



Medicare Prepared

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Medicare Cheat Sheet

A handy reference for common Medicare terms

As you begin your Medicare journey, you'll see certain terms used over and over. To help you learn the language of Medicare, we've compiled a glossary of common terms that you can reference anytime.

Medicare:

A government healthcare program for anyone 65 and older or people with qualifying disabilities.

Original Medicare/Traditional Medicare:

A healthcare program managed and regulated by the federal government. Consists of both Part A (hospital insurance) and Part B (medical insurance).

Part A:

The section of Medicare that primarily covers hospital stays, skilled nursing facilities (SNF), and hospice. Sometimes called "hospital insurance."

Part B:

The section of Medicare that primarily covers doctors, specialists, tests, and procedures. Sometimes called "medical insurance."

Part C/Medicare Advantage:

Private health insurance plans providing Medicare benefits. Plans include at least the same benefits as Part A & B, but may include more, such as drug, hearing, dental, and vision coverage.

Part D:

Prescription drug coverage sold by insurance companies that you may add to Original Medicare. Plans vary coverage, pricing, and availability by location.

Medigap/Medicare Supplement:

Supplemental insurance you may purchase to cover some of the "gaps" Medicare doesn't cover regarding payment, i.e., copayments, coinsurance, deductibles.

Beneficiary:

A person who receives Medicare coverage.

Coinsurance:

An amount—typically a percentage—you pay for a covered service or item once you meet the deductible.

Copayment/Copay:

An amount—typically a dollar amount—you pay for a covered service or item once you meet the deductible.

Deductible:

The dollar amount you must pay toward your health care before your plan's coverage begins.

Premium:

A payment (typically monthly) that you pay in exchange for coverage.

Medicare-approved Amount:

How much a service or item costs, according to Medicare.

Appeal:

The process a patient may follow if they disagree with a decision about their Medicare, Medicare Advantage, or Part D plan coverage or payment.

Medicaid:

Not to be confused with Medicare, this is a federal and state program that helps low-income people pay for health care. Qualifications and coverage vary by state.

Medicare Cost Worksheet

Your costs with Original Medicare will vary depending on your situation. Your Part A premium depends on how long you've worked and paid Medicare taxes, while your Part B premium will depend on your income.

Let's calculate both.

The Medicare Part A premium

Americans work toward premium-free Part A by earning Medicare credits. As long as you earn a certain amount of money per quarter (\$1,410 in 2020¹) and pay taxes, you'll receive one credit for each quarter you've worked. If you or your spouse have racked up 40 credits (10 years), you'll likely receive Medicare Part A for free. Otherwise, use the table below to calculate your Medicare Part A monthly premium.

For example, if you've worked for 8.5 years, you'd have 34 credits ($8.5 \times 4 = 34$) and your Part A premium would be \$252.

Use the table below to calculate your Part A premium based on the number of years you've worked and paid taxes.

| Years Worked | Credits Earned | Monthly Premium |
|--------------|----------------|-----------------|
| 0 - 7.25 | 0 - 29 | \$458 |
| 7.5 - 9.75 | 30 - 39 | \$252 |
| 10+ | 40+ | \$0 |

My monthly Medicare Part A premium in 2020 is:

\$ _____

The Medicare Part B premium

Your monthly Medicare Part B premium depends on your income. To calculate yours, the government uses your Modified Adjusted Gross Income (MAGI) from your most recent tax return.

Your MAGI isn't listed on a 1040 tax return (the form most people use to file their taxes), but you can get an estimate of this number using your Adjusted Gross Income (AGI). Your AGI can be found on line 8b on Form 1040 for your 2019 income. Your actual MAGI may be slightly higher than your Adjusted Gross Income.

