

2023

MEDICARE STEP-BY-STEP GUIDE

Understand your benefits, choices and next steps



Understanding Medicare

If you're eligible for Medicare, or soon will be, congratulations. To tailor coverage that fits your needs and budget, it's important to understand your benefits. Medicare provides valuable protection against high medical costs, but it doesn't cover everything. This guide will help you make informed and confident Medicare choices.

MEDICARE FACTS TO KNOW

- You can sign up for Medicare at age 65, even if you're not ready to retire
- Medicare pays for approximately 80% of medical expenses and covers only certain types of care. Additional Medicare coverage from Blue Cross and Blue Shield of Minnesota can help pay some of your additional healthcare costs.
- You may pay a penalty if you don't sign up for Medicare Part B and Part D coverage when you first become eligible

Find the answers you need

- Understanding Medicare**1
 - If you plan to work past age 651
- Step 1: Get to know Original Medicare**2
 - Medicare Part A: Hospital coverage.....3
 - Medicare Part B: Medical coverage.....4
- Step 2: Learn how to cover what Original Medicare doesn't**5
 - Medicare Part C: Medicare Advantage plans.....6
 - Medicare Supplement (Medigap) plans.....7
 - Medicare Cost plans.....8
 - Medicare Part D: Prescription drug plans9
 - Prepare for Medicare online9
- Step 3: Enroll at the right time**10
 - When to enroll in a Medicare plan.....11
 - How to enroll in Medicare11

If you have more questions, please contact us using the information on the back cover of this booklet.

If you plan to work past age 65

If your employer has more than 20 employees and you're covered by your employer's health insurance, you may be able to delay enrolling in Medicare Part A and Part B.

- Your employer's plan must cover doctor visits and outpatient services and have a prescription drug program that is considered creditable by Medicare
- When you retire or leave work, you'll qualify for an eight-month special Enrollment Period to sign up for Part B without a penalty

If your employer has fewer than 20 employees, you may have to sign up for Medicare Part A and Part B when you turn 65, even if you plan to continue working. Medicare will become your primary coverage and your employer's plan will pay secondary to Medicare.

Talk with your employer's benefit manager to find out more, or call one of our Medicare advisors to discuss your situation and avoid penalties.

Step 1: Get to know Original Medicare

Medicare is a government health insurance program for Americans who are 65 or older and younger people who have certain disabilities and receive Social Security benefits. Medicare was first created in two parts, Part A and Part B. Together, they're called Original Medicare.



Medicare Part A: Hospital coverage

How it works	Medicare Part A helps pay for care you receive as an inpatient at a hospital or skilled nursing facility (SNF).
What it helps cover	<ul style="list-style-type: none"> • Inpatient hospital stays • Care in a skilled nursing facility • Unlimited home healthcare visits ordered by a doctor • Hospice care, including drugs to relieve pain
What you pay for Part A	You will not pay a premium for Part A coverage if you or your spouse paid into Social Security for at least 10 years. You must pay a deductible for each hospital or SNF benefit period. A benefit period begins when you are admitted to the hospital or SNF and ends when you have been out of the facility for 60 days in a row. After you have paid the full deductible, Original Medicare will begin to pay all or some of the costs.
Your out-of-pocket costs for Medicare Part A in 2023*	<ul style="list-style-type: none"> • \$1,600 deductible each benefit period (days 1 – 60) • \$400 each day 61 – 90 in hospital per benefit period • \$800 each day 91 and beyond in hospital (up to 60 days over your lifetime) • \$0 each day 1 – 20 in SNF • \$200 each day 21 – 100 in SNF • 100% of charges days 101+ in SNF

HOSPITAL COSTS YOU COULD PAY WITH ORIGINAL MEDICARE ALONE

Type of care	What you pay in 2023*
1 – 60 consecutive days in a hospital	\$1,600 Part A deductible
150 consecutive days in a hospital	\$58,800
100 consecutive days in an SNF	\$15,800

*Out-of-pocket costs are subject to change annually.

Medicare Part B: Medical coverage

How it works	Medicare Part B helps pay for medically necessary services and supplies needed for the diagnosis or treatment of your health condition. You can choose not to enroll in Part B, but if you decide to sign up later, you may have to pay a late enrollment penalty for as long as you have Part B coverage.
What it helps cover	<ul style="list-style-type: none">• Cancer screenings, such as mammograms• Doctor services in an office, clinic or hospital• Diagnostic tests, X-rays and lab tests• Medical supplies and equipment• Outpatient care and rehabilitation services
What you pay for Part B	You must pay a monthly premium for Part B coverage. If you have qualifying health coverage, such as through an employer, the premium is separate from any monthly premium, copay or coinsurance you may pay for a private Medicare plan. The monthly premium starts at \$164.90 and increases on a sliding scale based on income. A single person with an annual income over \$97,000 and married couples with an annual income over \$194,000 will pay more. The premium is usually taken out of your Social Security check. After you meet your yearly deductible, Part B generally covers 80% of the cost of most services you receive and you are responsible for paying the remaining 20% coinsurance.
Your out-of-pocket costs for Medicare Part B in 2023*	<ul style="list-style-type: none">• Starting at \$164.90 monthly premium• \$226 yearly deductible• 20% of Medicare-approved expenses (after deductible)• Expenses not covered by Medicare (there is no yearly limit on your out-of-pocket expenses)

*Out-of-pocket costs are subject to change annually.

