

What  
you  
need  
to  
know



MINNESOTA  
DEPARTMENT OF  
COMMERCE

# Medicare & Medicare Supplemental Insurance

*This consumer guide summarizes Medicare coverage, identifies the gaps in Medicare coverage, and describes the choices available for supplementing your Medicare insurance in Minnesota. Keep in mind that this guide is meant to help consumers make educated decisions about choosing health care coverage for their retirement years. It does not provide full details of all the Medicare benefits. If you have any questions, call the Department of Commerce, Consumer Response Team at 651-296-2488 or call toll-free at 1-800-657-3602. Fees and charges listed in this guide are for 2005.*

*Whether you are currently receiving Medicare benefits, or will soon be eligible for Medicare, or are helping your parents make decisions about their Medicare coverage, this guide provides the basic information you need to know about Medicare. It provides an overview of what Medicare covers and what it doesn't. It also discusses the importance of supplementing your Medicare coverage and describes the Medicare supplemental insurance options offered in Minnesota.*

## **Medicare — The Basics**

Medicare is a federal program that provides health insurance for people age 65 or older. It is also available for people with permanent kidney failure and for certain disabled people under age 65. Most American citizens who have paid into Medicare through their employment are eligible for coverage. Your eligibility is determined by the Social Security Administration. More information is available at [www.medicare.gov](http://www.medicare.gov)

### ***Original Medicare has two parts: Part A and Part B***

The Original Medicare Plan is the traditional system, run by the Federal government, that covers your Part A and Part B services. Medicare pays its share of the bill and you pay the balance.

Part A is commonly known as hospital insurance. It helps pay for inpatient hospital care, limited inpatient care in a skilled nursing facility, home health care and hospice care. Although, there are definite limits to what Medicare covers.

For most people, Part A is premium free, meaning you will not have a monthly payment, but it will cost you to use it—with a hefty deductible and out-of-pocket costs you must pay each time you use your Medicare benefits.

Part B is commonly known as medical insurance. It helps pay for inpatient and outpatient doctors' fees, medical services and equipment, clinical lab services, as well as physical and occupational therapy and outpatient mental health care.

Everyone pays a monthly premium for Part B, regardless of who administers your Medicare benefits. The premium will be automatically taken out of your Social Security (or Railroad Retirement) check each month. Part B also has a \$110 annual deductible and a 20% co-insurance charge for each doctor visit or qualified medical service.

Signing up for Medicare's new prescription drug benefit, Medicare Part D will start in the fall of 2005. See page 12 for important information.

## Enrolling in Medicare — Don't miss the boat!

You will be automatically enrolled in Medicare when you apply for your Social Security retirement income, usually at age 65. If you already receive Social Security or Railroad Retirement benefits before you turn 65, you are probably already enrolled in Medicare. If you are not sure of your Medicare enrollment status, call your local Social Security office.

**Your enrollment period begins three months before your 65th birthday and ends three months after your birthday month.** The sooner you enroll, the sooner your Medicare coverage will begin. The federal government advises signing up for Medicare three months before your 65th birthday.

If you fail to enroll for Medicare during your 7-month eligibility period, you can enroll between January 1 and March 31 of any year after you become eligible. This is called the General Enrollment period. However, you will have to pay a penalty for late enrollment. The cost of Part B will go up 10% for every 12 months you could have had Part B coverage but did not sign up for it. Also there is a 1% per month penalty for not enrolling into Medicare Part D during its eligibility period. You will have to pay this extra amount for the rest of your life.

### *When to waive Part B*

Everyone who enrolls in Part A is automatically enrolled in Part B as well. If you are over 65, are still working and are covered under an employer's health plan (or are covered under a working spouse's health plan), you can delay enrolling in Medicare Part B coverage. You would not have to pay the Part B monthly premium until you need it. If you want to delay enrolling in Part B, you must contact Medicare at 1-800-633-4227 and tell them you want to waive your right to Part B coverage. Before deciding to waive Part B, find out what your coverage is under your employer's plan. You should ask if there is a dollar limit to the coverage, how much out-of-pocket costs you will have to pay, how long the coverage will last, and if your spouse is included in your coverage.

