



**AMAC Broker Services**

888-776-6565 | [info@amacbrokers.com](mailto:info@amacbrokers.com) | [www.amacbrokers.com](http://www.amacbrokers.com)

## **Why Work with an AMAC Brokers Agent?**

Are you searching for a Medicare plan? Your local AMAC Broker Services agent is a trusted advisor who can help you navigate the complex world of Medicare and give you the tools you need to choose a plan that's right for you!

### **Why you should care about who your agent contracts with:**

- ✓ **AMAC Brokers is the only Insurance Marketing Organization aligned with AMAC, the Association for Mature American Citizens.** AMAC is the nation's second largest senior organization - a conservative alternative to AARP. AMAC is the voice for seniors in Washington and fights to secure Social Security and Health Care for age 50+ Americans.
- ✓ **AMAC Broker Services licensed insurance agents contracted with multiple "A" rated carriers.** That means you will have many choices to find a plan to fit your needs. Our contracted agents will verify that your doctor will accept the plan you choose and that your drug costs are covered. However, if our policies are not the best option for you, your AMAC Broker Services agent will let you know!
- ✓ **Our dedicated contracted agents live in your state and will provide you with personal and professional service you can trust.** You are not just a policy number! No more getting a different person on the phone each time you have a question or a concern. Our agents are happy to answer your Medicare questions.

**AMAC AGENTS MAKE IT EASY FOR YOU TO CHOOSE THE INSURANCE PLAN THAT IS RIGHT FOR YOU!**

## **Making Sense of Medicare; Let an AMAC Broker Services AGENT be Your Guide!**

### **History**

Medicare was created in 1965 as an American health insurance program for people age 65 and older and for people under age 65 with certain disabilities, such as End-Stage Renal Disease. Medicare is run by the Centers for Medicare and Medicaid Services.

President Lyndon B. Johnson signed Medicare into law on July 30<sup>th</sup>, 1965. The first Medicare beneficiary was former president Harry S. Truman who was presented with the first Medicare card at the bill-signing ceremony. When first implemented, the original Medicare had only two parts; Part A- Hospital Insurance (Inpatient Care) and Part B – Medical Insurance (Outpatient Care). In 2003, the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 was the largest overhaul of the program since its inception and added prescription drug benefits to the program effective January 1, 2006.

### **Medicare Advantage Plans**

Medicare Advantage Plans provide a way for beneficiaries to receive their Part A, B, and D benefits offered by private insurers contracted with Medicare. Medicare Advantage Plans are sometimes referred to as Part C – which includes Parts A and B, and can include Part D - in one comprehensive plan, by replacing Original Medicare. There are different types of Medicare Plans, such as HMOs, PPOs, Special Needs Plans, Private Fee for Service Plans, and Medicare Savings Accounts. If you are married, both you and your spouse must buy separate policies.

### **Medicare Supplement Plans**

Also known as Medigap Plans, Medicare Supplement Plans are sold by private insurance companies. A basic Medicare Supplement Plan works with Original Medicare to help pay for some of your out-of-pocket costs, such as co-payments, co-insurance, and the annual Medicare Parts A and B deductibles.

There are 11 Medicare Supplemental Plans from which to choose, and your AMAC Broker Services agent can help you understand your choices. There can be big differences in the premiums of these plans with varying benefits. The plans are called Plan A, B, C, D, E, F, High Deductible Plan F, G, K, L, M, and N.

A Medicare Supplement Policy can only cover one person. If you are married, both you and your spouse must buy separate policies. This also applies to Medicare Advantage Plans and Medicare Prescription Drug Plans.

### **MEDICARE HAS:**

- Part A (HOSPITAL)
- Part B (MEDICAL)
- Part C (MEDICARE ADVANTAGE PLANS) MA
- Part D (MEDICARE PRESCRIPTION DRUG COVERAGE PLANS) PDP

## Medicare Eligibility

As long as you or a spouse have worked for 10 or more years and have paid into Medicare via payroll deduction, there is no charge for Part A. The cost for Part B in 2019 is **\$135.50** per month, or more for high income earners. All single beneficiaries with earnings of more than **\$85,000** per year, and couples with incomes above **\$170,000** will pay higher premiums.

## Medicare: Out-of-Pocket Co-Payments, Co-Insurance, and Deductibles

People who have Medicare Parts A and B are required to pay some costs out-of-pocket, such as co-payments, co-insurance, and deductibles. For example; for each inpatient benefit period, a beneficiary will pay a Part A deductible of **\$1,364** for a hospital stay of 1-60 days. Under Part B, a beneficiary must meet a yearly deductible of **\$185**, and they are required to pay **20%** of the Medicare approved costs for most services covered by Part B. Beneficiaries may also be required to pay excess charges up to **15%** of services rendered by non-participating Medicare providers.

All of these costs can amount to thousands of dollars, draining a beneficiary who does not have the means to pay for the rising medical costs or expensive prescription drugs. For this reason, many people choose to consider additional coverage to save them money.

