

Getting to know Medicare

A guided tour and introduction



Today we'll cover:

- Who is eligible for Medicare
- Medicare enrollment periods, explained
- Understanding your Medicare options
- Helpful resources



Are you eligible for Medicare?

You're eligible for Original Medicare (Parts A and B) if:



You're at least 65 years of age
(even if you still work)

OR



You're under 65 and qualify
due to a disability or other
special circumstance

AND



You're a U.S. citizen or a legal
resident who has lived in the U.S.
for at least 5 consecutive years



Medicare enrollment periods, explained

Initial Enrollment Period

If you're enrolling in Medicare for the first time, you have an Initial Enrollment Period (IEP) that begins 3 months before and ends 3 months after you turn 65. It begins and ends 1 month earlier if your birthday is on the first of the month.

Annual Enrollment Period

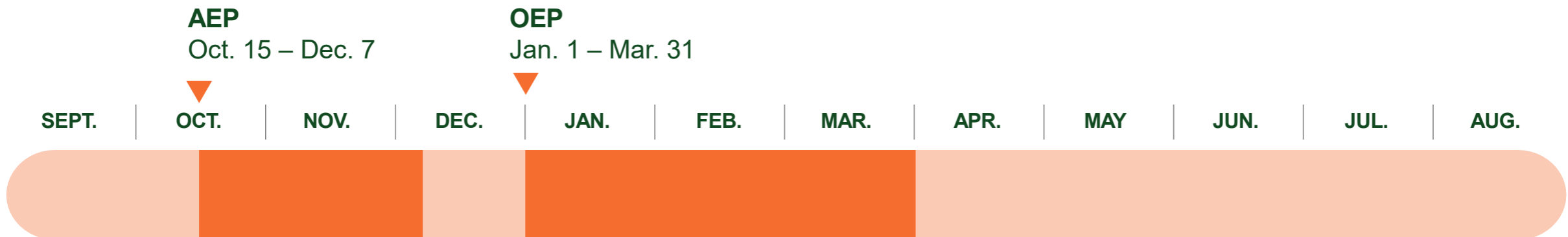
Oct. 15 – Dec. 7

During the Annual Enrollment Period (AEP), you can add, drop or switch your Medicare coverage.

Open Enrollment Period

Jan. 1 – March 31

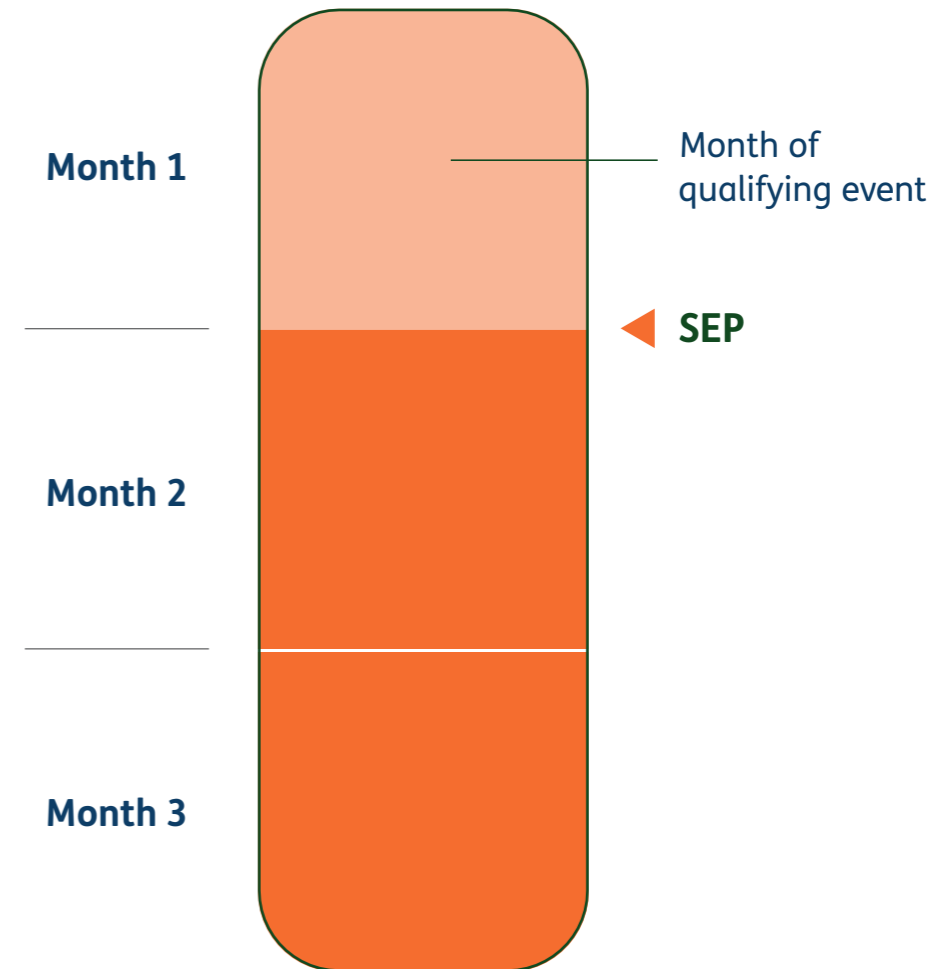
If you already have a Medicare Advantage (MA) plan, you may enroll in another MA plan or go back to Original Medicare during the Open Enrollment Period (OEP). You may only make 1 change within the period.



