



Making the Most of Medicare

A GUIDE FOR BABY BOOMERS

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Welcome

Making the Most of Medicare: A Guide for Baby Boomers

These days, healthcare costs are skyrocketing. Medicare choices are ever more confusing. No wonder you are asking: “How can I make the right choice when it comes to Medicare including drug coverage and supplemental coverage?” The wrong choice can cost thousands of dollars in unexpected costs and aggravation.

- Did you know that national studies have shown that nearly 95% of people pay too much for their Medicare coverage? Why? Because they do not completely understand the full costs they will pay in addition to the premiums. When it comes to Medicare the “devil’s in the details” of matching your individual needs with the plans available to you in your area.

At GOODCARE.com, we have been guiding people through the Medicare maze for years. We have come to realize that if folks had a little more information up front, they could make better decisions about their Medicare plans and make Medicare work better for them. We have designed this guide to give you some easy to use information and tools to guide your Medicare choices.

We are going to share some of our secrets with you to help you:

- Avoid paying lifelong penalties for enrolling in Medicare at the wrong time.
- Choose a Medicare plan that covers your specific needs at the best possible price so that you are not overpaying for your Medicare as most people do.
- Limit hassles and unnecessary expenses because you will have selected a plan that includes your doctors, health services, and medications.
- Have good care at a good price. Isn’t that what everybody wants ?

Wishing you good health!

Dr. Katy Votava

Founder and President of GOODCARE.com

Medicare 101

The first of the 78 million baby boomers turned 65 on January 1, 2011, and some 10,000 boomers a day will be turning 65 between now and 2030. If you or someone you care about is just turning 65, then it is time to think about Medicare. You become eligible for Medicare as soon as you turn 65, and delaying your enrollment can result in penalties, so it is important to figure out what needs to be done.

Medicare has four “Parts”. However, one of the “Parts”, Part C, is a combination of the other “Parts” of Medicare. Medicare beneficiaries are required to have, at least, “Part A” and may add other “Parts” of Medicare coverage as they chose. There are substantial penalties if you enroll late in some “Parts” of Medicare

The “Parts” of Medicare are:

Medicare Part A

- This is known as the Hospital insurance program. It also covers short-term care in skilled nursing facilities for rehabilitation, short-term skilled home care, and hospice services.
- Part A is automatically covered under Medicare for no premium unless you or your spouse has not accumulated 10 years of work credits in Social Security. If you do not have enough work credits in Social Security, you will pay a premium for Medicare Part A.

Medicare Part B

- Also known as “supplemental”, it covers outpatient healthcare visits such as doctors, nurse practitioners, outpatient surgery, diagnostic testing, and durable medical equipment.
- Part B is optional Medicare coverage and does require a premium, which is based on your income. There is a section later in the guide which will show you how to determine what your Part B income related premiums would be. If you have very low income, you might be eligible for assistance to pay the Part B premium.
- You can decline Medicare B coverage if you have other health insurance that meets Medicare requirements. If you lose that other coverage, at some point in the future, you can enroll in Medicare Part B with no penalty if you apply on a timely basis.
- If you decide not to sign up for Medicare B and do not have other coverage that meets Medicare requirements, you will pay a penalty for late enrollment. That penalty is 10% per year for each year you delay. In addition, you will have to

wait for the General Enrollment period to enroll, therefore causing quite a delay in obtaining coverage. The General Enrollment period runs between January 1 and March 31 of each year.

- Medicare Part B now covers a wide range of preventive healthcare services with little or no cost to you.

Medicare Part C

- This is a Health Maintenance Organization (HMO) type coverage also known as Medicare Advantage (MA), which is not really a separate “Part” of Medicare but is a combination of other “Parts” of Medicare.
- It is a combination of Medicare Parts A and B.
- It sometimes also includes Medicare Part D and is known as Medicare Advantage with Prescription Drug coverage (MA-PD).
- The drugs covered and co-payments you pay out of pocket vary widely among the plans.

Medicare Part D.

- Part D is optional Medicare coverage and usually requires a premium based on income.
- It covers most prescription drugs in various levels of payment.
- The drugs covered and co-payments you pay out of pocket vary widely among the plans.
- You will pay a penalty for it if you enroll late and do not have a Medicare acceptable reason to do that.

Putting the Pieces of Medicare Together

National studies have shown that nearly 90-95% of people pay too much for their Medicare coverage. Why? Because they do not completely understand the full costs they will pay in addition to the premiums. When it comes to Medicare the “devil’s in the details” of matching your individual needs with the plans available to you in your area.

Medicare Parts A and B

Medicare enrollment begins three months before your 65th birthday and continues for 7 months. If you are currently receiving Social Security benefits, you don’t need to do anything. You will be automatically enrolled in Medicare Parts A and B effective the month you turn 65. If you do not receive Social Security benefits, then you will need to sign up for Medicare by contacting the Social Security Administration. Later in this guide is a section explaining how to do that. It is best to enroll as early as possible so your coverage begins as soon as you turn 65.

If you are still working and have an employer or union group health insurance plan or if you are retired and still covered under your employer’s health plan, it is possible you do not need to sign up for Medicare Part B right away. You will need to find out from your employer whether the employer’s plan is the primary insurer. If Medicare, rather than the employer’s plan, is the primary insurer, then you will still need to sign up for Part B. Even if you aren’t going to sign up for Part B, you should still enroll in Medicare Part A, which may help pay some of the costs not covered by your group health plan.

If you don’t have an employer or union group health insurance plan, or your plan requires you to have Medicare Part B, it is extremely important to sign up for Medicare Part B during your initial enrollment period. If you do not sign up for Part B right away, then you will be subject to a penalty. The Medicare Part B late enrollment penalty is 10% per year for each year you wait. In addition, you will have to wait for the General Enrollment period to enroll, therefore causing quite a delay in getting coverage. The general enrollment period runs between January 1 and March 31 of each year.

Medicare Part D

Now let’s talk about Medicare Part D. You may be wondering right about now, since in the alphabet “C” comes before “D”, why are we skipping over C and talking about D first? In the case of understanding Medicare, it’s easier to talk D before C. That’s because Medicare Part C is actually a combination of the other parts of Medicare including A, B and sometimes D.