If you choose to delay Part B, remember that when you retire or when your job-related insurance coverage ends, you then have 8 months to notify Medicare and sign up for Part B without getting a late enrollment penalty charge added to your premium. If you miss this 8-month Special Enrollment, you will have to wait until the next General Enrollment period and will have to pay the higher premiums for the rest of your life.

Do not extend your employer coverage under COBRA when you retire. COBRA will only cover you for 18 months and at the end of that time you will have missed your opportunity to sign up for Part B and could end up with no coverage until the next General Enrollment period. Also, choosing Part B coverage and a Medicare Supplemental policy is typically less expensive than the cost of COBRA coverage.

Once you enroll or re-enroll in Part B, you have six months to purchase Medicare supplemental insurance without medical underwriting or a waiting period for a pre-existing condition. This means you cannot be denied coverage because of health problems during the 6-month open enrollment period.

This 6-month open enrollment period is available again when you become age 65 and were receiving early Medicare, or when you are no longer covered by your job-related insurance coverage.

You must be enrolled in Part B if you want to be able to get your Medicare benefits from any of the managed care (HMO) plans or to purchase Medigap insurance.

## Supplementing your Medicare coverage

Buying supplemental Medicare coverage is not required, but it is highly recommended.

If you are covered by Original Medicare (as most people are), supplemental coverage is considered necessary.

In Minnesota, there are four ways to supplement your Medicare coverage.

- You can purchase a \*Medigap policy from a private insurance company.
- You can purchase a Managed care plan through an HMO.
- You can purchase a Medicare+Choice private fee-for-service plan from an insurance company.
- Your most recent employer may offer Medicare supplemental coverage through a retiree health plan.

You need only purchase one of these four options. They all pay most or all of the co-insurance and deductible amounts charged by the Original Medicare Plan. The difference is in who manages the benefits and the billing for you.

Supplemental insurance is meant to add to your Medicare coverage, not to replace any part of Medicare coverage. Regardless of the policy or plan you choose, you will pay a premium (annual or monthly) for Medicare supplemental insurance, which will vary depending on the amount of coverage you buy. This is in addition to your Part B Medicare premium.

*\* Minnesota does not offer the standardized Medigap plans A-L available in other states. Instead we have two types of Medigap policies which meet or exceed the benefits in other states' plans.*

## Choice 1: Medigap Insurance

Private insurance companies offer two types of Medigap policies in Minnesota: Basic and Extended Basic. The following table describes the benefits provided by each of the plans. Optional riders for the policies are listed below.

<i>Medigap Benefits</i>	<i>Basic</i>	<i>Extended Basic</i>
Basic benefits (Part A & Part B co-insurance and first 3 pints of blood each year)	✓	✓
Part A: Inpatient hospital deductible		✓
Part A: Skilled nursing facility co-insurance	✓	✓
Part B: Annual deductible		✓
Foreign travel emergency	80%	80%
Outpatient mental health	50%	50%
Usual and Customary fees		80%
Immunization & routine cancer screening	✓	✓
Prescription drugs		80%
At-home recovery & Preventive Medical Care		✓
Physical therapy	✓	✓
Coverage while in a foreign country		80%
Pays 100% of out-of-pocket expenses after you pay the first \$1000 annually.		✓

### *Optional riders for Basic policies*

Minnesota law permits insurance companies to offer the following seven optional riders that can be added to any Basic Medigap policy. You may purchase any one or all of the riders to design a Medigap policy that meets your specific needs. Be aware that not all companies offer all seven riders.

**Part A Inpatient Deductible:** Covers the deductible for Medicare-approved hospital expenses.

**Part B Annual Deductible:** Covers the \$110 deductible for Medicare-approved out-patient and physician services. You may not need this extra coverage if you do not see the doctor that often.

**Usual and Customary:** This pays up to 100 percent of the difference between a doctor's bill and the Medicare approved reimbursement rate. You do not need this rider if you do not travel outside of Minnesota. Minnesota law does not allow doctors to charge more than the Medicare reimbursement rate.

**Prescription Drugs:** There are two riders that cover at least 50 percent of the cost of prescription drugs not covered by Medicare. One has a maximum annual limit of \$1,200, and the other has no limit.

**Preventive Medical Care:** This pays up to \$120 per year for physicals, hearing tests, cholesterol and diabetes screening, and thyroid function tests.

