

GETTING STARTED WITH MEDICARE AND A MEDICARE SUPPLEMENT PLAN

OVERVIEW

Medicare is for people age 65 or older, or those under age 65 with certain disabilities, or those any age with permanent kidney failure requiring dialysis or transplant.

Medicare has three parts: **Part A** covers hospital charges. There is no cost to you and you are enrolled automatically when you sign up for Social Security. **Part B** covers doctor charges. There is a monthly cost [\$88.50 in 2006] and you must sign up during one of the three enrollment periods (shown below). If you sign up late for Medicare Part B a late enrollment penalty will apply. **Part D** covers prescription drugs. The late enrollment penalty will not apply if you sign up for Part D before May 15, 2006, or when you are first eligible for Medicare, or enroll right after losing other coverage that is the same or better than Medicare Part D coverage.

THREE WAYS TO SIGN UP FOR MEDICARE PART B

1. Initial Enrollment – The initial enrollment period is a seven month long period that begins on the third month before you turn age 65 and ends the third month past your 65th birthday. (e.g. your birthday is June 4. Your initial enrollment is March 1 through September 30.) If you sign up for Medicare Part B during this initial enrollment period, there is no late enrollment penalty. However, for Part B coverage to start by your 65th birthday, you must sign up during the three months prior to your birthday.
2. General Enrollment – General enrollment runs January 1 through March 31 each year. During this time, you may sign up for Medicare Part B at your local Social Security office. Your Part B coverage will start on July 1 of the year you sign up under General Enrollment. The cost of Medicare Part B will go up 10% for each 12 month period that you could have had Part B but didn't take it. This is called a late enrollment penalty.
3. Special Enrollment – This enrollment period is available for those who are eligible for Medicare based on being age 65 or disability, but waited to enroll because they (or their spouse) were working and had group health plan coverage through an employer. If this applies, they may sign up for Medicare Part B anytime they are covered by their employer's group plan under "active employee" coverage, or during the eight month period after employment ends.

SIGNING UP FOR MEDICARE PART B TRIGGERS YOUR MEDICARE SUPPLEMENT (MEDI GAP) OPEN ENROLLMENT

Important Note: When you sign up for Medicare Part B, you automatically begin your Medicare Supplement open enrollment period. The Medicare Supplement open enrollment period is the six months after you are age 65 and enrolled on Medicare Part B. Once your Medicare Supplement open enrollment period begins it can't be changed or restarted.

During your Medicare Supplement open enrollment period, the insurance company cannot deny you any Medicare Supplement policy it sells, cannot make you wait for coverage to start, and cannot charge you more for a policy because of your health problems. In addition, they may not impose a pre-existing condition waiting period if you have had prior "creditable coverage" for six months.

If you wish to purchase a Medicare Supplement plan after your open enrollment period, some insurance companies will require medical underwriting, and may decide not to offer you coverage.