Medicare Part D is optional and provided by private insurance companies. There is usually a premium for Part D. The national average for a Part D premium in 2015 is approximately \$33 per month. For every year you delay enrollment past the initial enrollment period, your Medicare Part D premium will increase 12% per year.

Medicare Part D covers most outpatient prescription drugs. The drugs covered and co-payments you pay out of pocket vary widely among the plans. There are approximately 4,500 Medicare Part D programs sold through insurance companies around the country.

As a result, it is complex and often confusing for people to make the choice of a specific program. You will need to find a Part D plan that is available in your area. Specifically, Medicare Part D plans are based on your legal residence. Therefore, if you live in more than one place, your plan will be based on your legal resident address.

The general way a Medicare Part D drug plan works is that the plan has a list of medications known as a formulary. The formulary tells you which medications are covered by the plan and how much of the cost of a medication is covered by the plan.

Most Medicare Part D plans use a “tier” system to categorize the medications by cost from highest to lowest with the lowest cost medications costing people less out of pocket than the highest cost medications. Plans have anywhere from three to four “tiers” in their formularies. These formularies vary widely among plans to the point where you will see the same medication listed as a “Tier 1” or lowest out of pocket co-pay in one plan and as a “Tier 3” or higher out-of-pocket co-payment in another plan. As a result, it is very important for you to evaluate the individual plan formularies for each Medicare Part D plan available to you.

You can enroll in a Medicare Part D plan when you become eligible for Medicare. If you decide not to enroll in a Medicare Part D plan at that time and do not have Medicare “creditable” drug coverage through another insurance, such as an employer’s, you will pay a penalty and a higher premium in the future if you decide to enroll in Medicare Part D later.

If you have Medicare Part D coverage you can reevaluate your choice once a year during the “open enrollment” period starting on October 15th through December 7th every year. At that point you can either keep your current plan and do nothing or select another plan which better fits your needs for the following year. With few exceptions, you cannot change Medicare Part D coverage during the year.

The www.Medicare.gov website is a good place to start to see what plans are available in your area, how your medications will be covered and at what cost to you. The www.Medicare.gov website has reasonably accurate plan information. That said, things change frequently with the plans and drug pricing. Once you have narrowed down your Part D plan possibilities it is best to look directly at the plan website, or speak to them on the phone to verify your understanding of the plan, what is covered, and at what cost to you.

Medicare Part C

Now back to Medicare Part C. Medicare pays for only a portion of your medical costs. Like many other insurances, Medicare has deductibles, co-payments and coverage exclusions you will have to pay out of your own pocket. Some of those costs can be covered by a Medicare Part C plan. As you'll see later in this section, another way to cover some of these out of pocket costs is a Medigap insurance policy.

Under the Medicare Part C plans are private insurance plans, such as Health Maintenance Organizations (HMO), Preferred Provider Organizations (PPO), or Private Fee-For-Service plans (PFFS). These private plans must cover the same services as Part A and Part B of traditional Medicare. The cost-sharing requirements may differ as long as they are the same price or less than under original Medicare Parts A and B.

Beneficiaries can also receive Part D benefits through a Medicare Part C plan. Finally, a beneficiary who enrolls in Medicare Part C may also receive other benefits, such as reduced cost-sharing requirements or other products and services not covered by traditional Medicare such as Parts A and B.

You must be enrolled in Medicare Parts A and B to join a Medicare Part C plan. If you join a Medicare Part C plan, the plan will pull together all of your Part A and Part B coverage. They may offer extra coverage, such as vision, hearing, dental, and/or health and wellness programs. Most Medicare Part C plans also include the Medicare Part D prescription drug coverage and therefore cover Medicare Parts A, B and D in a one stop shopping approach.

Just as with Medicare Part D, there are many different insurance companies offering Medicare Advantage programs. You need to shop for the program offering you the most benefits at the most reasonable cost in your area. One way to do that is to use the www.Medicare.gov website to see what plans are available in your area, what services they cover, how your medications will be covered, and at what cost to you.

The www.Medicare.gov website has reasonably accurate plan information. That said,

things change frequently with the plans and drug pricing. Once you have narrowed down your Part C plan possibilities, it is best to look directly at the plan website, or speak to them on the phone to verify your understanding of the plan, what is covered and at what cost to you.

How and where does Medigap fit?

You may have heard of “Medigap”, some people call it “supplemental insurance” for Medicare. Medigap is private health insurance which is optional for you to purchase. It is designed to supplement Original Medicare Parts A and B. This means it helps pay some of the health care costs (“gaps”) that Original Medicare does not cover (like co-payments, coinsurance, and deductibles). If you have Original Medicare and a Medigap policy, Medicare will pay its share of the Medicare-approved amounts for covered health care costs. Then your Medigap policy pays its share.

While a Medigap policy is different from a Medicare Part C plan, they can serve similar functions depending on which plan meets your needs the best. You cannot have a Medigap and Medicare Part C plan at the same time. You can have one or the other.

Medigap insurance companies in most states can sell “standardized” Medigap policies identified by letters A, B, C, D, F, G, K, L, M and N. The Medigap Plan Types chart that follows here shows the benefits included in each type of Medigap policy. A Medigap Plan Type F has the most extensive list of benefits. A Medigap Plan Type A has the least covered benefits.

While most states have the same types of Medigap plans, three states do not. Massachusetts, Minnesota, and Wisconsin have their own types of Medigap plans.

Each company selling a Medigap policy must offer the same benefits, for each type of plan, no matter which insurance company sells it. The prices will vary among companies based on several factors including how they do underwriting. Given that costs vary among companies for the exact same coverage, it is worth shopping around to find the best price for the specific type of Medigap policy that meets your needs.

Just as is the case with Medicare Parts C and D, you can start your Medigap shopping by going to the www.Medicare.gov website to see which plans are offered by the insurance companies in your area. Unfortunately, the site does not yet list the prices for those Medigap plans. Once you have narrowed down Medigap plan possibilities it is best to look directly at the plan website, or speak to them on the phone to verify your understanding of the plan, what is covered, and at what cost to you.

