

**Medicare Minute Teaching Materials – June 2015
New to Medicare and Enrollment Periods**

1) What are the rules for enrolling in Medicare?

There are two ways to enroll in Medicare: by being automatically enrolled by the federal government or by signing up yourself. Learn which method applies to you to avoid higher costs resulting from enrollment mistakes. If you are under 65 and receive Social Security Disability Insurance (SSDI), you will be automatically enrolled in Medicare when you first qualify. If you receive Social Security retirement benefits before age 65, you will also be automatically enrolled in Medicare when you first qualify. You do not need to sign up for benefits. Remember, people who automatically get Medicare still need to decide how to receive their Medicare benefits—either through Original Medicare or a Medicare Advantage Plan. Medicare enrollment rules are different if you are under 65 and have Medicare due to End Stage Renal Disease (ESRD), also known as kidney failure.

If you are eligible for Medicare but not currently receiving Social Security retirement benefits or railroad retirement benefits, there are three different time periods during which you can enroll in Medicare Parts A and B:

- a. **Initial Enrollment Period (IEP)** – You can enroll in Medicare anytime during this seven-month period, which includes the three months before, the month of, and the three months following your 65th birthday. The date when your Medicare coverage begins depends on when you sign up:
 - If you enroll during the first three months of your IEP, coverage begins the month in which you first become eligible for Medicare. Rosa’s 65th birthday is July 20, 2015. If she signs up for Medicare in April, May, or June, her coverage will start on July 1, 2015.

If you sign up for Part A/ B	Your coverage starts:
The month you turn 65	1 month after you sign up
1 month after you turn 65	2 months after you sign up
2 months after you turn 65	3 months after you sign up
3 months after you turn 65	3 months after you sign up

- b. **General Enrollment Period (GEP)** – If you did not enroll in Medicare when you were first eligible, you can sign up during the GEP, which runs January 1 through March 31 every year. Your coverage will begin July 1 of the year you sign up. You may have to pay a Part B premium penalty for every 12-month period you delayed enrolling in Medicare Part B (see question 5).
- c. **Special Enrollment Period (SEP)** – You can delay enrollment in Part B without penalty if you were covered by employer health insurance through your or your spouse's current job when you first became eligible for Medicare. See question 5 for more information about enrolling in Part B if you have coverage from a current employer.
- d. You can enroll in Medicare without penalty at any time while you have group health coverage and for eight months after you lose your group health coverage or you (or your spouse) stop working, whichever comes first. Medicare coverage begins the first month after you enroll.

Note: If you live in Puerto Rico and get benefits from Social Security or the U.S. Railroad Retirement Board, you will automatically get Part A the first day of the month you turn 65 or after you get disability benefits for 24 months. However, if you want Part B, you will need to sign up for it. If you do not sign up for Part B when you are first eligible, you may have to pay a late enrollment penalty for as long as you have Part B.

2) Do I need to enroll in Medicare if I am 65 and receiving Social Security retirement benefits or railroad retirement benefits?

If you are 65 and receiving Social Security retirement benefits or railroad retirement benefits, you will automatically be enrolled in Medicare Parts A and B. You do not need to apply for Medicare or contact anyone for your benefits to start. You will receive a package in the mail three months before your 65th birthday with your new Medicare card and a letter explaining how Medicare works and that you have been automatically signed up for Parts A and B. The letter will also explain that your monthly Part B premium will be automatically deducted from your Social Security check or railroad retirement check in the month your coverage begins. Note that you will be given the option to turn down Part B.

Do not turn down Part B unless: 1) you have employer insurance from your or your spouse's current job and 2) the employer coverage pays first and Medicare pays second. If you do not have employer insurance from a current job and you turn down Part B, you may have to pay a hefty premium penalty when you eventually sign up. Also, you may not be able to get coverage as soon as you need it. You can only enroll during the General Enrollment Period (January through March each year), so you may need to wait several months for your coverage to start. In addition, if Medicare pays first and your employer coverage pays second, delaying Part B could have serious financial consequences. Specifically, if Medicare pays first but you decline it, your employer insurance is likely to reduce benefits or refuse to pay anything for your care. The size of your or your spouse's current employer determines whether Medicare or the employer coverage pays first. See question 5 for more information about enrolling in Part B if you have coverage from a current employer.

3) How do I enroll in Medicare if I am under 65 and disabled?

You are eligible to enroll in Medicare in the 24th consecutive month of entitlement to disability benefits. You will be automatically enrolled in Medicare Parts A and B. You do not need to apply for benefits or contact anyone for your benefits to start. You will receive a package in the mail three months before your coverage starts (no later than the 22nd month you receive SSDI benefits). Enclosed you will find your new Medicare card and a letter explaining that you have been automatically signed up for Parts A and B. If you are receiving SSDI, your package and card will come from Social Security.

