

# GUIDE TO NAVIGATING MEDICARE

UNDERSTANDING YOUR  
COVERAGE, OPTIONS & BENEFITS



LOUISIANA SENIOR HEALTH  
INFORMATION PROGRAM

1-800-259-5300 / [LDI.LA.GOV/LaSHIP](http://LDI.LA.GOV/LaSHIP)



# WHAT IS LaSHIP?

LaSHIP is the Louisiana Senior Health Information Program that helps Medicare beneficiaries better understand their Medicare coverage options and benefits. Counselors help seniors make informed decisions by providing free and unbiased guidance via telephone or face-to-face interactive sessions.

Established in 1998, LaSHIP is part of a national program whose mission is to empower, educate and assist Medicare-eligible individuals through objective outreach, counseling and training. LaSHIP aims to be a trusted community resource for Medicare information.

This public document was published at a total cost of \$0.92025. Ten thousand (10,000) copies of this public document were published in this first printing at a total cost of \$9,202.50. The total cost of all printings of this document including reprints is \$9,202.50. This document was published by Moran Emprint, 19151 Highland Rd., Baton Rouge, LA 70809 for the Louisiana Department of Insurance to provide Medicare beneficiaries information under authority of 42 USC 1395b-4. This publication was supported by the Louisiana Department of Insurance with financial assistance, in whole or in part, through a grant from the Administration for Community Living. This material was printed in accordance with standards for printing by state agencies established in R.S. 43:31. Printing of this material was purchased in accordance with the provisions of Title 43 of the Louisiana Revised Statutes.

## What is Medicare and how do you qualify?

Medicare is a federal health insurance program for people 65 and older and for eligible people who are under 65 and disabled. Medicare is run by the Centers of Medicare and Medicaid Services, an agency of the U.S. Department of Health and Human Services. It is controlled by Congress.

Medicare was never intended to pay 100% of medical bills. Its purpose is to help pay a portion of medical expenses. Medicare beneficiaries also pay a portion of their medical expenses, which includes deductibles, copayments, and services not covered by Medicare.

## The four parts of Medicare

### HOSPITAL INSURANCE (PART A)

helps pay for inpatient care in a hospital or skilled nursing facility (following a hospital stay), some home health care and hospice care.

### MEDICAL INSURANCE (PART B)

helps pay for doctors, many medical services and supplies that are not covered by hospital insurance.

### MEDICARE ADVANTAGE (PART C)

formerly known as Medicare + Choice is available in many areas. People with Medicare Parts A and B can choose to receive all of their health care services through one of these provider organizations under Part C.

### PRESCRIPTION DRUG COVERAGE

**(PART D)** helps pay for medications doctors prescribe for treatment.

## When and how to enroll & when your coverage starts

There are various enrollment periods and start dates outlined below.

65

### INITIAL ENROLLMENT PERIOD:

Depending on your circumstances, if you are claiming Social Security Benefits at least four months prior to your 65th birthday, you should be automatically enrolled in both Medicare Part A & B. If you are not claiming Social Security Benefits, it is your responsibility to enroll in Medicare. Neither the Social Security Administration nor the Centers for Medicare and Medicaid Services (CMS) notifies you. Your Initial Enrollment Period begins three months prior to your 65th birthday and ends three months after the month of your 65th birthday. This is also your opportunity to enroll in either a stand-alone drug plan or a Medicare Advantage Plan.



### GENERAL ENROLLMENT PERIOD:

The General Enrollment Period (GEP) is a 3-month period that takes place from January 1 – March 31 of each year. The GEP is for those that failed to enroll during their Initial Enrollment Period (IEP) and do not qualify for a Special Enrollment Period (SEP). Your coverage starts the month after you sign up. You may have to pay a higher Part A and/or Part B premium for late enrollment.



### ANNUAL ENROLLMENT PERIOD:

Every October 15th – December 7th is the Annual Enrollment Period (AEP). You are encouraged to review your current plan options and compare those options to the following year. During this time, you can switch to a different stand-alone drug plan or a different Medicare Advantage Plan (with drug coverage). Please seek guidance from LaSHIP.



