL  
MEDICARE →

↑  
OFFERED  
BY PRIVATE  
INSURANCE  
COMPANIES →

Now let's look at how each of these parts is designed to work for you →

# How Medicare's A-B-C-Ds work for you

## ORIGINAL MEDICARE

Together Parts A and B make up Original Medicare. And is provided by the federal government.



### **PART A** Hospital Insurance

#### **WHAT IT COVERS:**

Inpatient hospital services  
Skilled nursing facilities  
Hospice care  
Some home health care

#### **WHAT YOU PAY:**

\$0 premium if you have paid 40 quarters  
(10 years) worth of Medicare taxes.  
If fewer, premiums are determined by  
Social Security.



### **PART B** Medical Insurance

#### **WHAT IT COVERS:**

Doctor visits  
Outpatient care  
Medical supplies  
Chemotherapy  
Preventive services

#### **WHAT YOU PAY:**

Standard base premium for 2023 is \$164.90 (may be higher based on income) and usually deducted from your Social Security check. If your modified adjusted gross income is above a certain amount, you may pay an Income Related Monthly Adjustment Amount (IRMAA). If you aren't taking Social Security benefits, you're responsible for paying Medicare premiums independently.

## WHAT ORIGINAL MEDICARE DOESN'T COVER

Most prescriptions  
Long-term care (also called custodial care)  
Most dental care and dentures  
Eye exams

Cosmetic surgery  
Acupuncture  
Hearing aids and exams  
Routine foot care

*Even if a service is covered, you'll generally still have to pay deductibles, coinsurance, or copayments—with no annual limit on those costs.*

<sup>1</sup> For more information on premiums and Income Related Monthly Adjustment Amount (IRMAA), visit our website: [www.MedicareTransitionServices.com](http://www.MedicareTransitionServices.com)

<sup>2</sup> For 2023, if you make more than \$97,000 filing individually; \$194,000 filing jointly, premium will be higher than \$164.90 base rate. Amounts change annually.

## ADDITIONAL COVERAGE

Medicare Parts C and D are additional coverages offered by Medicare-approved private companies. Part C offers an alternative to Original Medicare for your health and often drug coverage. Part D helps pay for prescription drugs you need.



### **PART C** Medicare Advantage Plan

#### **WHAT IT COVERS:**

All Original Medicare services,  
plus sometimes extra benefits like:

**FITNESS BENEFITS**

**DENTAL COVERAGE**

**VISION COVERAGE**

**RX PLANS**

#### **WHAT YOU PAY:**

You may pay a low monthly  
premium to a private plan  
while continuing to pay your  
Medicare Part B premium to the  
federal government.

Part C caps your out-of-pocket  
spending on covered medical costs.

#### **Important note:**

You are required to have both Parts A and B before  
you can enroll in a Medicare Advantage plan.



### **PART D** Medicare Prescription Drug Plan

#### **WHAT IT COVERS:**

Often included in a Medicare  
Advantage plan, Part D covers  
Medicare-approved  
prescription drugs.

#### **WHAT YOU PAY:**

You may pay a monthly premium  
to a private plan. A Part D plan  
can be purchased separately to  
go with Original Medicare.

#### **Important note:**

You can only enroll in Medicare Part D if you have  
Part A and/or Part B coverage.



# When can you enroll in Medicare? And should you?

It depends. You're eligible to enroll in Original Medicare at age 65—earlier if you're disabled or have End-Stage Renal Disease.

If you're close to 65, but not receiving Social Security or Railroad Retirement Board (RRB) benefits, you'll need to enroll in Medicare.

You have an opportunity to enroll in Medicare Part B during your Initial Enrollment Period (IEP). If you don't enroll in it then, you may

have to pay a late enrollment penalty for as long as you have Part B coverage. Your monthly premium will go up 10% for each 12-month period you were eligible for Part B but didn't sign up for it. If you have medical coverage through an employer based on current employment, you may not need to sign up for Medicare Part B at age 65. You may qualify for a Special Enrollment Period (SEP) that lets you sign up for Part B later. Contact us and find out how your coverage works with Medicare.