Medigap Plan Types and Benefits

Benefits	A	B	C	D	F*	G	K***	L***	M	N**
Coinsurance hospital costs up to an additional 365 days after Medicare benefits are used up	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Medicare Part B coinsurance or co-payment	YES	YES	YES	YES	YES	YES	50%	75%	YES	YES
Blood first 3 pints	YES	YES	YES	YES	YES	YES	50%	75%	YES	YES
Part A hospice care coinsurance or copay	YES	YES	YES	YES	YES	YES	50%	75%	YES	YES
Skilled nursing facility care coinsurance	NO	NO	YES	YES	YES	YES	50%	75%	YES	YES
Medicare Part A deductible	NO	YES	YES	YES	YES	YES	50%	75%	50%	YES
Medicare Part B deductible	NO	NO	YES	NO	YES	NO	NO	NO	NO	NO
Medicare Part B excess charges	NO	NO	NO	NO	YES	YES	NO	NO	NO	NO
Foreign travel emergency up to plan limits	NO	NO	YES	YES	YES	YES	NO	NO	YES	YES
Out-of-Pocket limit	\$0	\$0	\$0	\$0	\$0*	\$0	\$4800***	\$2400***	\$0	\$0

Notes:

*Plan F also offers a high-deductible plan. If you choose the high-deductible plan, you must pay the Medicare-covered out-of-pocket costs up to the deductible amount of \$2,180, in 2015. After you have spent the deductible, the Medigap Plan F pays the benefits in full as described on the chart. Depending on the cost of this type of plan, this may be a good value that worth considering.

**Plan N pays 100% of the Part B coinsurance except for up to \$20 co-payment for office visits, and up to \$50 for emergency department visits.

***Plans K and L have an out-of-pocket yearly limit you need to spend before the plan pays benefits.

Your Medicare Choices

There are three main “parts” of Medicare and several ways to put them together. There are also “supplemental” coverages you might want to “wrap around” your Medicare in order to give you the most comprehensive coverage to meet your individual needs based on your health, the medications and treatments you need, as well as the healthcare providers you wish to have care for you.

It is important you have a fundamental understanding of some of the choices you have to make in putting together your Medicare coverage. This will allow you to make more effective choices for your coverage and avoid unnecessary over spending on that health coverage.

Following this is our *Your Medicare Choices* graphic giving you an idea of the two major ways to put your Medicare coverage together. Those are:

- To have Original Medicare Parts A and B plus a Medicare Drug plan and a Medigap plan.

Or

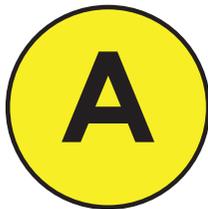
- To have a Medicare Advantage Plan that puts your Medicare coverage together in one policy.

There are numerous variations on these two methods of putting your Medicare coverage together but you’ve got to start with the basics and customize your plan from there.

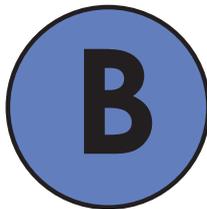
The section after the graphic is our Medicare 101 section giving you more in-depth information about these various parts and pieces of Medicare as well as more specifics about how they work.

Here is a cautionary note about the term “supplemental.” The term supplemental is used in many regulations, by several expert sources and in common conversation to represent distinctly different parts of Medicare. Therefore, for clarity sake it is best to use the actual names of the parts of Medicare to avoid ongoing confusion in your planning.

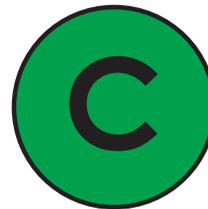
Your Medicare Choices Info-graphic



Part A
Hospital
Insurance



Part B
Medical
Insurance

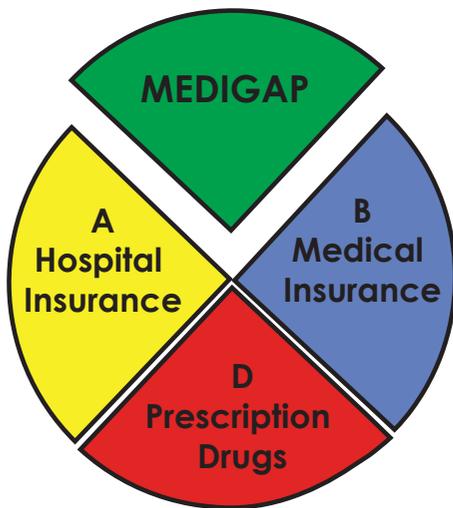


Part C
Combines
Part A, Part B
and usually
Part D

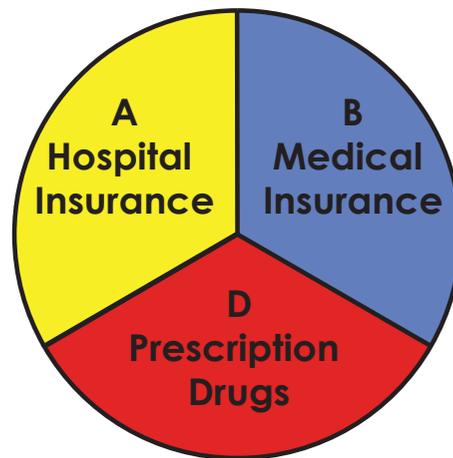


Part D
Prescription
Drug Coverage

A Medicare Advantage Plan
is referred to as
a "C" plan.



Add a Medigap plan
and you are good to go.



You are good to go.

The Alphabet Soup of Medicare Enrollment Periods

Medicare has many enrollment periods for the various “Parts” of Medicare. These various windows of opportunity provide beneficiaries with the chance to get Medicare coverages. Yet, these enrollment periods and their acronyms are confusing. A beneficiary who does not act carefully may miss a window of opportunity to have various parts of Medicare coverage, face a waiting period to get coverage, therefore incurring high out of pocket costs in the interim as well as paying lifelong penalties.

Initial Enrollment Period (IEP)

The Medicare Initial Enrollment Period (IEP) is a beneficiary’s first opportunity to enroll in Medicare Part A and B. With the exception of those who are medically disabled under the age of 65, the IEP begins three months before the 65th birthday and concludes at the end of the third month after the 65th birthday month. All people who are Medicare eligible need to enroll for Medicare Parts A and B during that IEP unless they will be eligible for a Special Enrollment Period (SEP) later. If they do not enroll on time and are not eligible for an SEP they will pay lifelong penalties and a delay in being apply to get access to Medicare coverage.

