



Making Medicare work for you

We know you have questions about
moving to Medicare.

We've got answers.

MedicareSupportCenter
at **CVS**

A non-governmental program

This Guidebook is brought to you by the Medicare Support Center.

Our mission is to empower you throughout your Medicare journey with trusted education, meaningful guidance, easy-to-use resources, and memorable customer service.

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Turning 65 is a big deal

It means you're eligible for Medicare. Even if you choose to keep working after your 65th birthday. As you approach this date, it's smart to consider your health care needs and whether it makes sense to switch from group health coverage to a Medicare plan. But—the fact is that many people find Medicare confusing.

Should I enroll—and when?

What are all the Medicare parts about?

How much will I pay out of pocket?

What's a Medicare Advantage plan, and is it right for me?

These are just a few of the questions people ask along their Medicare journey.

Breathe easier. We're here to help.

The good news is that we can save you a lot of research and stress. This guidebook will explain the Medicare basics, provide answers to many of the questions you may have, and give you confidence to arrive at a decision that's right for you and your family.

If you have more questions as you go, no worries. Just reach out to our Medicare representatives. They can steer you through all your options and help you decide if changing to a Medicare plan right now is best for you.

So, let's get started!



Call to learn more and schedule your no cost, no obligation consultation with a Medicare licensed insurance agent.

1-844-672-0317 (TTY: 711)

Monday–Friday, 9 AM–6 PM ET

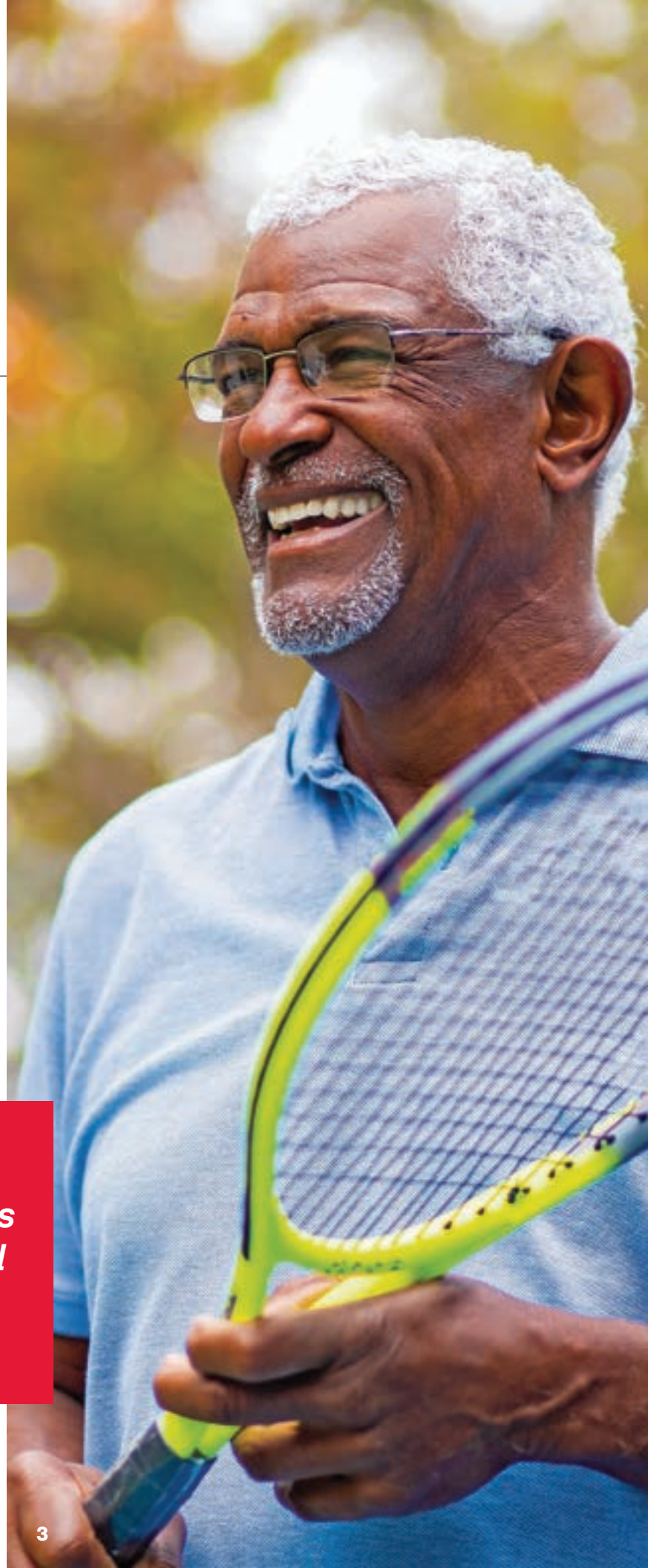
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“I confess.