My Adjusted Gross Income is: \$ _____

¹ Social Security Administration, "How You Can Earn Credits" <https://www.ssa.gov/pubs/EN-05-10072.pdf>

How much you pay also depends on how you filed your tax return. Use your AGI to estimate your premium for Part B using the table below:

| MAGI (Single) | MAGI (Filed Jointly) | MAGI (Filed Separately) | Monthly Premium |
|-----------------------|-----------------------|-------------------------|-----------------|
| \$87,000 or less | \$174,000 or less | \$87,000 or less | \$144.60 |
| \$87,001 - \$109,000 | \$174,001 - \$218,000 | N/A | \$202.40 |
| \$109,001 - \$136,000 | \$218,001 - \$272,000 | N/A | \$289.20 |
| \$136,001 - \$163,000 | \$272,001 - \$326,000 | N/A | \$376.00 |
| \$163,001 - \$499,999 | \$326,001 - \$749,999 | \$87,001 - \$413,000 | \$462.70 |
| \$500,000 + | \$750,000 + | \$413,000 + | \$491.60 |

Table created using information from Medicare.gov.

Based on my AGI, my *estimated* monthly Part B premium in 2020 is: \$ _____

Now add your Part A and Part B premiums to see your total monthly premium for Original Medicare.

Total Medicare Premiums from Part A and Part B: \$ _____

Additional Medicare Costs

In addition to your monthly premiums, you'll be responsible for deductibles and coinsurance for both Part A and Part B.

Part A

The Part A deductible for 2020 is \$1,408, and you'll pay this amount each time you begin a new hospital stay. Coinsurance is calculated per day of your stay. The amount depends on what kind of facility you're staying in, and it may increase the longer you're an inpatient. You can expect to pay \$0 to \$704 per day as a hospital inpatient and \$0 to \$176 per day as a skilled nursing facility inpatient.

Part B

The Part B annual deductible is \$198 in 2020 and resets each year. Part B pays a straight 80% of all covered services, which means you'll be responsible for a 20% coinsurance.

Disclaimer:

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When & How to Enroll in Medicare

When it comes to enrolling in Medicare, timing is everything. Although most people should sign up during their Initial Enrollment Period (IEP), there is a significant exception. We'll get into that in a minute.

First, check any boxes that are true for you:

- I don't have health insurance.
- I get my health insurance through COBRA.
- I have health insurance through the individual marketplace.
- I have retiree health benefits from a former employer (mine or my spouse's).
- I have health insurance through my partner with whom I'm not married (or through my common-law spouse).
- I'm in prison and can't use Medicare.
- My employment ends before my Initial Enrollment Period ends.
- My health coverage is from my employer (or my spouse's employer), which has fewer than 20 employees.
- I have health benefits through the VA.

Now you're ready to see whether you should sign up during your Initial Enrollment Period or If you can delay your enrollment. If you checked any of the above boxes, go to **Situation 3**. If you didn't check any boxes, look at **Situations 1 and 2** and see if either applies to you.

| Situation | 1 | 2 | 3 |
|---------------------|---|---|---|
| Sign up during IEP? | No. You'll be enrolled automatically and you'll get your Medicare card in the mail. | No—unless you'd rather be on Medicare than your employer-sponsored health plan. You can delay enrollment without penalty and you'll get a Special Enrollment Period (SEP). Your SEP lasts for eight months after you retire, but you are free to enroll in Medicare whenever you'd like. | Yes. If you don't enroll now, you'll have to pay late enrollment penalties if you enroll later. |
| What's next? | Skip to Page 9 to see how you can get your prescriptions in Medicare. | Go to the next page of this worksheet and skip to the section entitled "Gathering the Documents You'll Need to Enroll." | Find your Initial Enrollment Period in the next section. |

Find your Initial Enrollment Period

We want to make it as easy as possible to know when you can enroll for Medicare. Follow these steps to determine your Initial Enrollment Period.

1. Write down the year that you will turn 65.
2. Circle your 65th birthday month.
3. Unless your birthday is on the 1st of the month, circle the three months before and three months after your birthday month.
4. *If your birthday is on the first day of the month, circle the four months before your birthday month and the two months after your birthday month.*

Example:

Mark's 65th birthday is December 15, 2020. He writes "2020" on the line below and circles December as his birthday month. Then he circles "Sept-Nov" and "Jan-Mar". Those seven circled months—September of this year through March of the next—represent Mark's Initial Enrollment Period for Medicare.

Year I'll turn 65: _____

Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec

The circled sections on the calendar represent your Initial Enrollment Period for Medicare.

