Medicare
Decision Guide

Prominence®
Health Plan

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CONGRATULATIONS ON BEING ELIGIBLE FOR MEDICARE!

Choosing the right Medicare plan for you is an important, but sometimes confusing decision. This guide is designed to help you understand your options, so you can make the right choice for you.

If at any time you would like to talk live, on the phone or in person, with an independent broker in your area, please feel free to call us at 1-844-407-0070.

MEDICARE OPTIONS

When you enroll in Medicare, you have the option to enroll in Original Medicare (Part A and Part B) or replace your Original Medicare coverage with a Medicare Advantage (Part C) plan. They cover the same basic services, but Medicare Advantage plans often offer additional services and benefits. Your choice depends on what you need. This guide will help you understand what you're choosing. Once you decide, you'll have other choices to make. If you choose Medicare Advantage, you'll have to pick a specific Medicare Advantage plan from a particular company that provides benefits in your area. If you choose Original Medicare, you'll be receiving coverage directly through the federal government. You can also choose a Medicare Supplement plan to complement your Original Medicare plan and pick up some of the "gaps" in coverage. You may also want to buy a stand-alone Part D plan to cover outpatient prescription drugs not covered under Original Medicare.

Step 1 Enroll in Original Medicare when you become eligible.

ORIGINAL MEDICARE	
Part A	+ Part B
Covers hospital stays	Covers doctor and outpatient visits

Step 2 If you need more coverage, you have choices.

MEDICARE ADVANTAGE PLAN OPTIONS

- Provides Original Part A and B benefits and may include extra benefits
- Can be purchased from private insurance companies
- Your out-of-pocket cost for covered benefits may be lower
- Network and benefits vary by plan types and insurance companies
- Medicare Advantage Plans include: HMO, PPO, PFFS, HMO-POS, MSA, SNP, PDP
- Most Medicare Advantage plans include prescription drug coverage, so you don't have to buy a separate Part D plan
- Your monthly premium = Part B standard premium + MA plan premium (if any)

OR

Keep Original Medicare and add:

MEDICARE SUPPLEMENT INSURANCE

Covers some or all of the costs not covered by Parts A & B

This optional policy can be purchased from private insurance companies to fill the gaps in Original Medicare coverage.

And/or

MEDICARE PART D

Prescription Drugs Coverage

WHAT ARE THE DIFFERENT TYPES OF MEDICARE ADVANTAGE PLANS?

Health Maintenance Organization (HMO)

In most HMOs, you can only go to doctors, other healthcare providers or hospitals in the plan's network except in an urgent or emergency situation. You may also need to get a referral from your primary care doctor for tests or to see other doctors or specialists.

Preferred Provider Organization (PPO)

In a PPO, you pay less if you use doctors, hospitals and other healthcare providers that belong to the plan's network. You usually pay more if you use doctors, hospitals and providers outside of the network.

Private Fee-for-Service (PFFS) plans:

PFFS plans are similar to Original Medicare in that you can generally go to any doctor, other healthcare provider or hospital as long as they agree to treat you. The plan determines how much it will pay doctors, other health care providers and hospitals, and how much you must pay when you get care.

Special Needs Plans (SNPs)

SNPs provide focused and specialized health care for specific groups of people, like those who have both Medicare and Medicaid, live in a nursing home or have certain chronic medical conditions, such as heart disease, cancer or HIV/AIDS.

HMO Point-of-Service (HMO-POS)

These are HMO plans that may allow you to get some services out-of-network for a higher copayment or coinsurance.

Medical Savings Account (MSA)

These plans combine a high-deductible health plan with a bank account. Medicare deposits money into the account (usually less than the deductible). You can use the money to pay for your healthcare services during the year. MSA plans don't offer Medicare drug coverage. If you want drug coverage, you have to join a Medicare Prescription Drug plan.

Medicare Prescription Drug Plans (PDP)

Medicare prescription drug coverage is optional and does not occur automatically. You can receive coverage for prescription drugs by either signing up for a stand-alone Medicare Prescription Drug plan or a Medicare Advantage plan that includes drug coverage. Medicare Prescription Drug and Medicare Advantage plans are available through private insurers. Please note that you cannot have both a Prescription Drug plan and a Medicare Advantage plan that includes drug coverage. There is also a penalty for late enrollment in a PDP plan, so please check your enrollment timeline options.

