MEDICARE

Q. What is Medicare?

A. Medicare is a federal Health Insurance Program for:
   - People 65 years of age and older.
   - Some people with disabilities under age 65.
   - People with End-Stage Renal Disease (permanent kidney failure requiring dialysis or a transplant).

Medicare has two parts: (1) Part A – Hospital Insurance, and (2) Part B – Medical Insurance. Most people don't have to pay for Part A but pay monthly for Part B.

Q. What is the difference between Medicare Part A and Medicare Part B?

A. Medicare, the federal government's health care program for older people, is split into two parts: Medicare Part A and Medicare Part B. Everyone 65 or over is eligible for Medicare Part A, which covers the first 60 days of hospital bills per year (minus a deductible). It also pays for skilled nursing care (but not for custodial care, such as help with daily dressing, eating or bathing). And it covers the next 30 days per year, minus a co-payment, and up to 60 nonrenewable Lifetime Reserve Days. You have already paid for this coverage in your Social Security taxes, so you’re automatically entitled to it at age 65.

Medicare’s Part B is available for an additional fee. Part B covers some or all of your doctor bills, most outpatient mental-health services, physical, occupational and speech therapy; and most part-time skilled home health care. You can sign up for Part B coverage only during specific enrollment periods.

Q. When am I eligible for Medicare?

A. Medicare generally covers you when you’re age 65 or older. It may also cover you if you are under 65 and disabled or if you have permanent kidney failure. You automatically qualify for Medicare coverage if you have met the work requirements to receive Social Security benefits or if you can claim benefits on the account of someone else, such as a spouse or a deceased spouse.

Q. When should I sign up for Medicare, if I plan to retire at age 65?

A. If you plan to retire at age 65, sign up for Medicare during the three months before you reach age 65 to avoid any waiting period for Part B coverage. If you did not choose Part B when you first became eligible, the cost of Part B may go up 10% for each full 12-month period that you could have had Part B but didn’t sign up for it, except in special cases. You may have to pay this penalty as long as you have Part B.

You can sign up for Part B from three months before you turn 65 to three months after you turn 65. To sign up, call the Social Security Administration at 1-800-772-1213 or visit or call your local Social Security office to sign up.

General Enrollment Period. If you didn’t sign up for Medicare Part B when you first became eligible, you may be able to sign up during the General Enrollment Period. This period runs from January 1 through March 31 of each year. During this time, you can sign up for Medicare Part B at your local Social Security office. Your Medicare Part B coverage will start on July 1 of the year you sign up.
Q. If I plan to keep working beyond age 65, can I delay Medicare Part B enrollment without paying higher premiums?

A. Yes. In certain cases, you can delay your Medicare Part B enrollment without having to pay higher premiums. If you didn’t take Medicare Part B when you were first eligible because you or your spouse were working and had group health plan coverage through you or your spouse’s employer or union, you can sign up for Medicare Part B during a Special Enrollment Period. You can sign up:

- Anytime you are still covered by the employer or union group health plan through your or your spouse’s current or active employment, or
- During the 8 months following the month the employer or union group health plan coverage ends, or when the employment ends (whichever is first).

If you are disabled and working (or you have coverage from a working family member), the Special Enrollment Period rules also apply.

Special Enrollment Period Effective Date. If you enroll in Medicare Part B while covered by the group health plan or during the first full month after coverage ends, your Medicare Part B coverage starts on the first day of the month you enroll. You also can delay the start date for Medicare Part B coverage until the first day of any of the following 3 months. If you enroll during any of the 7 remaining months of the Special Enrollment Period, your Medicare Part B coverage begins the month after you enroll.

Remember: If you do not enroll in Medicare Part B during your Special Enrollment Period, you’ll have to wait until the next General Enrollment Period, which is January 1 through March 31 of each year. You may then have to pay a higher Medicare Part B premium because you could have had Medicare Part B and did not take it.

Q. What does the “primary insurance” status represent?

A. Sometimes, you may have other insurance that pays your health care bills first, while Medicare pays second. Medicare is the secondary payer when the following insurance is available: Auto Insurance, Homeowners Insurance, Commercial Insurance Plans, Group Health Plans under certain conditions, Black Lung Benefits and Worker’s Compensation.

Q. I enrolled in Medicare Parts A and B but am still working (or went back to work). I did not realize my employer group health insurance was the primary payer. Can I drop Part B now and enroll in Part B again when I retire? Will I have to pay higher premiums when I enroll in Part B again?

