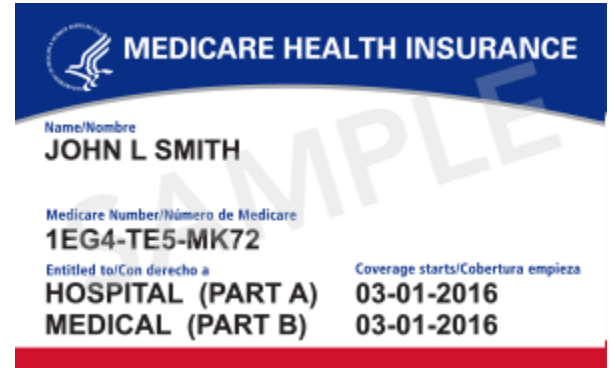




Medicare: What You Need To Know

What is Medicare?

Medicare is a federal health insurance program for people 65 and older, people under 65 with certain disabilities, and people of any age with end-stage renal disease. Original Medicare typically covers about 80% of your out-of-pocket medical costs. The Medicare health insurance card is the red, white and blue card.



The Different Medicare Parts

- **Part A (Hospital Insurance)**
 - Free (no premium) for most people who qualified based on disability, have worked and paid into Medicare for at least 40 quarters, or are/were married to someone who qualifies. If you do not qualify for free Medicare Part A, there are ways to pay in as well.
 - Original Medicare Part A has a deductible of \$1,684 (in 2025) per hospitalization.
 - Covers in-hospital (overnight) care, skilled nursing facility (SNF) care, hospice care, and some home health care. There are co-payments for certain services after the deductible.
- **Part B (Medical Insurance)**
 - Typically costs \$185 per month (but varies from person to person), and will be deducted from your Social Security benefits each month under most circumstances. Original Medicare Part B has an annual deductible of \$257 (in 2025).
 - Covers doctors' services, outpatient hospital care, emergency room visits, ambulances, blood and lab work, durable medical equipment, diabetes testing supplies, some home health care, and covered preventive services.
 - There is a penalty if you do not sign up for Part B when you become eligible and if you do not have other creditable coverage.
- **Part D (Prescription Drug Plan / PDP)**
 - Medicare-approved private insurance companies offer plans with varying premiums.
 - Helps cover the cost of prescription drugs.
 - Each plan has different formularies and tiers (list of medications that they help cover) and different pharmacy networks.
 - There is a penalty if you do not sign up for Part D when you become eligible and do not have other creditable coverage.
 - There is no longer a doughnut hole! Out of pocket prescription drug costs will be capped at \$2000 for the year for Part D plans and Medicare Advantage plans with drug coverage.

When Do I Enroll?

- **Initial Enrollment Period (IEP):** When you become eligible for Medicare, you generally have a 7-month IEP starting three months before you turn 65, the month of your 65th birthday, and three months after. This is the time to sign up for Parts A & B, as well as pick your Part D prescription coverage and/or other additional coverage like an Advantage or Medigap plan. You will be automatically enrolled if you are receiving your Social Security benefits; otherwise you need to contact Social Security to enroll in Medicare A and/or B. If you receive Medicare due to disability, it will start after 2 years (25th month of disability payment).
- **Open Enrollment Period:** October 15 – December 7 of each year. This is the time of year when you should check, and switch, your Part D or Advantage plans for the next calendar year.
- **Special Enrollment Period:** You may be eligible for special enrollment periods when you lose other creditable coverage, move into a new service area, receive Medicaid, or have Extra Help.
- **General Open Enrollment Period:** January 1 – March 31 of each year. This is the time to sign up for Medicare Part A and/or B if you did not sign up for it during your IEP. Your coverage starts the month after you sign up and you may face penalties for late enrollment.

Medicare and Other Coverage

- **If you have employer coverage,** talk to your employer to find out what you need to do. Sometimes you need to sign up for Medicare. Your employer can tell you if you need to, and if it will be primary or secondary insurance. After you stop working or your employer group coverage ends (whichever is first), you have 8 months to sign up for Medicare without penalty.
- **If you have retiree insurance,** it is important to talk to your benefits coordinator to find out what you need to do and what is offered. Also, be aware that if you choose an Advantage plan or supplement that is not part of your retiree benefit package, you may jeopardize benefits you are receiving including health coverage or pension/annuity payments.
- **If you have TRICARE for Life (TFL),** you need Medicare Parts A and B, but rarely need additional coverage. For questions regarding TFL, please contact 1 (866) 773-0404. **If you have VA benefits,** it counts as creditable prescription coverage. You want Medicare so that you are covered at non-VA facilities. For questions regarding VA benefits, please call 1 (877) 222-8387.
- **If you have coverage through the Marketplace** (healthcare.gov / “Obamacare”) and become eligible for Medicare, you are not eligible to keep receiving Marketplace tax credits and need to sign up for Medicare. *CCHCC Community Health Workers can help you!*

Medicare beneficiaries may qualify for assistance programs to help with your costs, including Extra Help (to reduce Part D costs), Medicare Savings Program (to help with Part B costs), Medicaid, and hospital financial assistance programs. *Ask a CCHCC Community Health Worker for more information!*

Important Phone Numbers and Websites

Social Security Administration: 1 (800) 772-1213 or www.ssa.gov

Medicare : 1 (800) 633-4227 or www.medicare.gov

Senior Help Line and Senior Health Insurance Program (SHIP): 1 (800) 252-8966

Champaign County Health Care Consumers (CCHCC)
(217) 352-6533 | healthcareconsumers.org | cchcc@cchcc-il.org
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