



Welcome to Medicare!

7500 Security Boulevard
Baltimore, Maryland 21244-1850

Today, you join the millions of Americans who have health care coverage from Medicare, the federal health insurance program run by the Centers for Medicare & Medicaid Services (CMS).

Because you're entitled to Social Security retirement or disability benefits, **you're automatically enrolled in Medicare Part A (Hospital Insurance) and Medicare Part B (Medical Insurance)**. You don't need to pay a monthly premium for Part A. However, you do have to pay a monthly premium for Part B if you choose to keep it.

- **Read the enclosed booklet carefully.** It's the official "Welcome" booklet from Medicare and it explains 4 very important decisions you should consider **now**:
 1. Do I need to keep Part B?
 2. How do I want to get my Medicare coverage?
 3. Do I want or need Medicare prescription drug coverage (Part D)?
 4. Do I want or need a Medicare Supplement Insurance (Medigap) policy?
- **Use the official "Medicare & You" handbook to learn more about Medicare.** The handbook has more details about your Medicare benefits and coverage choices. We'll mail your first copy soon, and you'll get an updated copy each fall.

We're committed to providing you with reliable, high-quality health care. If you have questions, visit [Medicare.gov](https://www.medicare.gov) or call 1-800-MEDICARE (1-800-633-4227). TTY users can call 1-877-486-2048.

Enclosures

You have the right to get the information in this letter and booklet in an alternate format. You also have the right to file a complaint if you feel you've been discriminated against. Visit <https://www.cms.gov/about-cms/agency-information/aboutwebsite/cmsnondiscriminationnotice.html>, or call 1-800-MEDICARE for more information.

Help in other languages

If you, or someone you're helping, has questions about Medicare, you have the right to get help and information in your language at no cost. To talk to an interpreter, call 1-800-MEDICARE (1-800-633-4227).

العربية (Arabic) إن كان لديك أو لدى شخص تُساعده أسئلة بخصوص Medicare فإن من حَقك الحصول على المساعد و المعلومات بلغتك من دون أي تكلفة. للتحدث مع مترجم إتصل بالرقم Medicare (1-800-633-4227).

հայերեն (Armenian) Եթե Դուք կամ Ձեր կողմից օգնություն ստացող անձը հարցեր ունի Medicare-ի մասին, ապա Դուք իրավունք ունեք անվճար օգնություն և տեղեկություններ ստանալու Ձեր նախընտրած լեզվով: Թարգմանչի հետ խոսելու համար զանգահարեք 1-800-MEDICARE (1-800-633-4227) հեռախոսահամարով:

中文 (Chinese-Traditional) 如果您，或是您正在協助的個人，有關於聯邦醫療保險的問題，您有權免費以您的母語，獲得幫助和訊息。與翻譯員交談，請致電1-800-MEDICARE (1-800-633-4227)。

فارسی (Farsi) اگر شما، یا شخصی که به او کمک می‌رسانید سوالی در مورد اعلامیه مختصر مدیکردارید، حق این را دارید که کمک و اطلاعات به زبان خود به طور رایگان دریافت نمایید. برای مکالمه با مترجم با این شماره زیر تماس بگیرید 1-800-MEDICARE (1-800-633-4227).

Français (French) Si vous, ou quelqu'un que vous êtes en train d'aider, a des questions au sujet de l'assurance-maladie Medicare, vous avez le droit d'obtenir de l'aide et de l'information dans votre langue à aucun coût. Pour parler à un interprète, composez le 1-800-MEDICARE (1-800-633-4227)

Deutsch (German) Falls Sie oder jemand, dem Sie helfen, Fragen zu Medicare haben, haben Sie das Recht, kostenlose Hilfe und Informationen in Ihrer Sprache zu erhalten. Um mit einem Dolmetscher zu sprechen, rufen Sie bitte die Nummer 1-800-MEDICARE (1-800-633-4227) an.

Kreyòl (Haitian Creole) Si oumenm oswa yon moun w ap ede, gen kesyon konsènan Medicare, se dwa w pou jwenn èd ak enfòmasyon nan lang ou pale a, san pou pa peye pou sa. Pou w pale avèk yon entèprèt, rele nan 1-800-MEDICARE (1-800-633-4227).

