



## Important decisions about your new Medicare coverage

It's almost time for Medicare! Because you're getting Social Security benefits, **you're automatically enrolled in Medicare Part A. Your enclosed Medicare card shows when your coverage starts.**

- Medicare Part A (Hospital Insurance)—helps cover hospital care, skilled nursing care, and more. You don't have to pay a premium for Part A.
- Medicare Part B (Medical Insurance)—helps cover doctors' services, outpatient care, and more. **If you want Part B, you have to sign up for it and pay a monthly premium.** (Get premium details on page 3 in the booklet.)

### Make these 2 important decisions before your coverage starts:

#### Decision 1: Should I sign up for Part B?

- **If you want Part B, you have 7 months from the date on this letter to sign up.**

Medicare will automatically deduct the premium from your monthly Social Security or Railroad Retirement Board benefits (or federal civil service annuities). If your benefits or annuities aren't enough to cover the whole Part B premium or you stop getting benefits, you'll get a bill for your Part B premium every 3 months.

- If you don't want Part B, you don't need to do anything. Part B is optional. However, if you sign up later, you may have to wait for your coverage to start and pay a monthly penalty (that's added to your premium) for as long as you have Part B.

- **! Read pages 3-8 in the booklet to find out if you should sign up for Part B now (based on your situation).**

#### How do I sign up for Part B?

You can sign up by:

- Downloading Form CMS-40B (Application for Enrollment in Medicare Part B) at [Medicare.gov/forms-help-other-resources/medicare-forms](https://www.medicare.gov/forms-help-other-resources/medicare-forms). Complete the application and sign it. Return the completed application to your local Social Security office.
- Calling Social Security at 1-800-772-1213. TTY users can call 1-800-325-0778.
- Contacting your local Social Security office.

## **Decision 2: If I sign up for Part B, which way should I get Medicare health coverage?**

- **Original Medicare**—includes Part A and Part B. You can buy supplemental coverage from a private company to help pay your out-of-pocket costs. You can also add Medicare drug coverage (Part D).
- **Medicare Advantage**—a Medicare-approved plan from a private company that bundles your Part A, Part B, and usually drug coverage (Part D). Plans may offer some extra benefits that Original Medicare doesn't cover, like vision, hearing, and dental services.

**! Go to the next page of this letter and read pages 9-14 in the booklet for additional and important information to make your decision.**

Soon, we'll mail your official "Medicare & You" handbook with more information. You can also visit Medicare.gov anytime for details about getting started with Medicare.

Enclosures

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# Your Medicare options

## There are 2 main ways to get your Medicare coverage:

### Original Medicare

- Original Medicare includes Medicare Part A (Hospital Insurance) and Part B (Medical Insurance).
- You can join a separate Medicare drug plan to get Medicare drug coverage (Part D).
- You can use any doctor or hospital that takes Medicare, anywhere in the U.S.
- To help pay your out-of-pocket costs in Original Medicare (like your 20% coinsurance), you can also shop for and buy supplemental coverage.



**Part A**



**Part B**



**You can add:**



**Part D**



**You can also add:**



**Supplemental coverage**



This includes Medicare Supplement Insurance (Medigap). Or, you can use coverage from a former employer or union, or Medicaid.

### Medicare Advantage (also known as Part C)

- Medicare Advantage is a Medicare-approved plan from a private company that offers an alternative to Original Medicare for your health and drug coverage. These “bundled” plans include Part A, Part B, and usually Part D.
- In most cases, you can only use doctors who are in the plan’s network.
- Plans may have lower out-of-pocket costs than Original Medicare.
- Plans may offer some extra benefits that Original Medicare doesn’t cover—like vision, hearing, and dental services.



**Part A**



**Part B**



**Most plans include:**



**Part D**



**Some extra benefits**

**Some plans also include:**



**Lower out-of-pocket costs**

You have the right to get Medicare information in an accessible format, like large print, braille, or audio. You also have the right to file a complaint if you feel you’ve been discriminated against. Visit [Medicare.gov/about-us/accessibility-nondiscrimination-notice](https://www.Medicare.gov/about-us/accessibility-nondiscrimination-notice), or call 1-800-MEDICARE (1-800-633-4227) for more information. TTY users can call 1-877-486-2048.

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# Welcome to Medicare

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Important decisions about  
your Medicare coverage



Now's the time to make some important decisions about your Medicare coverage.

**Read this booklet carefully before you make any decisions.**

## Medicare Overview

**Medicare Part A (Hospital Insurance)** helps cover inpatient care in hospitals, skilled nursing facility care, hospice care, and home health care.

