

Medicare and You:

WHAT YOU NEED TO KNOW

If you're turning 65, it's time to start thinking about Medicare, the federal government's health insurance program. In the seven months surrounding your 65th birthday, you will become eligible to enroll. You'll either get Part A and Part B automatically or need to sign up, usually depending on if you're receiving Social Security benefits. **Click here to see what applies to you.** Medicare is also available for certain younger people with disabilities or those with end-stage renal disease. If you miss your Initial Enrollment Period, you can sign up during Medicare's General Enrollment Period (January 1-March 31), and your coverage will begin July 1.

Medicare Parts: What's the difference?

Part A: Hospital Insurance



- Coverage for hospital stays, skilled nursing, home healthcare, hospice, blood transfusions and other medical necessary services.
- You're automatically enrolled if you are receiving Social Security benefits and turn 65.
- If you are not currently receiving Social Security benefits, you can elect to enroll during the initial enrollment period, spanning three months before your 65th birthday, the month of your 65th birthday, and three months after. To actively enroll, contact your local Social Security office.
- If you've been working for 40 consecutive quarters (special rules apply for nonworking spouses), you qualify for premium-free Medicare Part A coverage.

Part B: Medical Insurance



- Includes coverage for outpatient services such as doctor visits, lab work and preventive care, as well as surgeries, physical therapy, home healthcare, durable medical equipment, dialysis, chemo and radiation.
- You're automatically enrolled if you are receiving Social Security benefits, but you can opt out or defer.
- If you are not receiving Social Security and have creditable coverage, you may defer Part B coverage until a later date without penalties.
- Once enrolled in Parts A and B, you can elect a Medicare Supplement (Medigap) to fill in what isn't covered by Medicare, including Medicare copays and coinsurance for hospital stays.
- For 2022, the standard Part B premium is \$170.10 (depending on income), deducted from your Social Security check.

More on Medigap:

Generally, Part A and Part B services require a deductible and coinsurance. A Medicare Supplement Insurance (Medigap) policy, sold by private companies, can help pay some costs that Original Medicare doesn't cover. You must be enrolled in Parts A and B to purchase Medigap. Medicare will pay its share of the covered health care cost first, then your Medigap policy pays its share. Medicare supplement plans typically allow for the use of a larger network.

Part C: Advantage Plans



- Medicare Advantage plans provide enhanced coverage through private insurance companies. It's a convenient way to package the covered benefits of Parts A and B, and sometimes Part D.
- You must be enrolled in Part A and B to qualify.
- You may have to pay additional premiums.
- There's an opportunity to enroll each year. Medicare annual Open Enrollment is October 15–December 7, during which time you can switch from Parts A/B to a Medicare Advantage plan, or from one Advantage plan to another.
- Most Advantage plans offer extra coverage for vision, dental or wellness programs, as well as Part D prescription drug coverage.

Part D: Prescription Drugs



- Prescription drug coverage through private insurers.
- You must be enrolled in Parts A and/or B to be eligible for Part D.
- You're subject to penalties if you delayed enrollment and did not have drug coverage through a private insurer with coverage at least as good as Medicare's (AKA creditable coverage).

WHAT ARE YOUR OPTIONS?



If you'll be receiving Social Security or Railroad benefits, you'll be enrolled automatically in Medicare parts A and B. No action required.

If you continue your medical coverage with your employer and you are not receiving Social Security benefits, you may enroll in Part A during an initial enrollment period that begins three months before your 65th birthday, includes the month of your 65th birthday, and continues for three months after. You may also defer without penalty until your employer's coverage ends.



If you're close to age 65 and still working, consider electing to enroll in Part A anyway. It doesn't cost anything and will pay second to your group plan. If you're contributing to an HSA, it's recommended to either defer Medicare coverage or stop contributing as you won't be able to contribute to the account after enrolling in Medicare, though you will still be able to withdraw funds.



If you're still working, you may also want to opt out of Part B to avoid paying additional premiums. Consider enrolling in Part B once you retire, or switching to an enhanced plan. However, if you do not have employer insurance when you turn down Part B, you may have to pay a premium penalty if you sign up later (a 10% increase for each full 12-month period that you could have had Part B but didn't sign up for it).

TRY THIS: Use Medicare's [Plan Compare tool](#) to see which plan is right for you.

NEED HELP? For guidance on enrollment, supplemental coverage and choosing the best option for you, call Mylo at 877-249-6037. For additional information, check out these additional resources:



- Download the U.S. Department of Health & Human Services "[Medicare & You](#)" guide or request a copy by calling 800-633-4227.
- Review the [2022 Lockton Medicare Fact Sheet](#).
- Contact your Human Resources department to discuss your specific plan details.