



Regence



BENEFITS, CHOICES AND NEXT STEPS

# Medicare step-by-step guide

# Get ready for Medicare

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## We're here to help

To learn more about Medicare plans from Regence, call us at **1-844-REGENCE** (TTY users call 711), 9 a.m. to 5 p.m., Monday through Friday, or visit us at [regence.com/medicare](https://www.regence.com/medicare).

# The right Medicare choices start here

You probably have lots of questions—like, what happens if you keep working past 65? Will Original Medicare be enough to pay for the high cost of care? And what exactly are your options? Rest assured, we've got answers. And we're here to guide you every step of the way on your Medicare journey.

Let's get started.

## 3 things you should know about Medicare

**Medicare doesn't cover everything.** It was never intended to cover all your medical expenses.

**Medicare isn't free.** While most people don't pay a premium for Part A, there are other costs you need to be aware of.

**Medicare isn't simple.** Medicare benefits are offered directly through the government or through private insurance companies. There are many things to consider before choosing your coverage.

## What is Medicare?

Medicare is a program administered by the federal government to provide health insurance options for people age 65+, or any age for those who qualify because of certain disabilities or medical conditions. Medicare comes in four parts: Part A, Part B, Part C and Part D. When you hear or read about "Original Medicare," this refers to the benefits in Part A and Part B.



STEP

1

## Understanding Original Medicare

Let's begin with Original Medicare. It's offered directly through the government and consists of two parts: Part A (hospital insurance) and Part B (medical insurance).

# Medicare Part A: Hospital insurance



## What it helps cover

Inpatient care at a hospital or skilled nursing facility, plus home health and hospice care

## What it doesn't cover

Before Part A kicks in, you have to meet your deductible. Unlike traditional health plans, which have an annual deductible, your Original Medicare Part A deductible can reset throughout the year based on your hospital use (known as a benefit period). Your benefit period begins the day you're admitted to a hospital, and it ends when you haven't received any hospital or skilled nursing facility care for 60 days in a row. If you're admitted to a hospital or skilled nursing facility after one benefit period ends, a new benefit period begins. You're also responsible for some of the costs after you meet your deductible.

## Your share of Part A costs in 2023

**\$1,600 deductible** for days 1-60 each benefit period

**\$400 per day copay** for days 61-90 of hospitalization

**\$800 per day copay** for days 91-150 of hospitalization

**\$200 per day copay** for days 21-100 of a skilled nursing facility stay

## What it costs

There's no monthly premium for Part A as long as you or your spouse paid into Social Security for at least 10 years.

# Medicare Part B: Medical insurance



## What it helps cover

Doctor visits, clinical lab services, outpatient services and preventive care

## What it doesn't cover

You have to meet your annual deductible before Part B kicks in, as well as a share of the cost for services. Unlike traditional health plans, which typically have an annual out-of-pocket limit, **Original Medicare Part B has no annual limit on your out-of-pocket costs.**

## Your share of Part B costs in 2023

**\$226 deductible**

**20% of the Medicare-approved amount  
for covered services**

## What it costs

You pay a monthly premium, which in 2023 starts at \$164.90 and increases on a sliding scale based on income. People with annual incomes over \$91,000 will pay more. The premium is usually taken out of your Social Security check.

## What's the Medicare-approved amount?

Each year, Medicare sets the amounts it will cover for hospital and medical services. Most doctors accept these amounts and charge you the Medicare-approved rate. If you use a doctor who charges more than this rate, you'll have to pay the difference—up to 15% over the Medicare-approved rate—as well as the usual Medicare deductible and coinsurance.

# Original Medicare often isn't enough

Original Medicare helps ensure that the care you need is covered to some degree—but you still could be left with thousands of dollars in out-of-pocket costs.

Here are some examples of your potential costs with Original Medicare:

Type of care	Amount you pay
1-day hospital stay	<b>\$1,600</b> Part A deductible
150-consecutive-day stay in a hospital	<b>\$60,400</b>
100-consecutive-day stay in a skilled nursing facility	<b>\$15,800</b>
Doctor visits and outpatient surgeries	<b>\$226</b> Part B deductible + <b>20% coinsurance</b>

There are also some services Original Medicare doesn't cover at all:

- Most prescription drugs
- Routine dental care
- Hearing aids
- Extended long-term care
- Routine vision care



# Explore your Medicare options

Because Original Medicare doesn't cover everything, you can purchase additional coverage from private insurance companies like Regence to help protect yourself from high medical costs.