4) What are the consequences if I delay Medicare Part B beyond my Initial Enrollment Period and do not have insurance from a current job?

If you decline Part B during your Initial Enrollment Period and lack insurance from a current employer, you may experience gaps in coverage and higher costs when you eventually decide to enroll in Part B. You will have to wait until the first three months of the year to apply (the General Enrollment Period from January 1 through March 31), and your coverage will begin on July 1. As a result, if you miss the GEP in a given year, you could be locked out of coverage for over a year.

For example, if you decide you need Part B in April, you must wait until January 1-March 31 of the next year to enroll and wait until July 1 for your coverage to start. In addition, for each 12-month period you delay enrollment in Part B after the end of your Initial Enrollment Period, you will have to pay a 10-percent Part B premium penalty unless you have insurance from your or your spouse's current job. In most cases, you will have to pay that penalty every month for as long as you have Medicare. For example, if an eligible individual this year waited two years to enroll in Part B, he or she would have to pay an additional 20-percent penalty on top of this year's Part B premium of \$104.90, or an additional \$20.98 every month.

5) Should I enroll in Medicare Part B when I first qualify if I have health insurance from a current employer?

You should only consider delaying Part B if: 1) you have health insurance from a current employer, and 2) the current employer coverage pays first and Medicare pays second. If you have coverage from your or your spouse's current employer, you will qualify for a Special Enrollment Period to enroll in Medicare Part B later and will not face penalties for gaps in coverage. See question 1 for more information. If your insurance does not come from your or your spouse's current work, you will not qualify for this SEP. Remember that even if you qualify for an SEP because you have coverage from a current employer, you should only consider delaying Part B if your employer coverage pays first and Medicare pays second. Plans from large employers (20 or more employees for 65+, and 100 or more for under 65 and disabled) pay before Medicare. Plans from small employers (fewer than 20 employees for 65+, and fewer than 100 employees for under 65 and disabled) pay after Medicare pays.

If you have coverage from a small current employer, you should not delay Part B enrollment. Most small employer plans require you to enroll in Part B. If you fail to enroll in Part B, your employer coverage can reduce its payment or refuse to pay anything for your health care. To find out how your employer coverage works with Medicare, talk to your employer and get the information in writing. Also, confirm this information with the Social Security Administration (SSA). When you call Social Security, it is important to write down who you spoke to and the details of your conversation.

6) What is Medicare supplemental insurance (Medigap)?

Medigaps are health insurance policies sold by private insurers. If you have a Medigap policy, Original Medicare first pays its share for your care, and then the Medigap pays all or part of the remaining costs, including deductibles, coinsurance, and copayments. Before you buy a Medigap policy, understand the benefits offered by each type to find the best one for you. Insurance companies may offer up to ten different Medigap policies labeled A, B, C, D, F, G, K, L, M and N. Each lettered policy is standardized. This means that all policies labeled with the same letter have the same benefits, no matter which company provides them. For example, Medigap policy A offered by company 1 provides exactly the same benefits as Medigap policy A offered by company 2. Be aware that some standardized policies may not be offered in your state. Depending on which Medigap policy you choose, you can get coverage for additional expenses Medicare doesn't cover, including:

- Hospital deductible
- Skilled nursing facility coinsurance
- Part B deductible
- Emergency care outside the U.S.

Medigaps only work with Original Medicare: you cannot have a Medigap with a Medicare Advantage Plan. If you are confused about Medigaps; how to enroll, or what policy is best for you, contact your SHIP (see last page for contact information).

7) Am I eligible to enroll in a Medicare Advantage or Part D plan?

Eligibility requirements for Medicare Advantage and Part D are different. You're eligible to enroll in a Medicare Part D drug plan if you have Part A **OR** Part B **OR** both and live in the service area of a Medicare Part D drug plan. To be eligible for a Medicare Advantage Plan, you must have Part A **AND** Part B and live in the service area of the plan.

Although the eligibility requirements are different for Medicare Advantage and Part D plans, the steps to enroll are the same. It's best to enroll by calling 800-Medicare (800-633-4227; TTY 877-486-2048) or by using the Medicare Plan Finder tool found on Medicare.gov, rather than enrolling directly through the new plan. Be sure to do your homework before joining a new plan. The SHIP program is an excellent resource for this type of research. SHIPs provide individual counseling and assistance with enrollment. For a Medicare Advantage Plan, make sure any doctors you want to see are accepting new patients in that plan. For a Part D plan, make sure your plan covers the drugs you need and includes pharmacies that you use. Make sure to use a **preferred**, in-network pharmacy. Many drug plan pharmacy networks include both preferred and non-preferred pharmacies. At preferred pharmacies, you typically pay less for your prescriptions than at non-preferred pharmacies.

8) When can I join a Medicare Advantage or Part D plan?