**At-home Recovery:** This pays up to \$1,600 per year for short-term, at-home assistance with activities of daily living, such as bathing, dressing and personal hygiene. This benefit applies after the Medicare allowance for skilled home care has been used up.

Starting January 1, 2006, prescription drug coverage will not be available through a Medigap policy. However, if your Medigap policy contains prescription drug coverage, you may continue it, provided you have not enrolled into Medicare Part D. See page 12 for more information.

## Choice 2: Medicare managed care plans

If you enroll in an HMO Medicare managed care plan, the HMO handles your Medicare benefits plus additional benefits like prescription drug coverage. These Medicare Advantage plans have contracts with the federal Centers for Medicare & Medicaid Services (CMS) to provide your Medicare benefits. When you enroll in a Medicare managed care plan, you select a doctor from the plan's list of primary care physicians. The doctor you choose becomes your primary care physician, who is then responsible for coordinating all of your health care needs.

If you join a Medicare managed care plan, you are still in the Medicare Program. This means that you must continue to pay the monthly Part B premium and you will keep your rights and protections under Medicare. Your costs will include a premium for the managed care plan in addition to the monthly Part B premium.

### *Minnesota's Medicare managed care plans:*

1. **Medicare Advantage Benefits** include all the services available under Medicare and supplemental benefits similar to those provided in Medigap policies. When using an HMO, you must generally use the specific network of providers in the health plan. This Medicare option will have continuous open enrollment for plans with prescription coverage from November 15, 2005 to May 15, 2006.

2. **Medicare Cost** plans are policies that pay full Medicare services and some supplemental benefits when care is received from a network provider. Care received outside of the network is limited to Medicare coverage only. The HMO receives a prepaid monthly sum per beneficiary from the CMS plus the Part B premiums. At the end of the year the contract is audited to determine the final payment to the plan, which is adjusted for actual costs.

3. **Medicare Select** plans are a cross between a Medigap-type policy and a managed care plan. Select plans cover what Medicare supplement insurance covers, plus 100 percent of Medicare Part A and Part B deductibles and co-insurance, and 100 percent of physician and other Part B charges. Select plans only pay full supplemental benefits for services received through their network of health care providers. Care received outside the network is limited to Medicare coverage only.

You can join a Medicare managed care plan if: you have both Part A and Part B insurance, you do not have permanent kidney failure, and, you live in the service area of the plan.

*Before you join an HMO managed care plan, keep in mind that:*

- Managed care plans are offered by private companies. Each year they can change the extra benefits they offer and how much they charge. This change could include prescription drug coverages.
- When a managed care plan signs a contract with Medicare, they agree to stay for one calendar year. Each year they make a business decision to stay or leave the Medicare program.
- Doctors can join or leave managed care plans or Medicare at any time.

## Choice 3: Medicare Advantage Private Fee-for-Service Plan

The Medicare Advantage Private Fee-For-Service (PFFS) plan offers the same benefits as the HMO Medicare Advantage plan listed above, but is sold by a private insurance company. This plan allows you to choose your own doctor, clinic, hospital, etc., as long as your medical provider accepts Medicare fees AND the terms of the plan. Also, this plan is available only in certain Minnesota counties, it includes co-payment and co-insurance costs in addition to a monthly premium, and your coverage could change each year.

### **IMPORTANT:**

If you enrolled in a Medicare Advantage, Medicare Advantage Private Fee-For-Service Plan, Medicare cost, or Medicare Select for the first time, and disenroll within the first 12 months, you can go back to the Medigap policy you originally had. (After December 31, 2005, the Medigap policy will not include prescription drug coverage.) Additionally, if you first enrolled into a Medicare Advantage or Medicare Advantage

PFFS plan and decide to leave that plan within the first 12 months you were covered, you will receive another 6-month open enrollment period.

#### *Medicare does NOT cover*

While Medicare provides good protection against large medical expenses, it does not cover many important health costs, such as:

Private duty nursing	Hospital television and telephone
Most prescription drugs	Custodial care at home
Most chiropractic services	Care outside the United States
Hearing aids	Experimental procedures
Dental care	Private hospital room
Custodial care in a nursing facility	Most preventive care
Cosmetic surgery	Acupuncture

#### *Medicare DOES cover certain preventive services.*

All of the following preventive services are supplied under Medicare. In some cases there are qualifying restrictions, but you should take advantage of your right to these important health care measures if they are available to you.

