

# What Is Medicare and How Does It Work?

## Introduction to Medicare Coverage



# MetLife®

Medicare, the Federal Health Insurance Program was established to help cover many healthcare needs of qualifying individuals.

You're eligible for Medicare if:

- You're 65 or older
- Under 65 with certain disabilities
- You have any end-stage renal disease

A condition involving the kidneys that requires dialysis or a kidney transplant.

You should enroll in Medicare three months before your 65<sup>th</sup> birthday—so your coverage can begin on the first day of the month that you turn 65.

There are two basic types of Medicare programs.

Original Medicare which includes:

- **Medicare Part A**, sometimes called “hospital insurance.” If you are eligible for Medicare, you are automatically enrolled in Part A at age 65.
- **Medicare Part B**, also known as “medical insurance,” which carries an annual premium that is deducted from your Social Security check and covers services such as doctor visits and lab services.

You have your choice of doctors. Cost may be higher than in Medicare Advantage Plans.

Part B is optional, but you may face penalties if you do not enroll when you are first eligible and choose to enroll at a later time.

Medicare Advantage Plans, called Medicare Part C are Medicare Managed Care Plans such as:

- Health Maintenance Organizations (HMOs)
- Preferred Provider Organizations (PPOs)
- Special Needs Plans—for people with special healthcare needs

Essentially provide similar benefits as the combination of Part A + Part B. Generally, you must see doctors who participate in the plan. Costs may be lower than for the Original Medicare Plan, and you might get more benefits.

### What does Medicare cover, and what am I responsible for?

The Original Medicare Plan pays for many healthcare services and supplies, but it doesn't pay all your healthcare costs. You are responsible to pay for costs such as coinsurance, copayments and deductibles. These costs are referred to as “gaps” in Medicare coverage.

One way to close the “gap” would be to purchase a Medigap Plan from a private insurer. There are a number of Medigap plans to choose from and premiums would depend upon the plan you select, your age in most instances and the insurance provider.

You do not need—and generally cannot use, a Medigap Plan if you're enrolled in Medicare Advantage.

If you have retiree health insurance from your employer, you may not need a Medigap Plan.

## What about prescription drug coverage?

Just last year, Medicare introduced a voluntary prescription drug program—Medicare Part D. This program was developed to lessen the financial burden of prescription drug costs for beneficiaries—especially those with low incomes and those with extremely high out-of-pocket expenses.

While there are a range of plan options available, in general they will have a monthly premium based on the plan you choose and include deductibles and co-pays.

Like Part B, Medicare Part D is voluntary, but you may be charged a higher premium if you delay enrollment.

Check the [medicare.gov](http://medicare.gov) website to compare drug costs and choose the plan in your area that's best for you.

## Will I be fully covered?

While Medicare can help cover many of your health care needs, it's not designed to cover everything. You should consider purchasing insurance to cover costs associated with services such as long-term care, and routine dental and vision care. The costs of many of these noncovered services can be significant and can throw you retirement plans off track.

## If I want a healthier retirement plan.

At MetLife, we can help you prepare for retirement by organizing all the benefits and resources you have, and help identify the gaps in coverage that can lead to unexpected and significant out-of-pocket costs. So you can feel good knowing you have the coverage you need while you focus on the new opportunities that await you when you retire. Let us know if you want a MetLife representative to contact you.

Contact a MetLife Representative at [retirement.metlife.com](http://retirement.metlife.com).

Some health insurance products offered by unaffiliated insurers through the Enterprise General Insurance Agency, Inc., Somerset NJ 08873.

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