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GUIDE TO MEDICARE FOR MASSACHUSETTS RESIDENTS



Michael McCue
Medicare Advisor

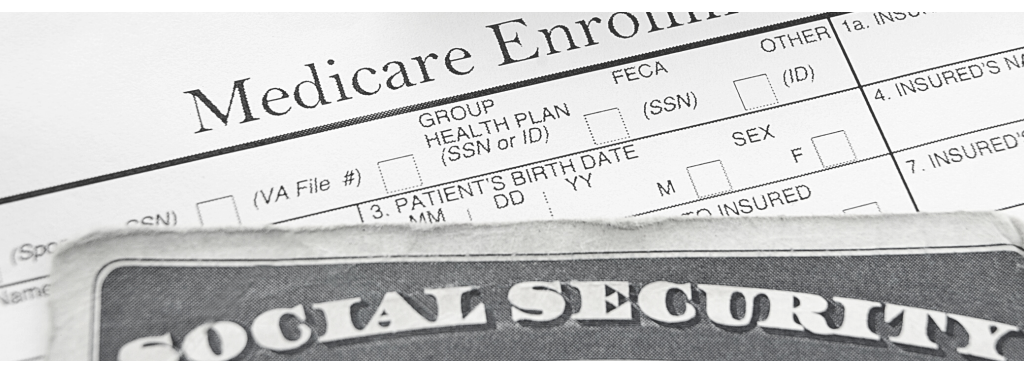
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Medicare Mike
PO Box 79055
Belmont, MA 02478

NPN: 16446529
MA License #1908002

medicaremike.org



PREFACE

This eBook was authored with the intention of providing basic, yet important information to Medicare beneficiaries and will-be Medicare beneficiaries approaching their 65th birthday.

COVID has had a dramatic impact on how we all interact and help one another- if we interact at all. People turning 65 and in need of face-to-face Medicare assistance are one of the groups of people that have been directly affected. Medicare decision-making is complicated enough without COVID. This eBook was written to act as a self-paced guide with easy-to-understand and easy-to-implement action steps for those going through Medicare decision-making with little or no help.

As you move through the guide, you'll see that it has directives on which decisions need to be made and when you should make them. You will likely need to budget time to collect information in order to make the most informed decisions. It may be helpful to educate yourself on Medicare in phases and not all at once; and for that reason the chapters were written in a very specific order.

This book will walk you through the Medicare basics, the parts of Medicare, some of the time periods you should be aware of, how to sign up for Medicare, FAQ's and how we work here at MedicareMike.org to help Massachusetts residents turning 65 get the most out of their individual Medicare situations.



CHAPTER 1

MEDICARE BACKSTORY & BASICS

In 1965, President Lyndon Johnson signed amendments to the 1935 Social Act. The amendments created two new programs, Medicare and Medicaid.

The purpose of the amendments was to provide baseline health insurance protection for Americans who were older, and through no fault of their own, started to need more health-related services as they aged; the amendment allowed for Americans, who met certain tax-payer criteria to enroll in Medicare at age 65 and receive benefits for both inpatient and outpatient services.

It also allowed for Americans who had been disabled for a period of 24 months or have end-stage renal disease to enroll in Medicare. The creation of Medicaid was to implement a state-run medical system to help the poorest Americans. Medicaid (what we call Mass Health) is funded at both the state and federal level. Medicaid is income-dependent whereas Medicare is not.

One frequent question I'm asked is why do I have to deal with Social security in order to get my Medicare benefits?

The answer is why I include the brief history of Medicare.

Medicare being an amendment to the Social security Act, is why Social security is intertwined with Medicare and also why premiums are typically paid out of a beneficiaries' monthly benefits. Medicare is administered by the Centers for Medicare & Medicaid Services, or CMS. CMS functions as a division of U.S. Department of Health and Human Services, or HHS.

The Medicare amendments have two major parts as written: A (inpatient coverage) and B (outpatient coverage). Both parts do have premiums, deductibles and coinsurance. These parts will help cover a lot of services but leave major coverage gaps- some obvious, some not. Parts A and B constitute what we call Original Medicare. Most U.S. citizens are entitled to enroll in Original Medicare on the month of their 65th birthday because they paid taxes.

