

Ten Facts You Must Know When Going on Medicare

Medicare is complicated.

When you first go on Medicare you are required to make a decision that can impact your health and finances the rest of your life.

It is very important that you understand how Medicare works and the implications of the Medicare choices you make.

Medicare Fact #1

When you first go on Medicare, by law you can enroll in any Medicare Supplement available in your area without having to disclose any health conditions you may have.

After you have been on Medicare at least six months, you may be required to disclose any health conditions you have when applying for a Medicare Supplement and you may be declined for coverage due to your health.

The smart thing to do is enroll in a Medicare Supplement that will cover all or most of your share of Medicare costs when you are first eligible so you can make sure you have the coverage you need the rest of your life.

Medicare Fact #2

Medicare Part A covers hospitals and rehabilitation in a skilled nursing facility. There is no charge for Medicare Part A because you are eligible due to you or your spouse's history of paying for Medicare via a payroll tax deduction.

If you only have Medicare without a Medicare Supplement, you will pay a deductible of \$1,316 if you are an in-patient in the hospital.

If you go into a skilled nursing facility for rehabilitation you will pay nothing for days 1-20 and then \$161 per day for days 21-100.

Most Medicare Supplements will pay 100 percent of your share of Medicare costs under Medicare Part A.

Medicare Fact #3

Medicare Part B covers all Medicare-covered medical services other than what is covered under Medicare Part A. Examples include doctor's office visits, x-rays and labs, sophisticated diagnostic testing such as MRIs and CT scans, physical therapy as well as some drugs that are administered in a medical facility such as injections to relieve arthritis pain or chemotherapy.

For most people beginning Medicare in 2017, Medicare Part B has a monthly premium of \$134.00. This amount is deducted from your Social Security check every month. If you are not collecting Social Security you will receive a quarterly bill of \$365.40 every three months.

Medicare Part B covers 80 percent of your medical costs for Medicare Part B-covered expenses after an annual deductible of \$183.

Most Medicare Supplements cover your 20 percent share of Medicare Part B that Medicare does not pay. Some Medicare Supplements also cover your \$183 annual Medicare Part B deductible.

Medicare Fact #4

Medicare Part D helps you with the cost of prescription medications.

Most states have 20 or more Medicare Part D plans from which to choose. The right plan for you will depend on your specific list of medications.

Medicare provides a PlanFinder tool on [Medicare.gov](http://www.Medicare.gov) via which you can enter your medications and the PlanFinder tool will tell you which of the Medicare Part D drug plans in your state will provide your medications to you at the lowest overall cost including monthly premium, annual deductible (if any) and drug co-pays.

Medicare Fact #5

Medicare Advantage Plans are private, for-profit health plans that require you to leave regular Medicare and receive your Medicare benefits instead from a managed care network of doctors and hospitals.

Medicare Advantage plans can save you money if you are relatively healthy but can cost much more than regular Medicare combined with a Medicare Supplement if you become sick.

A Medicare Advantage plan actually makes the coverage decision for your health care and can veto the care and treatment recommendations made by your doctor.

A Medicare Advantage plan also does not provide full coverage when you are traveling outside of your home area.

Finally, choosing a Medicare Advantage plan may prevent you from ever being eligible for a Medicare Supplement that pays all of your costs regardless of your health.

A Medicare Advantage plan can cost you thousands of dollars in unexpected health care cost every year and can also limit your access to the care you need when you need it most.

Medicare Fact #6

If you are continuing to work when you turn 65 and have health insurance through your employer, you have the option of deferring Medicare until the time you leave your employer coverage without penalty.

In most cases, it is not necessary and is not a good decision to enroll in Medicare Part B while you still have employer coverage.

Medicare Fact #7

If you have Medicare combined with a Medicare Supplement, you can go to any doctor or hospital anywhere in the country that accepts Medicare as almost all do. Medicare combined with your Medicare Supplement will pay all or almost all of your health care costs. You do not need to worry about having to pay thousands of dollars in unexpected costs because you become ill.

This means if you have a serious health condition and believe a provider such as Mayo Clinic will give you the best chance for the best health outcome, you can go there and Medicare and your Medicare Supplement will pay the cost.

As an added benefit, your Medicare Supplement will also provide coverage for medical emergencies if you are traveling outside of the United States for up to \$50,000.

Medicare Fact #8

Your effective date for Medicare will be the 1st day of the month in which you turn 65. For example, if your birthday is October 15, 1951, your effective date will be October 1, 2016. This is the effective date if you choose to go on Medicare when first eligible due to turning 65.

There is one exception to this rule. If your birthday falls on the 1st day of the month, your effective date will be the 1st day of the previous month. For example, if your birthday is October 1, 1951, your Medicare effective date will be September 1, 2016.

In most states, you can enroll in a Medicare Supplement up to six months before your effective date for the coverage to take effect when your Medicare begins.

Medicare Fact #9

If you are collecting Social Security when you are within four months of your Medicare effective date (the 1st day of the month in which you turn 65), you will automatically be enrolled in Medicare Parts A and B. In this case, you will receive your Medicare card in the mail around 3.5 months before the first day of the month in which you turn 65.

The card will be in a white 4X6 envelope with the return address of "Center for Medicare and Medicaid Services".

If you are not collecting Social Security 4 months prior to your Medicare effective date, you will need to enroll either by visiting your local Social Security office or enrolling at socialsecurity.gov.

Medicare Fact #10

You need a Medicare Part D drug plan even if you take only inexpensive generic medications or no medications at all.

The reason for this is after you first go on Medicare you can only enroll for the first time in a Medicare Part D drug plan during the Annual Enrollment Period from October 15 - December 7. When you enroll at this time your drug plan will take effect on January 1 of the following year.

Because of this, if you do not have a Medicare Part D drug plan and you are prescribed something expensive early in the calendar year, you will have to pay the full cost of the medication for the rest of the year. Many medications can cost \$400-\$500 per month or more. Some new cancer medications which are covered under Medicare Part D can cost more than \$10,000 per month.

In addition, if you do not enroll in a Medicare Part D drug plan when first eligible and enroll in one later, you will have to pay a penalty in the form of a higher monthly premium the rest of your life.