Mammography (women)	Pelvic examination (women)
Cancer screening	Diabetes monitoring
Diabetes education	Bone mass measurement (women)
Flu vaccination; annually	Prostate cancer screening (men)
Pneumococcal pneumonia vaccination: once in a lifetime	Colorectal cancer screening
Glaucoma screening	Hepatitis B shot

## Choice 4: Supplementing Medicare

Some people have the option of supplementing their Medicare coverage through an employer's retirement plan, rather than purchasing a Medigap policy or joining a Medicare managed care plan. If your retiree policy provides unlimited prescription drug benefits, or other benefits not covered by Medicare or the supplemental options covered in this guide, you should think seriously before dropping the policy for a less expensive choice. In most cases, you will not be able to get the retiree policy back once you have dropped it. Make sure to find out the policy's limitations and if it includes coverage for spouses.

Some associations offer their members group Medicare supplement coverage. The coverage offered is the same as the Basic or Extended Basic Medigap plans. The advantage of these group policies is that they often have monthly open enrollment opportunities and may offer extra health coverage.

## What to do if you lose your Medicare supplemental coverage

If you lose your supplemental coverage through no fault of your own, you are entitled to a Medigap Basic policy with three additional riders, or a basic Medicare Select policy. Prescription drug coverage is not included in either of these replacement policies. You must apply for the new policy within 63 days of losing coverage to ensure that your health status will not affect your ability to get a new policy.

Two common situations where you would lose your supplemental insurance coverage:

- You are enrolled in an employer's health plan that supplements Medicare and the plan terminates or stops providing Medicare supplement benefits; or you voluntarily leave the employer plan;
- You are enrolled in a Medicare Advantage plan, Medicare managed care plan or a Medicare Select plan, and you are no longer eligible to continue in the plan because you changed residency.

There may be other situations as well where your coverage might be terminated. In any case, the organization that terminates you or offers the new coverage must notify you of your rights.

If you have any questions about your rights, call:

Minnesota Department of Commerce,  
Consumer Response Team  
651-296-2488 or 1-800-657-3602

Minnesota Department of Health  
651-282-5600 or 1-800-657-3916

Senior LinkAge Line 1-800-333-2433

## Low Income Alternatives to Medicare Supplemental Insurance

If you cannot afford to purchase Medicare supplemental insurance, there are alternative programs that may help cover your Medicare costs. These programs are:

### *Medical Assistance (also known as Medicaid)*

If you are eligible for medical assistance you do not need to buy Medicare supplemental insurance. The program pays almost all of the health care costs for anyone who is eligible. For more information, contact your county human services department.

The law permits you to suspend your Medigap insurance for 24 months while you are enrolled in the medical assistance program. If you then lose your eligibility for medical assistance within 24 months, the law permits you to reinstate your supplemental insurance. If you are on medical assistance longer than 24 months, your insurance policy will terminate.

## *Qualified Medicare Beneficiary and Specified Low-Income Beneficiary Programs*

Besides the standard medical assistance program, there are federal programs available through your county human services department that are designed specifically to help certain low-income Medicare beneficiaries meet their health care costs. These are the Qualified Medicare Beneficiary program (QMB); the Specified Low-Income Medicare Beneficiary program (SLMB); and the Qualified Individual program (QI-1). These programs eliminate the need for private insurance to supplement your Medicare benefits, and could save you hundreds of dollars each year in health care costs if you qualify for assistance.

The QMB program pays Medicare's premiums, deductibles, and co-insurance amounts for certain elderly and disabled persons who are entitled to Medicare Part A, whose annual income is at or below a certain federally determined level, and whose savings and other resources are very limited. The QMB program offers the same coverage you would get in a Medigap policy, plus it pays your Part B premium.

The SLMB program is for persons entitled to Medicare Part A whose incomes are 20 percent above the QMB level. If you qualify for assistance under the SLMB program, the state will pay your Medicare Part B premium. You will be responsible for Medicare's deductibles, co-insurance, and other related charges.

In addition, there are medical assistance programs that pay for part of Medicare's Part B premium and for Medicare's deductibles and co-pays for certain groups of low-income Medicare beneficiaries. This is the Qualified Individual program (QI-1), which is based on level of income. Contact your county human services agency or the Senior LinkAge line at 1-800-333-2433 for more information.