Later in this book we have given you some easy to use worksheets and tables to help you figure out your own IEP:

- Medicare IEP Window of Opportunity Worksheet.
- When Your Medicare Parts A & B Start if You Apply During Your IEP reference tables with dates specific to folks turning 65 in the next year or two.

Annual Open Enrollment Period (OEP)

The annual Open Enrollment Period (OEP) runs from October 15th through December 7th each year. Some people refer to this as Medicare’s “Annual Enrollment Period.” They are one and the same thing. We will talk about it as the annual OEP. During the annual OEP, beneficiaries may change Part D prescription drug plans, Medicare Part C Advantage plans, or enroll in a Medicare Part C Advantage plan for the first time. Enrollment changes will then take effect on January 1 of the following year.

It is very important to use this annual OEP to make sure that you are getting the best and most cost effective Medicare coverage. We have provided tools and information later in this book about how to be a smart Medicare shopper including:

- Health Information Organizer worksheet
- Annual Open Enrollment Period Do's and Don'ts

Special Enrollment Periods (SEP)

Special Enrollment Periods (SEP) are the windows of opportunity to enroll in certain Parts of Medicare or elect different Medicare plans outside of the standard schedule. There are two major types of SEPs:

- SEP to enroll in Medicare Parts A and B after your Initial Enrollment Period has expired.
- SEP to make changes to your Medicare Part C Advantage or Part D plan elections outside of the annual Open Enrollment Period.

We'll talk first about the Medicare Parts A and B SEP after your Medicare Parts A and B IEP has expired. If you have been covered under a group health plan based on current employment or that of your spouse, you qualify for an SEP to sign up for Part A and/or Part B when that coverage ends. This SEP lasts for 8 months after the employment coverage ends. Usually, you don't pay a late enrollment penalty if you sign up during an SEP.

Some words to the wise about employer coverage qualifications for the Medicare Parts A and B SEP are:

- The employer plan you've had needs to cover a group with 20 or more members. If the group is smaller than 20 members, you must enroll in Medicare during your IEP. If you do not, you will find out you only have secondary coverage through your employer plan and if you wait beyond your IEP you will not be eligible for an SEP. You will then pay lifelong penalties and experience a delay in being able to get access to Medicare coverage.
- Remember that while you have an 8 month window to sign up for Medicare Parts A and B, you will have no primary coverage until you have enrolled in Medicare. Even if you have coverage such as COBRA, you will only have secondary coverage until you sign up for Medicare.
- It is important to sign up for Medicare as soon as possible. You can enroll in Medicare starting 3 months before your employer coverage ends.

The employer coverage needs to be deemed Medicare Part D "creditable." This means the employer coverage includes a prescription drug benefit comparable to Medicare Part D. The employer plan can easily provide you with a Medicare "creditable" coverage

letter. It's a good idea to get a copy of this letter every year when your employer coverage renews. That way you will not be caught off guard down the road and find out the plan was not Medicare "creditable." If your plan has not been Medicare "creditable" you will pay lifelong penalties when you do enroll in Medicare Part D. That penalty is 1% per month for every month you did not have Medicare "creditable" coverage.

The second type of Medicare SEP covers various circumstances related to life changing events that allow you to disenroll and enroll in a different Medicare Part C Advantage or Part D plan. Here are the most common situations:

- If you move out of a Medicare Part C Advantage or Part D plan service area. You have an SEP to enroll in a plan that serves your new home.
- If you move permanently into, reside in, or move out of a nursing home you may also have an SEP.
- People who are eligible for both Medicare and Medicaid have an SEP that allows them to change Part D drug plans at any time.

General Enrollment Period (GEP)

Medicare beneficiaries who did not enroll in Part B when they first became eligible for Medicare may elect Part B coverage during the General Enrollment Period, which extends from January 1 through March 31 each year. Enrollment becomes effective on July 1 of the same year.

Beneficiaries who delay enrollment in Part B and are not eligible for an SEP will be assessed a late enrollment penalty on their Part B premium. The penalty is 10% for each full year of delayed enrollment for as long as the beneficiary remains uncovered under Part B.

A person who enrolls in Part B during the General Enrollment Period also has a Special Enrollment Period (SEP) for Part D or Medicare Part C Advantage including drug coverage beginning in April and ending in June of that year. If the person has not had Medicare "creditable" drug coverage in the interim, that person will pay a late enrollment penalty for Part D. The late enrollment penalty is 1% per month for every month without Part D coverage.

Medicare Advantage Disenrollment Period (MADP)

The MADP provides Medicare beneficiaries an opportunity to disenroll from a Medicare Advantage plan. The MADP extends from January 1 through February 14th each year. The change will take effect the first of the following month. That same beneficiary can enroll in a standalone Prescription Drug Plan (PDP) for Part D coverage during the MADP as well. The person may also want to enroll in a Medigap plan.

Medigap Open Enrollment Period

Medigap Open Enrollment Period (OEP) automatically starts the month you're 65 and lasts for 5 months after your 65th birth month. During the Medigap OEP you can buy any Medigap policy sold in your local area without being subject to medical underwriting even if you have health problems or pre-existing conditions. Once the Medigap OEP it's over, you can't get it again. That means that once you are 65 and 5 months of age your Medigap OEP has ended.

Some words to the wise about applying for Medigap after the Medigap OEP expires:

- If you decide to enroll in a Medigap plan after the Medigap OEP you may be subject to underwriting. That said, if you have had other continuous coverage such as employer provided coverage or a Medicare Part C Advantage plan, the medical underwriting process will usually proceed at the standard pace. You may have to pay a higher premium, but you will usually be able to get coverage.
- If you decide to apply for Medigap after the OEP expires make sure you do so with enough time before your other coverage ends. Applying 4 - 8 weeks ahead of time will allow you to submit an application and find out if you are accepted and what the price will be. Also, you will avoid a lapse in coverage. You don't want to pay more out of your own pocket for healthcare than you need to!