Italiano (Italian) Se voi, o una persona che state aiutando, volete chiarimenti a riguardo del Medicare, avete il diritto di ottenere assistenza e informazioni nella vostra lingua a titolo gratuito. Per parlare con un interprete, chiamate il numero 1-800-MEDICARE (1-800-633-4227).

日本語 (Japanese) Medicare (メディケア) に関するご質問がある場合は、ご希望の言語で情報を取得し、サポートを受ける権利があります (無料)。通訳をご希望の方は、1-800-MEDICARE (1-800-633-4227) までお電話ください。

한국어(Korean) 만약 귀하나 귀하가 돕는 어느 분이 메디케어에 관해서 질문을 가지고 있다면 비용 부담이 없이 필요한 도움과 정보를 귀하의 언어로 얻을 수 있는 권리가 귀하에게 있습니다. 통역사와 말씀을 나누시려면 1-800-MEDICARE(1-800-633-4227)로 전화하십시오.

Polski (Polish) Jeżeli Państwo lub ktoś komu Państwo pomagają macie pytania dotyczące Medicare, mają Państwo prawo do uzyskania bezpłatnej pomocy i informacji w swoim języku. Aby rozmawiać z tłumaczem, prosimy dzwonić pod numer telefonu 1-800-MEDICARE (1-800-633-4227).

Português (Portuguese) Se você (ou alguém que você esteja ajudando) tiver dúvidas sobre a Medicare, você tem o direito de obter ajuda e informações em seu idioma, gratuitamente. Para falar com um intérprete, ligue para 1-800-MEDICARE (1-800-633-4227).

Русский (Russian) Если у вас или лица, которому вы помогаете, возникли вопросы по поводу программы Медикэр (Medicare), вы имеете право на бесплатную помощь и информацию на вашем языке. Чтобы воспользоваться услугами переводчика, позвоните по телефону 1-800-MEDICARE (1-800-633-4227).

Español (Spanish) Si usted, o alguien que está ayudando, tiene preguntas sobre Medicare, usted tiene el derecho a obtener ayuda e información en su idioma sin costo alguno. Para hablar con un intérprete, llame al 1-800-MEDICARE (1-800-633-4227).

Tagalog (Tagalog) Kung ikaw, o ang isang tinutulongan mo, ay may mga katanungan tungkol sa Medicare, ikaw ay may karapatan na makakuha ng tulong at impormasyon sa iyong lengguwahe ng walang gastos. Upang makipag-usap sa isang tagasalin ng wika, tumawag sa 1-800-MEDICARE (1-800-633-4227).

Tiếng Việt (Vietnamese) Nếu quý vị, hay người mà quý vị đang giúp đỡ, có câu hỏi về Medicare, quý vị sẽ có quyền được giúp và có thêm thông tin bằng ngôn ngữ của mình miễn phí. Để nói chuyện qua thông dịch viên, gọi số 1-800-MEDICARE (1-800-633-4227).

Welcome to Medicare

CENTERS FOR MEDICARE & MEDICAID SERVICES

2017



Welcome to Medicare!

Medicare is health insurance for people 65 or older, under 65 with certain disabilities, and any age with End-Stage Renal Disease (ESRD) (permanent kidney failure requiring dialysis or a kidney transplant).

You're getting this package because you've been enrolled automatically in Medicare Part A (Hospital Insurance). You don't need to pay a monthly premium for Part A. You've also been enrolled automatically in Medicare Part B (Medical Insurance). You'll need to pay a monthly premium for Part B if you choose to keep it.

This booklet explains some important decisions you need to make, including whether you want to keep Part B. It also includes information about the decisions you must make about your health care and prescription drug coverage.

Read this booklet carefully before you make any decisions.

The information in this booklet describes the Medicare Program at the time this booklet was printed. Changes may occur after printing. Visit [Medicare.gov](https://www.medicare.gov), or call 1-800-MEDICARE (1-800-633-4227) to get the most current information. TTY users can call 1-877-486-2048.

“Welcome to Medicare” isn't a legal document. Official Medicare Program legal guidance is contained in the relevant statutes, regulations, and rulings.

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Medicare basics

Here's a brief look at the different parts of Medicare. Look in your "Medicare & You" handbook, or visit [Medicare.gov](https://www.Medicare.gov) for more information.

