

MEDICARE

The Process



Ready-Agent™
A PROGRAM BY NEISHLOSS AND FLEMING

**NEISHLOSS &
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AN INTEGRITY COMPANY

Who is Eligible for Medicare?

Medicare is a federal health insurance program for U.S. citizens and legal residents, who have been living in the country for five consecutive years.

Medicare beneficiaries include:

- Individuals age 65 or older
- Individuals under age 65 who have a qualifying disability
- Individuals of any age who have End Stage Renal Disease (Also known as “permanent kidney failure” or “ERSD”)

Signing Up for Medicare

Beneficiaries will receive a letter, 3 months before the month of their Medicare eligibility date, informing them of enrollment options.

- This begins the Initial Enrollment Period, a 7 month span in which beneficiaries can first enroll in Medicare.
- For beneficiaries turning 65, this period is centered around their 65th birthday month, and includes the 3 months before and after it.
- For disabled beneficiaries, this period centers around the 25th month of disability eligibility, and includes the 3 months before and after it.

Signing Up for Medicare

During a beneficiary's Initial Enrollment Period, they are automatically enrolled in Part A when:

- They receive Social Security or Railroad Retirement Board (RRB) benefits at age 65
- OR
- They have reached the 25th month of disability eligibility (If enrolled in one of these ways, there is no premium for Part A)

Signing Up for Medicare

Beneficiaries will generally need to choose to enroll in Part B.

- There is a premium for Part B.
- If beneficiaries delay Part B coverage at 65, they may face penalties later.

If someone does not receive Social Security or Railroad benefits at 65, they must contact a Social Security office to enroll in Medicare.

- Enrolling this way will cause beneficiaries to pay a premium for Part A coverage.

Deferring Coverage

Beneficiaries can defer their Medicare coverage at age 65 for multiple reasons:

- They already have coverage through an employer
- They already have the money for medical expenses
- THEY ARE UNINFORMED

Beneficiaries will generally pay penalties for deferring coverage.

Deferring Coverage

If Part B coverage is delayed, a beneficiary will pay 10% penalty for each 12-month period that coverage was delayed.

Example: If a consumer's Initial Enrollment Period ends in September of 2010, and the beneficiary enrolls in Part B in March of 2012, he or she will pay a 20% penalty for the length of the benefit period.

*If the beneficiary is on Medicare due to disability and pays a penalty, the penalty will end when he or she turns 65

Penalties will not apply to those who qualify for a Special Enrollment Period.

Late Enrollment

General Enrollment Period

If beneficiaries did not sign up for Part A and/or Part B when first eligible, they can sign up between January 1-March 31 each year.

- Coverage will begin July 1.
- Beneficiaries may have to pay a higher premium for late enrollment.

Special Enrollment Period

Beneficiaries may not have to wait until July 1st for coverage or pay a late enrollment penalty.

- Must qualify for Special Enrollment Period.

Special Enrollment Periods

A beneficiary could qualify for a Special Enrollment Period, if he or she meets either of the two following criteria:

- The beneficiary, or his or her spouse (or family member if disabled), is working and covered by a group health plan through the employer or union based on that work.

OR

- During the 8-month period that begins the month after the employment ends, or the group health plan coverage ends, whichever happens first.

Special Enrollment Periods

- Usually beneficiaries don't pay a late enrollment penalty if they sign up during a Special Enrollment Period. This Special Enrollment Period does not apply to people with End Stage Renal Disease
- **Important Note:** If a beneficiary has COBRA coverage or a retiree health plan, he or she does NOT have coverage based on current employment. He or she is NOT eligible for a Special Enrollment Period when that coverage ends.