

# Celebrating 65<sup>®</sup>

And the Possibilities  
it Brings ....



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# What is Celebrating 65®?

**Celebrating 65®** is an educational program developed by Harvard Pilgrim Health Care, that provides you with information on Social Security, Medicare and retirement health care options. This brochure complements the program by providing reliable, comprehensive retirement information for people who are thinking about retiring. **Celebrating 65®** can help you take a proactive approach to retirement and plan for a healthy future.

## Make informed decisions about retirement

At Harvard Pilgrim, we've seen a growing need among our members for information on how to plan for health care as they approach their retirement. We regularly answer questions about how to apply for Social Security and what type of health care options are available under Medicare.

We know you may have many similar questions about retirement and health care. In this brochure we will offer our expertise, based on more than 30 years of providing coverage to Medicare beneficiaries. We'll provide answers to your questions about Social Security, Medicare and what health care options may be available to you. So, when you're ready to retire, you'll have the knowledge that you'll need to make an informed decision.

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## The Reality of Retirement

"In 2011 the baby boom generation began turning 65. By 2030 one in four people will be age 65 or older."

\*Federal Interagency Forum on aging related statistics

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## This brochure will help you better understand:

### Social Security benefits and how to access them, including:

- Who is eligible for these benefits
- How to apply for Social Security benefits
- How to find out what you are eligible for

### How to navigate Medicare, including:

- How Medicare works
- How to apply for coverage
- A description of Medicare Parts A and B
- Working beyond age 65

### Your retirement and health care options, including:

- Overview of the various health plans under Medicare
- Comparison of Medicare Supplement plans versus Medicare Advantage plans
- The difference between managed care and indemnity plans

**As your retirement approaches, think of the possibilities and choices to consider .....**

## Making Sense of Social Security

### What is Social Security?

Social Security is a comprehensive Social Insurance Program that was established in 1935 by President Franklin D. Roosevelt to protect the elderly population. Initially, only retirement benefits were available. In 1939, survivor benefits were added to address the needs of the many women who did not work outside of the home. In 1956, disability benefits were added to provide protection to a worker who becomes disabled. At that time few workers had private disability insurance.

Social Security evolved to become much more than just a retirement benefit. Social Security is not intended to be your only source of income since it only replaces about 42% of an average wage earner's salary. You will need to rely on other sources of income, such as insurance, investments, pensions, IRAs and savings.

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The first Social Security check was issued on January 31, 1940 – 2 years early due to the Great Depression and poverty, to Ida Mae Fuller.

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## Social Security Credits

### How credits are earned

As you work and pay Social Security taxes throughout your life, you earn Social Security “credits”. These credits determine if you are eligible to receive Social Security benefits. Currently, the maximum credits you can earn is four in a calendar year. The number of credits needed for retirement is 40.

### What if I don't qualify?

The credits you have earned will always stay on your record, even if you have stopped working. If you don't have enough to qualify, you can add to what you have already earned later on if you choose to return to work. Some people qualify for Social Security on their spouse or former spouse's record. Individuals who become disabled before age 22 may qualify for benefits on a parent's record.

## What can I Expect to Get?

Many people wonder how their social security benefit is calculated. Social Security benefits are based on your lifetime earnings. Your actual earnings are adjusted or “indexed” to account for changes in average wages since the year the earnings were received. Then Social Security calculates your average indexed monthly earnings during the 35 years in which you earned the most. They then apply a formula to these earnings and arrive at your basic benefit amount. This is how much you would receive at your full retirement age - 65 or older, depending of your date of birth.

All of this information can be a bit overwhelming, but if you are over age 60 and not yet receiving Social Security benefits, you should receive a personal earnings statement in the mail every year

around your birthday. You can also get an estimate of your retirement benefits on-line at [www.ssa.gov](http://www.ssa.gov). It is important to check that statement for accuracy and use it as a planning tool. (See an example of a personal earnings statement on the next page).

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### Example:

Mary worked from 1958 to 1968 then left her job to raise a family. She returned to the workforce for another 20 years, so her total years of employment was 30 years. Mary's benefits will be calculated over her highest 35 years of earnings, therefore she will have 5 years of \$0 calculated into her benefit.

If Mary worked more than 35 years, Social Security will not use the years with the lowest or no income in calculating her benefits.