**Medicare Part B (Medical Insurance)** helps cover services from doctors and other health care providers, outpatient care, durable medical equipment (like wheelchairs, walkers, hospital beds, and other equipment), and many preventive services (like screenings, shots or vaccines, and yearly “Wellness” visits).

Visit [Medicare.gov/coverage](https://www.medicare.gov/coverage), or use our “What’s covered” mobile app to find out if Medicare covers your test, item, or service. “What’s covered” is available for free on both the App Store and Google Play. You can also call 1-800-MEDICARE (1-800-633-4227). TTY users can call 1-877-486-2048.

**Note:** If you’re not lawfully present in the U.S., Medicare won’t pay for your Part A and Part B claims, and you can’t join a Medicare Advantage Plan or a Medicare drug plan (Part D).

## What does Part B cost?

You’ll pay a monthly premium for Part B. In 2023, the standard Part B premium is \$164.90. You’ll pay more if you have a higher income. The premium amount can change each year. (Get cost details on page 9.)

If you have limited income and resources, you may be able to get help if you meet certain conditions. (Get details on page 14.)



## Decision 1: Should I sign up for Part B?

Read this section carefully. **If you don’t sign up for Part B and you don’t have other coverage based on active or current employment, there are some risks:**

- It’s likely you’ll have to pay all of the costs for doctors’ services, outpatient care, medical supplies, and preventive services.
- If you change your mind and want to get Part B later, you’ll have to wait until the next General Enrollment Period (January 1–March 31 each year) to sign up. This means you may have months without medical coverage.
- In most cases, if you decide to get Part B later, you’ll also have to pay a **late enrollment penalty** for as long as you have Part B coverage. The penalty amount is added to your monthly Part B premium, and it goes up the longer you go without Part B coverage. (Get penalty details on page 8.)

Whether it's best for you to sign up for Part B depends on your situation. The next few pages cover common situations and explain the risks for not signing up for Part B.

## Common Situations

### **I'm still working and have coverage through my employer. Or, my spouse (or my family member, if I'm disabled) is still working and I have coverage through his or her employer:**

- You may need to sign up for Part B right away if your employer has less than 20 employees. Check with your benefits administrator to find out if they require you to sign up for Part B. If you don't sign up for Part B and continue coverage with your employer, you may be able to sign up for Part B later during a Special Enrollment Period without a late enrollment penalty if
  - You're 65 or older, you or your spouse is currently working, and you have employer or union group health plan coverage based on that current employment.
  - You're under 65 and disabled, you or a family member is currently working, and you have employer or union group health plan coverage based on that current employment. (If the group health plan coverage is based on the current employment of a family member, the employer must have 100 or more employees.)

If you're eligible for this Special Enrollment Period, you can sign up for Part B:

- Anytime while you have employer or union group health plan coverage based on current employment.
- For up to 8 months after the group health plan coverage or the employment ends, whichever happens first.

### **I'm retired and have coverage through a former employer, or I have COBRA or VA coverage:**

- You may need both Part A and Part B to get full benefits from this coverage, and your current coverage might not pay your medical costs once you're eligible for Medicare (even if you aren't enrolled in Medicare).
- You aren't eligible for a Special Enrollment Period when this coverage ends. This means:
  - You'll have to wait until the next General Enrollment Period (January 1–March 31 each year) to sign up for Part B.
  - In most cases, you'll pay a late enrollment penalty added to your monthly premium for as long as you have Part B coverage.

**Note:** If you're retired and have retiree health insurance from a former employer or union, or you have COBRA coverage, Medicare generally will become your primary health insurance. Medicare will pay its part of the costs for any covered

health care services you get after you sign up. Any amount Medicare doesn't cover can be submitted to your non-Medicare plan.

### **Getting COBRA when I'm eligible for Medicare**

If you have COBRA and you're eligible for Medicare, **COBRA may only pay a small portion of the costs for covered health care services you get** and you may have to pay most of the costs yourself. Ask your COBRA policy what percent they pay. To avoid unexpected medical bills, you may need to sign up for Medicare right away. Contact your State Health Insurance Assistance Program (SHIP) at [shiphelp.org](http://shiphelp.org), or call 1-877-486-2048 for free, personalized help with this decision.

### **I have coverage through a private insurance plan (not through the Health Insurance Marketplace® or an employer):**

- If you get Part B, Medicare will pay its part of the costs for any health care services you get, and then any amount Medicare doesn't cover can be submitted to your private plan.
- If you choose to sign up for Part B later, you may not be eligible for a Special Enrollment Period, so you'll have to wait to sign up. Also, you may have to pay a late enrollment penalty for as long as you have Part B coverage. (Get details on page 8.)