Medicare limits when you can enroll in or switch Medicare Advantage and Part D plans. You typically join a Medicare Advantage or Part D plan when you first enroll in Medicare, but there are other times to enroll during the year:

- **During your Initial Enrollment Period (IEP)** for Part B. The IEP is the seven-month period surrounding the month you become eligible for Medicare. It includes the three months before the month you become eligible for Medicare, the month you become eligible for Medicare, and the three months after the month you become eligible.
- **During the General Enrollment Period (GEP).** If you sign up for Medicare Parts A and/or B during the General Enrollment Period (January through March), you can sign up for a Medicare Advantage or Part D plan April through June of that year. Your coverage will begin July 1.
- **During fall Open Enrollment Period (OEP).** The fall OEP runs October 15 to December 7 of each year. You can enroll in a Medicare Advantage or Part D plan during this period if you missed your IEP. Coverage under your new plan begins January 1 for changes you make during OEP.
- **During a Special Enrollment Period (SEP)** for Medicare Advantage or Part D plans. You may qualify for an SEP to enroll in a Medicare Advantage or Part D plan if you meet certain requirements. The length of your SEP will vary depending upon the circumstances. For example, people who qualify for Extra Help, Medicaid, or who reside in a nursing home can change Medicare Advantage or Part D Plans every month.

Also, individuals who permanently change residence outside of a plan's service area or lose employer coverage or creditable drug coverage have a time-limited right to enroll in a Medicare Advantage Plan or select a new Part D plan. Most coverage starts the first after the month you enrolled, but effective dates can differ based on the type of SEP.

- **When you first sign up for Part B** after your Special Enrollment Period (SEP). If you enroll in Part B during your SEP, you can also enroll in a Medicare Advantage Plan. However, be aware that you must join the Medicare Advantage Plan during the three months before your Part B starts. Your time to join a Medicare Advantage Plan during your SEP ends when you have both parts A and B. You can join or disenroll from a Part D plan during your Part B Special Enrollment Period as well. You can join a Part D plan while you still have employer coverage or up to two months after your employer coverage ends.

9) When can I change my Medicare coverage choices?

As with enrolling in a Medicare Advantage or Part D plan, Medicare limits when you can change your Medicare health and drug coverage choices. You can only make changes during certain enrollment periods.

- **During fall Open Enrollment Period (OEP).** The OEP runs October 15 to December 7 each year, during which time you can switch from Medicare Advantage to Original Medicare or vice versa and change, add, or drop a Part D plan. Coverage under your new plan begins January 1 for changes you make during Fall Open Enrollment.
- **During the Medicare Advantage Disenrollment Period.** During the first 45 days of each year, you can leave your Medicare Advantage Plan and change to Original Medicare with or without also selecting a separate stand-alone Medicare drug plan. Keep in mind that you can't make any changes to your coverage during this period if you have Original Medicare. You also are not allowed to switch from one Medicare Advantage Plan to another during this period.
- **During a Special Enrollment Period (SEP) for Medicare Advantage and/or Part D plans.** If you qualify for a Special Enrollment Period, you can change how you get your health coverage and enroll in, change or drop Part D drug coverage if you qualify for a SEP. The length of your SEP will vary depending upon the circumstances. For example, people who qualify for Extra Help, Medicaid, or who reside in a nursing home can change Medicare Advantage or Part D plans every month. Also, people who permanently change residence outside of a plan's service area, or lose employer coverage or creditable drug coverage have a time-limited right to enroll in a Medicare Advantage or Part D plan. Most coverage starts the first day of the month after the month you enrolled, but effective dates can differ based on the type of SEP.

Case Study

Russell turns 66 in July 2015 and is retired. He has yet to enroll in Medicare. Russell is not even sure if he needs Medicare because he has a retiree health plan from his former employer. However, a number of Russell’s friends have both retiree plans and Medicare and they have convinced him to enroll—but he is not sure how he can initiate an application. He assumes that he can call 800-Medicare to enroll into Original Medicare or a Medicare Advantage Plan whenever he wants.

What should Russell do?

- Russell should contact his SHIP to understand Medicare enrollment periods. The SHIP counselor will explain that Russell cannot enroll in Medicare any time he wants. Since Russell missed the General Enrollment Period (GEP)—which runs January 1 to March 31 each year—he may have to wait until the next GEP to enroll.
- The SHIP counselor can check to see if Russell qualifies for a Special Enrollment Period (SEP) based either on his date of retirement and/or his eligibility for low-income programs like the Medicare Savings Program.
- The SHIP counselor will also be able to discuss with Russell how his Medicare coverage and retiree coverage will work together to pay for the health services he receives.

Local SHIP Contact Information

SHIP toll-free:

SHIP email:

SHIP website:

To find a state SHIP: Call 877-839-2675 or visit www.shiptacenter.org.

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