This whole Medicare thing has thrown us for a loop. We need answers. And a little friendly guidance would help, too.”



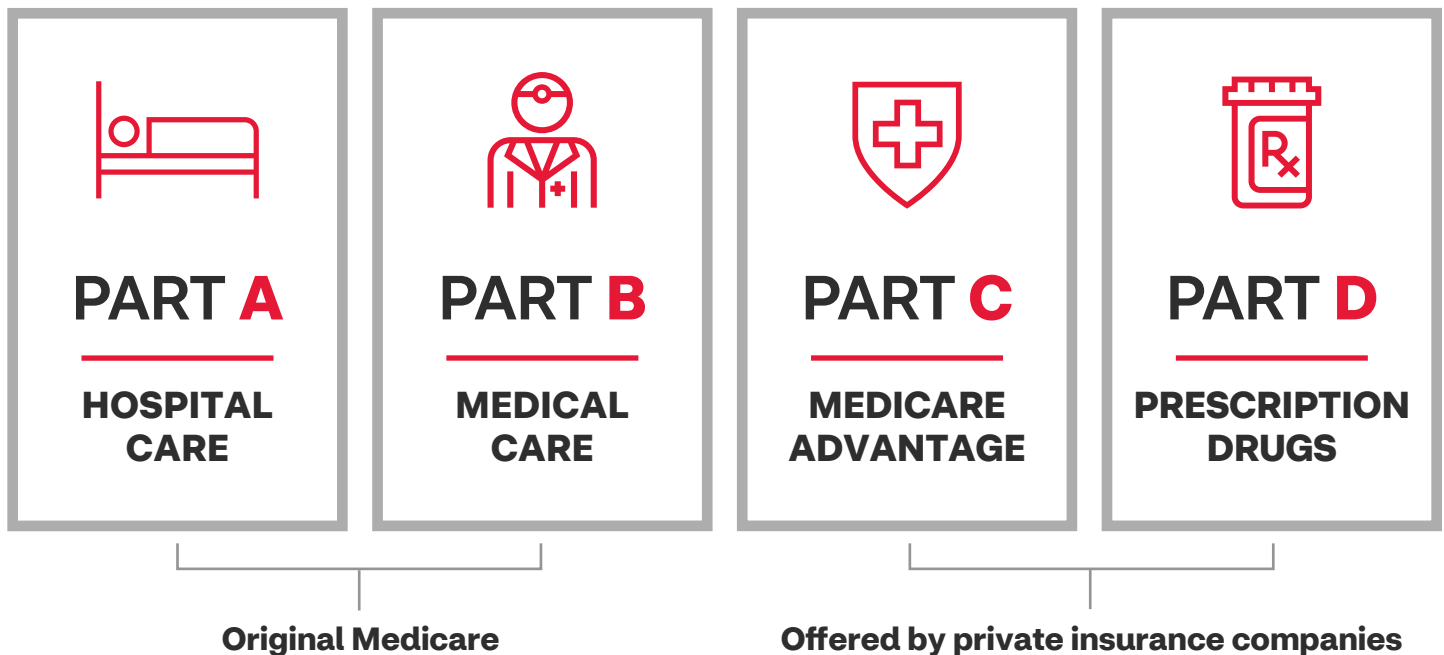
First things first. What is Medicare?

