

How do I get Parts A & B?

Some people get Medicare Part A (Hospital Insurance) and Medicare Part B (Medical Insurance) automatically and other people have to sign up for it. In most cases, it depends on whether you are getting Social Security benefits. Select the situation that applies to you to learn more.

I'll be getting benefits from Social Security or the Railroad Retirement Board (RRB) at least 4 months before I turn 65. Do I need to sign up?

No. In most cases, you'll automatically get Part A and Part B starting the first day of the month you turn 65.

If your birthday is on the first day of the month, Part A and Part B will start the first day of the prior month.

Note

If you live in Puerto Rico, you automatically get Part A. If you want Part B, you need to sign up for it. Complete an Application for Enrollment in Part B (CMS-40B) to sign up for Part B. Get this form and instructions in Spanish.

When do I sign up?

You don't need to sign up since you automatically get Part A and Part B (If you're not going to collect Social Security benefits, different rules will apply).

Can I get a health or drug plan?

When you decide how to get your Medicare coverage, you might choose a Medicare Advantage Plan (Part C) and/or Medicare prescription drug coverage (Part D) or a Medigap (Medicare Supplement) plan. There are specific times when you can sign up for these plans, or make changes to coverage you already have.

Should I get Part B?

Most people should enroll in Part A when they turn 65, but certain people may choose to delay Part B. **KEEP IN MIND THERE ARE PENALTIES INVOLVED IF YOU DO NOT ENROLL IN PART B WHEN YOU'RE ELIGIBLE. CONTACT ME FOR MORE DETAILS!**

When you decide how to get your Medicare coverage, you might choose a Medicare Advantage Plan (Part C) and/or Medicare prescription drug coverage (Part D)

Note

If you don't qualify for premium-free Part A, you must sign up for Part B in order to buy Part A.

How do I sign up if I need to?

- Apply online at Social Security. If you started your online application and have your re-entry number, you can go back to Social Security to finish your application.
- Visit your local Social Security office.
- Call Social Security at 1-800-772-1213 (TTY: 1-800-325-0778).
- If you worked for a railroad, call the RRB at 1-877-772-5772.
- If you already have Part A and want to sign up for Part B, complete an Application for Enrollment in Part B (CMS-40B). Get this form and instructions in Spanish.
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I am 65 and plan to keep working for some years. I have health insurance from my employer. Do I have to sign up for Medicare Part B now?

Probably not. In most cases, for as long as you have group health insurance provided by an employer for whom you are still working, you can delay enrolling in Part B, which covers doctors visits and other outpatient services and requires a monthly premium. When you eventually retire, or leave work, you'll be entitled to a special enrollment period of eight months to sign up for Part B without incurring a late penalty. This also applies to most people who are covered beyond age 65 by insurance from the employer of their working spouse. It also applies to same-sex married couples, even those living in states that do not recognize same-sex marriage. But, there are some exceptions:

- **If the company or organization you or your spouse work for has fewer than 20 employees**, the employer may require you to sign up for Part B when you turn 65. If so, Medicare would become your primary coverage (meaning it pays bills first) and the employer coverage would be secondary. In this case, you need to find out exactly how the employer plan will work with Medicare.
- **If you are in an unmarried domestic partnership (same sex or opposite sex) and receive health insurance under your partner's employer plan**, you don't have the same right to delay Part B without penalty, except in two circumstances:
 - o You live in one of the few states that recognize common law marriage and your relationship falls within your state's definition of common law marriage
 - o You are under 65 and have Medicare because of disability, your partner's

employer has 100 or more employees, and you're accepted on the employer's health plan as a "family member."

Will I get the same health benefits at work as I get now?

By law, people who continue to work beyond age 65 still must be offered the same health insurance benefits (for themselves and their dependents) as younger people working for the same employer. So your employer cannot require you to take Medicare when you turn 65 or offer you a different kind of insurance — for example, by paying the premiums for Medicare supplemental insurance or a Medicare Advantage plan — as an inducement to enroll in Medicare and drop your employer plan. However, the law (known as ERISA) applies only to employers with 20 or more workers. So if you work for a smaller business or organization, you may be required to enroll in Part B at age 65.

Do I need to do anything about Part B at age 65 if I continue to be insured at work?

It depends on whether you're already receiving Social Security retirement benefits. If you are, Social Security will automatically enroll you in Part A and Part B just before your 65th birthday. The letter sent to you with your Medicare card explains your right to opt out of Part B if you have employer insurance. To opt out, follow the instructions included in that letter within the specified deadline.

Should I still sign up for Medicare Part A?

With one exception (see next item), there's no reason not to enroll in Part A, which mainly covers hospital stays, around the time you turn 65 because if you contributed enough Medicare payroll taxes while working there are no premiums for Part A. If you didn't contribute enough, you may qualify for premium-free Part A on the work record of your spouse (current, divorced or deceased). Otherwise, you have the option of paying monthly premiums for Part A benefits.