People enrolling in Medicare receive a red, white and blue Medicare card. On that card is a Medicare number that is used for billing and plan enrollments in the Medicare system.



CHAPTER 2

PARTS OF MEDICARE: A, B, C, D

As stated above, parts A and B constitute Original Medicare:

- **Part A:** covers approximately 80% of inpatient or hospital services; also helps cover hospice care, home health care. Most people do not pay a premium for part A because they paid taxes for 10 or more years in the U.S. Part A has a \$1484 deductible for 2021. There is also 60 lifetime reserve days. (See your Medicare & You handbook for a complete list of covered services and charges.)
- **Part B:** covers approximately 80% of outpatient or physician services; also helps cover outpatient care, certain medications, home health services, durable medical equipment, mental health services and other medically-necessary services. Part B has an income-dependent premium; the standard part B premium for 2021 is \$148.50 per person. (See your Medicare and You handbook for a complete list of covered services and associated costs. You can also visit the link below to view the Part B income chart: www.medicare.gov/your-medicare-costs/part-b-costs)

Parts C and D interact differently with Original Medicare. Contrary to what many believe, you do not need to add both parts C and D. Part C (also known as Medicare Advantage) requires the beneficiary to be enrolled in parts A and B in order to enroll in the plan. The rules for enrolling in Part D stipulate that the beneficiary must either be entitled to part A and/or enrolled in Part B. In other words, you can enroll in a drug plan with just part A.

- **Part C:** Medicare Advantage plans take the place of Original Medicare and frequently include the part D drug component- referred to as MAPD. These plans range in price; some are available for \$0. Medicare Advantage plans typically carry benefits (like dental) that Original Medicare does not offer. Enrolling in Part C requires the Medicare beneficiary to stay enrolled in parts A and B, which means continuing to pay the part B premium.
- **Part D:** Part D covers prescription drug plans or PDPs. Part D drug plans can be enrolled in by anyone who is entitled to part A and/or enrolled in part B. This means that a Medicare beneficiary may keep their current health insurance and enroll in both Part A and Part D and not be subject to paying the part B premium- this would mean that the beneficiary intends to stay on their current private health insurance. Credible coverage must be in place in order to avoid penalties. (See your Medicare & You handbook for a complete Part D breakdown and more information.)



When evaluating Medicare options, I advise you to look at the formularies for both part D and Medicare Advantage plans. There are 25 drug plans in Massachusetts for 2021 and even more Medicare Advantage plans. As a basic rule it might make the most sense to check drug plan formularies as a way to project drug costs and go through the plan selection process.

Plan availability, drug and premium costs should be taken into account prior to your Initial Election Period. Doing this will help you understand all of your options and will absolutely have a bottom-line impact on your health insurance expenditures.

NEED ADDITIONAL GUIDANCE?

[Click here to schedule a free consultation](#) with Mike, a Licensed Local Medicare Advisor who can walk through the steps of this checklist for you



CHAPTER 3

INITIAL ENROLLMENT PERIOD

The Initial Enrollment Period (known as IEP) is a seven-month period. The period starts three months prior to a Medicare beneficiary's birth month and ends three months after the birth month. That seven month period is when decisions need to be made in order to avoid penalties and unnecessary costs.

It's ideal for you to have started your Medicare education and research prior to your IEP, since there is a lot of information to absorb and process. If you determine that you will sign up in the first 3 months of your IEP it is likely that your first day of coverage under Medicare will be the first day of the month your turn 65. If you are already drawing your social security then you will be automatically enrolled by Medicare and sent a red, white and blue Medicare card.

*There is one exception. If a Medicare beneficiary was born on the first of a given month, then that person's IEP will start one month earlier.

The biggest decision that needs to be made during an individual's IEP is whether they are going to enroll in part A only or if they will be enrolling in Original Medicare, A and B. This is a dollars and cents and coverage decision for most. Your Medicare plan options will likely vary a lot relative to your current private health insurance plan availability.