Special Election Period

A Special Election Period (SEP) is an opportunity to enroll in, change, or drop your Medicare Advantage or Part D prescription drug plan (PDP) outside of the AEP due to a qualifying life event—without penalty. You generally have 2 months after the month of the qualifying event to make a switch, though specific dates will vary for each person's situation. Qualifying life events may include:

- You've been diagnosed with a qualifying chronic health condition.
- You've moved to a permanent residence outside of your current MA plan service area.
- You qualify for Extra Help.
- You're retiring and losing employer coverage.
- Your plan is not renewing its contract with the Centers for Medicare & Medicaid Services (CMS) or intends to stop providing benefits in your area at the end of the year.



Understanding your Medicare options

To help you decide the best fit for you, here is an overview of the Medicare options and what each one covers.

STEP 1

Enroll in Original Medicare—offered by the federal government.



Part A helps pay for hospital stays and inpatient care.



Part B helps pay for doctor visits and outpatient care.

- If you don't enroll in Part B when first eligible, you'll pay a penalty if you sign up later. The penalty increases yearly and is for life.
- If you cancel Part B coverage, you won't be able to re-enroll until the next January—and re-enrollment may come with a penalty.

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**STEP
2**

After enrolling in Original Medicare, you can explore additional coverage—offered by private companies.

Option 1: Switch to a Medicare Advantage plan.



Medicare Part C (Medicare Advantage) is made up of Part A, Part B and can include Part D (prescription drug coverage) as well as additional coverage.

OR

Option 2: Add one or both of the following to Original Medicare.



Medicare Part D is a stand-alone prescription drug plan.



Medicare Supplement insurance (Medigap) plans help pay for some of Original Medicare's out-of-pocket costs.

Benefits not available through Original Medicare (Parts A and B) include:



Most prescription drugs



Long-term care



Most care outside of the U.S.



Eye exams, glasses, and contact lenses



Gym memberships and wellness benefits



Hearing exams and hearing aids



Help with activities of daily living, like eating and bathing



Routine dental exams, cleanings, and X-rays



Personal expenses during hospitalization, like a phone and TV



Hospital and psychiatric hospital stays (beyond a set number of days)



MEDICARE ADVANTAGE

A few advantages of Medicare Part C

- Offers the same coverage as Original Medicare and may include additional benefits
- Can include medical and prescription drug coverage in one plan, also known as Medicare Advantage prescription drug (MAPD) plans
- Has maximum out-of-pocket protections to keep costs down



Types of MA plans

HMO Health maintenance organization	PPO Preferred provider organization	PFFS Private fee-for-service
<p>With a health maintenance organization (HMO), you have a large network of providers and generally must stay within the network, which helps keep your out-of-pocket costs in check.</p>	<p>A preferred provider organization (PPO) offers a large network of healthcare providers and the flexibility of going out of network for care, although you may pay more.</p>	<p>You may have more freedom to choose providers with a private fee-for-service (PFFS) plan, but a network arrangement may still apply. Providers who accept Medicare must bill the plan per its terms and conditions.</p>



PRESCRIPTION DRUG PLAN

Medicare Part D

A Medicare Part D plan helps pay for your prescription drugs. You can choose:



An MAPD plan, which has both medical and prescription drug coverage with one monthly premium



A stand-alone PDP with Original Medicare

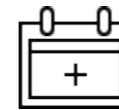
What you need to know:



Every plan with prescription coverage has a formulary—a list of drugs it covers.



If you choose an MA plan without prescription drug coverage, you cannot enroll in a stand-alone PDP, too.



You are not required to enroll in Part D, but there is generally a penalty of 1% of the average monthly premium for each month you delay enrollment.



Drug tiers, explained

Prescription drugs are organized into tiers according to cost. Tier 1 is the lowest cost and Tier 5 is the highest cost. So, plans may offer their best pricing on Tier 1 and 2 drugs.

