

Medicare

Medicare is the federal health insurance program that pays for a variety of health care expenses for people who are 65 or older, certain younger people with disabilities, and people with certain approved medical conditions. Most U.S. citizens earn the right to enroll in Medicare by working and paying their taxes for a minimum required period. You can sign up for Medicare beginning three months before you turn 65, and coverage can start as soon as the first day of your birthday month. The initial enrollment period lasts until three months after your 65th birthday.

Different Parts of Medicare

- The parts of Medicare help cover specific services:
 - **Part A** - Covers inpatient hospital care, time in nursing care facility, hospice care, and limited home health care services. You will have to pay a deductible before Medicare benefits begin. Generally, if you've worked at least 10 years and paid Medicare taxes, you're eligible for a premium-free Part A, otherwise, you pay a monthly premium.
 - **Part B** - Covers medical insurance. Part B benefits include certain non-hospital medical expenses (blood tests, office visits, and outpatient hospital care). You pay a monthly premium for this part of Medicare; the fee can be higher for people with high incomes.
 - **Part C (Medicare Advantage Plans)** - A type of Medicare health plan offered by a private company that contracts with Medicare to provide you all your Part A and B benefits. Plans can also include different additional benefits, which vary among the individual insurers.
 - **Part D** - This is the optional prescription drug coverage. Part D is available as a stand-alone prescription drug plan through private insurance companies, and the monthly fee varies among the insurers. Based on the plan you're enrolled in, the costs can include a deductible, a flat copayment amount, or a percentage of the full drug cost.

Medicare Supplement Plan

- To help with costs, people choose to buy a Medicare Supplement Plan. There are 10 Medicare Supplement Plan options available. Each plan has different, yet

standardized, benefits and coverage. However, the plans are standardized and the costs can be vastly different.

- The best time to enroll is when you are first eligible, during open enrollment. This is a six-month window, the first day of the month when you turn 65. Regardless of your health status, the insurance company is required to sell you a plan without charging you a higher price.
- There are three ways an insurance company prices its Medigap plans:
 - **Community-rated**- all beneficiaries pay the same Medigap costs and premium, regardless of age.
 - **Issue-age-rated**- Medigap premiums are based on your age when you first enroll.
 - **Attained-age-rated**- Medigap premiums are based on your current age in a given year.

Employers Health Care Plan

- Depending on the number of employees an employer has, the law does not require them to offer employees who are 65 the same coverage as other employees. Employers with 20 or more employees are required to offer current employees who are 65 and older the same health plans that are offered to others. Based upon your needs and employee benefits, here are the options:
 - Remain on your employer's group health plan
 - Stay on an employer's health care plan, and sign up for itemized parts of Medicare
 - Decline your employer's group health plan and enroll in Medicare