Medicare Initial Enrollment Window of Opportunity Worksheet

The year you turn **65**

Enroll in Medicare 3 months before your birthday month & coverage starts on the 1st day of your birth

If your birthday falls on the **1st of the month your coverage starts the month before you turn 65.**

If you do not enroll before your birthday month your coverage will be delayed

If you enroll 1 month after you reach 65, coverage starts 2 months after the month of enrollment.





NO DELAY			YOUR BIRTHDAY	DELAYED START			TOO LATE		
									
Nov.	Dec.	Jan.	February	Mar.	April	May	Apply next January; coverage starts next July.		

EXAMPLE:

Instructions: Put your birth date in the “your birthday” box and insert the names of the months before and after your birth month to see when you can apply for your Medicare Parts A and B. The example above is based on a person who becomes 65 in February.

When Medicare Parts A & B Starts If Born in 1949 If You Apply During Your IEP

If you were born in 1949	You are eligible for Medicare	Month and year of birth	1st month you can enroll in Medicare	If you enroll during the 1st - 3rd month before your birthday month	If you enroll during your birthday month	If you enroll 1 month after your birthday month	If you enroll 2 months after your birthday month	If you enroll 3 months after your Birthday month
1949	2014	January 1949	October 2013	January 2014	February 2014	April 2014	June 2014	July 2014
		February 1949	November 2013	February 2014	March 2014	May 2014	July 2014	August 2014
		March 1949	December 2013	March 2014	April 2014	June 2014	August 2014	September 2014
		April 1949	January 2014	April 2014	May 2014	July 2014	September 1949	October 2014
		May 1949	February 2014	May 2014	June 2014	August 2014	October 2014	November 2014
		June 1949	March 2014	June 2014	July 2014	September 2014	November 2014	December 2014
		July 1949	April 2014	July 2014	August 2014	October 2014	December 2014	January 2015
		August 1949	May 2014	August 2014	September 2014	November 2014	January 2015	February 2015
		September 1949	June 2014	September 2014	October 2014	December 2014	February 2015	March 2015
		October 1949	July 2014	October 2014	November 2014	January 2015	March 2015	April 2015
		November 1949	August 2014	November 2014	December 2014	February 2015	April 2015	May 2015
		December 1949	September 2014	December 2014	January 2015	March 2015	May 2015	June 2015

When Medicare Parts A & B Starts If Born in 1950 If You Apply During Your IEP

If you were born in 1950	You are eligible for Medicare	Month and year of birth	1st month you can enroll in Medicare	If you enroll during the 1st - 3rd month before your birthday month	If you enroll during your birthday month	If you enroll 1 month after your birthday month	If you enroll 2 months after your birthday month	If you enroll 3 months after your Birthday month
1950	2015	January 1950	October 2014	January 2015	February 2015	April 2015	June 2015	July 2015
		February 1950	November 2014	February 2015	March 2015	May 2015	July 2015	August 2015
		March 1950	December 2014	March 2015	April 2015	June 2015	August 2015	September 2015
		April 1950	January 2015	April 2015	May 2015	July 2015	September 2015	October 2015
		May 1950	February 2015	May 2015	June 2015	August 2015	October 2015	November 2015
		June 1950	March 2015	June 2015	July 2015	September 2015	November 2015	December 2015
		July 1950	April 2015	July 2015	August 2015	October 2015	December 2015	January 2016
		August 1950	May 2015	August 2015	September 2015	November 2015	January 2016	February 2016
		September 1950	June 2015	September 2015	October 2015	December 2015	February 2016	March 2016
		October 1950	July 2015	October 2015	November 2015	January 2016	March 2016	April 2016
		November 1950	August 2015	November 2015	December 2015	February 2016	April 2016	May 2016
		December 1950	September 2015	December 2015	January 2016	March 2016	May 2016	June 2016

How to Apply for Medicare Parts A & B During Your Initial Enrollment Period

You apply for Medicare through the Social Security Administration (SSA). Before you apply, be prepared with the following information:

- Social Security Number
- Date of birth
- City and state in which you were born
- Your first and last name
- Mother's maiden name

There are three ways to apply for Medicare:

1. **Apply on-line**
2. **Apply over the phone**
3. **Apply in person**

Apply on-line:

- Go to the SSA site: <http://www.socialsecurity.gov/retireonline/> and answer the questions as they are asked in the on-line form.
- Once you start the on-line application, your "Application Number" will be on the screen. **Take note of that.** If you are not able to complete your application, you can save it and restart where you left off using your "Application Number."
- Once you have submitted your on-line application, you will see a "Confirmation Number." It is **very important** you write that down or print a copy of the screen. You will use that "Confirmation Number" if you need to call the SSA to ask any questions about the status of your application while it is being processed. SSA does not keep a copy of your "Confirmation Number" and will not be able to find your application if you do not provide your own "Confirmation Number."
- An email confirming receipt of your application will be sent to the email address you provided on your application.

To apply over the phone with the SSA by calling 800-772-1213, 7AM - 7PM, Monday–Friday:

- An automated menu will ask you some simple questions.

- Then you will actually speak with a person who will connect you to an agent who will take the rest of the application over the phone. You may have to wait on the phone for 20 minutes or so. It's best to call Tuesdays - Thursdays to avoid heavy call volume.
- You can also make an appointment with the SSA to call you back at a time convenient for you to complete the application.

To apply in person at the Social Security Administration office nearest you:

- Call the SSA @ 800-772-1213, 7 AM - 7 PM, Monday–Friday and make an appointment with your local SSA office to apply. The automated attendant will ask the same questions, and then you will reach a representative who will schedule the appointment.
- Go to your local SSA office for your appointment and complete the application in person with an SSA representative.

How to Apply for Medicare Parts A & B After You Are 65

If you are older than 65 years and three months of age you are outside of the Initial Medicare Enrollment Period (IEP). If you are outside of your IEP the Medicare application process has a few different twists. First, you will want to determine if you are eligible for a Special Enrollment Period (SEP). If so, you can proceed to apply for Medicare Parts A and B right away. If not, you will be eligible to enroll in Medicare Parts A and/or B during the next General Enrollment Period (GEP) which is January 1st through March 31st of each year. We discussed the Medicare enrollment periods in an earlier section of this book. You might find it helpful to review that section now.

