



## Important decisions about your new Medicare coverage

Welcome to Medicare! You now have **Medicare Part A and/or Part B**. **Your enclosed Medicare card shows when your coverage starts.**

- Medicare Part A (Hospital Insurance)—helps cover hospital care, skilled nursing care, and more. Most people don't need to pay a premium for Part A.
- Medicare Part B (Medical Insurance)—helps cover doctors' services, outpatient care, and more. Part B is optional, and you pay a monthly premium for it.

### Make these 2 important decisions now:

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

- If you're already signed up for Part B—you don't need to do anything. 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 your premium or you don't get benefits, you'll get a bill for your Part B premium every 3 months.
  - If you want Part B—contact Social Security to find out when you can sign up.
  - If you don't want Part B now—you can sign up later. However, 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 (based on your situation).**

#### Decision 2: If I signed 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.
- ❗ Read pages 8–14 in the booklet for additional and important information to make your decision. Turn this page over for your options at-a-glance.**

Soon, we'll mail your official "Medicare & You" handbook with more information. You can also visit [Medicare.gov](https://www.Medicare.gov) anytime for details about getting started with Medicare.

# 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**

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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 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 details on page 9.)

If you have limited income and resources, you may be able to get help from your state to pay your Part B premium if you meet certain conditions. (Get details on page 14.)



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

If you already signed up for Part B, skip to Decision 2 on page 8. **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:**

- You most likely will 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 may have to wait until the General Enrollment Period (January 1– March 31 each year) to sign up. This may cause a gap in your health coverage.
- In most cases, if you decide you want 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 or only pay a small portion of your medical costs once you're eligible for Medicare (even if you aren't enrolled in Medicare).
- Contact your State Health Insurance Assistance Program (SHIP) at [shiphelp.org](http://shiphelp.org), or call 1-877-486-2048 for free, personalized help deciding whether to sign up for Medicare.
- You aren't eligible for a Special Enrollment Period when this coverage ends. This means:
  - You may have to wait until the 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.

### **I have coverage through the Health Insurance Marketplace® for individuals or families:**

You should consider these things when deciding whether to sign up for Part B and stop your Marketplace plan when your Medicare starts. Generally:

- **You won't qualify for help from the Marketplace to pay your Marketplace premiums or other medical costs.** If you continue to get help to pay your Marketplace premiums after your Medicare Part A eligibility starts, you may have to pay back all or part of the help you got when you file your federal income taxes.
- **Your plan may not renew your Marketplace coverage at the end of the year.** This means you and your family could have a gap in your coverage starting January 1 of the next year.
- **You may not be eligible for a Medicare Special Enrollment Period.** This means you'll have to wait for a General Enrollment Period (January 1–March 31 each year) to sign up, and you may have to pay a late enrollment penalty for as long as you have Part B coverage.



**I have employer coverage through the Marketplace (sometimes called Small Business Health Options Program or “SHOP” coverage):**

You may be able to wait until you stop working or no longer have SHOP coverage to sign up for Part B under a Special Enrollment Period without a penalty. (Get details on page 4.) Visit [HealthCare.gov](https://www.healthcare.gov) and [Medicare.gov](https://www.medicare.gov) to learn more.

**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. (See page 8.)

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

Military retirees and their families 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. Your state may also help pay for your Medicare premiums. (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. (Details on page 13.)

**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.

**Decision 2: Choose which way to get Medicare health coverage.**

If you signed 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.
- 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, Medicaid, or employer or union coverage).
- Can join a separate Medicare drug plan (Part D). (Get details on page 11.)
- 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.)

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.**

You can join a Medicare Advantage Plan when you first become eligible for Medicare. For most, this period starts 3 months before you turn 65 and ends 3 months after the month you turn 65. (Get details on page 12 for other times you can 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 providers who are in the plan's network (for non-emergency or non-urgent care) in most cases.
- 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.
- Don't need and can't buy a Medigap policy.



## 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 Part D plan. 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 get Medicare drug coverage.

If you don't get Medicare drug coverage when you're first eligible for Medicare, and you don't have creditable prescription drug coverage or Extra Help (get details on page 15), 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.

**Note:** Medicare drug coverage (Part D) is included in most Medicare Advantage Plans. In most types of Medicare Advantage Plans, you can't join a separate Medicare drug plan.



## 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 didn't join a Medicare Advantage Plan or a Medicare drug plan when you were 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 base 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 if you move, lose other insurance coverage, or for exceptional circumstances). For more information, visit [Medicare.gov](https://www.Medicare.gov), or call 1-800-MEDICARE (1-800-633-4227). TTY users can call 1-877-486-2048.



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

Original Medicare pays for much, but not all, of the cost for covered health care services and supplies. If you choose Original Medicare, you may be able to buy a Medicare Supplement Insurance (Medigap) policy from a private company to help pay your out-of-pocket costs in Original Medicare (like your 20% coinsurance). **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.
- Generally don't cover long-term care (like care in a nursing home), vision, dental, hearing aids, private-duty nursing, or prescription drugs.

## 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. (Some states have additional Open Enrollment Periods.) **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/plan-compare](https://www.medicare.gov/plan-compare) to learn more and compare Medigap policies in your area, or call 1-800-MEDICARE.



## Help for People with Limited Income and Resources

You may be able to get help paying for some of your health care and prescription drug costs.

- **Medicaid and Medicare Savings Programs**—States have programs that help pay Medicare costs for people with limited income and resources. Visit [Medicare.gov](https://www.medicare.gov) to learn more. You can also call 1-800-MEDICARE (1-800-633-4227) to get the number for your state Medicaid office. TTY users can call 1-877-486-2048.



- **Extra Help with Part D prescription drug costs**—If you have limited income and resources, you may qualify to get help paying your Medicare drug costs. To apply for this program, visit [ssa.gov/i1020](https://ssa.gov/i1020), or call Social Security at 1-800-772-1213. TTY users can call 1-800-325-0778.
- **Supplemental Security Income (SSI)**—SSI is a monthly benefit paid by Social Security to people with limited income and resources who are disabled, blind, or 65 or older. For more information, contact Social Security.

**Note:** If you live in a U.S. Territory, there are different programs to help you pay your Medicare costs. Call your local Medicaid office to learn more.



## **Get answers to your Medicare questions:**

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

For general Medicare information and to find plans in your area, visit [Medicare.gov](https://Medicare.gov), or call 1-800-MEDICARE (1-800-633-4227). TTY users can call 1-877-486-2048.

For free, personalized health insurance counseling, visit [shiphelp.org](https://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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CMS Product No. 12020  
December 2022