- Medicare Part A (Hospital Insurance) covers:
 - Inpatient care in hospitals
 - Skilled nursing facility care
 - Hospice care
 - Home health care
- Medicare Part B (Medical Insurance) covers:
 - Services from doctors and other health care providers
 - Outpatient care
 - Home health care
 - Durable medical equipment
 - Many preventive services
- Medicare Part C (Medicare Advantage Plans – health plan options that combine Part A, Part B, and usually Part D coverage)
- Medicare Part D (Medicare prescription drug coverage)

Note: Medicare doesn't pay for your hospital or medical bills if you're not lawfully present in the U. S.

Decisions I need to make

Decision 1: Should I keep Part B?

You were automatically enrolled in Part B. If you don't want to keep Part B, let us know before the effective date on the front of your Medicare card, which is enclosed in this package. See pages 6–14.

Decision 2: How should I get my Medicare coverage?

If you keep Part B in addition to Part A, you can choose how you get your health coverage. You can choose from Original Medicare (run by the federal government) or a Medicare Advantage Plan (run by a private insurance company). See pages 15–17.

Decision 3: Do I need Medicare prescription drug coverage (Part D)?

If you choose Original Medicare and you want drug coverage, you'll have to join a Medicare Prescription Drug Plan. If you choose to join a Medicare Advantage Plan (like an HMO or PPO) instead, check with the plan to see if it includes Medicare drug coverage. See pages 18–22.

Decision 4: Do I need a Medicare Supplement Insurance (Medigap) policy?

If you choose Original Medicare, you may want to buy a policy that helps pay some of the costs for covered services Medicare doesn't cover (like coinsurance and deductibles). You don't need and can't use a Medigap policy if you choose a Medicare Advantage Plan. See pages 23–24.

Decision 1 – Should I keep Part B?

Keeping Part B is your choice, and whether it's best for you to keep Part B depends on your situation.

Important: If you don't keep Part B when you're first eligible, there are some risks:

- If you change your mind and want to get Part B later, you'll have to wait until the General Enrollment Period (January 1–March 31 each year) to sign up, and your coverage will start July 1 of that year. This will cause a gap in your health coverage.
- In most cases, you'll also have to pay a late enrollment penalty for as long as you have Part B coverage. (The penalty increases the longer you go without Part B coverage. See page 14 for more about the cost of the penalty.)

Read the information on the next few pages to help you decide.

Should I keep Part B?

Find your situation below to help you decide if you should keep Part B.

- I'm still working and have coverage through my employer.** Or, my spouse (or a family member, if I'm disabled) is still working and I'm covered by his or her employer. See page 8.
- I'm retired and have coverage through a former employer, or I have COBRA or VA coverage.** See page 9.
- I have coverage through the Health Insurance Marketplace as an individual or through an employer.** See page 10.
- I have TRICARE coverage (insurance for active-duty military, military retirees, and their families).** You must have Part B to keep TRICARE coverage. However, if you're an active-duty service member or the spouse or dependent child of an active-duty service member, you may not have to get Part B right away.
- I have CHAMPVA coverage.** You must have Part B to keep your CHAMPVA coverage.
- I have coverage through a private insurance plan (not listed on this page).** See page 11.
- I don't have other medical insurance. If you don't have any medical insurance,** you should keep Part B if you want coverage for things like doctors' services or preventive services. **If you don't keep Part B, be aware of the risks described on the previous page.**

I'm still working and have coverage through my employer

Ask your employer or union benefits administrator if they require you to sign up for Part B. If your employer doesn't require you to sign up for Part B right away, you can sign up for Part B later during a Special Enrollment Period without a late enrollment penalty if one of these statements applies to you:

- You're **65 or older**, you or your spouse is currently working, and you're covered by an employer or union group health plan based on that employment.
- You're **under 65 and disabled**, you or a family member is working, and you're covered by an employer or union group health plan (with at least 100 employees) based on that employment.

If you're eligible for a Special Enrollment Period, you can sign up for Part B:

- Anytime while you're covered by the employer or union group health plan based on current employment.

OR

- For up to 8 months after the group health plan coverage or the employment ends, whichever happens first.

Note: If you have COBRA coverage, VA coverage, or a retiree health plan, you **don't** have coverage based on current employment. You're not eligible for a Special Enrollment Period when this coverage ends. See page 9.