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# Who Can Receive Retirement Benefits?

## You can receive retirement benefits if:


- You are a worker who is at least 62 years old and has 40 credits.
- You will receive reduced benefits if you retire before your full retirement age (FRA). See the chart on page 5 for information about FRA. A person cannot collect retirement benefits before age 62.
- You are at full retirement age – you will receive full benefits.
- You are beyond retirement age – you will receive increased benefits. The delayed retirement will gradually reach 8 percent per year for those born after 1942.

## You can also receive retirement benefits if you are the spouse of a worker, if:

- You are 62 and the primary worker is already collecting benefits.
- You are caring for a retired worker's child who is either under 16 or who was disabled before age 22.
- You are a divorced spouse; if the marriage lasted at least 10 years. Your divorced spouse must be 62 or older and unmarried.
- You are a widow(er) and your spouse had sufficient coverage with Social Security – reduced widow or widower benefits can be received as early as age 60. If your surviving spouse is disabled, benefits can begin as early as age 50.

## A Child of a Retired Worker can receive benefits if:

- They are unmarried and under 18, or under 19 and still in high school.
- They are unmarried and became disabled prior to the age of 22.



**Prevent identity theft—protect your Social Security number**

## Your Social Security Statement

Prepared especially for **Wanda Worker** [www.socialsecurity.gov](http://www.socialsecurity.gov)

August 16, 2010

See inside for your personal information →

WANDA WORKER  
456 ANYWHERE AVENUE  
MAINTOWN, USA 11111-1111

**What's inside...**

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Some Facts About Social Security ..... 4  
If You Need More Information ..... 4  
To Request This Statement In Spanish ..... 4  
*(Para Solicitar Una Declaración en Español)*

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### What Social Security Means To You

This *Social Security Statement* can help you plan for your financial future. It provides estimates of your Social Security benefits under current law and updates your latest reported earnings.

Please read this *Statement* carefully. If you see a mistake, please let us know. That's important because your benefits will be based on our record of your lifetime earnings. We recommend you keep a copy of your *Statement* with your financial records.

**Social Security is for people of all ages...**  
We're more than a retirement program. Social Security also can provide benefits if you become disabled and help support your family after you die.


**Work to build a secure future...**  
Social Security is the largest source of income for most elderly Americans today, but Social Security was never intended to be your only source of income when you retire. You also will need other savings, investments, pensions or retirement accounts to make sure you have enough money to live comfortably when you retire.

Saving and investing wisely are important not only for you and your family, but for the entire country. If you want to learn more about how and why to save, you should visit [www.mymoney.gov](http://www.mymoney.gov), a federal government website dedicated to teaching all Americans the basics of financial management.

**About Social Security's future...**  
Social Security is a compact between generations. Since 1935, America has kept the promise of security for its workers and their families. Now, however, the Social Security system is facing serious financial problems, and action is needed soon to make sure the system will be sound when today's younger workers are ready for retirement.

In 2015 we will begin paying more in benefits than we collect in taxes. Without changes, in 2037 the Social Security Trust Fund will be able to pay only about 78 cents for each dollar of scheduled benefits.\* We need to resolve these issues soon to make sure Social Security continues to provide a foundation of protection for future generations.

**Social Security on the Net...**  
Visit [www.socialsecurity.gov](http://www.socialsecurity.gov) on the Internet to learn more about Social Security. You can read publications, including *When To Start Receiving Retirement Benefits*; use our Retirement Estimator to obtain immediate and personalized estimates of future benefits; and when you're ready to apply for benefits, use our improved online application—it's so easy!

  
Michael J. Astrue  
Commissioner

\* These estimates are based on the intermediate assumptions from the Social Security Trustees' Annual Report to the Congress.

### Your Estimated Benefits

\***Retirement** You have earned enough credits to qualify for benefits. At your current earnings rate, if you continue working until...

your full retirement age (67 years), your payment would be about	\$ 1,578 a month
age 70, your payment would be about	\$ 1,967 a month
age 62, your payment would be about	\$ 1,088 a month

\***Disability** You have earned enough credits to qualify for benefits. If you became disabled right now, your payment would be about \$ 1,442 a month

\***Family** If you get retirement or disability benefits, your spouse and children also may qualify for benefits.

