



# MEDICARE BASICS GUIDE

*What you need to know as you approach Medicare coverage*







If you've been thinking about Medicare and have questions—we're here to help. Our members have trusted CareFirst BlueCross BlueShield (CareFirst) for over 80 years. In this guide, you'll find basic information about what Medicare is, what parts you qualify for and how and when to enroll. Whether you're aging in to Medicare or will get employer retiree coverage, this guide will steer you towards the right coverage for your life and care needs.



# What is Medicare?

Medicare is a federally funded national insurance program, established in 1965. The Centers for Medicare and Medicaid Services (CMS) administers Medicare. Medicare provides healthcare coverage to people who are 65 and over. It also provides coverage for people under 65 who have certain conditions. And people of any age with end-stage renal disease or Amyotrophic Lateral Sclerosis (ALS).

## To be eligible for Medicare, you must be:

- A United States citizen, or
- A legal resident who's lived in the country for at least 5 years

## What are the different parts of Medicare?

- **Medicare Part A**  
Hospital insurance
- **Medicare Part B**  
Medical Insurance
- **Medicare Part C**  
Medicare Advantage
- **Medicare Part D**  
Prescription drug





## Part A is hospital insurance.

It helps cover:

- Inpatient hospital care
- Skilled nursing care
- Hospice care
- Home health care

**Note:** Medicare does not cover custodial care or long-term care.

### Do you qualify for premium-free Part A?

You will not pay a premium for Part A if you or your spouse paid Medicare taxes for 10 years while working. In the Social Security system, this is known as 40 quarters or credits. To see if you qualify, contact Social Security.

If you don't qualify for free Part A coverage, you can purchase it. Or you may qualify under your spouse or former spouse. Contact your local Social Security office to find out how.



## Part B is medical insurance.

It covers non-hospital services, such as:

- Doctor's visits
- Outpatient care
- Preventive services
- Lab and X-rays
- Durable Medical Equipment
- Ambulance services
- Mental health
- Dialysis

If you qualify for Part A, you'll be eligible for Part B. There is a monthly premium for Part B coverage. You'll pay this directly to Social Security. Most people will pay the standard premium amount. You may pay an Income Related Monthly Adjustment Amount (IRMAA). Medicare uses the modified adjusted gross income reported on your IRS tax return from two years prior. If your income is above a certain amount, you'll pay the IRMAA. Visit [medicare.gov](https://www.medicare.gov) to review Medicare Part B premiums.

### There are different ways to pay for your Part B premium:

1. Are you receiving Social Security benefits? **Then Social Security will deduct your premium automatically.**
2. **Pay online through a secure Medicare account.** Free service to pay by credit card, debit card, or from your checking or savings account.
3. **Sign up for Medicare Easy Pay.** With this free service, Medicare deducts your premium payments from your account. Choose a savings or checking account.
4. **Pay directly from your savings or checking account.** Use your bank's online bill payment service. Some banks charge a service fee.
5. **Mail your payment to Medicare.** Pay by check, money order, credit card or debit card. You will receive payment coupons that you fill out and include with your payment.



## Part C is Medicare Advantage

Once you enroll in Parts A and Part B, you have options to get your Medicare benefits. One option is a Medicare Advantage plan (Part C). Medicare Advantage plans are available from healthcare companies like CareFirst. Many Medicare Advantage plans include prescription drug coverage (Part D). They also offer additional benefits beyond basic Medicare. That could include dental, hearing and vision coverage.

Check to see if your employer offers a CareFirst Group Medicare Advantage plan.

**Note:** You can also keep your Part A and Part B (Original Medicare) “loose” and enroll in a Medicare Supplement (also called Medigap) plan. Medicare Supplement plans help pay what Medicare does not. You may have to pay deductibles (the amount you pay before coverage kicks in) and coinsurance (the amount you pay after a deductible is met).



## Part D is prescription drug coverage

Part D provides outpatient prescription drug coverage. You can only purchase Part D from private healthcare companies.

- You're eligible for Part D if:
  - you're entitled to Part A
  - and/or enrolled in Part B.
- A Part D plan must have a list of covered drugs called a formulary.
- You may only have one Part D plan at a time.\*
- You can enroll in Part D through one of these options:
  - A Medicare Advantage plan that includes Part D
  - Stand-alone prescription drug plan

\*If you're currently enrolled in a Medicare Advantage plan with Part D and decide to enroll in a separate Part D plan, you will be disenrolled from your Medicare Advantage plan.

**Note:** You may have to pay prescription drug plan monthly premium. This is based on your income as reported on your IRS tax return. If your income is above a certain limit, you'll pay an income-related adjustment. This is called the Part D Income Related Monthly Adjustment Amount (IRMAA). You pay IRMAA in addition to your Medicare plan premium. Visit [medicare.gov](https://www.medicare.gov) to review Part D IRMAA premiums.