I'm retired and have coverage through a former employer, or I have COBRA or VA coverage

If you're retired and have retiree health insurance from a former employer or union, or you have COBRA or U.S. Department of Veterans Affairs (VA) coverage, Medicare generally will become your primary health insurance. Medicare will pay its part of the costs for any health care services you get, and then any amount not covered by Medicare can be submitted to your non-Medicare plan.

If you don't keep Part B, your current coverage might not pay your medical costs during any period in which you were eligible for Medicare but didn't sign up for it. You may need to have both Part A and Part B to get full benefits from this coverage. You're also not eligible for a Special Enrollment Period when this coverage ends. This means:

- You'll have to wait until the General Enrollment Period (January 1–March 31 each year) to sign up, and your coverage would start July 1 of that year.
- In most cases, you'll also have to pay a late enrollment penalty for as long as you have Part B coverage. The penalty increases the longer you go without Part B coverage. See page 14 for more about the cost of the penalty.

Important: If you have questions, the best source of information about your current insurance is your benefits administrator, insurer, or plan provider.

I have Health Insurance Marketplace coverage

Once your Medicare coverage starts, you **shouldn't** enroll in a plan through the Marketplace for individuals or families. You should use Medicare as your primary insurance.

If you have a Marketplace plan for individuals or families, you should keep Part B and drop your Marketplace plan so it stops when your Medicare starts.

- You won't be eligible for premium tax credits or other savings for a Marketplace plan once your Part A coverage starts. If you get tax credits to help pay your Marketplace plan premium after your Medicare starts, you might have to pay back the credits you got when you file your taxes.
- If you don't keep Part B and choose to enroll in it later, you'll have to wait to sign up. You'll also have to pay a late enrollment penalty for as long as you have Part B coverage. The penalty increases the longer you go without Part B coverage. See page 6 for more about when you can sign up and page 14 for more about the cost of the penalty.

Your Marketplace insurer may automatically enroll you into a Medicare Advantage Plan they offer so that this coverage starts when your Medicare begins. Medicare requires that you get a letter before it happens. You have a chance to opt-out if you don't want to join that new plan. If you get information from your current insurer, be sure to read it.

If you have employer coverage through the Marketplace (sometimes called Small Business Health Options Program or "SHOP" coverage), you can wait until you stop working to enroll in Part B.

See page 8. Visit [HealthCare.gov](https://www.healthcare.gov) and [Medicare.gov](https://www.medicare.gov) to learn more.

I have coverage through a private insurance plan (not through the Health Insurance Marketplace or an employer)

You should use Medicare as your primary health coverage. Medicare will pay its part of the costs for any health care services you get, and then any amount not covered by Medicare can be submitted to your private plan.

If you don't keep Part B, you won't be eligible for a Special Enrollment Period when this coverage ends. This means:

- You'll have to wait until the General Enrollment Period (January 1–March 31 each year) to sign up, and your coverage will start July 1 of that year.
- In most cases, you'll also have to pay a late enrollment penalty for as long as you have Part B coverage. The penalty increases the longer you go without Part B coverage. See page 14 for more about the cost of the penalty.
- Your current insurer may automatically enroll you into a Medicare Advantage Plan they offer so that this coverage starts when your Medicare begins. Medicare requires that you get a letter before it happens. You have a chance to opt-out if you don't want to join that new plan. If you get information from your current insurer, be sure to read it.

Important: Contact your current insurance plan provider for more information about how your coverage will work with Medicare.

I want to keep Medicare Part B

To keep Part B, you don't need to do anything other than pay the premiums. Just cut out and sign the front of your Medicare card and keep it safe.

The monthly premium will be deducted automatically from your Social Security benefit payment when your coverage starts. If your Social Security benefits aren't enough to cover the whole Part B premium, you'll get a bill for your Part B premium every 3 months. The monthly Part B standard premium is \$134.00 in 2017.

Your monthly premium will be higher if your modified adjusted gross income as reported on your IRS tax return from 2 years ago is more than \$85,000 (if you're single and file an individual tax return) or more than \$170,000 (if you're married and file a joint tax return). These amounts can change each year.

I don't want to keep Medicare Part B

If you don't want to keep Part B, here's what you need to do:

1. Check the box after "I don't want Medical Insurance" on the back of the enclosed Medicare card.
2. Sign the back of the card.
3. Send back the entire form (including the card) in the enclosed envelope **before** the effective date on the front of the Medicare card.