\***Survivors** You have earned enough credits for your family to receive survivors benefits. If you die this year, certain members of your family may qualify for the following benefits:

Your child	\$ 1,125 a month
Your spouse who is caring for your child	\$ 1,125 a month
Your spouse, if benefits start at full retirement age	\$ 1,501 a month
Total family benefits cannot be more than	\$ 2,302 a month

\***Medicare** Your spouse or minor child may be eligible for a special one-time death benefit of \$255. You have enough credits to qualify for Medicare at age 65. Even if you do not retire at age 65, be sure to contact Social Security three months before your 65th birthday to enroll in Medicare.

\* Your estimated benefits are based on current law. Congress has made changes to the law in the past and can do so at any time. The law governing benefit amounts may change because, by 2037, the payroll taxes collected will be enough to pay only about 78 percent of scheduled benefits.

We based your benefit estimates on these facts:

Your date of birth (please verify your name on page 1 and this date of birth)	April 5, 1969
Your estimated taxable earnings per year after 2009	\$43,117
Your Social Security number (only the last four digits are shown to help prevent identity theft)	NNX-XX-1234

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### How Your Benefits Are Estimated

# What is Considered Full Retirement Age?

You're probably aware that the Full Retirement Age (FRA) is increasing. If you were born in 1937, your FRA age is 65. Each year after that, the age increases in 2 month increments. For example, if you were born between 1943-1954, your FRA would be 66. Everyone is different and has different plans for their future. Some people may want to retire at 62, while others may want to wait until they are 70 years old or older. However, there is one thing to keep in mind, if you're considering retiring at 62 years of age, your Social Security check will be reduced. Please remember that this reduction is permanent, but there is also an advantage – you can collect benefits for a longer period of time. If you do retire at age 62, you will need to check with your employer about your health care benefits. We will talk about Medicare in the next section, but in most cases you will not be eligible for Medicare until you reach 65. Some companies will cover employees on the group plan until they are Medicare eligible, yet some only offer COBRA (Consolidated Budget Recovery Act) for 18 months. COBRA provides former employees with access to group insurance at the employees' expense.

## One last thing to keep in mind ...

There are certain documents you may need to provide to Social Security so they can determine how much your benefits should be. Based on each individual claim, the documents may vary. Below is a list of the possible documents needed. Don't delay signing up if you don't have all the necessary documents – Social Security will help you get the needed information.

## Documents needed when applying for Social Security:

- Social Security number for each applicant
- Government issued identity document (drivers license, passport)

- Proof of age (birth certificate)
- Latest year's W-2 or self-employment tax return (Schedule C/Schedule SE)
- Earnings estimate for current and next year
- Bank information for direct deposit
- Information about:
  - Marriage(s)
  - Military or railroad service
  - Other government pensions

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## Determine when your FRA will occur:

Year of Birth	Full Retirement Age (FRA)	% Reduction if you retire at 62
1937	65	20%
1938	65 and 2 months	20.8%
1939	65 and 4 months	21.7%
1940	65 and 6 months	23.3%
1941	65 and 8 months	23.3%
1942	65 and 10 months	25%
1943 - 1954	66	25%
1955	66 and 2 months	25.8%
1956	66 and 4 months	26.7%
1957	66 and 6 months	27.5%
1958	66 and 8 months	28.3%
1959	66 and 10 months	29.2%
1960 and later	67	30%

If you retire or begin collecting at age 62, and your full retirement age is 66, your benefits will be reduced by 25%.

# Simplifying Medicare

## What is Medicare?

Medicare is a Federal Government health insurance program that was created in 1965 by the Social Security Administration. The Social Security Administration estimates that each month 150,000 – 240,000 more Americans qualify for Medicare.

## Who is Eligible for Medicare?

To be eligible for Medicare based on age, an individual or spouse must be 65 years or older. You must also be a United States citizen or be a lawfully admitted permanent resident of the United States, who has continuously lived in the United States for 5 years. To receive premium free hospital insurance, you or your spouse must have earned 40 credits, which is the equivalent of 10 years of employment. As you may recall, we discussed credits in the previous section on Social Security.