You can sign up for Part A during your initial Medicare enrollment period, which runs for seven months, starting three months before the month of your 65th birthday and ending three months after that month. Just call Social Security, which handles Medicare enrollment, at 1-800-772-1213 and schedule an appointment for an interview, which can be done on the phone or at your local Social Security office. This interview gives you the opportunity to make sure that an official enters into your record the fact that you have declined Part B because you have health insurance through the current employment of you or your spouse. You may be required to provide documents showing you have this coverage.

What if I have a health savings account at work?

You need to be careful if your employer insurance takes the form of a high-deductible plan with a health savings account. Under IRS rules, you cannot continue to contribute to an HSA if you are enrolled in Medicare (even Part A) or, after age 65, you are receiving Social Security retirement or disability benefits. You can draw on funds already in your account, but you cannot add to them.

You'll be able to sign up for Part A without risking a late penalty during the same special enrollment period when you enroll in Part B, after you finally stop working.

If you are married to somebody who has an HSA at work, and you are covered by that plan, it doesn't make any difference whether you are enrolled in Medicare or not — you can still use the HSA for your medical needs. The IRS rule applies only to the working employee who is contributing to the plan.

Will I need Part D prescription drug coverage?

Probably not. If your employer plan offers prescription drug coverage that is "creditable" — meaning that Medicare considers it at least of equal value to Part D coverage — you don't need to enroll in a Part D drug plan at age 65. Instead, when your employer coverage ceases, you'll be entitled to a two-month special enrollment period to sign up with a Part D plan without penalty. Your employer plan can tell you whether it's creditable or not. If it's not, you would need to enroll in Part D during your initial enrollment period at age 65 to avoid late penalties if and when you eventually signed up.

What if my employer offers me COBRA or retiree health benefits?

It's confusing, but different rules apply to Part B and Part D in either of these situations:

*Part B: You can delay Part B enrollment without penalty **only while you or your spouse is still actively working for the employer that provides your health insurance.** But if you receive COBRA benefits — a temporary extension of your employer coverage that usually lasts 18 months — or retiree benefits, by definition you are no long working for this employer. So if you wait until these benefits have expired before enrolling in Part B, you won't qualify for a special enrollment period. Instead, you'd likely pay late penalties, and you would be able to enroll only during the general enrollment period that runs from Jan. 1 to March 31 each year, with coverage not beginning until the following July 1.*

Part D: As long as your COBRA or retiree drug coverage is creditable, you do not need to enroll in Part D until these benefits end, as explained above.

I'm under 65 and have a disability. Do I need to sign up?

You automatically get Part A and Part B after you get one of these:

- *Disability benefits from Social Security for 24 months*
- *Certain disability benefits from the RRB for 24 months*

I have ALS (Amyotrophic Lateral Sclerosis, also called Lou Gehrig's disease). Do I need to sign up?

You automatically get Part A and Part B the month your disability benefits begin.

I have End-Stage Renal Disease (ESRD). Do I need to sign up?

If you're eligible for Medicare because of ESRD, you can enroll in Part A and Part B.

If you qualify for Part A, you can also get Part B. Enrolling in Medicare is your choice. But, you'll need both Part A and Part B to get the full benefits available under Medicare to cover certain dialysis and kidney transplant services.

When you enroll in Medicare based on ESRD and you're on dialysis, Medicare coverage usually starts on the first day of the fourth month of your dialysis treatments. This waiting period will start even if you haven't signed up for Medicare. For example, if you don't sign up until after you've met all the requirements, your coverage could begin up to 12 months before the month you apply.

If you're covered by an employer group health plan, your Medicare coverage will still start the fourth month of dialysis treatments. Your employer group may pay the first 3 months of dialysis.

Medicare coverage can start as early as the first month of dialysis if you meet all of these conditions:

- *You take part in a home dialysis training program offered by a Medicare-certified training facility to teach you how to give yourself dialysis treatments at home.*
- *Your doctor expects you to finish training and be able to do your own dialysis treatments.*
- *The regular course of dialysis is maintained throughout the waiting period that would otherwise apply.*

If you have Medicare only because of permanent kidney failure, Medicare coverage will end:

- *12 months after the month you stop dialysis treatments.*
- *36 months after the month you have a kidney transplant.*

Your Medicare coverage will be extended if:

- *You start dialysis again, or you get a kidney transplant within 12 months after the month you stopped getting dialysis.*

- You start dialysis or get another kidney transplant within 36 months after the month you get a kidney transplant.

Okay, fine, how much will this cost me?

Medicare Part B covers physician services, outpatient hospital services, certain home health services, durable medical equipment, and certain other medical and health services not covered by Medicare Part A.

Each year the Medicare premiums, deductibles, and copayment rates are adjusted according to the Social Security Act. For 2020, the Medicare Part B monthly premiums and the annual deductible are higher than the 2019 amounts. The standard monthly premium for Medicare Part B enrollees will be \$144.60 for 2020, an increase of \$9.10 from \$135.50 in 2019. The annual deductible for all Medicare Part B beneficiaries is \$198 in 2020, an increase of \$13 from the annual deductible of \$185 in 2019.