Medicare will send you a new Medicare card in a few weeks that shows you have Part A only. Write down your Medicare number (found on the front of the card). Keep it in case you need to go to the hospital before your new card arrives.

How much is the Part B late enrollment penalty?

If you sign up for Part B later and aren't eligible for a Special Enrollment Period, you'll pay 10% more for each full 12-month period you could've had Part B but didn't take it. In most cases, you'll have to pay this late enrollment penalty as long as you have Part B.

Example

If you waited 2 full years (24 months) to sign up for Part B and didn't have other coverage, you'll have to pay a 20% late enrollment penalty (10% for each full 12-month period that you could have been enrolled), plus your standard Part B monthly premium (\$134.00 in 2017).

\$134.00 (2017 Part B standard premium)
+ \$26.80 (20% [of \$134.00] late enrollment penalty)

\$160.80 will be your Part B monthly premium for 2017. This amount is rounded to the nearest \$.10 and includes the late enrollment penalty.

Note: The example above applies if you delayed enrolling in Part B for **24 months**. You don't pay a late enrollment penalty if you enroll before the first full 12-month period has passed or if you qualify for a Special Enrollment Period. See page 8.

Decision 2 – How should I get my Medicare coverage?

You have 2 main choices for getting your Medicare health coverage. You'll automatically have Original Medicare unless you join a Medicare Advantage Plan.

Original Medicare Part A & Part B	Medicare Advantage Plan Also called Part C – Includes BOTH Part A & Part B
<p>How it works:</p> <ul style="list-style-type: none"> ▪ Medicare provides this coverage directly. ▪ You have your choice of doctors and hospitals that are enrolled in Medicare and accepting new Medicare patients. ▪ Generally, you or your supplemental coverage pay deductibles and coinsurance. ▪ You usually pay a monthly premium for Part B. 	<p>How it works:</p> <ul style="list-style-type: none"> ▪ You must have both Part A and Part B to join. ▪ Private insurance companies approved by Medicare provide this coverage. ▪ In most plans, you need to use plan doctors, hospitals, or other providers or you pay more or all of the costs. ▪ You may pay a monthly premium in addition to your Part B premium, and a copayment or coinsurance for covered services.
<p>Drug coverage:</p> <ul style="list-style-type: none"> ▪ If you want drug coverage, you must choose and join a Medicare Prescription Drug Plan. See pages 18–22. 	<p>Drug coverage:</p> <ul style="list-style-type: none"> ▪ Most plans include drug coverage. If not, in most cases, you won't be able to join a separate Medicare Prescription Drug Plan.
<p>Supplemental coverage:</p> <ul style="list-style-type: none"> ▪ You can buy a Medicare Supplement Insurance (Medigap) policy from a private insurance company to fill gaps in coverage. See pages 23–24. 	<p>Supplemental coverage:</p> <ul style="list-style-type: none"> ▪ If you join a Medicare Advantage Plan, you don't need and can't use a Medigap policy. ▪ The Medicare Advantage Plan might cover services in addition to Part A and Part B covered services.

Choosing between Original Medicare and a Medicare Advantage Plan

Here are some questions to help you decide:

- Are the services I need covered?** In both Original Medicare and Medicare Advantage, you'll get all of the covered Part A and Part B services. Medicare Advantage Plans may offer additional coverage, sometimes for an extra cost. Compare the costs and services of both coverage options.
- Is doctor or hospital choice important?** In Original Medicare, you can use any provider or hospital that accepts Medicare. Most Medicare Advantage Plans limit you to certain doctors and hospitals, require you to get referrals, or charge more for out-of-network care.
- Do I travel a lot?** Original Medicare will cover your care anywhere in the U.S. Medicare Advantage Plans must cover emergency care for members outside the plan area, but some don't cover other health care services away from home.
- Do I have health coverage from an employer?** If you do, talk to your employer or union benefits administrator before your Medicare starts. Each employer has different rules. Some employers may automatically enroll you into a Medicare Advantage or Medicare Prescription Drug Plan. In some cases, joining a Medicare Advantage Plan without their okay might cause you to lose employer or union coverage.

Tip: To compare Medicare Advantage Plans in your area, visit [Medicare.gov/find-a-plan](https://www.Medicare.gov/find-a-plan).

Can I change my coverage later?

