

# DISABILITY & AGING RIGHTS



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## PUBLIC BENEFITS

# Medicare Overview

This is an overview of the Medicare program. The information applies to people with disabilities, including older Americans with physical, cognitive, sensory or mental impairments. Information on enrolling in Medicare can be found in this fact sheet.

## **I just turned 65 and I think I am eligible for Medicare. How do I find out?**

Medicare is the federal health insurance program that is paid for through your Social Security taxes.

To be eligible for Medicare:

- You have to be 65 or older and have paid into Social Security, or
- You have been found disabled by Social Security and have been eligible to receive Social Security Disability Insurance (SSDI) benefits for at least 24 months, or
- You have end-stage renal disease (ESRD) (permanent kidney failure requiring dialysis or a kidney transplant).

Some disabled adult children and some spouses are also eligible for Medicare. The Social Security Administration can tell you if you are eligible.

## **Are there income or asset requirements for Medicare?**

There is no income or asset test, although depending on your income, you may have to pay more for your Part B premium, which pays for your doctors and outpatient treatment.

## **Do I have to be a U.S. citizen to receive Medicare?**

You have to be a U.S. citizen or live legally in the U.S. to be eligible to receive Medicare if the other requirements are met.



## Can you explain the different parts to Medicare?

Medicare has 3 parts:

Part A pays for:

- Hospital care
- Skilled nursing facility care
- Nursing home care (as long as the care you need is skilled nursing care and not custodial care)
- Hospice
- Some home health services

Part B pays for most of your doctors and outpatient services. Those are services such as:

- Ambulance services
- Doctor visits
- Durable medical equipment
- Mental health – inpatient, outpatient and partial hospitalization
- Getting a second opinion before surgery
- Some limited outpatient prescription drugs

Part D pays for prescriptions. You have to buy Part D separately from regular Medicare.

## Is there a Medicare Part C?

A Medicare Advantage Plan is also called Medicare Part C. A Medicare Advantage Plan is a type of Medicare health plan offered by a private company that contracts with Medicare to provide you with all your Part A and Part B benefits. Medicare Advantage Plans include health maintenance organizations (HMOs), preferred provider organizations (PPOs), private fee-for-service plans, special needs plans, and Medicare Medical Savings Account plans. If you are enrolled in a Medicare Advantage Plan, Medicare services are covered through the plan and are not paid for under original Medicare. Most Medicare Advantage Plans offer prescription drug coverage.

## **Does Medicare pay for all medical care?**

Medicare pays for medically necessary services. Those are services or supplies that are needed to diagnose or treat your medical condition and that meet accepted standards of medical practice.

## **What about preventive services?**

Medicare also pays for preventive services. Those are services to prevent illness (like the flu) or detect it at an early stage, when treatment is most likely to work best. You pay nothing for most preventive services if you get the services from a health care provider that accepts the amount Medicare pays for those services.

## **What is the cost of Medicare premiums?**

You usually don't pay a monthly premium for Medicare Part A (hospital insurance) if you or your spouse paid Medicare taxes while working. This is sometimes called "premium-free Part A."

If you buy Part A, you'll pay up to \$426 each month. Part B premiums are \$104.90 per month (although they might be higher based on your yearly income), and the amount changes every year. Part D plans have a wide range of prices.



## Are there co-pays?

Medicare does not pay the entire cost of the services. Medicare pays 80 percent, and you must pay the remaining 20 percent.

You can buy supplemental policies to cover the 20 percent, and doctors and other providers can also “accept assignment,” meaning that they will accept whatever Medicare pays and will not bill you for the remainder.

## What if I cannot afford my Medicare premiums?

States pay some of the Part B premium cost for low-income people. The Medicare cost sharing program covers the cost of Medicare Part B premiums, coinsurance and deductibles for qualified Medicare beneficiaries (QMB) with incomes up to 100 percent of the Federal poverty level (FPL).