### **I have TRICARE coverage (insurance for active-duty military, military retirees, and their families) or CHAMPVA coverage:**

Military retirees must have Part B to keep their coverage. However, if you're an active-duty service member or the spouse or dependent child of an active-duty service member, you can get Part A, but don't have to get Part B right away.

### **I have Medicaid:**

You should sign up for Part B. Medicare will pay first, and Medicaid will pay second. You may be able to get help with your costs. (Get details on page 14.)

### **I don't have other medical insurance:**

You should sign up for Part B, so you have coverage for things like doctors' services or preventive services. Be aware of the risks for not signing up for Part B. (Get details on page 3.)

### **Exceptional situations:**

You may be eligible for a Special Enrollment Period without a late enrollment penalty if you miss an enrollment period because of certain exceptional circumstances, like being impacted by a natural disaster or an emergency, incarceration, employer or health plan error, or losing Medicaid coverage. For more information, visit [Medicare.gov](http://Medicare.gov), or call 1-800-MEDICARE (1-800-633-4227). TTY users can call 1-877-486-2048.

## Other things to consider:

You must have Part B to join a Medicare Advantage Plan or buy a Medicare Supplemental Insurance (Medigap) policy. (Get details on pages 9-14.)

## How much is the penalty if I sign up later?

If you sign up for Part B later and you aren't eligible for a Special Enrollment Period, you'll pay 10% more for each full 12-month period you could've had Part B but didn't take it. In most cases, you'll have to pay this late enrollment penalty each time you pay your premiums, for as long as you have Part B. The penalty increases the longer you go without Part B coverage.

### Example:

If you waited 2 full years (24 months) to sign up for Part B and didn't qualify for a Special Enrollment Period, you'll have to pay a 20% late enrollment penalty (10% for each full 12-month period that you could have been enrolled), plus your standard Part B monthly premium (\$164.90 in 2023).

\$164.90 (2023 Part B standard premium)  
+ \$33.00 (10% [of \$164.90] for each full 12-month period you could have had Part B)

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**\$197.90 will be your Part B monthly premium for 2023.**

This amount is rounded to the nearest \$.10 and includes the late enrollment penalty.

**Note:** The example above applies if you delayed signing up for Part B for **24 months**.

You don't pay a late enrollment penalty if you sign up before the first full 12-month period has passed or if you qualify for certain Special Enrollment Periods. (Get details on page 4.) The amount could also be different if your income is above a certain amount.



## Decision 2: Choose which way to get Medicare health coverage:

If you sign up for Part B, you have 2 main ways to get your Medicare coverage:

Original Medicare

or

Medicare Advantage

### Original Medicare

Original Medicare includes Part A and Part B. When you get services, you'll pay a deductible, and you usually pay 20% of the cost of the Medicare-approved service, called coinsurance.

The deductible for Part B is \$226 in 2023.

### With Original Medicare, you:

- Can go to any doctor or hospital that takes Medicare, anywhere in the U.S.
- Don't need a referral to see a specialist, in most cases.
- Can get supplemental coverage (like a Medigap policy) to help pay your remaining out-of-pocket costs (like your 20% coinsurance). (Get details on page 13.)



- Generally pay a portion of the cost for each covered service. There's no yearly limit on what you pay out-of-pocket, unless you have supplemental coverage (like a Medigap policy).
- Can join a separate Medicare drug plan (Part D). (Get details on page 11.)

When you sign up for Part B, you'll have Original Medicare unless you join a Medicare Advantage Plan.

## Medicare Advantage (also known as Part C)

Medicare Advantage is an alternative to Original Medicare. These “bundled” plans include Part A, Part B, and usually drug coverage (Part D). These plans are approved and follow the rules set by Medicare. The costs in plans vary, and plans may have lower out-of-pocket costs than Original Medicare. **You must have both Medicare Part A and Part B to join.**

### With Medicare Advantage, you:

- Can get some extra benefits that Original Medicare doesn't cover—like vision, hearing, and dental services.
- Need to use doctors who are in the plan's network (for non-emergency or non-urgent care).
- May pay a premium for the plan in addition to the monthly Part B premium. Plans may have a \$0 premium or may help pay all or part of your Part B premiums.

- Can't buy and don't need separate supplemental coverage (like Medigap).



## Do I need Medicare drug coverage (Part D)?

If you don't have prescription drug coverage, or the coverage you have isn't at least as good as Medicare drug coverage (called creditable coverage), you should consider joining a Medicare drug plan (Part D).