Mark it on your calendar!

Gather the documents you'll need to enroll

Below are the documents you'll need to enroll in Medicare. Be sure to gather them in one place so your enrollment goes smoothly.



Birth certificate or other proof of your birth



W-2 forms and (if applicable) self-employment tax return



GREEN CARD

Proof of citizenship or green card (if you weren't born in the US)



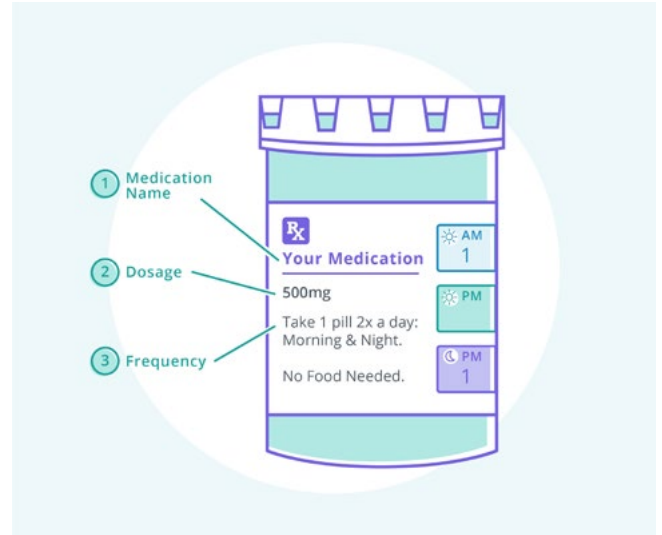
Military service papers for any service before 1968

Medicare Prescription Drug Worksheet

You can get prescription drug coverage with Medicare in one of two ways:

1. A standalone Part D plan
2. As part of a Medicare Advantage plan that includes this coverage

Either way, you'll need to evaluate the plan's coverage of the drugs you currently take if you want to make sure you're enrolled in the right plan.



Take stock of your prescriptions

To get started, write down all your prescription information in the table below. Add the medication name, dosage, and frequency (how often you take it) exactly how it appears on the label on your medication bottles and other packaging.

| Medication Name | Dosage | Frequency |
|-----------------|--------|-----------|
| | | |
| | | |
| | | |
| | | |
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| | | |
| | | |
| | | |

Find plans with drug coverage

Once you've collected all your prescription information, go to www.medicare.gov/plan-compare/ to use the Medicare Plan Finder. Create an account, log in, or continue without logging in, according to your preference. (We recommend creating an account so you can keep coming back without having to re-enter your prescriptions each time.)

Next, you'll be asked, "What type of Medicare coverage do you want?" Select either Medicare Advantage or Part D. (If you want to look at both options, you'll have to run through this process twice.)

Then enter your zip code, and click "Continue." Then answer any additional questions that pop up. When you see the question, "Do you want to see your drug costs when you compare plans?" click "Yes."

Add your drugs and pharmacies when prompted.

On the next screen, you'll see a list of plans that may work for you. Use the "Filter Plans" button and "Sort Plans By" filter to home in on your options, then read about the plans that interest you.

Write down your top choices below.

Top 3 Medicare Advantage plans

Top 3 Part D plans

Congratulations! You now have some solid ways to get prescription drug coverage with Medicare.

Remember: even if you're not taking any medications now, you should consider enrolling in drug coverage to avoid late-enrollment penalties if you decide to enroll later.

Medicare Providers Worksheet

To find out which Medicare options allow you to keep your most essential providers, list your providers in the table below. If you run out of space, print out a second copy of this worksheet and keep going.

Once you have your list, call each office and ask these two questions:

1. **“Do you participate in Original Medicare? If so, do you accept Medicare assignment?”**
2. **“Do you participate in any Medicare Advantage networks? If so, for which plans are you in-network?”**

| Provider Name | Original Medicare? | Medicare Assignment? | Medicare Advantage plans accepted |
|--|--------------------|----------------------|--|
| <i>Example: Doctor Emily Johnson, Cardiologist</i> | Yes | No | <i>Acme Insurance Medicare Gold Plan Acme Insurance Medicare Silver Plan</i> |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

Next Steps

Look for patterns in the plans your providers are in-network with, and use your findings to help choose how you receive your Medicare benefits. You may not be able to keep all your providers, but you might find a plan that allows you to keep your most important doctors.