Drug tiers*		
Tier 1	Preferred generic	\$
Tier 2	Generic	\$\$
Tier 3	Preferred brand	\$\$\$
Tier 4	Nonpreferred	\$\$\$\$
Tier 5	Specialty tier	\$\$\$\$\$

* Certain plans may include a 6th tier. Please refer to the Summary of Benefits for more information.



Understanding the Part D stages

Most Medicare prescription drug plans have three stages.

Note: The information below only pertains to Part D prescription drug costs.

Stage 1

Deductible—you pay 100%

- You pay all costs until the deductible is met.
- A deductible is the amount you pay of your medication costs before this plan pays its share.
- Deductible amounts and exclusions vary across plans—some plans may exclude commonly used medications from the deductible phase.

Stage 2

Initial Coverage—shared cost with insurance company

- During the Initial Coverage Stage, the plan pays its share of the cost of your covered prescription drugs, and you pay your share (your copayment or a coinsurance).
- Both you and your insurance plan pay medication costs until your Part D out-of-pocket costs reach \$2,100.

Stage 3

Catastrophic Coverage—insurance plan pays 100%

- During this stage you pay nothing for the remainder of the calendar year.
- The plan pays full cost for your covered Part D prescription drugs.



Elimination of the Coverage Gap

The Coverage Gap stage, or “Donut Hole,” went away in 2025. Members will now have three drug payment stages as part of their Part D benefit:



Stage 1

Deductible Stage:

If a member's plan has a prescription drug deductible, they will pay the full cost for their drugs until they reach the deductible amount; then they move to the Initial Coverage stage.

Stage 2

Initial Coverage Stage:

Members will pay their plan copays or coinsurance, and the Part D plan (or Drug Manufacturers) will pay the rest. Once the member, and others on their behalf, have paid a combined total of \$2,100 (including any amounts paid toward a deductible), they move to the Catastrophic Coverage stage.

Stage 3

Catastrophic Coverage Stage:

Members won't pay anything for Part D covered drugs for the rest of the plan year. The Part D plan will be responsible for most costs in this stage.



MEDICARE SUPPLEMENT INSURANCE (MEDIGAP)

Medicare Supplement insurance plans

- Also called Medigap plans
- Works to supplement Original Medicare and help pay some of the deductible, copays, coinsurance, and excess charges that are not paid by Original Medicare
- Not limited to a provider network †

Please note that a Medicare Supplement is not the same as Medicare Advantage. It can only be added to Original Medicare.

† Providers must accept Original Medicare.



Special Needs Plans

If you have Original Medicare and meet the eligibility requirements, you may be able to enroll in a Medicare Special Needs Plan (SNP) that offers coverage to meet specific needs.

- Dual Eligible Special Needs Plan (D-SNP): You may be eligible if you qualify for both Medicare and Medicaid.
- Chronic Condition Special Needs Plan (C-SNP): You may be eligible if you have a qualifying chronic condition, such as diabetes, heart disease or a chronic lung disorder.
- Institutional Special Needs Plan (I-SNP): You may qualify if you need or have an expectation of needing care in a long-term care or skilled nursing facility, an intermediate care facility for people with intellectual disabilities, or an inpatient psychiatric facility for at least 90 days.



Additional programs that offer assistance

Medicare Savings Programs

A Medicare Savings Program (MSP) can help you save money on some or all of your Medicare Part A and Part B costs like premiums, deductibles, and coinsurance. There are 4 types of MSPs and they vary on what they cover and qualification requirements.

Extra Help







The Extra Help program can help you pay for some or all of your Medicare Part D costs, including deductibles and copays. You must continue to pay your Medicare Part B premium.

Medicaid

Medicaid is a joint federal and state program that provides health insurance to some individuals and families who qualify due to income, age, or disability. If you qualify for both Medicare and Medicaid, you are dual eligible and may get benefits from both.



Factors to consider when choosing coverage

 Cost	How much will you pay for premiums, deductibles, coinsurance, and copayments?
 Coverage	Does the plan include prescription drug coverage or other additional coverage?
 Network	Do your doctors, hospitals, pharmacies, and other providers accept the plan?
 Convenience	Are you required to submit claim forms and other paperwork? Can you get prescriptions by mail?
 Health history	How often have you needed care in recent years? Do you have a chronic condition requiring ongoing care?
 Health future	Your health may change. Consider what your future medical needs may be.



Helpful resources



Visit www.shiphelp.org/about-medicare/regional-ship-location or scan the QR code with your phone or tablet's camera for Medicare resources and to contact your State Health Insurance Assistance Program.





Helpful resources

- www.medicare.gov
- The “Medicare & You” handbook from CMS
- “Choosing a Medigap Policy: A guide to health insurance for people with Medicare,” from CMS and National Association of Insurance Commissioners



Thank you for your time and attention

For more information, please call us at