Individuals who are under 65 years of age are eligible for Medicare if they have been receiving Social Security disability benefits or Railroad disability benefits for 24 months. Additionally, individuals with permanent kidney failure, called End Stage Renal Disease, are eligible for Medicare regardless of age. Individuals with Amyotrophic Lateral Sclerosis (ALS), better known as Lou Gehrig's disease, can qualify for Medicare before the 24 months of disability benefits has elapsed.

## The Four Parts of Medicare



### Part A

Hospital Insurance - Most people don't pay a Part A premium because they or their spouse paid Medicare taxes while they were working.



### Part B

Medical Insurance – Most people pay a Part B monthly premium.



### Part C

Medicare Advantage Plans – Plans that are offered by private companies approved by the Centers for Medicare & Medicaid Services (CMS).



### Part D

Medicare Prescription Drug Coverage – Most people pay a monthly premium for this optional coverage.





## How do you Enroll in Medicare?

### Enrollment in Medicare is handled in 2 ways:

1. You are enrolled automatically
- or
2. You must apply

## Automatic Enrollment in Medicare

If you are currently receiving a Social Security check or a Railroad Retirement check, you will automatically receive your Medicare card about 3 months before your 65th birthday. Your Medicare will be effective the 1st day of the month that you turn 65. If your birthday is the first of a month, then the effective date will be the 1st of the month prior to your birth date. For example, if your birthday is on June 25th, your Medicare is effective on June 1st. If your birthday is on June 1st, your Medicare is effective on May 1st.

You will also automatically receive your Medicare card if you are disabled and have been receiving a Social Security disability or Railroad disability benefit for 24 months.

In either of these situations, you may decide NOT to enroll in Medicare if you are covered by your spouse's group health insurance through their work. We will talk more about this later on in the brochure.

If you are not receiving a Social Security check or a Railroad check based on either retirement or disability, you will need to apply for Medicare benefits.

## Applying for Medicare

You should contact Social Security Administration (SSA), or if you worked for the railroad, the Railroad Retirement Board, three months prior to turning 65. There is a 7 month period referred to as your initial enrollment period. It means you have the 3 months before your birthday, the month of your birthday, and the 3 months after your birthday to enroll.

Even if you plan to continue working beyond age 65 you should sign up for Medicare Part A. But, if you continue to work past age 65 and you have group health insurance through your or your spouse's employer you may not want to sign up for Medicare Part B at this time. When you stop working or your health insurance ends and you want to enroll in Medicare Part B, you have 8 months to enroll in Medicare Part B. You will not be subject to a late enrollment penalty if you enroll within 8 months of ending your active employment. You can also enroll at any time while you are working. SSA considers this a Special Enrollment Period. SSA also has special rules for disabled beneficiaries who wish to enroll in Part B. Please keep in mind, if you don't sign up for Medicare Part B when you are initially eligible and you aren't covered through your own or your spouse's employer plan, you will have to wait for the next general open enrollment which is January 1 – March 31st. Your Medicare Part B will have an effective date of July 1st and your premium may increase because of late enrollment penalties.

**If you do not enroll in Medicare Part B when you are initially eligible and you do not have coverage through your or your spouse's employer group health plan, you may have to pay a penalty of an additional 10% for your Medicare Part B premium. This penalty is permanent and will increase by 10% for each additional year you wait to enroll.**

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### Example: If your birthday is June 25th you are eligible for Medicare on June 1st

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If you enroll in this month of your initial enrollment period:	Then your Part B Medicare coverage starts:
<b>March</b>	The month you become eligible for Medicare
<b>April</b>	The month you become eligible for Medicare
<b>May</b>	The month you become eligible for Medicare
<b>June</b>	One month after enrollment
<b>July</b>	Two months after enrollment
<b>August</b>	Three months after enrollment
<b>September</b>	Three months after enrollment

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# Retirement and Health Care Options

## Medicare: Is it enough?

Medicare does not cover everything. If you have Medicare only, your out-of-pocket expenses for health care will include:

- Deductibles
- Coinsurance (20%)
- Benefit limitations (skilled nursing, hospitalization)
- Non-Covered Services (vision, hearing, dental)

In this section, you will learn about the most popular ways people supplement their Medicare coverage. Medicare Supplements as well as the options available under Medicare Advantage Plans such as an HMO, PPO, PFFS, SNP and a MSA plan will be described.