You'll have at least one chance each year to make changes to your Medicare coverage. You can sign up for a Medicare Advantage Plan or a Medicare drug plan from **October 15–December 7** each year. You can also decide to drop your Medicare Advantage Plan and return to Original Medicare at this time, or join a different Medicare Advantage Plan if you're already in one. If you make a change during this period, your new coverage will begin on January 1 of the following year. Also, if you're in a Medicare Advantage Plan, you can leave your plan and switch to Original Medicare from January 1–February 14. If you switch to Original Medicare during this period, you'll have until February 14 to join a Medicare Prescription Drug Plan.

You should compare the different costs and coverage benefits of the Medicare Advantage Plans in your area, and make sure you understand any rules or limits that apply. **There's no penalty if you don't join a Medicare Advantage Plan when you're first eligible.**

Decision 3 – Do I need Medicare prescription drug coverage?

Medicare offers prescription drug coverage (also called “Part D”) to everyone with Medicare. **However, it isn’t automatic for most people – you have to sign up for it.** You get Medicare prescription drug coverage either by joining a Medicare Prescription Drug Plan or through a Medicare Advantage Plan that offers drug coverage. Both types of Medicare drug coverage are called “Medicare drug plans” in this booklet.

Medicare drug plans cover a variety of brand-name and generic prescription drugs. Most plans have premiums, deductibles, and copayments that you pay in addition to your Part B premium. Costs and coverage are different in every plan.

You can join a Medicare drug plan when you’re first eligible for Medicare. **If you don’t join a Medicare drug plan when you’re first eligible for Medicare, and you don’t have other creditable prescription drug coverage, you may have to pay a Part D late enrollment penalty to join a plan later.** In most cases, you’ll have to pay the penalty as long as you have Medicare prescription drug coverage and it will increase the longer you go without Part D or creditable drug coverage.

Note: Creditable prescription drug coverage is coverage that’s expected to pay, on average, at least as much as Medicare’s standard prescription drug coverage.

Read the information on the next few pages to help you decide.

Should I get Medicare prescription drug coverage?

Here are some questions to help you decide if you need Medicare prescription drug coverage:

- Do I already have drug coverage?** If you have or are eligible for prescription drug coverage from an employer or union, TRICARE, the Department of Veterans Affairs (VA), the Federal Employees Health Benefits (FEHB) Program, or a state program, you may not need to join now. You can join a Medicare Prescription Drug Plan later without a penalty as long as you don't go 63 days or more in a row without creditable drug coverage. Your plan must tell you each year if your drug coverage is creditable coverage. If you still have questions, talk to your benefits administrator, insurer, or plan provider before you make any changes to your current coverage. In some cases, joining a Medicare drug plan might cause you to lose employer or union coverage.
- Do I need drug coverage?** Even if you don't take a lot of drugs now, you still may want to join a Medicare drug plan to avoid being without coverage. In most cases, if you don't join when you're first eligible, you may have to wait to sign up and have to pay a penalty. See page 18.
- Am I planning to join a Medicare Advantage Plan that includes drug coverage?** If you're joining a plan that includes drug coverage, you don't need to join a separate Medicare drug plan. If you join a Medicare Advantage Plan that doesn't have drug coverage, in most cases you won't be able to add a separate Medicare drug plan.

How to choose & join a Medicare Advantage Plan or a Medicare Prescription Drug Plan

Start by finding out which plans are available in your area. Here's how:

- **Visit [Medicare.gov/find-a-plan](https://www.medicare.gov/find-a-plan).**
- **Look at your “Medicare & You” handbook.** Plans available in your area are listed in the back.
- **Call 1-800-MEDICARE (1-800-633-4227).** TTY users can call 1-877-486-2048.

Once you've considered your options, you can join a Medicare Advantage Plan or Medicare Prescription Drug Plan by visiting [Medicare.gov](https://www.medicare.gov) or contacting the plan directly. If you need help deciding, visit [shiptacenter.org](https://www.shiptacenter.org), or call 1-800-MEDICARE to get the contact information for your State Health Insurance Assistance Program (SHIP).

Tip: You may want to make a list of all the drugs and health care services you use, and calculate how much you would spend under each plan you're considering.

Can I get Medicare prescription drug coverage later?

If you already have other “creditable prescription drug coverage,” you can wait and sign up for Medicare drug coverage later without a penalty as long as you don’t go 63 days or more in a row without creditable drug coverage. Creditable prescription drug coverage is prescription drug coverage that’s expected to pay, on average, at least as much as Medicare’s standard prescription drug coverage.