You may or may not already be enrolled in Medicare Part A when you became 65. In order to have complete Medicare coverage and to be eligible to have a Medicare Part C Advantage plan or a Medigap plan you need Medicare Parts A and B. Or, perhaps you have not enrolled in either Medicare Parts A or B at all. Whatever the circumstances, you apply for Medicare Parts A and/or B through the Social Security Administration.

You may or may not be able to start your application on-line but you will not be able to complete it on-line because of an additional step the SSA requires in this circumstance. Generally speaking, it is easier to apply either over the phone or in person at the local SSA office. The reason is that the SSA needs to determine if you are eligible to enroll now due to an SEP or will need to wait for a GEP.

The SSA representative will ask questions about the coverage you have had, if any, since your 65th birthday with the objective of verifying that you have had continuous coverage comparable to Medicare. If you have had continuous coverage that is ending for a variety of reasons, you most likely will be eligible for an SEP. That SEP lasts for 8 months after your other coverage ends. It is best to apply for your Medicare coverage as soon as possible because you will not have coverage in the interim.

If you are eligible for an SEP, the SSA representative will generate a form for your former employer based insurance to sign off on and verify that you have had prior acceptable coverage. SSA will also generate a form for you to request the Medicare Part A and/or Part B you want to enroll in. Additionally, the SSA representative will ask specific questions about the prescription drug coverage you have had and may require documentation verifying that it is Medicare “creditable.”

If you have had a lapse in coverage or have had coverage that is not an acceptable Medicare Part B substitute, such as COBRA coverage beyond the first 8 months of eligibility, you will have to wait until the next GEP to apply for Medicare Parts A and B. You can contact the SSA office during that time and apply for your Medicare B coverage.

As you can see, it can be complicated to apply for Medicare after your IEP when you turn 65. A word to the wise is to plan ahead and verify that you will be eligible for an SEP after your IEP to avoid delays in getting your coverage in the GEP and paying lifelong higher premiums due to not applying for Medicare on a timely basis.

How Your Modified Adjusted Gross Income (MAGI) Effects Some Medicare Premiums

If you have or will soon be applying for Medicare, please be aware that some Medicare premiums are on a sliding scale based on your income. Specifically if you make more than \$85,000 for a single person or \$170,000 for a married couple you will pay more than the base rate for your Medicare Part B premiums as well as an additional amount for your Medicare Part D coverage above your base Medicare D premium. The additional amount for the Medicare Part D premium is called an Income Related Monthly Adjustment Amount (IRMAA).

Medicare B premiums and the Medicare D IRMAA adjustments are based on your Modified Adjusted Gross Income (MAGI) which is your Adjusted Gross Income (AGI) plus tax exempt interest from your tax return. If you use the regular 1040 (long form) you can figure out what your MAGI is by adding together line 8b and line 37 on page 1 of Form 1040. Following here is a table with the income tiers and the premiums and adjustment costs. There is a different MAGI tier structure for folks who are married but filed separate tax returns. You can find that information at www.ssa.gov.

The Social Security Administration uses your most recent tax return on file to determine your MAGI. That is usually your tax return from two years ago. If your MAGI will be lower in the current year than it was two years ago, putting you in a lower income tier, you may be eligible to appeal for a lower premium. The SSA will consider granting your appeal if you have had a change in circumstances such as:

- You have married, divorced, or become widowed
- You or your spouse stopped working or reduced your work hours
- You or your spouse lost income-producing property due to a disaster or other event beyond your control
- You or your spouse experienced a scheduled cessation, termination, or reorganization of an employer's pension plan
- You or your spouse received a settlement from an employer or former employer because of the employer's closure, bankruptcy, or reorganization

2015 Medicare B & D Premiums and Monthly Income Related Adjustment Amount (IRMAA)

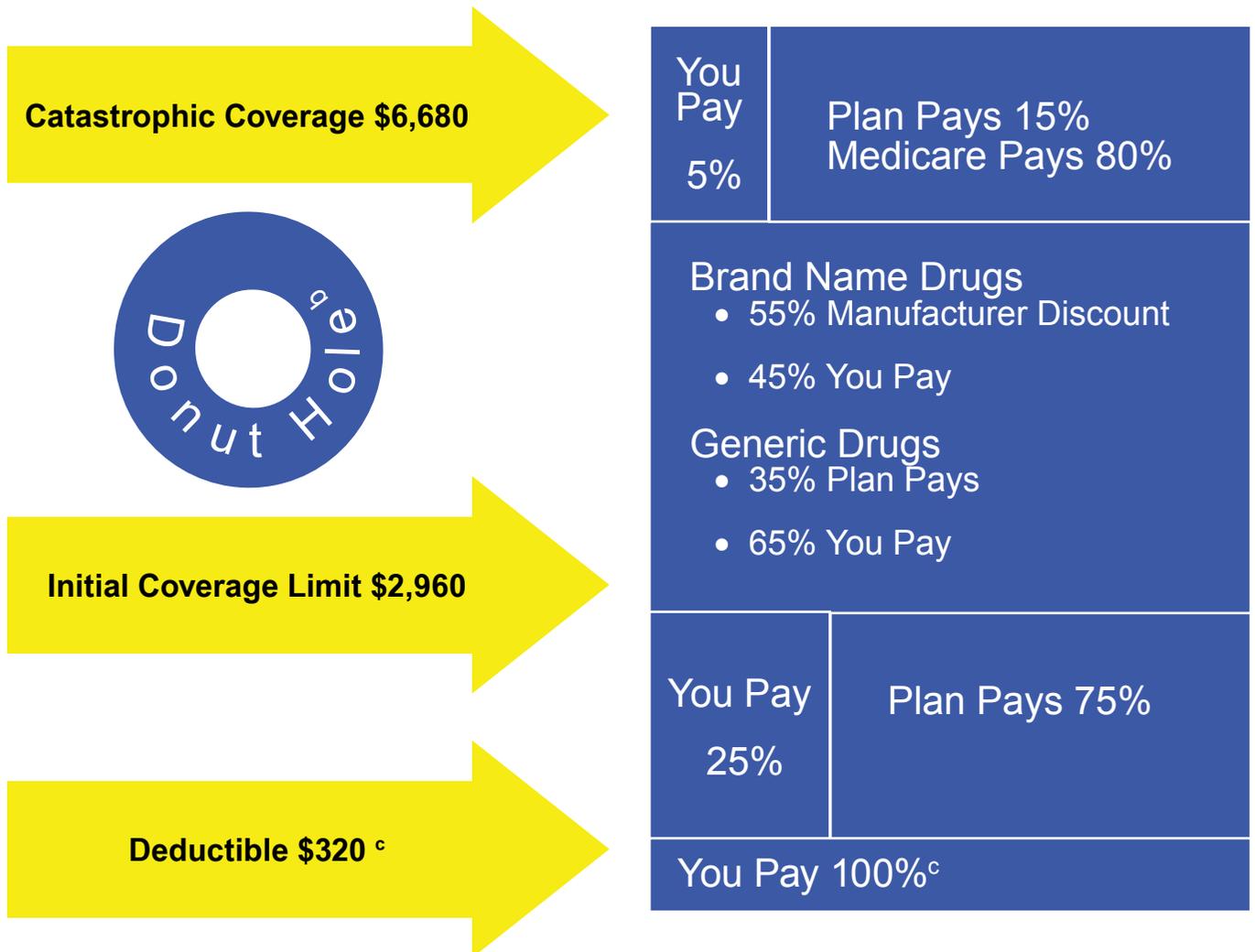
Modified Adjusted Gross Income (MAGI)	Medicare Part B Premium “adjustment”	Medicare Part D IRMAA “adjustment”
Individuals \$85,000 or less Married couples \$170,000 or less	\$104.90	Plan premium
Individuals \$85,001-\$107,000 Married couples between \$170,001-\$214,000	\$146.90	\$12.30 + Plan premium
Individuals \$107,001-\$160,000 Married couples \$214,001-\$320,000	\$209.80	\$31.80 + Plan premium
Individuals \$160,001-\$213,000 Married couples between \$320,001-\$428,000	\$272.70	\$51.30 + Plan premium
Individuals above \$213,001 Married couples above \$428,001	\$335.70	\$70.80+ Plan premium