Creditable prescription drug coverage could include drug coverage from a current or former employer or union, TRICARE, Indian Health Service, the Department of Veterans Affairs, or individual health insurance coverage. Your plan must tell you each year if your drug coverage is creditable coverage.

If you want Medicare drug coverage, you can join a Medicare drug plan or a Medicare Advantage Plan that includes drug coverage.

You have up to 3 months after your Medicare coverage first starts to join a Part D plan.

If you don't join a Medicare drug plan when you're first eligible for Medicare, and you don't have creditable prescription drug coverage, you may have to pay a late enrollment penalty, if you join later. Generally, you'll pay this penalty for as long as you have Medicare drug coverage. And, the penalty goes up the longer you wait to join.



## Choosing and joining a plan

You can compare ways to get your Medicare coverage and explore how different plans work together. You can also shop and compare plans to find ones that meet your needs. Visit [Medicare.gov/plan-compare](https://www.medicare.gov/plan-compare), call 1-800-MEDICARE, or contact the plan directly.

If you don't join a Medicare Advantage Plan or a Medicare drug plan when you're first eligible, you'll have at least one chance each year to make changes to your Medicare coverage:

**October 15–December 7:** You can join, switch, or drop a Medicare Advantage Plan or a Medicare drug plan during this period each year. Your new coverage will begin on January 1 of the following year.

**January 1–March 31: If you're in a Medicare Advantage Plan,** you can change to a different Medicare Advantage Plan or switch back to Original Medicare (and join a stand-alone Medicare drug plan) once during this time.

**Special Enrollment Periods:** You may be able to join, switch, or drop Medicare Advantage or Medicare drug plans when certain events happen in your life, like you move or you lose other insurance coverage.



## Do I need Medicare Supplement Insurance (Medigap)?

If you choose Original Medicare and don't have other supplemental coverage, a Medigap policy may help pay your out-of-pocket costs (like your 20% coinsurance). Many people who choose Original Medicare also buy a Medigap policy. **You need both Part A and Part B to buy a Medigap policy.**

Medigap policies:

- Can cover costs like coinsurance, copayments, and deductibles.
- May offer coverage for services that Original Medicare doesn't cover, like medical care when you travel outside the U.S.

## When can I get Medigap?

The best time to buy a Medigap policy is during your Medigap Open Enrollment Period. This 6-month period begins on the first day of the month in which you're 65 or older **and** have Part B. **After this enrollment period, you may not be able to buy a Medigap policy. If you're able to buy one, it may cost more.**

**Tip:** If you buy a Medigap policy during this time, you can buy any Medigap policy sold in your state, even if you have health problems.

If you're under 65, you might not be able to buy the Medigap policy you want, or any Medigap policy, until you turn 65. If you're able to buy one when you're under 65, it may cost more.

Visit [Medicare.gov](https://www.Medicare.gov) to learn more and compare Medigap policies in your area, or call 1-800-MEDICARE (1-800-633-4227). TTY users can call 1-877-486-2048.



## Medicare and the Health Insurance Marketplace®

Medicare isn't part of the Marketplace. Since you live in Puerto Rico, you aren't eligible to use the Marketplace to enroll in health coverage. If you move to the continental U.S., you generally don't need to enroll in a plan through the Marketplace for individuals or families, and may not be able to do so. If you're able to enroll through the Marketplace for individuals or families, you won't be eligible for financial help paying your premiums.



## Help for people with limited income and resources

Puerto Rico has programs available to help people with limited income and resources to pay for Medicare costs. For more information, visit Puerto Rico's Department of Health Medicaid Program at [Medicaid.pr.gov](https://www.Medicaid.pr.gov) or call 787-641-4224. TTY users can call 787-625-6955.



## Get answers to your Medicare questions

For questions about signing up for Medicare, visit [ssa.gov](https://www.ssa.gov) or call Social Security at 1-800-772-1213. TTY users can call 1-800-325-0778.

For general Medicare information and finding plans in your area, visit [Medicare.gov](https://www.Medicare.gov), or call 1-800-MEDICARE.

For free, personalized health insurance counseling, visit [shiphelp.org](https://www.shiphelp.org) to contact your State Health Insurance Assistance Program (SHIP).

You have the right to get Medicare information in an accessible format, like large print, braille, or audio. You also have the right to file a complaint if you feel you've been discriminated against. Visit [Medicare.gov/about-us/accessibility-nondiscrimination-notice](https://www.medicare.gov/about-us/accessibility-nondiscrimination-notice), or call 1-800-MEDICARE (1-800-633-4227) for more information. TTY users can call 1-877-486-2048.

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