### What is a Medicare Supplement Plan?

Medicare Supplement plans or otherwise known as Medigap plans fill the gaps in coverage of Medicare. Medicare pays 80% and Medicare Supplement plans pay the other 20% of services. Medicare Supplement plans provide more coverage than Medicare and give you the freedom to see any doctor or hospital that accepts Medicare. Some Medicare Supplement plans may cover beyond Medicare benefits, i.e., fitness benefits. Medigap insurance must follow federal and state laws. These laws are there to protect you. All Medigap policies are clearly marked "Medicare Supplement Insurance."

### What is a Medicare Advantage Plan?

Medicare Advantage plans are often referred to as Medicare Part C plans and are offered by a private insurance company. The health plan has an annual contract with the Federal Government – Centers for

Medicare and Medicaid Services (CMS). Medicare pays a monthly premium to the health plan from which the plan pays medical expenses for each Medicare beneficiary enrolled. These plans include:

- Health Maintenance Organizations (HMO)
- Preferred Provider Organizations (PPO)
- Private Fee-for-Service Plans (PFFS)
- Special Needs Plans (SNP)

## Types of Medicare Advantage Plans

### • Health Maintenance Organization (HMO)

An HMO is a type of Medicare Advantage plan in which the beneficiary is "locked in" to the HMO network. This means that the Medicare beneficiary chooses a doctor that is in the HMO's network. The Medicare beneficiary will receive all their care through the doctor they have selected to be their primary doctor and that primary doctor would refer them to specialists. If a Medicare beneficiary decides not to use a doctor within the HMO network, and seeks care from an outside physician, the HMO will not cover those services and neither will Medicare.

### • Preferred Provider Organization (PPO)

A PPO works just like an HMO with one exception. You can go to any doctor, specialist or hospital that is not in the plan's network but you will have to pay extra money. A PPO gives you more freedom to choose who you want to get your care from, but you will have higher out of pocket costs when you go to out of network providers.



- **Private Fee for Service Plan (PFFS)**

A PFFS Medicare Advantage plan works differently than a Medicare Supplement plan. As of 2011, most PFFS plans will have doctor and hospital networks. These doctors and hospitals have signed contracts with the plan and have already agreed to the terms and conditions of payment. If you choose a doctor and hospital who is not contracted with the plan, the doctor or hospital is not required to agree to accept the plan's terms and conditions of payment and thus may choose not to treat you, with the exception of emergencies.

- **Special Needs Plan (SNP)**

A SNP was created to focus on individuals with special needs. These individuals are identified as institutional beneficiaries (reside or expected to reside in a long term facility for over 90 days or longer), dually eligible (entitled to medical assistance from the State) and beneficiaries with severe or disabling chronic conditions (cardiovascular disease, diabetes, mental disorders, etc.). This type of plan can design special clinical programs to accommodate groups with distinct health care needs, thereby reducing hospitalizations and institutionalizations.

## Employer Group Coverage

Some employers offer retiree coverage benefits, which may be one of the above mentioned options. Employers may continue to contribute to a portion of the insurance premium for their retirees. Please check with your employer group to find out if you will receive health benefits from your employer when you retire. You should contact the Benefit Administrator at your employer group to get the information you need to join the correct plan.

## Medicare Prescription Drug Plan (Part D)

### What is Medicare Part D?

Medicare Part D is a voluntary prescription drug benefit program that began in January 2006. To be eligible, beneficiaries must be entitled to Medicare Part A and/or be enrolled in Medicare Part B. This program provides coverage for most commonly used brand-name and generic drugs. There are two ways to join this program.

You can join a Medicare Prescription Drug plan (PDP) offered by many private insurers, or you can join a Medicare Advantage plan (MAPD), which usually offers drug coverage as part of their total coverage.

If you decide to join a Medicare Part D plan as an individual, you'll pay a monthly premium and you may pay a yearly deductible. These amounts differ based on the insurer offering this plan. You'll also pay part of the cost of your prescriptions, typically cost sharing such as a copayment or co-insurance.