## HOW TO ENROLL in MEDICARE Part A and Part B:

- To get Part A and/or Part B the month you turn age 65, you will be applying during your “Initial Enrollment Period.” This is a 7-month period that begins 3 months before the month that you turn age 65 – including the month you turn age 65, and ends 3 months after the month you turn age 65.
- If you would like your benefits to start the 1<sup>st</sup> of the month that you turn age 65, you must sign up during the 3 months before the month you turn age 65. If you wait until the last 4 months of your “Initial Enrollment Period,” to sign up for Part A and/or Part B, your coverage will be delayed. You will not be subject to late penalties enrolling in the last 4 months of your “Initial Enrollment Period.”
- If you sign up for Part A and/or Part B during the first 3 months of your “Initial Enrollment Period,” your coverage start date will depend on your birthday. If your birthday isn’t on the first day of the month, your Part B coverage starts the first day of your birthday month. For example: Mr. Green will be 65 on July 20, 2019. If he enrolls in April, May, or June, his coverage will start on July 1, 2019. If your birthday is on the first day of the month, your coverage will start on the first day of the prior month. For example: Mr. Jones will turn 65 on July 1, 2019. If he enrolls in March, April, or May, his coverage will start on June 1, 2019. If you do not enroll into Medicare during your “Initial Enrollment Period” because you have existing health insurance coverage that is deemed “credible coverage” that includes both medical and prescription coverage, you may apply for Medicare up to three months prior to the end of your current coverage. Your coverage will start the day after your current coverage ends, or on the 1<sup>st</sup> of the following month.
- NOTE: For medical coverage to be deemed “credible,” you cannot have had a break in coverage that lasted more than 63 days in a row immediately before buying your policy. Prescription drug



coverage must be as good as Medicare's drug coverage in order for it to be deemed "credible." Be sure to ask the administrator of your current health or drug plan about both situations in order to avoid penalties.

- An individual who is receiving monthly Social Security or Railroad Retiree Benefits (RRB) at least 4 months prior to turning age 65 does not need to file a separate application to become entitled to premium-free Medicare Part A. In this case, the individual will get Part A automatically when they turn age 65.
- An individual who is not receiving monthly Social Security or RRB benefits must file an application for Medicare by contacting the Social Security Administration at 1-800-772-1213. TTY users should call 1-800-325-0778. You can go on-line to the Social Security website at [www.ssa.gov/medicare/apply](http://www.ssa.gov/medicare/apply). You can also visit your local Social Security office to apply for Medicare Part A and Part B.
- If you work for a railroad, contact the RRB to sign up. After you enroll, you'll receive your Medicare card. If you are already receiving benefits from Social Security or the Railroad Retirement Board (RRB), in most cases you'll automatically get Part A and Part B starting the first day of the month you turn 65. If your birthday is on the first day of the month, Part A and Part B will start on the 1<sup>st</sup> day of the prior month.

## **FREQUENTLY ASKED QUESTIONS   FAQs**

### **Can I enroll in a Medicare Part D Plan, Medicare Supplement Plan, or Medicare Advantage Plan if I am not enrolled in Original Medicare?**

No. You must be enrolled in Medicare in order to be eligible to enroll in a Medicare Part D Plan, Medicare Supplement Plan, or Medicare Advantage Plan. A Medicare Part D prescription drug plan only requires that you be enrolled in Medicare Part A or Part B. However, in order to enroll into a Medicare Supplement Plan or a Medicare Advantage Plan, you must first be enrolled in both Medicare Part A and Medicare Part B.

### **Do all Medicare Part D plans cover the same medications?**

No, each plan may have a unique list of covered drugs. The list of covered drugs is known as a formulary. Medicare requires all Medicare Part D plans to cover at least two medications in each therapeutic category/class approved by Medicare. Medicare also has a four tier structure that plans must follow, or improve upon. The drugs within the formulary are assigned to tiers. The tier determines the co-payment or out-of-pocket costs a person within the plan will pay for the drug. If you take a medication that is not covered on your Part D plan's formulary, you will pay full retail price.

### **Do I have to be enrolled in Medicare Part B before I enroll in a Medicare Advantage program?**

Yes.

### **If I enroll in a Medicare Advantage plan or a Medicare Supplement Plan, do I still have to pay my Medicare Part B premium?**

Yes. You will have to pay your monthly Medicare Part B premium to Medicare alongside the monthly premium you pay for your Medicare Advantage Plan or Medicare Supplement Plan. This also applies to a Medicare Prescription Drug Plan. However, if you qualify for extra help you may get assistance with your Part D premium.

**If I enroll in a Medicare Supplement Plan, will it also cover my spouse?**

No. You and your spouse must each enroll in a Medicare Supplement Plan in order to obtain Medicare Supplemental coverage. The same applies to Medicare Advantage Plans and Medicare Prescription Drug Plans.

**Are Medicare and Medicaid the same thing?**

No. Medicare is a federal health coverage program designed for the elderly as well as individuals with certain qualifying health conditions such as End Stage Renal Disease. Medicaid is a state-run health coverage program primarily designed for low-income individuals within the state.