FINDING THE RIGHT PLAN FOR YOU

The right plan for you depends on a number of factors. As you familiarize yourself with your Medicare options, consider the following:

Cost and copays

What will you pay out-of-pocket, including premiums?

Will you have to pay a copay to see your doctor?

Don't forget to factor in deductibles, copayments and coinsurance – and how much, if any, of these are covered by a particular policy.

Additional benefits

Are prescription drugs, eye exams or hearing aids covered?

Does your plan include Telemedicine or transportation service?

(These may be covered by some plans.)

Doctor and hospital choice

Can you see the doctor(s) you want to see?

Can you go to the hospital you want?

Referrals

Do you need a referral to see a specialist?

Convenience

Where are the doctors' offices?

What are their hours?

Is there paperwork?

Do you spend part of the year in another state?

If so, how would you be covered?

Prescription drugs and pharmacy choice

Are your prescription medications on the plan's list (formulary) of covered drugs?

Can you use the pharmacies you want? Are the pharmacies convenient?

Location

Does the insurance provider have one or more local offices so you can get support from someone in your area who understands your community?

WHEN TO ENROLL

Applying for Medicare can be tricky. You can be penalized for enrolling too late ... or even too early. Here's how to do it right.

First, Medicare age is still 65. Most of us will enroll at 65. There are a few exceptions to get Medicare before 65. You're eligible if you're on Social Security disability for 24 months. Or you can get special ESRD Medicare (for End Stage Renal Disease) if you need a kidney transplant or dialysis. If you have ALS (Lou Gehrig's disease), you automatically get Parts A and B the month before your Social Security benefits begin. Another exception is that you can postpone Medicare until after 65 if you have health insurance from your current job.

You have three opportunities to enroll in Medicare:

You must file within seven specific months: The seven-month period starts three months before the month you turn 65, the month you turn 65, and ends three months after the month you turn 65.

Example: If you turn 65 in April, you can file anytime from January 1 to July 31. If you filed in the first three months — January-March in our example — you would have Medicare coverage starting April 1.

MEDICARE INITIAL ENROLLMENT PERIOD (IEP)

3 months before the month you turn 65	2 months before the month you turn 65	1 month before the month you turn 65	The month you turn 65	1 month after the month you turn 65	2 months after the month you turn 65	3 months after the month you turn 65
Sign up early to avoid a delay in coverage. To get Part A and/or Part B the month you turn 65, you must sign up during the first three months before the month you turn 65.			If you wait until the last four months of your Initial Enrollment Period to sign up for Part A and/or Part B, your coverage will be delayed. *See chart below.*			

If you enroll in Part A and/or Part B the month you turn 65 or during the last three months of your Initial Enrollment Period, your start date will be delayed:

If you enroll in this month of your IEP:	Your coverage starts:
The month you turn 65	1 month after enrollment
1 month after the month you turn 65	2 months after enrollment
2 months after the month you turn 65	3 months after enrollment
3 months after the month you turn 65	3 months after enrollment

General Enrollment Period, for late enrollment

The General Enrollment Period is for late enrollees who missed the Initial and Special Enrollment Periods. Three strict penalties apply for late enrollment:

- Enrollment dates are limited to January, February and March each year.
- Coverage is postponed until July of the enrollment year. This can cause a gap in coverage.
- Finally, you will be charged a 10% late fee on your Medicare premiums for every year you were eligible but not enrolled. The penalty will apply for the rest of your life.

Medicare Advantage Annual Election Period

You can also add, drop, or change your Medicare Advantage plan during the Annual Election Period (AEP), which occurs from October 15 to December 7 of every year. During this period, you may:

- Switch from Original Medicare to Medicare Advantage, and vice versa.
- Switch from one Medicare Advantage plan to a different one.
- Switch from a Medicare Advantage plan without prescription drug coverage to a Medicare Advantage plan that covers prescription drugs, and vice versa.

Medicare Advantage Open Enrollment Period

The Medicare Advantage Open Enrollment Period (MA OEP) takes place between January 1 and March 31 of the year of coverage. The Medicare Advantage Open Enrollment Period is an opportunity to disenroll from a Medicare Advantage plan and return to original Medicare or switch to another Medicare Advantage plan.