For people with incomes between 100 percent and 135 percent of the federal poverty level, the Specified Low Income Beneficiaries (SLIB) program covers only the cost of the Part B premiums. Resources are limited to \$7,080 for individuals and \$10,620 for a couple.

More information is available at:  
[www2.illinois.gov/hfs/medicalprograms/brochures/pages/hfs3120.aspx](http://www2.illinois.gov/hfs/medicalprograms/brochures/pages/hfs3120.aspx)

## The Affordable Care Act And Medicare

### What did the ACA do for Medicare?

The Affordable Care Act included new preventive services for Medicare beneficiaries. The preventive screenings are free. In addition, you can receive a free annual wellness visit. You will not have to pay anything for these services – no co-pays or deductibles.

The ACA will phase out the Part D donut hole. Most Medicare prescription drug plans have a coverage gap (also called the “donut hole”). This means there’s a temporary limit on what the plan will cover for drugs.

Not everyone will enter the donut hole. The coverage gap begins after you and your drug plan have spent a certain amount for covered drugs. In 2015, once you and your plan have spent \$2,960 on covered drugs (the combined amount plus your deductible), you’re in the coverage gap. This amount may change each year. People with Medicare who get Extra Help paying Part D costs won’t enter the coverage gap.

Once you reach the coverage gap in 2015, you’ll pay 45 percent of the plan’s cost for covered brand-name prescription drugs. You receive these savings if you buy your prescriptions at a pharmacy or order them through the mail. The discount will come off the price your plan has set with the pharmacy for that drug.

As a result of the ACA, the “donut hole” will be phased out as discounts on prescription drugs increase every year.

There will also be more programs for people who have low incomes who qualify for the Extra Help program. This is a federal program that provides assistance with premiums, co-pays and deductibles.

People with higher annual incomes will pay higher Part D premiums.

The annual enrollment period for those on Medicare Advantage Plans and Part D plans will be from Oct. 15 to Dec. 7 with the plan starting Jan. 1. Also to dis-enroll from Medicare Advantage Plans (Part C), the period will run from Jan. 1 to Feb. 14 to return to original Medicare and buy a Part D plan.

Visit [www.mymedicare.gov](http://www.mymedicare.gov) for more information.



## How do I apply for Medicare?

Enrollment is automatic for many people through the Social Security Administration for Parts A and B as soon as they turn 65 or are on SSDI benefits, or if you have ALS (Lou Gehrig's disease). If you're automatically enrolled, you'll get your red, white and blue Medicare card in the mail three months before your 65th birthday or your 25th month of disability.

You need to sign up for Part A and Part B if:

- You aren't getting Social Security or Railroad Retirement Board benefits (for example, because you're still working).
- You qualify for Medicare because you have end-stage renal disease (ESRD).
- You live in Puerto Rico and want to sign up for Part B (you automatically get Part A).

If you are not sure if you are qualified or you want to enroll, you can:

- Apply online at Social Security – **[www.socialsecurity.gov](http://www.socialsecurity.gov)**.
- Visit your local Social Security office.
- Call Social Security at **1-800-772-1213**. TTY users should call **1-800-325-0778**.
- If you worked for a railroad, call the Railroad Retirement Board at **1-877-772-5772**.
- Or visit **[www.medicare.gov](http://www.medicare.gov)**.

You can also call **1-800-633-4227**. ■

### For more information:

For more information and for assistance, you can also contact a Senior Health Insurance Program (SHIP) counselor: [www.state.il.us/aging/SHIP/default.htm](http://www.state.il.us/aging/SHIP/default.htm)

Or call SHIP: **1-800-548-9034**

Or visit [www.ageoptions.org](http://www.ageoptions.org) for information on Medicare

Or visit your local Area Agency on Aging on line at: [www.state.il.us/aging/2aaa/aaa-main.htm](http://www.state.il.us/aging/2aaa/aaa-main.htm)

Or call the Senior Helpline: **1-800-252-8966**



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