Examples of creditable coverage could be prescription drug coverage from an employer or union, TRICARE, the Department of Veterans Affairs (VA), the Federal Employees Health Benefits (FEHB) Program, or a state program.

After this Initial Enrollment Period, you can usually only enroll in or change your coverage from **October 15–December 7** each year. If you make a change during this period, your new coverage will begin January 1 of the following year. Your enrollment generally lasts for the calendar year.

How much is the penalty if I join a Medicare drug plan later?

The cost of the Part D late enrollment penalty depends on how long you didn't have creditable prescription drug coverage. The late enrollment penalty is calculated by multiplying 1% of the "national base beneficiary premium" (\$35.63 in 2017) times the number of full, uncovered months that you were eligible but didn't join a Medicare drug plan and went without other creditable prescription drug coverage. The final amount is rounded to the nearest \$.10 and added to your monthly premium.

Example

If you go without other creditable drug coverage for 20 months before you join a Medicare drug plan, you'll pay a monthly penalty of \$7.10 in 2017 ($\$35.63 \times .01 = \$0.3563 \times 20 = \7.12, rounded to \$7.10) in addition to your plan's monthly premium.

Tip: If you qualify for Extra Help paying for Medicare prescription drug costs, you don't have to pay the late enrollment penalty and you can join a Medicare drug plan at any time. See page 26 to learn more about Extra Help and other programs for people with limited income and resources.

Decision 4 – Do I need a Medicare Supplement Insurance (Medigap) policy?

Medicare Supplement Insurance (Medigap) policies are a type of private insurance designed to help pay some of your out-of-pocket costs for covered services (like coinsurance, copayments, and deductibles) in Original Medicare. You buy them from private insurance companies.

You need both Part A and Part B to buy a Medigap policy.

Insurance companies can only sell standardized policies, identified in most states by plans with letter designations (for example Plan A or Plan B). Each standardized policy must offer the same basic benefits, no matter which insurance company sells it. This means that you can easily compare Plan A sold by one insurance company with a Plan A sold by another. Medigap policies sold today generally don't cover long-term care, private-duty nursing, or prescription drug coverage. All policies may not be available in every state or from every company.

How much does a Medigap policy cost?

Even though Medigap policy benefits are standardized, costs can vary depending on the company you buy from and where you live. You'll pay a monthly premium directly to the private company you bought the policy from, in addition to your Part B premium.

Tip: Each Medigap policy covers only one person. If you and your spouse both want Medigap coverage, you must each buy separate Medigap policies.

Do I need a Medigap policy?

Here are some questions to help you decide whether you need a Medigap policy.

- Am I planning to join a Medicare Advantage Plan?** People in Medicare Advantage Plans don't need and can't use Medigap policies.
- Do I need extra benefits and coverage?** If you stay in Original Medicare, a Medigap policy may help lower your out-of-pocket costs and give you more health insurance coverage.

If you decide to buy a Medigap policy, you buy it directly from the insurance company.

You can find out which insurance companies sell Medigap policies in your area by visiting Medicare.gov. For more information about Medigap, visit Medicare.gov/publications to view the booklet "Choosing a Medigap Policy: A Guide to Health Insurance for People with Medicare."

You can also call 1-800-MEDICARE (1-800-633-4227). TTY users can call 1-877-486-2048.

Tip: The best time to buy a Medigap policy is during the 6-month period that starts with the first month you're 65 or older and enrolled in Part B. This is called your Medigap Open Enrollment Period. During this period, you can buy any Medigap policy being sold in your state. After this period, you may have to pay more, or you may not be able to get the Medigap policy you want.