It is important to note that if you don't join a Medicare Part D plan when you are eligible you may have to pay a penalty in the future when you do join a Medicare Prescription Drug plan. The penalty will be determined by the Centers for Medicare & Medicaid Services (CMS) and it will be based upon the length of time that you were not enrolled in a Part D plan. So even if you are healthy now and do not take prescription drugs, you should think about what your future needs may be. Decide if you are willing to pay a penalty if you enroll in a Medicare Part D plan at a later time.

## Shopping Tips

### Shopping Tips for Health Insurance

Shopping for health insurance once you are Medicare eligible can be confusing – so many options and so many new rules! You must decide what you want and what you need. What are the most important features to you? It could be physician choice, predictable costs, benefits, paperwork, or customer service.

You should shop carefully. Compare all insurance options available in your area. Be prepared and informed so you will have a plan to avoid a lapse of coverage once you retire.

### Attend a **Celebrating 65®** Seminar

**"Celebrating 65®"** is an educational program Harvard Pilgrim Health Care designed to help individuals take a proactive approach to retirement and plan for a healthy future. It is interactive, options are explained in simple terms, and you will have an opportunity to have your questions answered.

To learn more about Social Security, Medicare, health insurance and **Celebrating 65®**, simply see our Resource Directory on the next page that we put together just for you. And always, ask a lot of questions.



# Resource Directory

## **Harvard Pilgrim Health Care**

1-877-909-4742

[www.harvardpilgrim.org](http://www.harvardpilgrim.org)

## **The Social Security Administration**

1-800-772-1213 – [www.ssa.gov](http://www.ssa.gov)

## **Medicare Personal Plan Finder**

1-800-Medicare – [www.medicare.gov](http://www.medicare.gov)

## **U.S. Railroad Retirement Board**

1-877-772-5772 – [www.rrb.gov](http://www.rrb.gov)

## **Servicing Health Information Needs of Elders (SHINE)**

1-800-882-2003

## **State Health Insurance Assistance Program (SHIP)**

New Hampshire: 1-866-634-9412

Maine: 1-877-353-3771

## **Documents needed when applying for Social Security:**

- Social Security number for each applicant
- Government issued identity document (drivers license, passport)
- Proof of age (birth certificate)
- Latest W-2 or self-employment tax return (Schedule C/Schedule SE)
- Earnings estimate
- Bank information for direct deposit
- Information about
  - Marriage(s)
  - Military or railroad service
  - Other benefits





Key questions to think about when choosing your health plan

### **Can I keep my doctor?**

That depends on what type of health plan you decide to join. If you join a Medicare Advantage Plan, you will be enrolled in a managed care plan. These plans, usually a health maintenance organization (HMO) or a preferred provider organization (PPO), require that you choose a primary care physician (PCP) that is part of that health plan's provider network. If your current doctor is in the plan's network, then you may keep your doctor. If not, you must choose a doctor that is in the plan's network.

If you join a Medicare Supplement plan you will be able to keep your current doctor if he/she is a Medicare participating provider. Most doctors are Medicare participating providers, so it is very likely that you would be able to keep your current doctor if you join a Medicare Supplement plan.

### **Can I go to any hospital?**

If you join a Medicare Advantage Plan, you will be enrolled in a managed care plan. These plans, usually a health maintenance organization (HMO) or a preferred provider organization (PPO), require that you go to a hospital that is part of that health plan's hospital network. Therefore, you will not be able to go to any hospital that you want.

If you join a Medicare Supplement plan you will be able to go to any hospital that participates in the Medicare program. Most hospitals participate in the Medicare program so, with a Medicare Supplement plan, you will mostly likely be able to go to any hospital that you choose.

### **Do I need referrals for specialty care?**

If you join a Medicare Advantage Plan, you will be enrolled in a managed care plan. These plans, usually a health maintenance organization (HMO) or a preferred provider organization (PPO), require that you get a referral from your PCP for specialists and specialty care and see providers and go to facilities that are part of that health plan's network.

If you join a Medicare Supplement plan you will be able to see any specialist or go to any specialist facility, without a referral, as long as that specialist or facility accepts Medicare. Most specialists and specialist facilities participate in Medicare, so it is very likely that you would be able to go to any specialist or facility that you choose.

**Will I be covered, or will I have to pay more if I go out of network?**

If you join a Medicare Advantage Plan, usually a health maintenance organization such as an (HMO) you will not be covered if you go out of network. If you join a preferred provider organization (PPO), you will be covered if you go out of network, but generally you will have to pay more for out of network services.