## ASK YOURSELF:

*Is it my best option to stay on my employer's health plan?*

*Could I get more comprehensive coverage through Medicare?*

*Which approach will keep my premiums and out-of-pocket expenses the lowest?*

*Do I need dependent coverage?*





# Medicare Enrollment Periods

**IEP**

## INITIAL ENROLLMENT PERIOD

IEP is a 7-month enrollment window. It begins 3 months before the month you turn 65, your birth month, and ends 3 months after your birth month. If you're not enrolled automatically, contact Social Security about three months before you turn 65 if you choose to sign up.

**3**  
MONTHS  
BEFORE

The month  
you turn  
**65**

**3**  
MONTHS  
AFTER

**AEP**

## ANNUAL ELECTION PERIOD

AEP runs every year between October 15 and December 7. Anyone with Medicare can change their health plans and prescription drug coverage for the following year.

**GEP**

## GENERAL ENROLLMENT PERIOD

For those who missed their IEP, GEP begins January 1 and ends March 31 each year. Your Medicare coverage starts the first day of the month after you sign up.



**STAY OUT OF THE "RED ZONE"  
BY ENROLLING DURING IEP.**



# Medicare Enrollment Periods

**SEP**

## SPECIAL ENROLLMENT PERIOD

Switching to Medicare from employer coverage? You may be able to delay enrolling in Medicare Part B and Part D without penalty by providing confirmation of “creditable coverage” from your employer. The length of time before depends on your current Part A and Part B enrollment status:



### **PART B** Grace Period

If you didn't sign up for Part A and/or Part B when you were first eligible, you have up to 8 months after the month your large group health plan coverage ends or your employment ends, whichever comes first.

#### **LATE ENROLLMENT PENALTY:**

If you didn't enroll during IEP, you may have to pay a penalty for as long as you have Part B coverage. Your monthly premium will go up 10% for each 12-month period you were eligible and didn't sign up.



### **PART D** Grace Period

If you're already enrolled in Part A and/or Part B, you have up to 2 months following the month your employer or union coverage ends.

#### **LATE ENROLLMENT PENALTY:**

If your employer does not offer “creditable coverage,” you have 63 days from the day you turn 65 to enroll in a Part D plan and avoid a penalty.

**Now that you know when you can enroll, the question is should you enroll?**

# Working beyond 65

Medicare encourages you to enroll right away. You can do so even if you don't plan on retiring at age 65. If you want to keep working and are currently covered under your employer's health plan, you have options. But you need to consider the size of your employer to make the appropriate decisions when deciding your next steps.

## OPTION

# 1

### Enroll During IEP

Sign up for Medicare Part A and/or B and drop your employer coverage and consider additional Medicare products.

OR

## OPTION

# 2

### Defer Your Enrollment

Because you have coverage as an active employee, you may hold off on enrolling in Medicare.

## SMALL GROUP EMPLOYER (<20 employees)

Medicare is your primary health coverage if you're an active employee and 65+

Things to think about:

- You'll need to enroll in Medicare Parts A and B
- Your employer coverage is secondary to Medicare
- You may want to consider dropping your employer coverage for a Medicare Advantage plan

## LARGE GROUP EMPLOYER (20+ employees)

Your employer plan is your primary health coverage if you're an active employee and 65+

Things to think about:

- You may defer Medicare enrollment until you're no longer an active employee or covered by your employer plan
- You may want to explore Medicare options in place of your group plan
- This also applies if you are covered as a spouse under a large employer group plan



## Do you have creditable Prescription Drug Coverage?

Each year, your employer is required to provide you a "Part D Creditable Coverage Notification." This notice informs you whether or not your employer-provided Prescription Drug coverage is, on average, at least as good as standard Medicare Prescription Drug coverage. If your plan meets this requirement, you can keep your employer-provided Prescription Drug coverage. You won't pay a penalty if you decide later to enroll in Medicare Prescription Drug coverage. If your plan does not meet the requirement, you could be subject to a penalty for not having a Medicare Part D plan.

## Do you need dependent coverage?

COBRA (Consolidated Omnibus Budget Reconciliation Act) coverage can bridge a time gap for your dependents. Such as when a spouse is Medicare-eligible or a child ages out at age 26. Talk to your employer.





