

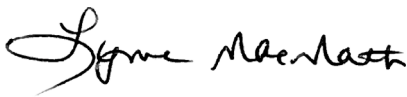
Medicare Basics & ABA Member Program Guide

Hello,

Turning 65 and becoming Medicare eligible is a significant personal milestone. And you have already taken a strong first step in making sure you're on the right path when it comes your future decisions around all things Medicare related. We truly appreciate you letting us take this journey along with you and looking to the American Bar Association Insurance Program for guidance and support. There are important decisions you need to make concerning your health care and ABA Insurance Program wants to make sure you have the information you need at your fingertips. We have put together this guide for you to go over Medicare basics and make sure you understand what your ABA membership entitles you to. We know the various parts of Medicare can and will be confusing, which is why we have put together a resource section and a team of Licensed and Certified Specialist in Medicare, to help guide you along in this journey. Our team looks forward to speaking with you soon!

Sincerely,

Lynne MacMath



VP of Marketing | USI Affinity



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What is Medicare?

Medicare is a federal health insurance program for people who are 65 years old or older, have certain qualifying disabilities, or have end stage renal disease.



PART A

Inpatient Hospital
Services



PART B

Outpatient Medical
Services



PART C

Medicare
Advantage Plans



PART D

Prescription Drug
Coverage

- **Part A** - Covers inpatient hospital stays, skilled nursing facilities, hospice care, and some home health care.
- **Part B** - Covers certain doctor services, outpatient care, medical supplies, and preventative services.
- **Part C** - Plan offered by a private company (contracted with Medicare) to offer Parts A & B benefits.
- **Part D** - Prescription drug coverage.

When to Enroll in Medicare

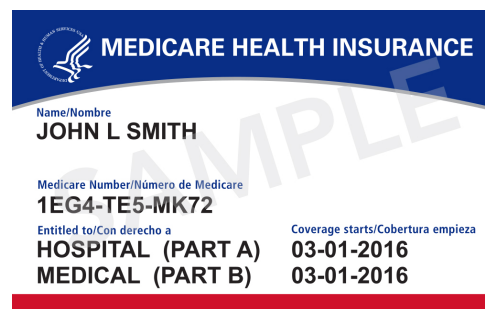
You may enroll in Medicare Parts A & B only during specific periods.

Initial Enrollment Period (IEP)

Your Initial Enrollment Period for Medicare Part A and B begins three months before your 65th birthday, includes your birthday month, and continues three months after your birthday month for a total of seven months.

If you are eligible for Medicare Part A at no cost to you, you can also enroll in Medicare Part A anytime after your Initial Enrollment Period without a late enrollment penalty.

Note: Most people are eligible for Part A at no cost if they or their spouse have paid into the Medicare system while working for at least 40 quarters (10 years).



Special Enrollment Period (SEP)

If you are covered under an employer group health plan, you may be eligible for a Special Enrollment Period under Medicare Part B. This allows you to enroll at any time while covered on an employer group health plan that is based on your or your spouse's current employment and lasts up to eight months from your termination or loss of coverage date, excluding coverage under COBRA. The eight-month period is the cumulative maximum you can be without an employer group health or Medicare Part B coverage in order to avoid a late enrollment penalty.

General Enrollment Period

If you didn't sign up for Medicare Part B (or Part A if you have to pay for it) during your Initial Enrollment Period, and you don't qualify for a Special Enrollment Period, you can enroll in Medicare between January 1st and March 31st each year. However, your coverage will not begin until July 1st of that year, and you may be responsible for paying a Late Enrollment Penalty.

End Stage Renal Disease (ESRD)

If you are diagnosed with ESRD before age 65, special rules apply which require you to contact Social Security to begin the Medicare enrollment process.

Late Enrollment Penalty

If you do not enroll in Medicare Part B during your Initial Enrollment Period or during a Special Enrollment Period, you may be charged a Late Enrollment Penalty for the entire time you are enrolled.



How To Enroll in Medicare Parts A & B

You Will be Automatically Enrolled if:

- During your Initial enrollment period, you are receiving retirement benefits from Social Security or Railroad Retirement Board and they began prior-to or during your Initial Enrollment Period at 65.

Note: You will be enrolled only in Medicare Part A if you begin receiving retirement benefits after your Medicare Initial Enrollment Period at 65. If you decide to enroll in Part B at that time, you will need to self-enroll; it will not occur automatically.
- Prior to your Initial Enrollment Period, you are under age 65 and have received disability benefits from Social Security or the Railroad Retirement Board for 24 months.
- Prior to your Initial Enrollment Period, you have been diagnosed with ALS (Lou Gehrig's disease) and are receiving disability benefits from Social Security disability or Railroad Retirement Board benefits

Note: If you have been automatically enrolled in Medicare Part B and you decide that you don't want to enroll in it because of the cost, follow the instructions on the enrollment letter you receive from Medicare describing how to decline that coverage.