Medicare is the federal health insurance program for:

- People 65 years or older
- Certain individuals under 65 with disabilities
- Someone of any age diagnosed with end-stage renal disease (ESRD)

Know your Medicare alphabet

Medicare is divided into four different parts, each of which covers specific health services.



Now let's look at how each of these parts is designed to work for you



How Medicare's A-B-C-Ds work for you

Original Medicare

Together Parts A and B make up Original Medicare which is provided by the federal government. Coverage for these parts begins automatically if you take Social Security benefits when you turn 65.



PART A

HOSPITAL INSURANCE

WHAT IT COVERS:

- Inpatient hospital services
- Skilled nursing facilities
- Hospice care
- Some home health care

WHAT YOU PAY:

\$0 premium if you have paid 40 quarters (10 years) worth of Medicare taxes. If fewer, premiums are determined by Social Security.



PART B

MEDICAL INSURANCE

WHAT IT COVERS:

- Doctor visits
- Outpatient care
- Medical supplies
- Chemotherapy preventative services

WHAT YOU PAY:

Standard premium for 2023 is \$164.90 (may be higher based on income), which is usually deducted from your Social Security check. If your modified adjusted gross income is above a certain amount, you may pay an Income Related Monthly Adjustment Amount (IRMAA). If you aren't taking Social Security Benefits, you will be responsible to pay Medicare premiums independently.¹

What Original Medicare doesn't cover

- Most prescriptions
- Long-term care (also called custodial care)
- Eye exams
- Most dental care and dentures
- Cosmetic surgery
- Acupuncture
- Hearing aids and exams
- Routine foot care

Even if a service is covered, you'll generally still have to pay deductibles, coinsurance, or copayments—with no annual limit on those costs.

¹ If you make more than \$97,000 filing individually, or \$194,000 filing jointly, your premium will be higher than the \$164.90 base rate.

How Medicare's A-B-C-Ds work for you (cont.)

Additional Coverage

Medicare Parts C and D are additional coverage offered by private insurers to help people pay for a portion of health care costs not covered by Original Medicare—even deductibles and coinsurance payments.



PART C

MEDICARE ADVANTAGE PLAN

WHAT IT COVERS:

All Original Medicare services, plus sometimes extra benefits like:

- **Fitness benefits**
- **Dental coverage**
- **Vision coverage**
- **Rx plans**

WHAT YOU PAY:

You may pay a monthly premium to a private plan while continuing to pay a premium to the federal government for Part B.

Part C caps your out-of-pocket spending on covered medical costs.

IMPORTANT NOTES:

You are required to have Parts A and B before you can enroll in a Medicare Advantage plan.



PART D

MEDICARE PRESCRIPTION DRUG PLAN

WHAT IT COVERS:

Often included in a Medicare Advantage plan, Part D covers Medicare-approved prescription drugs.

WHAT YOU PAY:

You may pay a monthly premium to a private plan. A Part D plan can be purchased separately to go with Original Medicare.

IMPORTANT NOTES:

You can only enroll in Medicare Part D if you have Part A and/or Part B coverage.



When can you enroll in Medicare? And should you?

It depends. You're eligible to enroll in Original Medicare at age 65—earlier if you're disabled or have end-stage renal disease.

You'll automatically be enrolled in Parts A and B if you're receiving Social Security benefits or railroad retirement checks. If not, you may need to enroll yourself.

You have an opportunity to enroll in Medicare Part B during your Initial Enrollment Period (IEP). If you don't enroll in it then, you may have to pay a late enrollment penalty for as long as you have Part B coverage. Your monthly premium will go up 10% for each 12-month period you were eligible for Part B but didn't sign up for it. But, if you have medical coverage through an employer based on current employment, you may not need to sign up for Medicare Part B at age 65. You may qualify for a Special Enrollment Period (SEP) that will let you sign up for Part B later. Contact us to find out how your coverage works with Medicare.