2015 Medicare A & B Benefits and Out-of-Pocket Costs

The “Parts” of Medicare & Covered Services	Out-of-Pocket Costs
Part A Automatically included with no premium for most beneficiaries.	
Inpatient hospital • Up to 90 days per year • Plus 60 “lifetime reserve days”	\$1,216 deductible per benefit period • Days 1 - 60: \$0 • Days 61 - 90: \$315 per day • 60 “lifetime reserve days”: \$630 per day • Lifetime limit of 190 days for inpatient mental health
Skilled nursing facility - up to 100 days per year	• Days 1 - 20: \$0 • Days 21 - 100: \$157 per day
Hospice care for terminally ill beneficiaries	Nominal coinsurance for drugs and respite care
Home health care for homebound beneficiaries needing skilled care	\$0
Part B You pay a premium to Medicare which is usually deducted from your Social Security check.	
Premium ^a	\$104.90- \$335.70 per month depending on income
Deductible	\$147 annually
Physician and other medical services including: supplies durable medical equipment and physical and speech therapy	20% of Medicare approved amount
Outpatient hospital care	Greater of 20% of Medicare-approved amount
Ambulatory surgical services	20% of Medicare approved amount
Laboratory services	\$0
Outpatient mental health services	20% of Medicare approved amount
<p>Notes:</p> <p>^a Beneficiaries with low incomes may be eligible for extra help with paying Medicare B and D premiums.</p> <p>Some outpatient charges are higher than the Medicare standard 20% copayment.</p>	

2015 Medicare Part D Cost Sharing Info-graphic

Medicare Part D Out of Pocket Costs After Premium 2015^a



Notes:

^a This is in addition to any premiums you pay for your Medicare D plan.

^b You will get out of the donut hole after you spend \$4,700 for Part D cost sharing.

^c This varies by Part D plan. The deductible of \$320 may be covered in part or in full by the particular Part D plan.

How to Shop Smart for Medicare

After you have your Medicare Parts A and B, you'll need to shop for the other Parts of Medicare to complete your Medicare coverage package. We talked earlier in the book about several options such as Medicare Part C Advantage plans, Part D prescription drug plans and Medigap. You'll need to shop for those plans and decide which will suit your needs in the most cost effective way.

Remember 90-95% of folks on Medicare over pay. The main reason why is because they haven't been smart shoppers. They buy without understanding how it will work for them and find out later that they have coverage gaps and unplanned expenses.

With a little organization and planning, you can avoid stepping in those Medicare cost sink holes. The two most important things to make sure are:

1. That your doctors and other healthcare providers are covered by the plan you select.
 - The best coverage will be if your professionals are "In-Network" and therefore their services are covered more completely.
 - You may find that some of your healthcare services are "Out of Network" or not covered at all. You want to minimize this as much as possible.
2. That your prescription medications are covered by your plan in the most cost effective way.
 - Pricing and coverage varies widely among plans. It's worth doing your homework to avoid unexpected costs when you pick up your medication from the pharmacy.

In order to make this easier for you to do we have included a worksheet and some shopping tips on the next pages. They are the:

- Health Information Organizer worksheet:
 - This will help you pull together the important information about your healthcare providers and prescription medications that you'll need to shop with **before** you start shopping. This will save you a lot of time.
- Medicare Annual Open Enrollment shopping information and Do's & Don'ts

In addition, you might want to download our How to Shop Smart for Medicare webinar. You can go to our website to find the webinar or use the sign up information in the back of the book. That webinar is available on demand for you to download and is very reasonably priced. It walks you through detailed examples of how to shop smart and

put your Medicare coverage picture together. People find this to be helpful whether they are new to Medicare or have been in Medicare but are wanting to reevaluate their options.

Does My Doctor Take Medicare?

In order to use your Medicare to pay your doctor, he or she has to accept Medicare payments. While that sounds simple, it can be confusing to figure out. That's because while the vast majority of doctors accept Medicare, some of them do not accept the standard Medicare rate as payment in full.