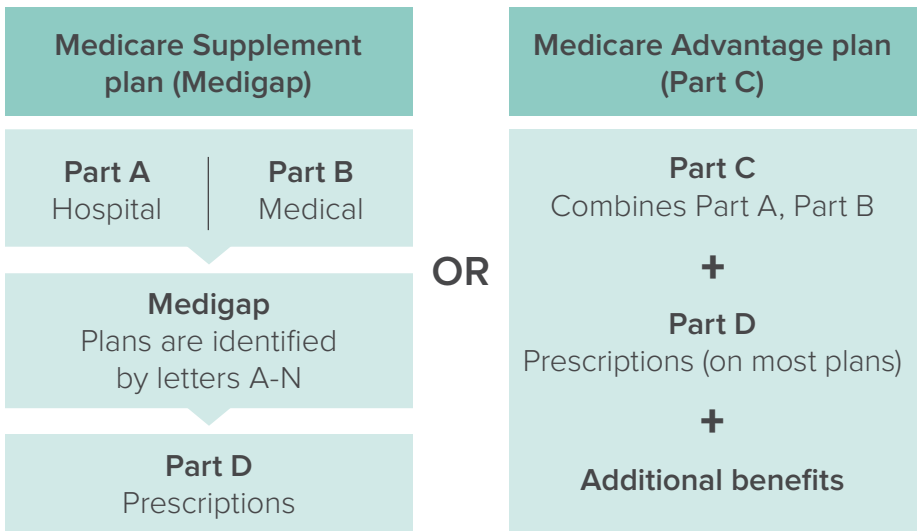
Options include:

Medicare Part C (Medicare Advantage plans)

Medicare Part D (Prescription drug coverage)

Medicare Supplement plans (Medigap)

## Two ways to get additional coverage



You can't have both a Medicare Supplement plan and a Medicare Advantage plan.



# Medicare Part C: Medicare Advantage plans



## How it works

You can choose to replace Original Medicare with a Medicare Advantage plan (Part C). Approved by Medicare and available through private insurance companies like Regence, Medicare Advantage plans combine Part A and Part B coverage into one plan, so you can get all your hospital and medical benefits from one source. Most Medicare Advantage plans are either Health Maintenance Organization (HMO) plans or Preferred Provider Organization (PPO) plans.

## What it covers

Medicare Advantage includes all the benefits of Original Medicare, and most plans include Part D prescription drug coverage. Many Medicare Advantage plans feature low or no deductibles. Like a traditional health plan, Medicare Advantage plans have an annual out-of-pocket limit. Some Medicare Advantage plans also cover extra days in the hospital; dental, vision and hearing care; fitness center membership; and other wellness needs. The types of plans, benefits and provider networks available can vary depending on where you live.

**Most Medicare Advantage plans include prescription drug coverage.**

## What it costs

Monthly premiums vary by plan. To be eligible for a Medicare Advantage plan, you must be enrolled in Parts A and B and pay your Part B premium. You may have to pay a copay or coinsurance for some services, but you can typically save money by using a provider in the plan's network.

# Medicare Part D: Prescription drug coverage



## How it works

Medicare Part D covers prescription drug costs. You can pair a stand-alone Part D plan with Original Medicare or choose a Medicare Advantage plan (Part C) that includes Part D coverage.

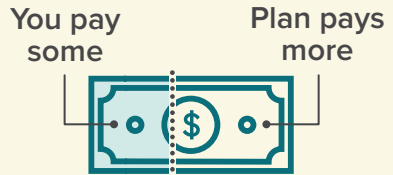
## What it covers

Benefits vary by plan. Each plan has a covered-drug list (also known as a formulary) and its own rules and costs. Here's a breakdown of the four phases of coverage:



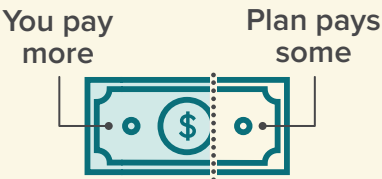
### Phase 1

You pay 100% of prescription costs until you meet your deductible



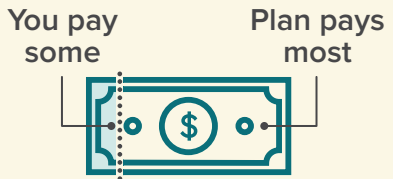
### Phase 2

Initial coverage: Pay a copay or coinsurance until prescription costs reach \$4,660



### Phase 3

Coverage gap: Pay 25% until your total prescription spend reaches \$7,400



### Phase 4

Catastrophic coverage: Pay 5% or \$4.15 for generics and 5% or \$10.35 for brand-name drugs

## What it costs

Monthly premiums vary by plan, and your out-of-pocket costs will depend on the type and quantity of prescription drugs you take.

## How to avoid the Part D penalty

If you don't choose a Medicare Part D plan when you're first eligible for Medicare and don't have other creditable drug coverage, there will be a permanent penalty for **every month you could have enrolled but didn't**. So it may pay to enroll even if you don't use prescription drugs now.

## Medicare Supplement plans: “Medigap”

### How it works

Medicare Supplement plans help close the gaps in Original Medicare by covering many of the costs Original Medicare doesn't—like copays, coinsurance and deductibles. There are no networks, so you have the freedom to choose your providers as long as they accept Medicare.

### What it covers

Benefits vary by plan, and you have a range of plans to choose from. Medicare Supplement plans are standardized by the government and identified by the letters A through N. For a comparison of standardized plans, go to [medicare.gov](https://www.medicare.gov). Not all plans may be available in your area.