What You Need to Do before Calling an Agent

Calling a licensed agent is the easiest way to get connected to the Medicare coverage that makes sense for you. For example, if you're thinking about choosing a Medicare Advantage or Medigap plan, an agent can help you decide what's the best fit.

Before you call an agent, however, it's helpful to have your ducks in a row. You'll need basic information (like your name, date of birth, address, Social Security number, etc.), but there's more you can do to make your call go as smoothly as possible.

Luckily, if you've been following along and filling out this packet, you should have nearly everything you need.

Step 1: Gather these items:

- Your red white and blue Medicare card.
- The list of medications you take (from the Medicare Prescription Drug Worksheet).
- The list of doctors and plans that you filled out on the Medicare Providers Worksheet.

Step 2: Answer these questions:

What hospitals and diagnostic centers do you go to?

- | | |
|----------|----------|
| 1. _____ | 5. _____ |
| 2. _____ | 6. _____ |
| 3. _____ | 7. _____ |
| 4. _____ | 8. _____ |

What pharmacies do you go to?

- | | |
|----------|----------|
| 1. _____ | 3. _____ |
| 2. _____ | 4. _____ |

Are you getting any subsidies like Medicaid, Extra Help, etc.? (Check any that apply.)

- | | |
|---|--|
| <input type="checkbox"/> Medicaid | <input type="checkbox"/> Other (fill in the blank) _____ |
| <input type="checkbox"/> Supplemental Security Income | |
| <input type="checkbox"/> Medicare Savings Program | <input type="checkbox"/> I don't get any subsidies from any of these programs |
| <input type="checkbox"/> Extra Help | |

Step 3: Have your bank account information handy (routing/account numbers)

If your agent determines a Medigap plan might be your best option, you will need to provide your bank account information. This is because an insurance company won't accept a Social Security payment as premiums; it requires a direct deposit from a bank.

Always keep your bank account information in a safe place. Don't write your bank account information on this paper unless you plan to keep it in a secure location.

Step 4: Call 833-271-0865 to speak with a licensed agent.

Once you have all of the above information in one place, you're ready to call an agent.

Agents are available Monday-Friday from 8:30am-5:00pm MST.

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Comparing 10 Medigap Plans

Although the Medigap plans available to you will vary based on your location and what providers offer, you can potentially choose from 10 plans. Keep in mind that the more a plan covers, the more it will likely cost.

First, we'll compare Medigap plans. Then, we'll explain what each benefit means. Lastly, we'll guide you through selecting a plan that suits you best.

Residents of [Massachusetts](#), [Minnesota](#), and [Wisconsin](#), heads up: Your Medigap plans are different. Click on your state to learn about your Medigap plans.

A comparison of Medigap plans

| Plan benefits | Medigap plans | | | | | | | | | |
|--|---------------|---|-----|-----|-----|-----|---------|---------|-----|-----|
| | A | B | C* | D | F* | G | K | L | M | N |
| 1. Part A coinsurance/hospital costs | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 2. Part B coinsurance/hospital costs | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 50% | 75% | ✓ | ✓ |
| 3. Blood (first 3 pints) | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 50% | 75% | ✓ | ✓ |
| 4. Part A hospice care coinsurance | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | 50% | 75% | ✓ | ✓ |
| 5. Skilled nursing facility care coinsurance | — | — | ✓ | ✓ | ✓ | ✓ | 50% | 75% | ✓ | ✓ |
| 6. Part A deductible | — | ✓ | ✓ | ✓ | ✓ | ✓ | 50% | 75% | 50% | ✓ |
| 7. Part B deductible | — | — | ✓ | — | ✓ | — | — | — | — | — |
| 8. Part B excess charge | — | — | — | — | ✓ | ✓ | — | — | — | — |
| 9. Foreign travel coverage | — | — | 80% | 80% | 80% | 80% | — | — | 80% | 80% |
| 10. Out-of-pocket limit | — | — | — | — | — | — | \$5,560 | \$2,780 | — | — |

*Plans F and C are available only to those who turned 65 or became eligible for Medicare before 2020.