### SPECIAL ENROLLMENT PERIOD:

Under certain circumstances, you may receive a SEP to change from one Medicare plan to another. This could include moving from one geographic location to another, losing (creditable) drug coverage from another source, or being admitted into or discharged from a skilled nursing facility. If you are on the Medicare Savings Program, Medicaid, or Low-Income Subsidy Program, you will have an SEP from January - September to change plans.





## Working Past 65

Many people are choosing to delay retirement and continue working past age 65. If you are planning to continue working and have health insurance through your employer, it may be beneficial to delay some or all parts of Medicare, such as Medicare Part A and B, which you can do without penalty.

To delay Medicare Part D, your prescription coverage must be **CREDITABLE COVERAGE**, which means the drug coverage offered is as good or better than a standard Part D plan. If your drug coverage is **NOT CREDITABLE COVERAGE**, you will be subject to a penalty when you do elect a Part D plan. Only the plan/company can confirm if it is creditable coverage.

With small employer plans (less than 20 employees), Medicare is the primary payer. The employer health policy does not have to continue to offer benefits and may require you to take Medicare.

### Delaying Medicare

**PART A:** Most people take Medicare Part A when they are first eligible because it is free for 99% of beneficiaries. Individuals who want to keep contributing to their Health Savings Account, or are assessed a Part A premium, may choose to delay Part A enrollment.

**PART B:** Individuals tend to delay Medicare Part B if they have health coverage through work. Beneficiaries can also delay their guaranteed issue period (open enrollment) for a Medicare Supplement, which lasts six months from when the beneficiary first enrolls in Part B. Beneficiaries are more likely to enroll in Part B when first eligible if their group plan pays secondary to Medicare. If employer medical benefits are limited, Part B may pay for costs not covered by the group plan.

**PART D:** Many beneficiaries choose to delay Part D if they have coverage elsewhere. Part D creditable coverage is **NOT** tied to active work, so most other drug coverage is creditable (e.g. group coverage, retiree, VA). Some individuals choose to enroll as soon as they are eligible if Part D offers better coverage and/or lower prices for their prescription drugs.

### Penalties

**PART A:** A penalty is only assessed if the beneficiary pays a Part A premium. The penalty is 10% of the premium, paid monthly for twice the number of years enrollment was delayed.

**PART B:** For each 12 months of delay with no employer coverage, the penalty is 10% of the premium and is paid for each month a beneficiary has Part B coverage.

**PART D:** A beneficiary accrues a 1% penalty for each month he/she is eligible for Part D but not enrolled and does not have creditable coverage. This penalty is paid monthly to the plan once enrolled in a Part D plan.

### Retiree Plans



Many companies continue to offer health insurance after an employee retires. Retiree plans vary greatly with a wide range of options including Medicare Advantage plans, Medicare Supplements, and full health coverage.

Retiree plans are not guaranteed renewable, meaning the coverage or contribution can be changed or dropped at any time by an employer.

Since retiree coverage is not tied to active work, an individual must also enroll in Medicare Part B to avoid penalties. Medicare pays primary to retiree plans.



## Medicare Supplement Insurance

Medigap policies are sold by private insurance companies to help pay the 20% not covered by Original Medicare. These plans have a monthly premium and do not include medicine coverage.

### MEDIGAP PLAN COVERAGE

BENEFITS	MEDICARE SUPPLEMENT INSURANCE (MEDIGAP) PLANS									
	A	B	C*	D	F*	G**	K***	L***	M	N****
Medicare Part A coinsurance and hospital costs (up to an additional 365 days after Medicare benefits are used)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Medicare Part B coinsurance or copayment	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%****
Blood (first 3 pints)	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
Part A hospice care coinsurance or copayment	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
Skilled nursing facility care coinsurance			100%	100%	100%	100%	50%	75%	100%	100%
Part A deductible		100%	100%	100%	100%	100%	50%	75%	100%	100%
Part B deductible			100%		100%					
Part B excess charges					100%	100%				
Foreign travel emergency (up to plan limits)			80%	80%	80%	80%			80%	80%

\* Plans C & F: No longer available to people who became Medicare eligible on or after January 1, 2020.