Self-Enrollment

If you are Medicare eligible, but were not automatically enrolled in Parts A or B during any of the situations listed above, you may self-enroll during one of the Medicare Enrollment Periods to begin receiving benefits. See "When to Enroll in Medicare" on page 3.

Self-Enrollment can be done online, by telephone, or at a Social Security office. Some situations may require your presence at a Social Security office.

For more information about enrolling in Medicare or finding a Social Security office near you, go to

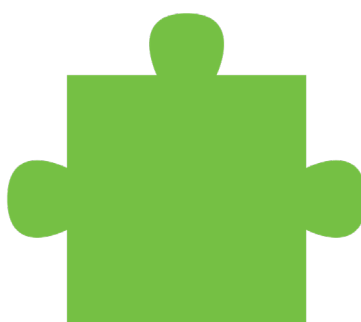
www.ssa.gov or call **800-772-1213**.

Medigap Plans (Medicare Supplement Plans)

Original Medicare Parts A and B pays for much, but not all, of the cost for covered health care services and supplies. Medigap policies are sold by private insurance companies and help pay some of the remaining cost for covered services, such as copayments, coinsurance, and deductibles. Medigap plans allow you to see any U.S. medical provider that contracts with Medicare, which includes most of them, and do not require a medical referral before you can see a specialist.



Part A



Medigap



Part B

Medigap policies are all standardized* by the federal government. This means that each policy with the same letter name, such as A, B, C, D, F, G, K, L, M, or N offers identical coverage, regardless of the insurance company issuing the policy. However, there are significant differences to consider when comparing which insurance policy to buy, including such things as price and service.

Other things to know about Medigap Plans

- You must be enrolled in Medicare Parts A and B to enroll in a Medigap Plan. You cannot enroll in a Medigap Plan in combination with a Medicare Advantage Plan.
- Medigap Plans currently available do not include prescription drug coverage (Medicare Part D), which can be purchased as a separate policy. Additional policies that cover dental, vision, and hearing benefits are also available separately.

Non-Medigap insurance coverage

Stand-alone insurance policies are also available to help you with additional costs not covered by Medicare, such as dental, vision, and foreign travel policies.

*In Massachusetts, Minnesota, and Wisconsin, Medigap policies are standardized in a different way.



Medicare Advantage Plans

These plan types are available through private companies that contract with Medicare; they cover all of the benefits in Part A and Part B, and often include additional benefits.

Medicare Advantage Plans may offer several varieties of plans, such as Health Maintenance Organization (HMO), Preferred Provider Organization (PPO), Private Fee-for-Service (PFFS), Medicare Savings Account (MSA), Special Needs Plan (SNP), and Cost Plan.

Most, but not all Medicare Advantage Plans include coverage for Medicare Part D. Medicare Advantage Plans may also include additional coverage such as, dental, vision, hearing, and other benefits as permitted by government regulations.

The Two Most Popular Medicare Advantage Plans

HMO Plans

Most HMO plans require your use of contracted medical providers, such as doctors, hospitals, and labs, for all services unless it is an emergency or previously approved by the HMO. In addition, HMO plans also may also require you choose a Primary Care Physician and obtain a referral before seeking services from a specialist.

PPO Plans

PPO plans typically offer more flexibility than HMO Plans in terms of which medical providers you can use, such as doctors, hospitals, and labs. However, if you decide not to use their contracted providers, you will likely pay a higher amount, unless it is an emergency. Unlike an HMO Plan, PPO Plans typically do not require you to select a Primary Care Physician or obtain a referral before seeking services from a specialist.

Medicare Part D Prescription Drug Coverage

Part D coverage is available to those who reside in the U.S. and are enrolled in either Medicare Part A and/or Part B. If you don't enroll in Medicare Part D, you could be subject to a late enrollment penalty when you enroll later.

How Does Part D Work?

- Your Part D prescription coverage can be either a stand-alone plan or included as part of a Medicare Advantage Plan.
- Your Part D monthly premium is paid to the insurance company with which you enroll.
- Each year after you satisfy the plan deductible (if your plan has a deductible), you will share in the cost of prescription drugs purchased at the pharmacy. Your share of the prescription drug cost will change as you enter each of the four Medicare Part D coverage stages:
 1. The Deductible Stage (not all plans have a deductible)
 2. The Initial Coverage Stage
 3. The Coverage Gap Stage
 4. The Catastrophic Coverage Stage

Enrolling in a Part D Plan

Medicare Part D Plans are available only through private insurance companies that are contracted with Medicare. Each insurance carrier is permitted to customize their plan as long as their benefits meet or exceed the minimum requirements set by Medicare.