# Word on Health Savings Accounts (HSA)

Health Savings Accounts (HSA) can be a smart way to set aside tax-advantaged money to pay medical expenses. If you have an HSA account and are thinking about enrolling in Medicare, here are some things to keep in mind.

- To avoid a tax penalty, all HSA contributions must be discontinued before Medicare Part A and/or Part B enrollment.
- HSA contributions are allowable up to your birth month if enrolling at age 65.
- Discontinue HSA contributions 6 months prior to Medicare enrollment if you are over 65.
- You should NOT apply for Social Security or Railroad Retirement Board Benefits (RRB) while contributing to an HSA.

**In any case, consult a qualified tax expert for advice on HSAs.**



# Ways to protect your health—and your finances

People often find their health care needs and expenses increase as they get older. What's more, they're surprised in learning Original Medicare simply doesn't cover everything. That's why many consider additional coverage for limiting out-of-pocket expenses.



## **PART C** Medicare Advantage Plans

### **MAY BE RIGHT FOR YOU IF:**

- It's a better option than your employer-based plan
- You want a cap on your annual out-of-pocket spending
- You want to include medical, hospital, and prescription drug coverage under one plan
- You want an alternative to Original Medicare for your health and drug coverage



## **PART D** Prescription Drug Plans

### **STRONGLY CONSIDER IF:**

- You take specific brand name drugs—or a lot of generic drugs
- You need extra protection from high prescription drug costs
- You want to balance your prescription drug costs throughout the year
- You want to avoid penalties



## **MED-SUPP**

### **MAY BE RIGHT FOR YOU IF:**

- You have Original Medicare Parts A and B
- You want help paying for a portion of costs not covered by Original Medicare—even deductibles and coinsurance
- You want fewer restrictions on networks or seeing specialists
- You don't need prescription drug coverage included in the plan
- Your spouse doesn't need to be on your plan

### **COMPARE YOUR OPTIONS**

*Note: You can't have a Medicare Advantage Plan and a Medicare Supplement Plan at the same time.*

**MEDICARE  
ADVANTAGE  
PLAN**

**OR**

**ORIGINAL MEDICARE  
+  
MEDICARE SUPPLEMENT PLAN  
+  
PRESCRIPTION DRUG PLAN**



# Why Medicare Advantage plans make sense

**YOU MUST HAVE MEDICARE PARTS A AND B BEFORE ENROLLING IN MEDICARE ADVANTAGE COVERAGE.**

## **BECAUSE**

there are many services Original Medicare doesn't cover. And since there's no cap on out-of-pocket spending, your share of health care costs under Medicare Parts A and B is unlimited.

## **YOU MAY WANT TO CONSIDER**

that a Medicare Advantage plan (Part C) can suit your budget and lifestyle in ways Original Medicare doesn't.

## **MEDICARE ADVANTAGE PLANS**

are called that for a reason. They can offer major advantages for people who want to control their health care spending and enjoy greater peace of mind. They provide all the health care benefits of Original Medicare, and more, with greater financial protection.



*"Our Medicare Advantage plan capped out-of-pocket expenses and put our medical, hospital, and prescription drug coverage all under one plan. We're thrilled!"*



# WE'LL HELP YOU PLAN

If you think a Medicare Advantage plan could be a good way to safeguard your health and finances, we can help you easily find one.

## SOME MEDICARE ADVANTAGE PLANS MAY OFFER:

- Medical, hospital (Parts A & B), and prescription drug coverage (Part D)—in one plan
- Low monthly premiums
- Routine vision and dental care
- Health-related transportation
- Fitness benefits
- Hearing services
- Additional covered services



Together as we explore Medicare Advantage options in your area, you'll see benefit details are unique with each plan.

Rest assured, we'll help you choose one that's right for your individual health situation, lifestyle, and budget.

Is a Medicare Advantage Plan right for you?  
We can help you decide.

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# Move confidently ahead

## Medicare Transition Services is always here for you

Learning about Medicare takes time. But your health and peace of mind are essential—which makes the journey well worth it.

Be sure and reach out to us with any questions or concerns. Our Medicare licensed insurance agents are available to help you find the right coverage for your needs and budget.

Whether you choose Original Medicare or a Medicare Advantage plan, we're here to guide you every step of the way.

Give us a call today.



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