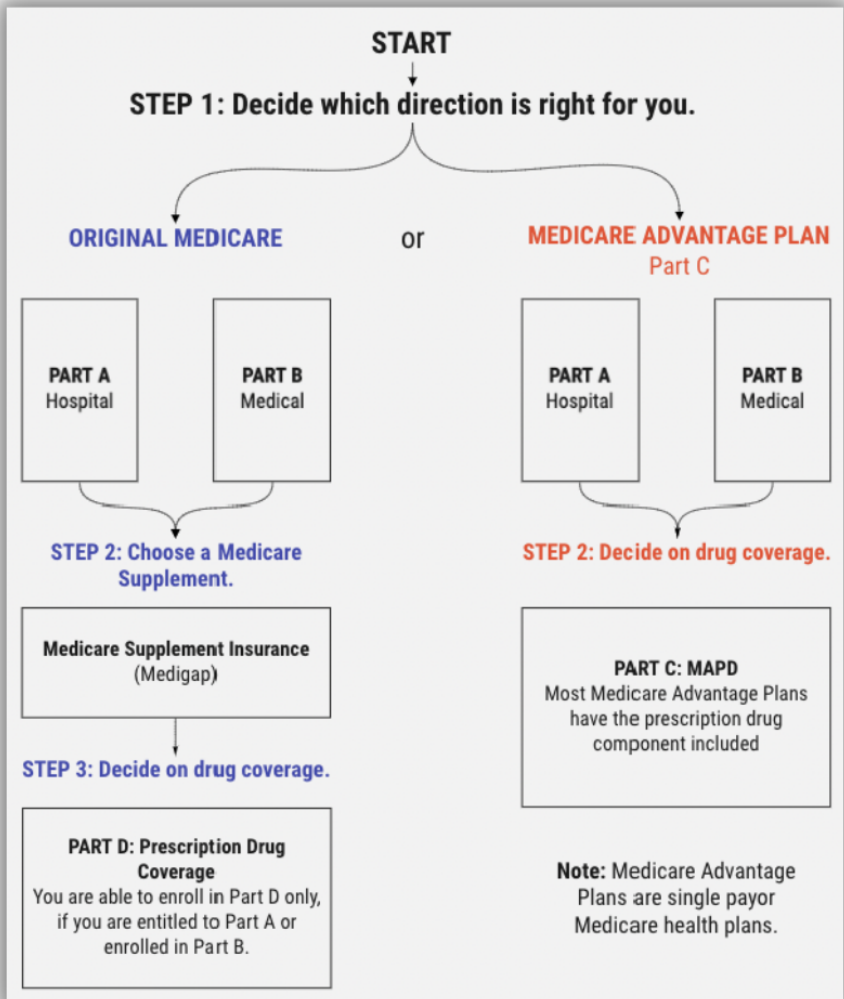
If you elect to enroll in part A only and elect not to enroll in part B, it likely means you have concluded that staying on your current plan is best for your situation. If this is the case, you will be able to add part B during a Special Election Period (SEP) or during the 8-month period that begins the month after the employment or coverage ends- whichever comes first.

*If you need help deciding if you should enroll in Medicare parts A and B or just part A, feel free to use the checklist system in the next chapter.

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MEDICARE DECISION MAKING CHART





CHAPTER 4

TURNING 65 CHECKLIST FOR MASSACHUSETTS RESIDENTS

I wrote the following checklist for Massachusetts residents turning 65 and approaching Medicare, to provide a snapshot of the important questions to ask and to give the do-it-yourselfers my 5-step process in detail.

I encourage you to set up a phone appointment to be sure you are making the most cost-effective decisions. My 30-minute consultations are free to Massachusetts residents.



Step 1: Evaluate your Current Health Insurance Coverage

A. What are the costs? Annual deductibles? Copays? Monthly premium? Cost share?

B. Is the drug plan included? If so, what are the monthly/annual costs?

C. Who else is on the plan? How might they be affected by Medicare?

D. Determine a rough total for your current monthly and annual costs (including drugs, dental and other benefits).

Step 2: Understand What You are Entitled to Under Original Medicare

A. Original Medicare, known as Part A and Part B. (Reference your Medicare & You Handbook) Part A is generally \$0 for most people, whereas for Part B, there is a premium.

B. Verify your potential part B premium. Part B is income-based (Use this chart for reference: <https://www.medicare.gov/your-medicare-costs/part-b-costs>)

Step 3: Research Medicare Plan Options

A. Most people enrolled in Original Medicare decide to enroll in a Supplement plan (also referred to as Medigap or Advantage plan) to help cover what Original Medicare does not.

