

# Medicare 101 Guide

## Your Guide to Medicare Basics



**of Tennessee**

[bcbstmedicare.com](http://bcbstmedicare.com)





# Get More from Your Medicare

This guide helps you understand how Medicare's different parts work – and gives you the information you need to weigh your options.

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# Original Medicare Basics

## Who is eligible for Medicare?

Generally, Original Medicare (Parts A and B) is available to people who are age 65 and older. But, it's also available for those under 65 who have certain disabilities (such as end-stage renal disease).

## What are the parts of Medicare?

Each part of Original Medicare provides different benefits. Here's a quick breakdown:



### Medicare Part A is hospital insurance from the government.

You usually don't have to pay for Part A. You earned these benefits because you or your spouse paid Medicare taxes while working.

Part A covers:

- + Inpatient hospital visits.
- + Limited stays in a skilled nursing facility.
- + Some home health care.
- + Hospice care.



### Medicare Part B is medical insurance from the government.

You have to pay a monthly premium (payment) for Part B. Your income determines how much you have to pay every month for Part B. It covers:

- + Care from your doctors.
- + Some outpatient care.
- + Home health care.
- + Durable medical equipment.
- + Certain preventive services.

## Your Part B Premium Explained

In 2016, your Part B premium will be **\$121.80** if you file income taxes for **\$85,000** or less (or if you and your spouse file for **\$170,000** or less).

If you make more money, your monthly payment will be higher.

Check [Medicare.gov](http://Medicare.gov) to determine your monthly payment for Part B.

## Enrolling in Original Medicare: Meet Mary



**Mary is excited to celebrate turning 65 on June 15. She wants to get ready for retirement by enrolling in Original Medicare.**

- + Mary can enroll in Medicare Part A and/or Part B between three months before and three months after her birth month. This means she can apply between March and September. Her coverage can begin on June 1 – the first day of her birth month – depending on when during this period she applies.

### Original Medicare Coverage Gaps

**Original Medicare doesn't cover all of the services you might need.**

How does that affect you? It means you will pay for those services out of your pocket if you don't have other coverage in place.

With Original Medicare, your out-of-pocket costs include:

- + Prescription drugs.
- + Deductibles and copays for hospital stays.
- + Routine dental.
- + Routine vision care and eyewear.
- + Routine hearing exams.
- + Visits to your doctor or surgeon, until you meet your deductible.
- + Gym memberships.

Usually, you will be responsible for coinsurance after you meet your deductible, meaning Original Medicare will pay for 80 percent, while you pay for 20 percent of the costs for services.

Original Medicare usually has coverage limits, too. For example, the number of days Medicare will pay for a hospital or nursing home stay.

# Medicare Supplement Plans

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**Medicare Supplement plans do just that – “supplement” Original Medicare. They cover some of the gaps. Here’s what you should know about them:**

- + They are sold by private insurance companies.
- + There are 10 standardized plan types regulated by state and federal laws.
- + There are no networks. You can go to any doctor that accepts Medicare.
- + They may have a waiting period for pre-existing conditions.
- + You may have to answer health questions to qualify.
- + Plans do not include prescription drug coverage.

## Medicare Part D Prescription Coverage

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Because Original Medicare doesn’t cover prescriptions, some people purchase a Medicare Part D plan. Private insurance companies administer Part D plans. These plans vary in cost and covered drugs from company to company and year to year.

### Limited Time to Choose Part D Coverage

If you don’t enroll in prescription drug coverage when you’re first eligible, you must wait until the annual open enrollment period (Oct. 15 – Dec. 7) unless you qualify for a special enrollment period. If you enroll later, you may have to pay a permanent late enrollment penalty.



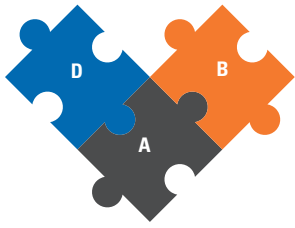
### Enrolling in a Medicare Supplement and Medicare Part D plan: Mary Considers Her Options

**Mary knows she needs more than Original Medicare. She considers a Medicare Supplement and a Part D plan.**

- + The best time to buy a Medigap policy is during your Medigap Open Enrollment Period. This 6-month period begins on the first day of the month in which you’re 65 or older and enrolled in Part B.
- + Mary can enroll in Medicare Part D between three months before and three months after her birth month. This means she can apply between March and September. Her coverage can begin on June 1 – the first day of her birth month – depending on when she applies.

# Medicare Advantage Plans

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## Medicare Advantage Plans (Part C)

These plans pull together parts A, B and usually include D under a single **all-in-one plan** – meaning **you get all your Medicare health care through that plan.**

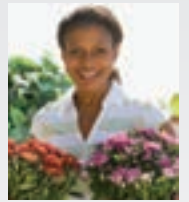
### Here's what you need to know about Medicare Advantage plans:

- + They are administered by Medicare-approved private insurance companies.
- + They aren't supplements.
- + They can be different types of plans, such as Health Maintenance Organization (HMO) and Preferred Provider Organization (PPO) plans.

When you enroll in a Medicare Advantage plan, you still have all the same rights and protections you have under Medicare.

**You also still need to pay your monthly payment for Medicare Part B coverage.**

## Enrolling in Medicare Advantage: Mary Ponders a Plan



**Mary is researching Medicare Advantage plans because she likes the additional benefits they provide.**

Mary can enroll in a Medicare Advantage Plan between three months before and three months after her birth month.

This means she can apply between March and September. Her coverage can begin on June 1 – the first day of her birth month – depending on when she applies.

## Tips to Help You Pick a Plan

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Are you considering a Medicare Advantage, Medicare Supplement or Part D plan? The answers to these questions will help you decide which plan is right for you. Talk through your responses with a trusted agent, friend or family member before you enroll.

- + Are your doctors covered?
- + Is your pharmacy covered?
- + Will the plan cover your prescriptions?
- + Do the plan's costs (like premiums or deductibles) fit into your budget?
- + Does the plan offer extra benefits?
- + Does the plan provide other things that are important to you? Extra benefits like:
  - Free preventive care
  - Low premiums
  - Maintaining or improving your health
  - Wide network of doctors and hospitals
  - No referrals to see specialists
  - Affordable prescription drug coverage

## You May Need More than Original Medicare

You can learn more about Medicare by visiting our website at [bcbstmedicare.com](http://bcbstmedicare.com) or by calling us at **1-800-292-5146**. TTY users should call **711**.

From **October 1 to February 14**, you can call us 7 days a week from 8 a.m. to 9 p.m. ET. From **February 15 to September 30**, you can call us Monday through Friday from 8 a.m. to 9 p.m. ET. Our automated phone system may answer your call outside of these hours and during holidays.



BlueCross BlueShield of Tennessee, Inc. is a PPO plan with a Medicare contract.  
BlueChoice Tennessee is an HMO plan with a Medicare contract.  
The formulary, pharmacy network, and/or provider network may change at any time.  
You will receive notice when necessary.

This information is not a complete description of benefits. Contact the plan for more information. Limitations, copayments, and restrictions may apply. Benefits, premiums, copayments and coinsurance may change on January 1 of each year.

Enrollment in BlueCross BlueShield of Tennessee, Inc. and BlueChoice Tennessee depends on contract renewal. BlueCross BlueShield of Tennessee, Inc. and BlueChoice Tennessee, Independent Licensees of the BlueCross BlueShield Association.