Ask yourself...

- *Is it my best option to stay on my employer's health plan?*
- *Could I get more comprehensive coverage through Medicare?*
- *Which approach will keep my premiums and out-of-pocket expenses the lowest?*
- *Do I need dependent coverage?*

WHEN TO ENROLL

Medicare Enrollment Periods

IEP

INITIAL ENROLLMENT PERIOD

IEP is a 7-month enrollment window that starts 3 months prior to your 65th birth month and ends 3 months after. In case you're not enrolled automatically, contact Social Security about three months before your 65th birthday if you choose to sign up.

3
months
before

65th
birthday
month

3
months
after

AEP

ANNUAL ENROLLMENT PERIOD

Running from October 15 to December 7 each year, AEP allows anyone with Medicare to change their health plans and prescription drug coverage for the following year to better meet their needs.

GEP

GENERAL ENROLLMENT PERIOD

For those who missed their IEP and not eligible for a Special Enrollment Period (SEP), GEP begins January 1 and ends March 31 each year. Those who enroll during GEP, coverage starts the first day of the month after signing up.



**STAY OUT OF THE "RED ZONE"
BY ENROLLING DURING IEP.**



Medicare Enrollment Periods

SEP

SPECIAL ENROLLMENT PERIOD

Switching to Medicare from employer coverage? You may be able to delay enrolling in Medicare Part B and Part D without penalty by providing confirmation of “creditable coverage” from your employer. The length of time before depends on your current Part A and Part B enrollment status.



PART B GRACE PERIOD

If you did not sign up for Part A and/or Part B when you were first eligible, you have up to 8 months after the month your large group health plan coverage ends or your employment ends, whichever comes first.

LATE ENROLLMENT PENALTY:

If you don't enroll during IEP, you may have to pay a penalty for as long as you have Part B coverage. Your monthly premium will go up 10% for each 12-month period you were eligible and didn't sign up.



PART D GRACE PERIOD

If you're already enrolled in Part A and/or Part B, you have up to 2 months following the month your employer or union coverage ends.

LATE ENROLLMENT PENALTY:

If your employer does not offer “creditable coverage,” you have 63 days from your 65th birthday to enroll in a Part D plan to avoid a penalty.

**Now that you know when you can enroll,
the question is should you enroll?**

Working beyond 65

Medicare encourages you to enroll right away, and you can do so even if you don't plan to retire at age 65. If you want to keep working and are currently covered under your employer's health plan, you have options. But you need to consider the size of your employer to make the appropriate decisions to decide your next steps.

OPTION

1

Enroll During IEP

Sign up for Medicare Part A and/or B and drop your employer coverage and consider additional Medicare products.

OR

OPTION

2

Defer Your Enrollment

Because you have coverage as an active employee, you may hold off on enrolling in Medicare.

SMALL GROUP EMPLOYER (<20 employees)

Medicare is your primary health coverage if you're an active employee and 65+

Things to think about:

- You will need to enroll in Medicare Parts A and B
- Your employer coverage is secondary to Medicare
- You may want to consider dropping your employer coverage for a Medicare Advantage plan

LARGE GROUP EMPLOYER (20+ employees)

Your employer plan is your primary health coverage if you're an active employee and 65+

Things to think about:

- You may defer Medicare enrollment until you're no longer an active employee or covered by your employer plan
- You may want to explore Medicare options in place of your group plan
- This also applies if you are covered as a spouse under a large employer group plan



Do you have creditable Prescription Drug Coverage?

Your employer is required to provide you a “Part D Creditable Coverage Notification” once each year. This notice will inform you whether or not your employer-provided Prescription Drug coverage is, on average, at least as good as standard Medicare Prescription Drug coverage. If your plan meets this requirement, you can keep your employer-provided Prescription Drug coverage and not pay a penalty if you decide later to enroll in Medicare Prescription Drug Coverage. If your plan does not meet this requirement, you could be subject to a penalty for not having a Medicare Part D plan.

Do you need dependent coverage?

