



## **MEDICARE** **Questions and Answers:**

### **1. Who is eligible for Medicare?**

Generally, Medicare is available for people age 65 or older, younger people with disabilities and people with End Stage Renal Disease (permanent kidney failure requiring dialysis or transplant). Medicare has two parts, Part A (Hospital Insurance) and Part B (Medicare Insurance). You are eligible for premium-free Part A if you are age 65 or older and you or your spouse worked and paid Medicare taxes for at least 10 years (earning 40 quarters/credits). *This applies to coverage under your present spouse if you are married at least one year before age 65; or your divorced spouse if the marriage was for at least 10 years.* You can get Part A at age 65 without having to pay premiums if:

- You are receiving retirement benefits from Social Security or the Railroad Retirement Board.
- You are eligible to receive Social Security or Railroad benefits but you have not yet filed for them.
- You or your spouse had Medicare-covered government employment.

If you (or your spouse) did not pay Medicare taxes while you worked, and you are age 65 or older and a citizen or permanent resident of the United States, you may be able to buy Part A. If you are under age 65, you can get Part A without having to pay premiums if:

- You have been entitled to Social Security or Railroad Retirement Board disability benefits for 24 months. (**Note:** If you have Lou Gehrig's disease, your Medicare benefits begin the first month you get disability benefits.)
- You are a kidney dialysis or kidney transplant patient.

While most people do not have to pay a premium for Part A, everyone must pay for Part B if they want it. The monthly Part B premium in 2005 is \$78.20. This monthly premium is deducted from your Social Security, Railroad Retirement, or Civil Service Retirement check. If you do not receive any of these payments, Medicare sends you a bill for your Part B premium every 3 months.

### **2. What are the Medicare premiums and co-insurance rates?**

The following is a listing of the Medicare premium, deductible, and coinsurance rates that are in effect in 2005:

#### **Medicare Premiums for 2005:**

## **Part A (Hospital Insurance) Premium**

- Most people do not pay a monthly Part A premium because they or a spouse has 40 or more quarters of Medicare-covered employment.
- The Part A premium is \$206.00 for people having 30-39 quarters of Medicare-covered employment.
- The Part A premium is **\$375.00** per month for people who are not otherwise eligible for premium-free hospital insurance and have less than 30 quarters of Medicare-covered employment.

## **Part B (Medical Insurance) Premium**

\$78.20 per month.

### **Medicare Deductible and Coinsurance Amounts for 2005:**

**Part A** (pays for inpatient hospital, skilled nursing facility, and some home health care): For each benefit period Medicare pays all covered costs except the Medicare Part A deductible (2005 = \$912) during the first 60 days and coinsurance amounts for hospital stays that last beyond 60 days and no more than 150 days.

#### **For each benefit period you pay:**

- A total of \$912 for a hospital stay of 1 -60 days.
- \$228 per day for days 61-90 of a hospital stay.
- \$456 per day for days 91-150 of a hospital stay (Lifetime Reserve Days).
- All costs for each day beyond 150 days.

### **Skilled Nursing Facility Coinsurance**

- \$114.00 per day for days 21 through 100 for each benefit period.

**Part B:** (covers Medicare eligible physician services, outpatient hospital services, certain home health services, durable medical equipment)

- \$110.00 per year. (**Note:** You pay 20% of the Medicare-approved amount for services after you meet the \$110.00 deductible.)

### **3. What is the current coverage for long-term care, nursing home care, and skilled facility care?**

Generally, Medicare does not pay for long-term care. Long-term care can be provided at home, in the community, or in various types of facilities, including nursing homes and assisted living facilities. Most long-term care is considered to be "custodial care."

Custodial care is non-skilled, personal care, such as help with activities of daily living like bathing, dressing, eating, getting in or out of bed or chair, moving around, and using the bathroom. It may also include care that most people do for themselves. Medicare does not pay for custodial care.

Medicare pays only for medically necessary skilled nursing facility (SNF) care. Generally, skilled care is available only for a short time after a hospitalization. Skilled care is health care given when you need skilled nursing or rehabilitation staff to manage, observe, and evaluate your care. Examples of skilled care are changing sterile dressings and physical therapy.

**4. Does a spouse, age 62, receive Medicare benefits when his/her aged 65 husband/wife does?**

Generally not. The minimum age for Medicare eligibility is 65. But, if you've been getting Social Security disability benefits for 24 months you can receive Medicare at any age.