B. Medicare Supplements do not cover medications and it will be necessary to enroll in a stand Prescription-Drug-Plan (pdp) in addition. There are 25 different Part D plans in Massachusetts. Each drug plan has a different formulary. Through a free phone consultation, we can narrow down which plans will help you minimize out of pocket costs.

C. Determine your Medicare Advantage Plan Options. Also known as Part C, Medicare Advantage plans frequently include drug coverage, so an additional drug plan is unnecessary. These plans also offer many ancillary benefits. Set up a free phone consultation to discuss if these Medicare health plans may be right for you.

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Step 4: Compare options

A. Evaluate the costs from Step 1 (current insurance situation) to the potential costs under Original Medicare with a Medicare Supplement and Drug Plan; and also against the potential costs under a Medicare Advantage Plan.

B. Create three lists. List of Providers- primary care, specialists, therapists, etc.; List your medications, including dosages and frequency; List of ancillary benefits you receive and/ or may be interested in- dental, vision, hearing benefits, fitness programs, health products and reimbursement programs.

C. Eliminate plans that are out-of-network with your current providers. (We can help you determine which plans your providers accept to narrow down the choices.)

Step 5: Enrollment Decision

A. You should have a detailed comparison between your current insurance and what your costs could look like on various Medicare plans. If you decide not to enroll in Medicare, you must still enroll in Part A prior to the end of your ICEP, in order to avoid penalties.

B. If you do decide that Medicare is the better option for you, enroll in Parts A and B as they are necessary to start plan enrollment.



CHAPTER 5

SIMPLIFYING IT ALL: MEDICARE MIKE "DATA LOG"

I created the following worksheet for you to print out to help guide your Medicare decision making. I encourage you to set up a phone appointment to be sure you are making the most cost-effective decisions by scheduling at the link below.

NEED ADDITIONAL GUIDANCE?

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MEDICARE MIKE DATA LOG

Your name:

Phone:

Email:

Date of Birth:

Zip / County:

Spouse's Name:

Spouse's Phone:

Spouse's Email:

Spouse's Date of Birth:

Are you already on Medicare? (y/n)

Medicare number:

Part A effective date:

Part B effective date:

Current Insurance:

Premium, monthly, annually?

Deductible:

Copays:

Maximum out-of-pocket

Who is covered on your plan?

Providers

Primary Care Physician:

Specialist 1:

Specialist 2:

Other Specialists:



MEDICARE MIKE DATA LOG

Drugs

Dosage / Frequency

Notes

To be filled out by medicare consultant:

Plans recommended / Additional Notes:

NEED ADDITIONAL GUIDANCE?

[Click here to schedule a free consultation](#) with Mike, a Licensed Insurance Broker and Local Medicare Advisor who can walk through the steps of this checklist for you



CHAPTER 6

ABOUT MEDICAREMIKE.ORG

MedicareMike.org is a free resource for residents of Massachusetts turning 65, and residents already on Medicare in Massachusetts in search of guidance related to Medicare decision-making.

Prior to COVID, I spent the previous 10 years as an independent insurance broker. I've helped Massachusetts residents all over the state face-to-face. Medicare is complex and COVID has made it even harder because it has removed so many of the valuable human resources that future beneficiaries rely on to understand Medicare.

Certain conversations related to Medicare require a human element. Reading the endless mail solicitations and plan offerings can be overwhelming. This guide and the videos that follow are meant to help you make sense of your situation so you can make the best decision for you. This brief guide and the resources on MedicareMike.org allow me to act as an advisor to you without face-to-face meetings.

What resources are available to you?

- Book an appointment with me to advise on your situation
- Check the blog to see if your questions are listed
- Use the video library to familiarize yourself with Medicare
- Reference the Turning 65 Medicare Checklist
- Find strategies that can help save you money
- Additional retiree-friendly products and services (*click here)

Covid might have removed face-to-face meetings but we can still go through the exact same process I use live on a Zoom call. I hope this guide and the resources at MedicareMike.org have been helpful in your Medicare journey.



Sincerely,



Michael McCue
Independent Medicare Advisor

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