If you join a Medicare Supplement plan, there is no network, so you can go to any doctor or hospital that participates in Medicare.

**Are there copayments for doctor visits?**

If you join a Medicare Advantage Plan, usually a health maintenance organization (HMO) or a preferred provider organization (PPO), you will have to pay a premium and additional out-of-pocket expenses, such as copayments for doctor visits, specialist visits, and coinsurance for durable medical equipment (such as a wheelchair).

If you join a Medicare Supplement plan, once you pay your monthly premium, you may not have any out-of-pocket costs for physician services. Some insurance companies offer plan options with and without copayments. A Part B deductible, (which covers Medicare eligible physician services, outpatient hospital services, certain home health services, durable medical equipment) may apply on some plan options.

**Are there any premium savings if I join when I am first eligible for Medicare?**

If you join a Medicare Advantage Plan, usually a health maintenance organization (HMO) or a preferred provider organization (PPO), there is no discount when you are initially eligible for Medicare and want to join a Medicare Advantage Plan.

**Massachusetts residents:** When you turn 65 and become initially eligible for Medicare, you may qualify for a discounted premium rate for the first 3 years if you enroll in a Medicare Supplement plan.

**If I move out of the state can I still keep my plan?**

If you join a Medicare Advantage Plan, usually a health maintenance organization (HMO) or a preferred provider organization (PPO) you may not be able to keep your health plan. You must reside in the health plans' service area.

If you join a Medicare Supplement plan, your plan travels with you. You will be able to move anywhere in the United States and still be covered by your Medicare Supplement plan.

**Can I switch plans mid-year?**

If you join a Medicare Advantage Plan, usually a health maintenance organization (HMO) or a preferred provider organization (PPO), you are generally "locked into" that plan for one year. That means, in most instances you will not be able to switch to another health plan until the next Annual Open Enrollment Period (AOEP) unless you qualify for a Special Election Period (SEP) (i.e. if you move out of your plans service area).

**Massachusetts residents:** If you join a Medicare Supplement plan, you can change plans as often as you like throughout the year. You can also switch plans during specific open enrollment periods of the plan. Some plans may have continuous open enrollment and allows members to switch plans at any time.

**Maine & New Hampshire residents:** If you join a Medicare Supplement plan, in most cases, you won't have a right under Federal law to switch Medigap policies, unless you're within your 6-month Medigap open enrollment period or are eligible under a specific circumstance for guaranteed issue rights. If your state has more generous requirements, or the insurance company is willing to sell you a Medigap policy, make sure you compare benefits and premiums before switching.

### **Am I covered if I travel?**

If you join a Medicare Advantage Plan, usually a health maintenance organization (HMO) or a preferred provider organization (PPO), you will only be covered for emergency and urgent care if you travel. Additionally, there are limits on how long you can be out of the service area. HMO Point-of-Service (HMO-POS) plans are HMO plans that may allow you to get some services out-of-network. It's important that you follow the plan's rules, like getting prior approval for a certain service when needed.

If you join a Medicare Supplement plan, in most cases, you will have coverage for all covered services, not just emergency and urgent care, in the United States or worldwide depending on the supplement plan that you choose.

### **Is there a fitness benefit?**

Many health plans offer a fitness benefit. This benefit has become an important feature for people who are interested in maintaining their physical fitness. Plans may either offer a discount on fitness programs or a cash reimbursement. If this is an important feature, check to see if the plan you are interested in offers a fitness benefit.

### **What is the reputation of the company that is offering the plan?**

It is always a good idea to research the company that is offering the Medicare plan – Are they a reputable company? How long have they been serving Medicare beneficiaries? Are their current members satisfied? What is their financial status? Are they for profit or not for profit? Are they locally based? How committed is the company to servicing their members? All of these are very important questions that you should think about before choosing a health plan.

### **Has the company won any awards for member satisfaction or for member service?**

Awards and accreditations from independent agencies are important indicators on how well a company is performing and serving its members. Check to see if the company that is offering the plan that you are interested in has won any awards for member satisfaction or quality of care. Often, there are consumer research groups that will compare and rank different health plans.





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