### *If you have a serious health problem, consider MCHA*

If you missed your six-month open enrollment period and have been rejected for coverage because of your health history, or are charged higher than standard rates for a Medicare supplement policy, you should contact the Minnesota Comprehensive Health Association (MCHA). MCHA is a high-risk pool for individuals who are unable to purchase private health insurance because of pre-existing health conditions. For information or an application, call MCHA at 1-866-894-8053, or go to [www.mchamn.com](http://www.mchamn.com)

## Need help paying for prescription drugs?

Medicare does not pay for prescriptions. However, the following programs may help cover your prescription drug costs before Medicare Part D becomes effective on January 1, 2006.

### *Prescription Drug Program*

This is a MN Department of Human Services Program that helps Seniors on a limited income pay for their prescription drugs. Seniors apply at their county human services office. If eligible, Seniors pay a monthly deductible.

To be eligible you must:

- be 65 years or older or under age 65 and disabled.
- be enrolled in Medicare Parts A and B.
- have income less than 120% of poverty guidelines (The poverty guideline in July 2005 is \$977 or less per month for individuals or \$1,303 or less for families of two or more).
- have assets below a set limit for single or married households (current guidelines are \$10,000 or less for individuals or \$18,000 or less for a family of two or more. You do not have to include your home, personal property, one vehicle, or pre-paid burial account up to \$1,500 in your assets).
- be a Minnesota resident for 180 days before the application.
- be without prescription drug coverage for four months prior to the month of application (discount drug programs don't count as drug coverage).
- Try to access the free and discounted drug programs through "Rx Connect," a service funded by the state and administered through the Senior Linkage Line at 1-800-333-2433.
- AND you must apply for Medicare's QMB or SLMB program.

You must pay the first \$35 each month (in which you purchase prescription drugs) before the program pays, so if you are spending more than \$420 on drug costs each year, enrolling in the program would be worthwhile. The Prescription Drug Program does not cover all drugs. Call the Senior LinkAge line at 1-800-333-2433 or your county human services department for more information on this and other prescription drug discount programs.

### *Medicare-Approved Drug Discount Card*

Starting in May 2004 and ending in November 2005, Medicare began a new discount drug program available to people on Medicare. The Medicare-approved discount cards can save you 10% to 25% on your prescription costs. Some Medicare recipients

with qualifying incomes may be able to receive a \$600 credit on their discount card to pay for prescriptions. All seniors who think they may qualify should check into this money saving opportunity. People who already receive drug coverage from Medicaid do not qualify for the discount card or the \$600 credit. People enrolled in the Minnesota Prescription Drug Program are eligible for the Medicare approved drug discount card and the \$600 credit.

To find out how to sign up for a Medicare-approved drug discount card, call the Senior LinkAge Line at 1-800-333-2433, or call Medicare at 1-800-633-4227 or go to [www.medicare.gov](http://www.medicare.gov) and click on “Prescription Drug and other assistance programs.”

## MEDICARE PART D

In December 2003, the Federal Medicare Modernization and Improvement Act of 2003 was signed into law.

The prescription drug benefit, also known as Medicare Part D, will start in January 2006, and it will be open to both current and new Medicare enrollees.

Enrollment in Part D is voluntary. It may or may not benefit you. But if there is a chance that you may need to have prescription drug coverage in the future and you decide you want it later, you can be penalized for signing up outside your initial enrollment window. If you are already on Medicare, the initial enrollment period is November 15, 2005 to May 15, 2006. If you are not yet on Medicare, your initial enrollment period will be within six months of enrolling in Part B.

If you initially choose not to participate in Part D, then decide to enroll at a later date, your penalty will be at least 1 percent of the monthly premium, which will be added to your premium for every month you could have enrolled but didn't. For example, if your premium is \$37 and you wait 10 months to enroll, your newly adjusted premium will be  $\$37 + \$3.70 = \$40.70$ . You will pay this additional cost or penalty in all future years. The penalty does not apply in certain situations. If you have “creditable drug coverage” that is at least as comprehensive as Part D coverage, you may delay enrollment in Part D with no penalty. The extended basic supplement and some employer retirement plans will be classified a “creditable coverage.”