**Medicare Supplement plans don't include prescription drug coverage. You can add a Part D prescription drug plan.**

### What it costs

Monthly premiums can vary greatly depending on the plan and insurance company you choose. Although premiums are usually higher than those for Medicare Advantage plans, you'll typically have fewer out-of-pocket costs.

# Working past 65

If you plan to work past 65 and stay on your employer's health plan, you may be able to put off enrolling in Medicare. To do so without penalty, you'll need to meet the requirements below.

**The employer has 20 or more employees**

**You are covered by your employer's (or your spouse's employer's) group health insurance (not including COBRA)**

**The employer has a creditable prescription drug program**

Even if you do meet the requirements, you can still face penalties if you don't pay attention to your Special Enrollment Period. When you retire, you have up to eight months to enroll in Medicare Parts A and/or B, and two months to enroll in Medicare Parts C and/or D. This Special Enrollment Period begins the month after either your employer-sponsored coverage (not including COBRA) or your employment ends, whichever comes first.

Have questions about working past 65? Reach out to your employer's benefit manager, give us a call or visit us at [regence.com/medicare](https://www.regence.com/medicare).

## **Quick tip: Health savings accounts (HSAs) & Medicare**

Once you're enrolled in any part of Medicare, you can no longer contribute to your HSA. If you plan to work past 65 and delay enrolling in Medicare, you'll need to stop making HSA contributions at least six months prior to your Medicare effective date to avoid a penalty.



STEP

3

## Choose your plan & enroll

Now that you've reviewed your options, you're ready to think about enrollment. Let's take a look at the best times to enroll, so you can avoid penalties and get the type of plan you want.

MONTH

1

MONTH

2

MONTH

3



BIRTHDAY MONTH

### Initial Enrollment Period (IEP)

If you plan to retire at 65, your Initial Enrollment Period begins three months before, and ends three months after, your 65th birthday month. Coverage can begin as soon as the first day of the month you turn 65.

To enroll in a Medicare Advantage or Medicare Supplement plan, you must be entitled to Medicare Part A **and** be enrolled in Medicare Part B.

To enroll in a stand-alone Prescription Drug Plan (PDP) you must be entitled to Medicare Part A **or** be enrolled in Medicare Part B (or have both).

Unless you have creditable drug coverage from an employer, union, VA or other means, you must obtain Part D coverage during your IEP or you could incur a late-enrollment penalty.

If you already receive Social Security benefits, you'll automatically be enrolled in Parts A and B.

If you're under 65 and disabled, you'll automatically be enrolled in Parts A and B after your first 24 months of receiving disability benefits from the Social Security Administration.

If you choose a Medicare Supplement plan, you should apply when you're first eligible so coverage can begin the same day your Part B coverage starts. You're guaranteed acceptance within six months of your Part B effective date, regardless of any pre-existing conditions. If you enroll after six months, you could be subject to underwriting and may not qualify, or have to pay more, for the plan you want.

MONTH

5

MONTH

6

MONTH

7

Your Initial Enrollment Period is a seven-month window—from three months before your birthday month to three months after.

### **Annual Enrollment Period (AEP): Oct. 15–Dec. 7**

During this time you can apply for any type of Medicare plan: Parts A, B, C (Medicare Advantage), D (prescription drug) or Medicare Supplement. It's also when you can freely move between plan types (for example, from Original Medicare to a Medicare Advantage plan) or shop around for a plan that better fits your needs.

### **Open Enrollment Period (OEP): Jan. 1–Mar. 31**

This period applies only if you're enrolled in a Medicare Advantage plan. You can switch from your current Medicare Advantage plan to another Medicare Advantage plan (with or without drug coverage) or to Original Medicare (with or without a Part D drug plan).

### **Special Enrollment Period (SEP)**

Certain events may qualify you for a change in your Medicare coverage, such as leaving your plan's service area or changes to your financial eligibility. The timing of your SEP depends on the circumstances. If you think you may qualify for an SEP, give us a call for more information.

## **What is a creditable prescription drug program?**

Your employer drug coverage must be at least as good as what Part D coverage provides. If your employer's drug coverage isn't creditable, you'll need to enroll in Part D during your Initial Enrollment Period to avoid the Part D late-enrollment penalty. You'll also need to get either Part A or Part B in order to get Part D.

# How to enroll

## To enroll in Original Medicare:

Call Social Security at 1-800-772-1213 (TTY 1-800-325-0778).

Apply in person. Bring proof of your age and W-2 forms (for the past two years) to any Social Security office.

Apply online at [ssa.gov](https://ssa.gov).

## To enroll in Medicare Advantage, Medicare Supplement or Part D:

Call or visit a private insurance company's website for more information or to enroll. You can also contact your local insurance producer.

## Still have questions? We're here to help.

Call **1-844-REGENCE** (TTY users call 711)

9 a.m. to 5 p.m., Monday through Friday

Or visit us at [regence.com/medicare](https://regence.com/medicare)



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