There are two categories of doctors who accept Medicare payments. They are called Medicare "participating providers" and "non-participating providers." The difference between those two are:

- "Participating providers" accept the Medicare fee schedule as payment in full for services rendered. That is called "accepting assignment." They also agree to charge you no more than the Medicare coinsurance, which is usually 20%.
- "Non-participating providers" are providers who accept Medicare, but do not accept the Medicare fee schedule as payment in full. Those providers "do not accept assignment" and are allowed to bill you the typical Medicare 20% coinsurance, plus up to 15% extra.

Some doctors do not accept Medicare at all. These are called "opt-out providers." Nationwide fewer than 2% of doctors have "opted out" of Medicare. If you choose to see a provider who has "opted out" you will pay full price for their services. Be aware that any provider who has "opted out" of Medicare is obligated to notify you in advance, in writing that they have "opted out." You will be required to sign the notice and agree you will not submit any bills for those services directly to Medicare.

Health Information Organizer: To Use When You Shop For Your Medicare Plans

First Name, and Last Name				
Legal Residence	Street	City	State	Zip code
Date of Birth		County (not Country)		

- Names and addresses of the physicians and other health care providers you see.

Care Provider Name and Telephone Number	Provider Address Street, City, State, Zip	Provider Specialty

- Your preferred hospital is: _____
- Your usual pharmacy is: _____
- Do you use a mail-order pharmacy? Yes , No

- Name and dosage of prescription medications you take. Please use the exact name of your medication as it appears on your prescription label.

Medication Name	Dose	How often is it taken?	How is it taken? (i.e., by mouth)

- Medical Diagnosis and treatments you have received in the past 5 years.

Diagnosis	Treatment	Length of Treatment

Medical Equipment and Supplies

Medicare Annual Open Enrollment Period

The Medicare Annual Open Enrollment Period is October 15th to December 7th every year.

This is the time of year anyone on a Medicare plan can shop around and change plans if they want to.

If you are on Medicare or help someone who is, we encourage you to shop for Medicare Advantage (Medicare C) and Medicare D (for drugs) plans to make sure you are getting the best value for your money.

Even if you have a plan already, your plan and all others in the market, come out with new pricing and benefits every fall. Remember, the full cost to you includes both the premium and the other out of pocket costs like co-payments and co-insurance.

As the old saying goes, "the devil's in the details!" Sometimes, cost increases are hidden in the out of pocket costs, such as how much a specific drug will cost next year.

Your Annual Medicare Check-up

Just like you check the other aspects of your health every year; it's important to review your Medicare coverage every year too! We strongly urge you have your annual Medicare health insurance check-up this year particularly if your:

- Prescription medications have changed since last year
- Medicare out of pocket costs are getting too high
- Premium increases are uncomfortable
- Customer service from the current plan has been poor
- Medicare plan is no longer offered
- Legal residence has moved

Do's and Don'ts

Do's

- Read the new “Plan Benefit Summary” your current Medicare insurance company sends you.
- Look to see if your co-payments, co-insurance, deductibles and other plan features will cost you more this next year.
- Use the Health Information Organizer Worksheet in this book.
- Verify what “Tiers” your drugs will be in next year.
- Look to see what your specific drug co-payments will be for the next year.
- Make sure your doctors and health care providers are covered in your plan.

Don'ts

- Don't assume your drug and other co-payments will stay the same for next year.
- Don't wait 'til the last minute to shop – it's too important a purchase!

Meet the People Behind GOODCARE.com®

Headquartered in Rochester, New York, GOODCARE.com® is a privately run consultancy helping financial advisors and their clients make sense of the puzzling world of healthcare services and financing. Our special focus is helping people during their pre-retirement and retirement years.



Dr. Katy Votava
President and founder of GOODCARE.com®

Dr. Katy is a registered professional nurse with a PhD in health economics and nursing from the University of Rochester in Rochester, New York. She completed a pre-doctoral fellowship in community and preventive medicine at the University of Rochester and a post-doctoral fellowship at Harvard Medical School.

Dr. Katy is a Medicare expert who consults with financial advisors and their clients throughout the United States. As a nurse practitioner and healthcare economist Dr. Katy has a broad view of healthcare in retirement and what the real impact is on consumers. She provides up to the minute information that advisors can apply immediately in practice. Dr. Katy is quoted widely in the press and speaks frequently on personal healthcare finance.



Cymantha Campbell
Operations Manager of GOODCARE.com®

She is the friendly voice you'll likely hear when you call GOODCARE.com®. Cymantha provides full administrative and operational support at our headquarters in Rochester, New York. Cymantha has in-depth experience in health plan research as well as the ins and outs of Medicare. Cymantha is readily available to answer your questions about our services and provide support to

our clients.

How the GOODCARE Team Can Help You

These days, healthcare costs are skyrocketing and the choices are ever more confusing. No wonder people are asking: “How can I make the right choice when it comes to Medicare and Medigap policies?” The wrong choice could cost thousands of dollars in unexpected costs and hassle. Major national studies from Harvard and MIT have shown that 90–95% of people don’t pick the most cost effective Medicare plan and pay too much.

The good news is you’ve come to the right place. If, after reading this guide, you have decided that you would like some assistance working through your Medicare choices, we are here to help. Our GOODCARE healthcare consulting service is the solution you’ve been looking for. We are independent, fee based consultants who work for you.

Medicare is one of our specialties. With our assistance you will be better informed and avoid costly mistakes. After all, everyone wants good healthcare at a reasonable price!

Our GOODCARE team has deep expertise in personal finance matters including:

- Choosing the best, most affordable Medicare plans
- Planning for healthcare costs in retirement
- Consulting on long term care planning
- Managing healthcare for an elder

Selected Medicare Resources

- Medicare.gov -The Official U.S. Government Site for Medicare
<http://www.medicare.gov>
- The GOODCARE complimentary newsletter with helpful tips and up to date information - See the home page on our website for a link to our Newsletter Archive
<http://www.goodcare.com>



<http://www.facebook.com/DrkatyV>



<http://www.linkedin.com/in/kathrynvotava>



<http://twitter.com/#!/Drkaty>

Healthcare coverage, by its very nature, is subject to change frequently. That's why we are here at GOODCARE. Please check our website <http://www.GOODCARE.com> for updated information.

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