# When and How to Apply for Medicare Part A and Part B

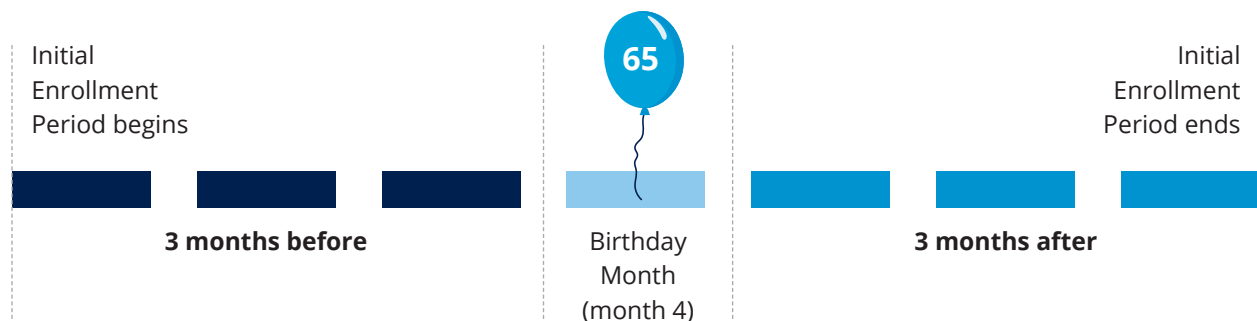
You can sign up for Medicare Part A and Part B by phone. You can also request an in-person appointment at your local Social Security office. Or enroll online at [socialsecurity.gov](https://www.socialsecurity.gov).

## If you are retired from your employer group and turning 65

- You can enroll during the **Initial Enrollment Period (IEP)**.
- The IEP is a 7-month window.
- If you sign up for Part A and/or Part B during the first 3 months of your IEP, in most cases, your coverage begins the first day of your birthday month.
- If you sign up the month you turn 65 or during the last 3 months of your Initial Enrollment Period, your coverage starts the first day of the month after you sign up.

**Note:** If your birthday lands on the first of the month, your Medicare is effective a month before you turn 65.

**Some employers may require retirees to be enrolled in Medicare right when they turn 65 to be eligible for employer group coverage. Please check with your employer for their specific timelines.**



Your Medicare Card will arrive in the mail to confirm your enrollment. Every person with Medicare is assigned a Medicare Beneficiary Indicator number. The number is confidential. It should be protected as Personally Identifiable Information.



### If you miss your initial enrollment period

- You can enroll during Medicare's **General Enrollment Period (GEP)**.
- GEP is January 1 to March 31 of each year.
- When you sign up during this period, your coverage starts the first day of the month after you sign up.
- There is a 10% late enrollment penalty for every 12-month period you delay enrolling.

### If you want to delay enrolling in Medicare and avoid the penalty

Do you plan to continue working for your employer? Does your employer have more than 20 employees? Do they have group insurance coverage? Then you can delay enrolling in Part B until retirement.

- Social Security may enroll you in Part A only and defer Part B.
- Medicare has a **Special Enrollment Period (SEP)**. The SEP allows you to sign up for Medicare Part B after age 65 or anytime you're still covered by the group health plan .
- This SEP qualifies you to delay enrolling without waiting for a GEP. This will avoid the penalty.
- After age 65, contact Social Security three months before you plan to retire.
- You have up to eight months after retirement to avoid the penalty.

**Note:** Is your spouse 65 or older and covered under a group health plan? Coverage can be from your own or your spouse's current employment. Then your spouse may sign up for Medicare Part B during SEP.

## Some People Are Enrolled in Medicare Part A and Part B Automatically




### Are you or your spouse getting benefits from Social Security or the Railroad Retirement Board?

You'll automatically be enrolled in Part A and Part B. That will start the first day of the month you turn 65.

### Are you under 65 and have a disability?

You'll automatically get Part A and Part B. This starts after you get disability benefits from Social Security for 24 months.

**Important note:** If you enroll in a CareFirst Group Medicare Advantage plan, file your Medicare card away in a safe place. Carry your CareFirst ID card with you and use it to get care.

<b>CareFirst</b> 			
<b>Medicare Advantage</b>			
Member Name	PCP Office	IN: \$5	OON: \$5
JOHN DOE	Specialist Office	IN: \$10	OON: \$10
Member ID	Urgent Care Center	IN: \$0	OON: \$0
EGE 123456	Emergency Room	IN: \$50	OON: \$50
Group Number	RxBIN	004336	
1ABC	RxPCN	MEDDADV	
	RxGRP	RX5522	
Effective Date	01/01/22		
BC/BS Plan	193/963		
Issuer	(80840)		
			CMS-H7379-801
			



**Here are some additional resources for more  
information on Medicare:**

**Medicare:** [medicare.gov](https://www.medicare.gov) or call Medicare 24/7: 800-633-4227 or (TTY) 877-486-2048

**The Centers for Medicare & Medicaid Services:** [cms.gov](https://www.cms.gov)

**Social Security Administration:** [ssa.gov](https://www.ssa.gov)

**U.S. Department of Health & Human Services:** [hhs.gov](https://www.hhs.gov)

**State Health Insurance Assistance Program (SHIP):** [shiphelp.com](https://www.shiphelp.com)



CareFirst BlueCross BlueShield Medicare Advantage is a PPO plan with a Medicare contract. Enrollment in CareFirst BlueCross BlueShield Medicare Advantage depends upon contract renewal. CareFirst BlueCross BlueShield Medicare Advantage is the business name of CareFirst Advantage PPO, Inc., an independent licensee of the Blue Cross and Blue Shield Association. BLUE CROSS®, BLUE SHIELD® and the Cross and Shield Symbols are registered service marks of the Blue Cross and Blue Shield Association, an association of independent Blue Cross and Blue Shield Plans.