MEDICAL COSTS YOU COULD PAY WITH ORIGINAL MEDICARE ALONE

- Annual physical exam
- Routine vision care
- Hearing aids
- Most prescription drugs
- Routine dental care
- Long-term care

Step 2: Learn how to cover what Original Medicare doesn't

You can add additional coverage, which is offered by private insurers, to help pay for costs that Medicare doesn't cover.



Medicare Part C: Medicare Advantage plans

How it works	<p>Medicare Advantage plans combine Medicare Part A and Part B benefits, so your hospital and medical coverage are provided under one plan. To enroll in a Medicare Advantage plan, you must be eligible for Medicare Part A and enrolled in Part B. Medicare Advantage plans are usually one of the following:</p> <ul style="list-style-type: none"> • Preferred provider organization (PPO): Allows you to see any network provider without a referral. You also have to live in the service area. • Medicare Advantage prescription drug (MA-PD): PPO plans that include Part D prescription drug coverage
What it helps cover	<p>You get all the benefits of Original Medicare plus “extras” Medicare does not cover. Plans may offer benefits for dental, vision, hearing, acupuncture, over-the-counter items and more.</p>
What you pay	<ul style="list-style-type: none"> • You must continue to pay your Part B premium in addition to any monthly premium for the Medicare Advantage plan • You'll also pay a portion of some costs, but can save money when you use providers that are in your plan's network • Your Medicare Advantage plan may lower your costs or make your costs more predictable with set copays for some services. You may also have an out-of-pocket maximum for the year.

WHAT YOU SHOULD KNOW

- PPOs offer more flexibility and choice by offering a broad network of providers, and you don't need referrals to see specialists in the network
- Benefits and provider networks differ from plan to plan because coverage is offered by private health insurance companies

Medicare Supplement plans

How it works	<p>Medicare Supplement plans, also known as Medigap, are designed to “close the gaps” in Original Medicare and pay for costs Original Medicare doesn't cover. You'll also have the freedom to travel or live anywhere in the United States and receive plan benefits from any provider that accepts Medicare assignment. You can choose from a range of plans, including Basic, Extended Basic and Medicare Select plans. To enroll in a Medigap plan, you must be eligible for Medicare Part A and enrolled in Part B.</p>
What it helps cover	<p>Medigap plans help cover your Medicare copays, coinsurance and deductibles. Each type of Medigap plan has a different set of benefits and premiums, and, for an additional premium, some plans offer optional coverage.</p>
What you pay	<p>Costs vary depending on the plan you choose, and you must continue to pay your Part B premium along with your monthly Medicare Supplement plan premium, deductibles, copays and coinsurance.</p>

WHAT YOU SHOULD KNOW

- Medigap plans do not include prescription drug coverage, so you'll need to sign up for a stand-alone Part D plan to avoid a penalty
- If you apply for a Medigap plan more than six months after the month your Part B coverage begins, you may be required to submit a health history with your application. You may not get the plan you want or you may have to pay more.



Medicare Cost plans

How it works	Medicare Cost plans provide additional coverage to help pay for expenses Original Medicare doesn't cover. Some Cost plans also offer optional Part D prescription drug coverage. To be eligible for a Cost plan, you must be eligible for Medicare Part A and enrolled in Part B.
What it helps cover	<ul style="list-style-type: none"> • Medicare Cost plans include all the benefits of Original Medicare and help pay the deductibles, copays and coinsurance Original Medicare doesn't cover • If you choose to include prescription drug coverage, your plan also helps pay the cost of your medications
What you pay	Costs vary depending on the plan you choose. You must continue to pay your Part B premium, along with monthly Medicare Cost plan premiums, copays and coinsurance.
Where Medicare Cost plans are available	For individuals living in one of the following counties:* Aitkin • Carlton • Cook • Goodhue • Itasca • Kanabec • Koochiching • Lake • Le Sueur • McLeod • Meeker • Mille Lacs • Pine • Pipestone • Rice • Rock • Sibley • St. Louis • Stevens • Traverse • Yellow Medicine

*Counties are subject to change. Must live in the county to be eligible.