What do these benefits mean for me?

Understanding what each benefit is—and how much money it could save you—will help narrow your Medigap choices so you can make an informed decision

Here's a brief description of each benefit:

1. Part A coinsurance and hospital costs

Under Medicare Part A, hospital stays past 60 days (until day 90) will cost you coinsurance payments. Days 90 and beyond are far more expensive. This benefit remedies these potentially high costs, kicking in for up to a full year once your Original Medicare benefits are used up.

2. Part B coinsurance and copayment

This covers the coinsurance or copayments doctors and other providers typically charge you under the Part B umbrella.

3. Blood (first 3 pints)

Under Original Medicare, you have to pay for every pint of blood you receive until you hit four pints in a calendar year. You're covered for the first three pints you get in a year with this benefit.

4. Part A hospice care coinsurance and copayment

Medicare Part A covers hospice care, but there can be a few copayments. For instance, if you have just Original Medicare, you have to pay \$5 per prescription drug. And if your hospice facility needs to temporarily move you to another facility, like a nursing home, you'll have to pay 5% of respite care costs. With Part A hospice care copayment coverage, all these copayments would be taken care of, so hospice would essentially be free.

5. Skilled nursing facility care coinsurance

At a Skilled Nursing Facility (SNF) you receive care from skilled nursing or therapy staff. These facilities can be part of a nursing home or even a hospital and are registered as SNFs by Medicare. Treatment in SNFs includes physical therapy, audiology, occupational therapy, etc.

Although Original Medicare covers treatment from an SNF for up to 20 days, after day 20 you face daily coinsurance fees (\$176 per day in 2020). Those fees are completely covered if you purchase a plan with the SNF care coinsurance benefit.

6. Part A deductible

Medicare Part A will cover your first 60 days in a hospital, but only after you meet your not-so-small deductible in your benefit period (\$1,408 in 2020). A Medigap plan with this benefit covers your Part A deductible completely.

7. Part B deductible

This is a significant benefit, covering your deductible for any Medicare-approved Part B service. Basically, with this deductible covered, you can go to the doctor without any up-front cost.

The Part B deductible benefit is slightly controversial—so much so that Congress will no longer allow plans covering the Part B deductible (Plan F and Plan C) to be sold to anyone who became eligible for Medicare starting in 2020. If you turned 65 before 2020, you might be able to buy Plan F or Plan C, and those who were already enrolled in Plan F or C can keep it. However, beneficiaries who became eligible for Medicare in or after 2020 will not be able to buy Plan F or Plan C.

Learn more about the future of [coverage for the Part B deductible](#).

8. Part B excess charge

If you go to a doctor who doesn't accept "assignment"—that is, the doctor doesn't agree to the Medicare-approved amount for a service—they can legally overcharge you for the service. These pesky excess charges are paid for with the Part B excess charge benefit.

9. Foreign travel coverage

In general, Original Medicare doesn't cover emergency services outside the US. There are a few rare exceptions, such as traveling through foreign countries to US territories (like driving through Canada to go to Alaska). So if you enjoy traveling abroad, foreign travel coverage is a useful benefit to consider.

10. Out-of-pocket limit

A benefit many are typically used to with private insurance, the out-of-pocket limit applies only to Plans K and L. When you reach your Part B deductible and the out-of-pocket limit for your plan, your Medigap plan pays for 100% of your covered services until the end of the year.

How do I choose a plan?

1. **Circle the number of every benefit you think you'll need or would like to have.** (*Tip: every Medigap plan covers the first four benefits.*)
2. Once you've circled the numbers, go back to the "comparison of Medigap plans" table at the top. **Circle the entire row** of the numbered benefits you chose.
3. Using the rows you circled, **locate the columns** with the most benefits you circled.
4. **Write down the letters** of the three columns containing the most of your desired benefits.

Plan _____ Plan _____ Plan _____

You now have your top three contenders for a good Medigap plan. Keep your first pick in mind, but remember the other two as you search for plans—it's best to have a few backup plans in case your first pick isn't available.