\*\* Plan G: Offers a high deductible plan. You must pay the Medicare-covered costs (coinsurance, copayments and deductibles) up to the plans deductible amount before your policy pays anything. The deductible amount changes yearly.

\*\*\* Plans K & L: Out of pocket limits change each year. After you meet your out-of-pocket yearly limit and your yearly Part B deductible, the Medigap plans pay 100% of services for the rest of the calendar year.

\*\*\*\* Plan N: Pays 100% of the Part B coinsurance, except for a copayment of up to \$20 for some office visits and up to \$50 copayment for emergency room visits that don't result in inpatient admission.

# Medicare Advantage Plan vs. Medicare Supplements

## WHAT'S THE DIFFERENCE?

### Medicare Advantage

### Medicare Supplement



#### MONTHLY PREMIUMS

##### LOW MONTHLY COST

Medicare Advantage plans typically have a low monthly premium in addition to your monthly Medicare Part B premium.

##### MONTHLY COST

Medicare Supplements have a monthly premium in addition to your monthly Medicare Part B premium.



#### COPAYS & DEDUCTIBLES

##### LARGER COPAYS & DEDUCTIBLES

Medicare Advantage plans have a copay for most services you receive. When you use your insurance, you will have to pay your provider for that service.

##### MINIMAL COPAYS & DEDUCTIBLES

Medicare Supplements usually do not have a copay for the services you receive. When you use your insurance, you typically will not pay your provider for that service.



#### EXTRA BENEFITS

##### DRUG COVERAGE INCLUDED

Most Medicare Advantage plans include drug coverage. Some Advantage plans also include dental, vision, and other benefits.

##### NO EXTRAS

Medicare Supplements only pay if Part A or Part B pays. They do not include prescription coverage, dental and vision. If you want this coverage, you buy it separately.



#### PROVIDER CHOICE

##### LIMITED PROVIDER CHOICE

Most Medicare Advantage plans typically have provider networks. Your choice of doctors, hospitals and specialists are limited to the plan's list. If you travel, ensure you are adequately covered. Providers can leave the network at any time.

##### CHOICE OF PROVIDERS

Medicare Supplements are widely accepted by medical providers. If a provider takes Medicare, they take Medicare Supplements. You can receive care anywhere within the United States.



#### ENROLLING

##### YEARLY ENROLLMENT

Medicare Advantage plans can be selected when you are new to Medicare or annually during Open Enrollment. Advantage plans are for Medicare enrollees of any age.

##### ENROLLMENT

In Louisiana, the best time to purchase a Medicare Supplement is within the first 6 months of enrolling in Medicare Part B. There are other times you may enroll but you must meet certain requirements to avoid preexisting condition waiting periods.



## The Medicare Savings Program

Louisiana Medicaid helps eligible, low-income beneficiaries pay the Medicare Part B premium through the Medicare Savings Program. In some cases, this program may also pay Part A and Part B deductibles, coinsurance and copayments. Administered by the Louisiana Department of Health, this program is also known as Medicare Buy-in.

## Low Income Subsidy Program

The Low Income Subsidy also known as Extra Help is a Medicare program designed to assist people with limited income and resources pay Medicare prescription drug costs. Benefits of qualifying for Extra Help include help paying the monthly Medicare drug plan (Part D) premium, yearly deductible and lower copayments. There is no coverage gap (doughnut hole) or late enrollment penalty for persons with Extra Help. The Social Security Administration processes and administers the Low-Income Subsidy (Extra Help) Program.



The following are additional resources that can assist and may answer questions you may have:

### MEDICARE:

Medicare.gov  
1-800-633-4227

### SOCIAL SECURITY ADMINISTRATION:

SSA.gov  
1-800-772-1213

### LA DEPT. OF HEALTH (LDH):

ldh.la.gov/page/medicare-savings-program  
1-888-342-6207





# SHIP

Navigating Medicare

---

**LOUISIANA SENIOR HEALTH  
INFORMATION PROGRAM**



**1-800-259-5300**



**[LDI.LA.GOV/LaSHIP](http://LDI.LA.GOV/LaSHIP)**