The law set the premium at \$37 a month and you will also pay the first \$250 of your annual drug costs (the deductible). Then:

- Medicare will pay 75 percent of costs between \$250 and \$2,250,
- Medicare will pay 0 percent of costs between \$2,250 and \$5,100 commonly referred to as the “donut hole.”
- Medicare will pay 95 percent of costs exceeding \$5,100.

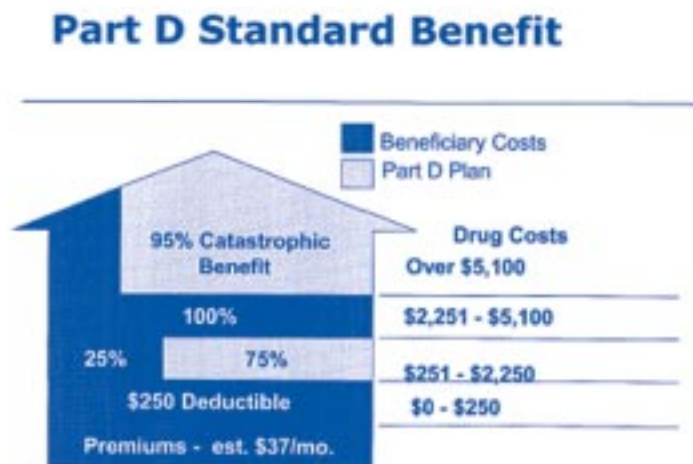
Minnesota’s HMOs and the Prescription Drug Plans (PDPs) will be offering this drug coverage to Minnesota’s Medicare beneficiaries starting in the fall of 2005.

Those who are eligible for Medicare and Medicaid will receive substantial financial help.

**Medicare Drug Benefit 2005 At-a-Glance**

Prescription Drug spending (no drug coverage other than Medicare)	Medicare Pays	Person Pays (no drug coverage other than Medicare)
0 - \$250	0	Up to \$250 Deductible
\$250 - \$2,250	Up to \$1,500 (75% of drug costs)	Up to \$500 (25% of drug costs)
\$2,250 - \$5,100	0 (0% of drug costs)	Up to \$2,850 (100% of drug costs)
Subtotal:	Up to \$1,500+	Up to \$3,600 out-of-pocket = \$5,100 total
Over \$5,100 (Catastrophic Benefit)	95%	5% or \$2 copay/generic \$5 copay/brand name

*Note: Your premium (about \$37 per month/\$444 per year in 2006) is not included.*



## APPENDIX 1: Glossary of insurance terms

**Beneficiary**—The person who receives Medicare benefits.

**Benefit period**—The way that Medicare measures your use of hospital and skilled nursing facility services. A benefit period begins the day you go to a hospital or nursing facility. The benefit period ends when you have not received hospital or skilled nursing care for 60 days in a row. If you enter the hospital after one benefit period has ended, a new benefit period begins. You must pay the inpatient hospital deductible for each benefit period. There is no limit to the number of benefit periods you can have.

**CMS**—Centers for Medicare & Medicaid Services, formerly known as the Health Care Financing Administration. This federal agency is responsible for administering Medicare and overseeing states' administration of Medicaid.

**Co-insurance**—The amount of the Medicare charge you have to pay after you pay the deductible. In the Original Medicare Plan, the co-insurance payment is a percentage of the cost of the service (e.g. 20%). Co-insurance applies to both Part A and Part B Medicare.

**Co-payment**—In some Medicare health plans, the amount you pay for each medical service you get. For example, your plan may require that you pay a co-payment of \$5 or \$10 for each doctor visit.

**Deductible**—The amount you must pay for health care services before Medicare begins to pay. For example, you pay the first \$110 each year for Part B charges.

**Fee-for-Service**—The traditional method of paying for medical services. You and/or your insurance company pay a fee for each medical service you receive.

**Health maintenance organization (HMO)**—An HMO involves a group of doctors, hospitals and other health care providers who have agreed to provide care to Medicare beneficiaries in exchange for a fixed amount of money from Medicare every month. You will still pay the Part B premium and pay a monthly premium to the HMO as well. If you receive your Medicare benefits through an HMO, you do not need a supplemental policy.

**Medicare managed care plan**—An insurance product sold by HMOs and Health Service Plans that includes Part A and Part B Medicare coverage plus supplemental coverage. Joining a managed care plan provides coverage similar to having Original Medicare plus a Medigap policy, but usually at lower cost. Generally, under these plans care is limited to a specified network of health providers.