Next steps

- **Learn more about Extra Help for people with limited income and resources.** See page 26.
- **Watch the mail for your copy of the “Medicare & You” handbook.** It provides more details about Medicare. You can find the handbook online at [Medicare.gov/medicare-and-you](https://www.Medicare.gov/medicare-and-you).
- **Get answers to your Medicare questions.** See page 27 for more information.
- **Ask your doctor about the one-time “Welcome to Medicare” preventive visit** and other preventive services (like screenings and shots) you might need. Read your “Medicare & You” handbook for more information.
- **Access your personal Medicare information by visiting MyMedicare.gov.** You can sign up to get electronic versions of your Medicare Summary Notices (eMSNs) for Original Medicare. You can also track your Medicare claims, view your eligibility information, and more. Visit [MyMedicare.gov](https://www.MyMedicare.gov) to create an account.
- **Consider filling out an authorization form** in case you ever need Medicare to share your personal health information with someone else, like a family member or caregiver. Complete the form online at [Medicare.gov/medicareonlineforms](https://www.Medicare.gov/medicareonlineforms), or call 1-800-MEDICARE (1-800-633-4227) to get a copy. TTY users can call 1-877-486-2048.

Help for people with limited income and resources

Help is available to pay for some of your health care and prescription drug costs.

Medicaid: Medicaid is a joint federal and state program that helps pay medical costs for some people with limited income and resources. Medicaid programs vary from state to state. They may also have different names, like “Medical Assistance” or “Medi-Cal.” For more information, call your Medicaid office. You can get the phone number by visiting [Medicare.gov/contacts](https://www.Medicare.gov/contacts), or by calling 1-800-MEDICARE (1-800-633-4227). TTY users can call 1-877-486-2048.

Medicare Savings Programs: States have programs that pay Medicare premiums for people with limited income and resources and, in some cases, may also pay Medicare deductibles and coinsurance. For more information, call your Medicaid office. You can get the phone number by visiting [Medicare.gov/contacts](https://www.Medicare.gov/contacts), or by calling 1-800-MEDICARE.

Supplemental Security Income (SSI): SSI is a monthly benefit paid by Social Security to people with limited income and resources who are disabled, blind, or 65 or older. For more information, visit [socialsecurity.gov](https://www.socialsecurity.gov), or call Social Security at 1-800-772-1213. TTY users can call 1-800-325-0778.

Extra Help with prescription drug costs: If you have limited income and resources, you may qualify to get help paying for your drug plan’s monthly premium, yearly deductible, and copayments. To apply for this program, visit [socialsecurity.gov/i1020](https://www.socialsecurity.gov/i1020), or call Social Security.

Note: If you live in a U.S. territory and have limited income and resources, there are different programs to help you pay your Medicare costs. Call your local Medicaid office to learn more.

How can I get my Medicare questions answered?

For information about ...	Contact ...
<ul style="list-style-type: none"> ▪ Enrolling in Medicare or correcting your Medicare card ▪ Supplemental Security Income (SSI) ▪ Help paying for Medicare prescription drug coverage ▪ Changing your address 	<p>Social Security - socialsecurity.gov 1-800-772-1213 TTY: 1-800-325-0778</p>
<ul style="list-style-type: none"> ▪ General Medicare information ▪ Medicare health and prescription drug plan choices in your area 	<p>Medicare - Medicare.gov 1-800-MEDICARE (1-800-633-4227) TTY: 1-877-486-2048</p>
<ul style="list-style-type: none"> ▪ Free personalized health insurance counseling, and help making health coverage decisions 	<p>State Health Insurance Assistance Program (SHIP) - shiptacenter.org For your local SHIP phone number, visit shiptacenter.org, or call 1-800-MEDICARE.</p>
<ul style="list-style-type: none"> ▪ Your rights if you believe you've been discriminated against because of your race, color, religion, national origin, disability, age, or sex 	<p>Department of Health and Human Services, Office for Civil Rights hhs.gov/ocr 1-800-368-1019 TTY: 1-800-537-7697</p>
<ul style="list-style-type: none"> ▪ Protecting yourself from Medicare fraud ▪ Protecting yourself from identity theft 	<ul style="list-style-type: none"> ▪ 1-800-MEDICARE ▪ Federal Trade Commission ID Theft Hotline at 1-877-438-4338 TTY: 1-866-653-4261

Notes



U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

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Medicare is managed by the Centers for Medicare & Medicaid Services (CMS). CMS is part of the Department of Health and Human Services. Social Security works with CMS by enrolling people in Medicare, qualifying people for Extra Help paying their Medicare prescription drug costs, and collecting Medicare premiums.

You have the right to get the information in this product in an alternate format. You also have the right to file a complaint if you feel you've been discriminated against. Visit <https://www.cms.gov/about-cms/agency-information/aboutwebsite/cmsnondiscriminationnotice.html>, or call 1-800-MEDICARE for more information.

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