Because each plan is different, it is best to closely compare all of the important factors, including:

- What is the monthly premium amount?
- How much is the plan deductible, copayment, or coinsurance for prescriptions at each of the four levels of coverage?
- Which prescription drugs are covered by the plan and which are considered preferred drugs?
- Which pharmacies are covered by the plan and which are considered preferred pharmacies?

Late Enrollment Penalty

You may owe a late enrollment penalty if at anytime after your Initial Enrollment Period is over, there is a period of 63 or more days in a row when you don't have Part D or other creditable prescription drug coverage (coverage on an employer group health plan is often, but not always, considered creditable coverage). You will have to pay this penalty for as long as you have Part D coverage.

When to Enroll in a Medigap, Advantage, or Part D Plan

Annual Enrollment Period (AEP)

Each year from October 15th through December 7th, you can enroll in a Medicare Advantage or Part D Plan for the first time. You can also enroll in these plans for the first time within two months of your enrollment in Medicare Part A and B.

Medigap Plans

The Annual Enrollment Period does not apply to Medigap Plans. You can enroll in a Medigap Plan at any time. However, in most states, insurance companies are only required to issue a policy to you if you apply within six months of your enrollment in Parts A and B. At other times, they may deny coverage or increase your premium based on an existing medical condition. However, once issued, insurance companies cannot cancel or increase premiums because of your medical history. It is important to note that Medigap enrollment rules vary by state.

Annual Election Period

Each year from October 15th through December 7th you can switch to a different Medicare Advantage or Part D Plan if you are unhappy with your current plan.

Medicare Advantage Open Enrollment Period

Each year from January 1st through March 31st you can:

- change coverage from your current Medicare Advantage Plan to another Advantage Plan that better fits your needs;
- disenroll from a Medicare Advantage Plan and enroll in original Medicare Part A and B. You can also enroll in a stand-alone Part D Plan following your disenrollment from a Medicare Advantage Plan.





What does the ABA Medicare Program Offer?

As a member, you and your spouse have access to informational resources and a concierge team of specialists to help answer your questions about Medicare and better understand your coverage options. The team will assist you with any questions or concerns that you may have and go over a variety of individual Medicare insurance plans. In addition, the ABA Medicare Program provides law firms the opportunity to enhance employee benefit programs by giving current and future retirees greater benefits. In addition to the ABA Medicare Concierge services, law firms can make exclusive Group Retiree Medical programs available that will give retirees access to plans they can not get in the individual marketplace. **Ask your law firm to set up this program for you and all their future retirees. It won't cost them anything!**

The ABA Insurance Program Can Help You With:



Understanding Medicare

We provide you with educational materials and a personal Medicare specialist.



Review Plan Options

As an ABA member you have access to an extensive list of plans in the general marketplace along with group plan options through your firm.



Simplifying Enrollment

A Medicare specialist will help reduce the stress of the enrollment process by providing step-by-step guidance.



Plan Review

If requested, we review your situation and help you discover if your current coverage is the best option.

What are the ABA Group Plans?

You won't hear about these plans anywhere else— they are not available to the general public. Members and their spouses can access group plans through their law firms easily opting into the program. Not only will you be able to take advantage of these benefits, but all employees of your firm will also have access to a trusted Medicare resource for medical and prescription drug insurance at no cost to your firm. The Program offers Medicare Supplement Plans and Prescription Drug plans that, after much research, we knew matched what ABA members needed. To keep these plans cost effective, plan rates are based on the region the member resides in, not state.

What do ABA Group Plans Offer?	
	ABA Group Plans
Exclusive Plans and Rates for ABA Members and Spouses	YES
Guaranteed Issue Plans / No Medical Questions Asked	YES
Easy Initial Enrollment Process and Ability to Move to Another Plan Option Each Year	YES
Perscription Drug Plan that Includes Coverage Inside the “Donut Hole”	YES
Annual Review with a Medicare Specialist to Compare both your Group and Individual Medicare Insurance Options	YES

Getting Started

To learn more about how we can help you or your firm with Medicare, contact a specialist at **1-800-347-9637** or visit **www.abainsurance.com/medicare**



For More Information About Medicare

- <http://www.ssa.gov>
- <http://www.medicare.gov>
- <http://www.abainsurance.com/medicare>