**Medicare supplemental insurance**—In this guide this term is used to cover all insurance products that are intended to supplement Medicare.

**Medigap**—Medigap policies are sold by private insurance companies for the express purpose of filling in some of the “gaps” in Medicare coverage.

Open enrollment—A period of time during which insurers cannot deny you coverage because of health problems.

Original Medicare—This is the traditional fee-for-service program, run by the federal government, that covers Part A and Part B services. You decide which Medicare certified doctors, hospitals, or other providers you will use and when you need care. You will be enrolled in Original Medicare unless you choose to receive your benefits through a Medicare HMO. If you stay with Original Medicare, you should purchase supplemental coverage.

Out-of-pocket costs—Refers to all the costs that you have to pay “out-of-your-own-pocket” for services or the portion of charges not paid by Medicare. Includes co-insurance, co-payments and deductibles.

Premium—Your monthly payment for health care coverage to Medicare, an insurance company, or an HMO.

## APPENDIX 2: Frequently Asked Questions

### **How do I know if I'm enrolled in Medicare?**

If you have your red, white and blue Medicare card you are enrolled in Medicare. It should also indicate on your card if you have Part A (hospital) and Part B (medical) coverage. To verify your coverage, call the Social Security Administration at 1-800-772-1213 or contact your local Social Security Office.

### **Will I automatically be enrolled in Medicare when I turn 65?**

If you are receiving Social Security or Railroad Retirement or disability benefits, you will automatically be enrolled in Medicare Part A and Part B. About three months prior to your 65th birthday or your 24th month of disability, you will be sent an Initial Enrollment Package that contains information about Medicare, a questionnaire and your red, white and blue Medicare card.

If you are not receiving Social Security benefits and you turn 65 you will need to file an application.

### **What if Medicare denies a claim?**

If Medicare denies a claim for payment or services you think you need, you can ask Medicare to reconsider its decision. When you receive a written denial, you can contact a health insurance counselor through the Senior LinkAge Line at 1-800-333-2433.

### **Will Medicare pay for a stay at a nursing home?**

Medicare does not pay for long-term, custodial care in a nursing home. It does pay for some inpatient care in an approved skilled nursing facility, IF the admission follows a hospital stay of at least 3 days, and IF the patient is receiving rehabilitative services and is showing improvement.

### **How do Medicare managed plans work?**

Medicare managed plans are a way for you to receive your Medicare benefits and Medicare supplemental coverage in one place. All plans must provide all of the services that you would receive under Original Medicare with some added benefits. Usually, you have to use the doctors, hospitals, and providers in the plan's network. You will have to pay a monthly premium.

### **Do I need to purchase a Medicare supplemental policy?**

You are not required to buy insurance to supplement your Medicare coverage, but it is highly recommended if you are enrolled in Original Medicare (which most people are). Supplemental coverage is needed to cover the costs that Medicare does not pay. You can purchase a supplemental policy from a private insurance company or enroll in a managed care plan.

## Where to go for more information

For questions or problems regarding Medicare supplemental insurance, including Medicare Select or Medicare Advantage private fee-for-service plans:

Minnesota Department of Commerce  
651-296-2488 or 1-800-657-3602  
[www.commerce.state.mn.us](http://www.commerce.state.mn.us)

For questions regarding HMO managed care plans:

Minnesota Department of Health  
651-282-5600 or 1-800-657-3916  
[www.health.state.mn.us](http://www.health.state.mn.us)

For questions regarding your Medicare enrollment:

Social Security Administration  
1-800-772-1213

Medicare's Consumer Education web site:  
[www.medicare.gov/](http://www.medicare.gov/)

For questions regarding hospital care or skilled nursing facility care:

Medicare Part A  
1-800-330-5935 (Noridian Government Services)

For questions regarding doctor's bills, outpatient tests, ambulance claims:

Medicare Part B  
1-800-352-2762 (Wisconsin Physicians Services)

For issues relating to quality of care, premature discharge:

Peer Review Organization  
1-800-444-3423 (Stratis Health)

For help with forms/bills/general insurance and Medicare questions:

Senior LinkAge Line (sponsored by the Minnesota Board on Aging)  
1-800-333-2433

Railroad Retirees: 1-800-833-4455