A. If you are working and covered by your employer group health insurance, your Part B benefits may be of limited value to you as long as your group health insurance is the primary payer of your medical bills. If you have Medicare Part B and decide to drop it while you are working and covered by your employer group health insurance, you can sign up for Medicare Part B again during your Special Enrollment Period. As long as you enroll in Part B during your Special Enrollment Period, you will not have to pay a higher Part B premium.

The Social Security Administration handles Medicare enrollments. If you want to drop your Part B coverage or have more questions about enrolling in or dropping Medicare Part B, you should call the Social Security Administration at 1-800-772-1213, or visit the Medicare web site.

Q. I want to add Part B to my Medicare. When can I do that?

A. You can sign up for Medicare Part B:
1) When you first enroll in Medicare (your Initial Enrollment Period). Your Initial Enrollment Period starts 3 months before you turn age 65 and lasts for 7 months.

2) January 1 - March 31 of each year (your General Enrollment Period). If you enroll in Part B during a General Enrollment Period, it will be effective July 1 of the year in which you apply. Your Medicare Part B premium may go up 10 percent for each 12 month period that you could have had Medicare Part B, but did not take it.

3) If you didn't take Medicare Part B when you were first eligible because you or your spouse were working and had group health plan coverage through your or your spouse's employer or union, you can sign up for Medicare Part B during a Special Enrollment Period.

You can sign up:

- anytime you are still covered by the employer or union group health plan through you or your spouse's current or active employment, or
- during the 8 months following the month the employer or union group health plan coverage ends, or
- when the employment ends (whichever is first).

Q. I am approaching age 65 but want to keep working for NDE. Do I need to file any paperwork for Medicare?

A. See the above question.

Q. How do I evaluate whether to stay on State insurance or go the route of Medicare Part B and Medigap insurance?

A. You should compare coverages, premium costs, and how long you plan to continue to work for the State after you turn age 65. The 2009 Part B premium is $96.40 per month unless your income is above $85,000 (single) or $170,000 (married couple).

Q. How do I pay for Medicare Part B?

A. If you choose to enroll in Medicare Part B, the premium is usually taken out of your monthly Social Security payment. In that case, you won't get a bill for your premium. If you don't get a social security check, Medicare sends you a bill for your Medicare Part B premium every three months.

Q. What deductibles and coinsurance apply to Medicare in 2009?

A. Part A. Part A pays for inpatient hospital, skilled nursing facility, and some home health care. For each benefit period Medicare pays all covered costs except the Medicare Part A deductible (2008 = $1,068) during the first 60 days, and coinsurance amounts for hospital stays that last beyond 60 days and no more than 150 days.

For each benefit period you pay:
- A total of $1,068 for a hospital stay of 1-60 days.
- $267 per day for days 61-90 of a hospital stay.
- $534 per day for days 91-150 of a hospital stay (Lifetime Reserve Days).
- All costs for each day beyond 150 days

Skilled Nursing Facility Coinsurance
- $133.50 per day for days 21 through 100 each benefit period.
Part B. Part B covers Medicare eligible physician services, outpatient hospital services, certain home health services, and durable medical equipment subject to a deductible of $135.00 per year. You pay 20% of the Medicare-approved amount for services after you meet the $135.00 deductible.

Q. What is Medigap insurance?

A. Medigap policies are sold by private insurance companies and are intended to pay for some of the medical expenses that Medicare doesn’t. You can tailor your policy to cover deductibles, outpatient prescriptions, or the cost of long hospital or skilled nursing home stays. Medigap insurance is guaranteed renewable as long as you pay your premiums.

Q. Where can I find information on the Medicare prescription drug plans?

A. For assistance in selecting a plan and enrolling, go the Medicare Prescription Drug Plan Finder, a website of the Center for Medicare and Medicaid Services (CMS). For information on extra help in paying for prescription drug costs if you have limited income and resources, see Help With Prescription Drug Costs.

Q. What is HIPAA and what are its benefits?

A. The Health Insurance Portability and Accountability Act (HIPAA) of 1996 protects your insurability. Before this law, if you lost insurance coverage for some reason, losing a job for example, you could be required to prove insurability before obtaining new coverage. For most people, this wasn’t a problem. If, however, you had chronic health problems or if your health deteriorated while you were covered, it was a serious problem. You could live in constant fear of losing your job and, as a result, your health insurance. Now, if you have been insured for the past 12 months, a new insurance company cannot refuse to cover you and cannot impose preexisting conditions or a waiting period before providing coverage.