COBRA (Consolidated Omnibus Budget Reconciliation Act) coverage could bridge a time gap for your dependents, such as when a spouse will be Medicare-eligible or a child will age out at 26. Talk to your employer.

A word on HSAs

Health Savings Accounts (HSAs) can be a smart way to set aside tax-advantaged money to pay for medical expenses. But if you have one of these accounts and are thinking about enrolling in Medicare, here are some things you should keep in mind.

- To avoid a tax penalty, all HSA contributions must be discontinued before Medicare Part A and/or Part B enrollment.
- HSA contributions are allowable up to your birth month if enrolling at age 65.
- Discontinue HSA contributions 6 months prior to Medicare enrollment if you are over 65.
- You should NOT apply for Social Security or Railroad Retirement Board Benefits (RRB) while contributing to an HSA.

In any case, please consult a qualified tax expert for advice on HSAs.



Ways to protect your health — and your finances

People often find that their health care needs and expenses increase as they get older. What's more, they're surprised to learn that Original Medicare simply doesn't cover everything. For these reasons, many consider additional coverage to limit out-of-pocket expenses.



PART C MEDICARE ADVANTAGE PLAN

MAY BE RIGHT FOR YOU IF:

- It's a better option than your employer-based plan
- You want a cap on your annual out-of-pocket spending
- You want to include medical, hospital, and prescription drug coverage under one plan
- You want an alternative to supplementing Original Medicare coverage with more insurance



PART D PRESCRIPTION DRUG PLANS

STRONGLY CONSIDER IF:

- You take specific brand name drugs—or a lot of generic drugs
- You need extra protection from high prescription drug costs
- You want to balance your prescription drug costs throughout the year
- You want to avoid penalties



MED-SUPP

MAY BE RIGHT FOR YOU IF:

- You have Original Medicare Parts A and B
- You want help paying for a portion of costs not covered by Original Medicare—even deductibles and coinsurance
- You want to keep out-of-pocket costs to an absolute minimum
- You want fewer restrictions on networks or seeing specialists
- You don't need prescription drug coverage included in the plan

Note: you cannot have a Medicare Advantage Plan and a Medicare Supplement Plan at the same time.

COMPARE YOUR OPTIONS

MEDICARE ADVANTAGE PLAN

OR

ORIGINAL MEDICARE +
MEDICARE SUPPLEMENT PLAN +
PRESCRIPTION DRUG PLAN

Why Medicare Advantage* plans make sense

Because...

there are many services Original Medicare doesn't cover, and since there's no cap on out-of-pocket spending, your share of health care costs under Medicare Parts A and B is unlimited.

You may want to consider...

that a Medicare Advantage plan (Part C) can suit your budget and lifestyle in ways Original Medicare doesn't.

Medicare Advantage Plans...

are called that for a reason. They can offer major advantages for people who want to control their health care spending and enjoy greater peace of mind. They provide all the health care benefits of Original Medicare, and much more, together with greater financial protection.

****You must have Medicare Parts A and B before enrolling in Medicare Advantage coverage.***



“Our Medicare Advantage plan capped out-of-pocket expenses and put our medical, hospital, and prescription drug coverage all under one plan. We’re thrilled!”

MEDICARE ADVANTAGE PLAN BENEFITS

We'll help you find a plan that's right for you

If you think a Medicare Advantage plan could be a good way to safeguard your health and finances, Medicare Support Center at CVS® can help you easily find one.

Some Medicare Advantage plans include

- Medical, hospital (Parts A & B), and prescription drug coverage (Part D)—in one plan
- Low monthly premiums
- Fitness benefits
- Routine vision and dental care
- Health-related transportation services
- Special discounts—and more

Together as we explore Medicare Advantage options in your area, you'll see that benefit details are unique to each plan.

Rest assured, we'll help you choose a plan that's right for your individual health situation, lifestyle, and budget.



Is a Medicare Advantage Plan right for you? We can help you decide.

Call and speak with a Medicare licensed insurance agent.

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