Since 2007, a beneficiary's Part B monthly premium is based on his or her income. These income-related monthly adjustment amounts (IRMAA) affect roughly 7 percent of people with Medicare Part B. The 2020 Part B total premiums for high income beneficiaries are shown in the following table:

Beneficiaries who file individual tax returns with income:	Beneficiaries who file joint tax returns with income:	Income-related monthly adjustment amount	Total monthly premium amount
Less than or equal to \$87,000	Less than or equal to \$174,000	\$0.00	\$144.60
Greater than \$87,000 and less than or equal to \$109,000	Greater than \$174,000 and less than or equal to \$218,000	57.80	202.40
Greater than \$109,000 and less than or equal to \$136,000	Greater than \$218,000 and less than or equal to \$272,000	144.60	289.20
Greater than \$136,000 and less than or equal to \$163,000	Greater than \$272,000 and less than or equal to \$326,000	231.40	376.00

Greater than \$163,000 and less than \$500,000	Greater than \$326,000 and less than \$750,000	318.10	462.70
Greater than or equal to \$500,000	Greater than or equal to \$750,000	347.00	491.60

Premiums for high-income beneficiaries who are married and lived with their spouse at any time during the taxable year, but file a separate return, are as follows:

Beneficiaries who are married and lived with their spouses at any time during the year, but who file separate tax returns from their spouses:	Income-related monthly adjustment amount	Total monthly premium amount
Less than or equal to \$87,000	\$0.00	\$144.60
Greater than \$87,000 and less than \$413,000	318.10	462.70
Greater than or equal to \$413,000	347.00	491.60

Medicare Part A covers inpatient hospital, skilled nursing facility, and some home health care services. About 99 percent of Medicare beneficiaries do not have a Part A premium since they have at least 40 quarters of Medicare-covered employment.

The Medicare Part A inpatient hospital deductible that beneficiaries will pay when admitted to the hospital will be \$1,408 in 2020, an increase of \$44 from \$1,364 in 2019. The Part A inpatient hospital deductible covers beneficiaries' share of costs for the first 60 days of Medicare-covered inpatient hospital care in a benefit period. In 2020, beneficiaries must pay a coinsurance amount of \$352 per day for the 61st through 90th day of a hospitalization (\$341 in 2019) in a benefit period and \$704 per day for lifetime reserve days (\$682 in 2019). For beneficiaries in skilled nursing facilities, the daily coinsurance for days 21 through 100 of extended care services in a benefit period will be \$176.00 in 2020 (\$170.50 in 2019).

Part A Deductible and Coinsurance Amounts for Calendar Years 2019 and 2020 by Type of Cost Sharing

	2019	2020
Inpatient hospital deductible	\$1,364	\$1,408
Daily coinsurance for 61 st -90 th Day	\$341	\$352
Daily coinsurance for lifetime reserve days	\$682	\$704
Skilled Nursing Facility coinsurance	\$170.50	\$176

Enrollees age 65 and over who have fewer than 40 quarters of coverage and certain persons with disabilities pay a monthly premium in order to voluntarily enroll in Medicare Part A. Individuals who had at least 30 quarters of coverage or were married to someone with at least 30 quarters of coverage may buy into Part A at a reduced monthly premium rate, which will be \$252 in 2020, a \$12 increase from 2019. Certain uninsured aged individuals who have less than 30 quarters of coverage and certain individuals with disabilities who have exhausted other entitlement will pay the full premium, which will be \$458 a month in 2020, a \$21 increase from 2019.

So, what are my options?

Well, here are the only options:

Option	Cost	Network	Outside Fla?	Medical Deductibles	Drug Deductibles	MOOP	coinsurance	Dental	Vision	Gym	Hearing	OTC	Transportation
Medicare Part A, B & D ¹	\$ 174.60	None	Yes	\$ 1,408.00	\$ 435.00	Unlimited	20%	No	No	No	No	No	No
Medicare Advantage	\$ 14.60	Yes	Some Do	-\$0-\$1,600	-\$0-\$350	\$1,500-\$6,700	Low to zero	Yes	Yes	Yes	Yes	Yes	Yes
Medicare Supplement + Part D	\$350-\$450	None	Yes	\$ -	\$ 435.00	\$ -	Low to zero	No	No	Yes	No	No	No

¹ ONLY this choice assumes that: 1) you are an average client (i.e. you have contributed the required minimum quarters) and won't be required to pay penalties; 2) your tax filing status will not require a Part B premium adjustment, and; 3) the cost nationally for a Part D plan is \$30.00 (is included).

- i. Go uninsured (Not a desirable option for sure);
- ii. Stay with your employer sponsored plan (if available);
- iii. Shop your health plan with me to see if you can improve it;
- iv. Keep your Cobra;
- v. Get Medicare + a drug plan;
- vi. Enroll in a Medicare Advantage Plan (most popular);
- vii. Enroll in a Medicare Supplement Plan

Note

Medicare is managed by the Centers for Medicare & Medicaid Services (CMS). Social Security works with CMS by enrolling people in Medicare.

Note

You don't need to sign up for Medicare each year. However, each year you'll have a chance to review your coverage and change plans.