**5. I have more than one health insurance carrier, how do I know who will pay my medical bills first?**

If any of the following situations apply to you, your other insurance may be primary to Medicare, meaning the other insurance pays first:

- You have Medicare; are still working; and are covered by your employer's health insurance plan;
- You have Medicare, are retired, but your spouse is working and has a health plan that also covers you; or
- You are injured on the job, in an automobile accident, or slip and fall at a shopping center (worker's compensation, auto insurance or liability insurance may cover the cost of medical care related to the accident).

You can contact the Coordination of Benefits Contractor at 1-800-999-1118 for questions about, or to report changes in, your primary insurance. Medicare has a dedicated "Coordination of Benefits Contractor" that keeps track of when Medicare is primary or when another insurer is primary. If you have other insurance and it pays after Medicare, it is called your supplemental insurance. Supplemental insurance often covers the deductible and/or co-payments required by Medicare. Examples include:

- Retiree insurance from your former employer or union;
- Medigap insurance;
- Tricare for Life (for military retirees); and
- Medicaid.

If you change your supplemental insurance, or are experiencing problems with supplemental insurance payments, you need to call your old and new supplemental insurance companies. If you have questions about how your

supplemental insurance works with Medicare, contact the supplemental insurer. If you need Medicare to start or stop sending claims information to a supplemental insurance company, again, this is something the supplemental insurer must resolve.

**6. My spouse pays into Social Security. Am I eligible for Disability on my spouse's record if I should become disabled after I retire?**

The answer is no unless the person is a disabled widow or widower between the ages of 50-59. If that is the case, then they could apply for disability on the record of the deceased spouse.

Paying the Medicare tax while working will only insure the worker for Medicare if they become disabled and the disability must begin within five years of retirement or they will no longer be insured for Medicare based on disability. In other words you must pay the tax 20 out of the 40 quarters just prior to the onset of the disability (basically 5 out of the last 10 years) and you must have 40 credits throughout your work history.

**7. I am a widow/ widower; can I remarry and still receive Medicare benefits under my deceased spouse's work record?**

If you remarry after age 60 then that second marriage is not considered in determining Medicare entitlement. But if you remarry earlier than age 60, then the marriage to the second person will be that Medicare will look to for entitlement.

*DIVORCE:* But, if the former spouse is still alive then the situation is different. If the worker is alive and the worker and the spouse were married for at least 10 years, then that spouse can have Medicare entitlement under that worker's record. But if the spouse who needs Medicare quarters/credits remarries, then the second marriage is the one that is used to calculate entitlement. *The difference here is whether the worker is alive or deceased. Since the spouse is relying on his/her spouse's record. If the worker is deceased, then remarriage can occur after age 60 and it is discounted.* If the worker is alive, then we count the second marriage no matter the age at the time of the remarriage. The spouse is now the dependent of that second (marriage) worker. So it will be the second (marriage) worker's record that is used to determine entitlement.

**8. If I retire at age 62, will I be eligible for Medicare benefits?**

No. Medicare benefits do not begin until a person is age 65. If you retire at age 62, you may be able to continue to have medical insurance coverage through your employer or, if not, you can purchase coverage from a private insurance company until you turn age 65 and become eligible for Medicare.

**9. If my spouse has never worked, and he/she turns 65 before I do, can he/she get Medicare at age 65? Or, does he/she have to wait until I turn age 65 and am on Medicare?**

If you are at least age 62 and have worked for at least 10 years in Medicare-covered employment, your spouse can get Medicare Parts A and B at age 65. If you have worked at least 10 years in Medicare-covered employment but are not yet age 62 when your spouse turns age 65, he or she will not be eligible for premium-free Medicare Part A until your 62nd birthday. In this case, your spouse should still apply for Medicare Part B at age 65 so that he/she can avoid paying a higher Part B premium. However, if you are still working and your spouse is covered under your group health plan, he/she could delay enrollment in Part B without paying higher premiums.

**10. I am retired and on Medicare. If I go back to work, will my earnings affect my Medicare eligibility? Is there a ceiling on how much I can earn and still keep Medicare?**

Medicare eligibility is not based on income or resource levels. Your Medicare eligibility will not be affected by how much income you earn after retirement.