WHAT YOU SHOULD KNOW

- Typically, you can see any in-network provider without a referral. If you choose an out-of-network provider, you may only receive Original Medicare coverage for those services.
- You can travel for up to nine months in the United States and receive in-network coverage for medically necessary services from any provider that accepts Medicare assignment
- Costs incurred under the travel benefit apply toward your out-of-pocket maximum



Medicare Part D: Prescription drug plans

How it works	You can add stand-alone Part D coverage to Original Medicare or a Medicare Supplement or Medicare Cost plan that doesn't have prescription drug benefits.
What it helps cover	Part D plans help pay prescription drug costs. The types of drugs covered and the pharmacies you can use vary by plan.
What you pay	If you add a stand-alone Part D plan, you will pay a monthly premium. You may also pay a prescription drug deductible and a copay or coinsurance for your prescriptions.

WHAT YOU SHOULD KNOW

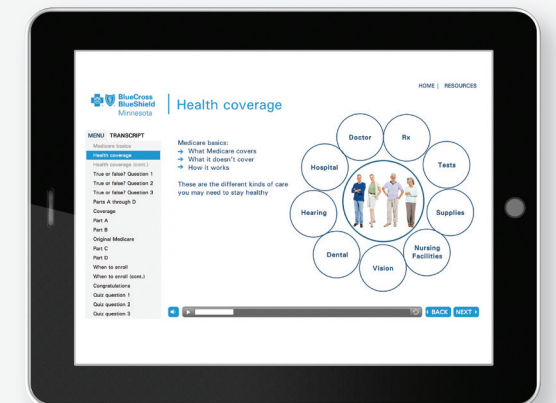
- Most Medicare prescription drug plans have a coverage gap (known as the "donut hole"). When you reach the "donut hole," you will temporarily pay a fixed coinsurance for your drugs.
- When you and your plan have paid a combined total of \$4,660, you will pay 25% of the costs for brand-name and generic drugs until your yearly out-of-pocket costs reach \$7,400.*

*Out-of-pocket costs are for 2023 and are subject to change annually.

Prepare for Medicare online

Prepare for Medicare is a simple online program that lets you learn at your own pace — when and where it's convenient for you. Working through a set of short online lessons, you'll see how Medicare works, what it covers and what it costs. You'll also learn about private plans that can help fill the gaps in Medicare and reduce your out-of-pocket costs.

bluecrossmn.com/prepareformedicare



Step 3: Enroll at the right time

When you understand the basics of Medicare and find the kind of coverage you need, you'll be ready to enroll. To avoid penalties, you'll need to enroll in the right plan at the right time.



When to enroll in a Medicare plan

Your Initial Enrollment Period is a seven-month window — from three months before your birthday month to three months after your birthday month. Coverage can begin as soon as the first day of the month you turn 65.

- You must enroll in Original Medicare Part A and Part B before you enroll in a Medicare Cost, Medigap, Medicare Advantage or Part D prescription drug plan
- If you already receive Social Security benefits, you will automatically be enrolled in Medicare Part A and Part B
- If you are disabled and under 65, you will get Part A and Part B automatically after you've received disability benefits from Social Security for 24 months
- If you or your spouse plan to work past age 65, you may not need to enroll in Medicare when you turn 65. See page 1.

AVOID A PART D PENALTY

If you don't sign up for a Medicare Part D plan when you're first eligible and you don't have other coverage that's as good as or better than a standard Part D plan, you'll pay a late enrollment penalty if you sign up later. The penalty is added to your monthly premium and you must pay it as long as you have Part D coverage. So even if you don't take prescription drugs now, consider enrolling when you're first eligible.

How to enroll in Original Medicare

Social Security Administration

By phone

1-800-772-1213 (TTY: 711)

1-800-325-0778

Monday through Friday

In person

Visit your nearest Social Security office. Bring proof of your age and W-2 forms for the past two years.

Online

Apply at ssa.gov

How to enroll in a Medicare Advantage, Medigap, Medicare Cost or Part D plan

In most cases, you can submit an application over the phone, online or by mail.

Sign up in the way that's best for you:

- Call **1-855-687-6379 (TTY: 711)**
- Go to bluecrossmn.com/medicare
- Schedule an appointment at a Blue Cross center bluecrossmn.com/centers

HAVE QUESTIONS?

Learn more about Blue Cross plans

On the phone

Call **1-855-687-6379 (TTY: 711)** to speak with a Medicare advisor.

At a Blue Cross center

Schedule an appointment with a health plan expert who can explain your plan options and help you enroll in the best plan for you. For your convenience, appointments are held at a Blue Cross center in Edina, Roseville, Duluth, St. Cloud and Blaine. Make an appointment at **bluecrossmn.com/centers**.

Online

Visit **bluecrossmn.com/medicare** and use our online enrollment tool to compare plans, complete enrollment forms and submit your application.

Attend an online Medicare workshop.
Visit **bluecrossmn.com/freeworkshop**.



For accommodation of persons with special needs at meetings, call 1-855-687-6379 (TTY: 711).

Blue Cross offers PPO, Cost and prescription drug plans (PDPs) with Medicare contracts. Enrollment in these plans depends on contract renewal. Plans are available to residents in the service area.

Blue Cross® and Blue Shield® of Minnesota and Blue Plus® are nonprofit independent licensees of the Blue Cross and Blue Shield Association.