Outside of AEP and MA OEP, you cannot make changes to your Medicare Advantage plan unless you qualify for a Special Election Period.

Your Special Enrollment Period, after 65

This applies if you are over 65, but you are covered by an employer's health insurance, either yours or your spouse's. The employee health insurance must be from your current employer, and it must be for active employees, not COBRA or retiree insurance.

If you meet those requirements, you can delay Medicare enrollment without penalties for late filing:

- You may enroll at any time while covered by the employer's health plan.
- You may enroll during the eight-month period starting with the month employment ends, or the month your employer insurance ends, whichever comes first.
- If you enroll in month one, the month of termination, your Medicare coverage starts the first day of that month.
- If you enroll after the month of termination, in months two through eight, your Medicare coverage is delayed until the month after you enroll. This could cause a gap in coverage.
- In order to avoid penalties, you must prove your employer coverage with a letter from your employer.

TO GET STARTED

You must initiate the enrollment process with the Social Security Administration. Go online, call or visit your local Social Security office to get the process started. The Social Security Administration handles most of the paperwork for joining Medicare. If you currently receive Social Security benefits, when you turn 65, the Social Security Administration should automatically enroll you in Medicare Part A and Part B but to be sure, check with your local Social Security office.

You can turn down Medicare Part B but you will need to call the Social Security Administration at 800-772-1213, TTY 800-325-0778 from 7 am to 7 pm to speak with someone and ask if you can do that without any later premium penalties. When you call Social Security it is important to write down the name of the person you spoke to, when you spoke to them and what they said.

What happens to the health coverage I have now?

As you make your decisions about Medicare, keep your current health coverage in mind. This could be retiree health coverage from your former employer or union, if you've retired. If you're still working, you may have health coverage from your current job. You'll need to find out whether you can keep any coverage you currently have and what your costs might be. You may have more choices available to you than the standard choices described in this guide.

Explore your options with someone who's familiar with the details of the coverage you have now.

If it's coverage from an employer or a union, you can start with a human resources manager or a benefits specialist. You can also talk to a customer service representative at the insurance company that provides the plan. Do your research. In some cases, if you keep your current coverage and wait until later to join Medicare, you may have fewer choices and you may have to pay more.

Beneficiaries can contact the Benefits Coordination & Recovery Center (BCRC) at 1-855-798-2627 (TTY: 1-855-797-2627) to report changes in their insurance information or to let Medicare know if they have other insurance.

LATE ENROLLMENT

Part D enrollment penalty

The late enrollment penalty is an amount that's added to your Part D premium. You may owe a late enrollment penalty if at any time after your Initial Enrollment Period is over, there's a period of 63 or more days in a row when you don't have Part D coverage or other creditable prescription drug coverage.

Note: If you get Extra Help, you don't pay a late enrollment penalty.

3 ways to avoid paying a penalty:

1. Join a Medicare drug plan when you're first eligible. Even if you don't take many prescriptions now, you should consider joining a Medicare drug plan to avoid a penalty. You may be able to find a plan that meets your needs with little to no monthly premiums.
2. Don't go 63 days or more in a row without a Medicare drug plan or other creditable coverage. Creditable prescription drug coverage could include drug coverage from a current or former employer or union, TRICARE®, Indian Health Services, the Department of Veterans Affairs, or health coverage. Your plan must tell you each year if your drug coverage is creditable coverage. This information may be sent to you in a letter or included in a newsletter from the plan. Keep this information, because you may need it if you join a Medicare drug plan later.
3. Tell your plan about any drug coverage you had if they ask about it. When you join a Medicare drug plan, and the plan believes you went at least 63 days in a row without other creditable prescription drug coverage, the plan will send you a letter. The letter will include a form asking about any drug coverage you had. Complete the form and return it to your drug plan. If you don't tell the plan about your creditable prescription drug coverage, you may have to pay a penalty.

How much more will you pay?

The cost of the late enrollment penalty depends on how long you didn't have creditable prescription drug coverage. Currently, the late enrollment penalty is calculated by multiplying 1% of the national base beneficiary premium ($32.74 in 2020) by the number of full, uncovered months that you were eligible but didn't join a Medicare drug plan and went without other creditable prescription drug coverage. The final amount is rounded to the nearest $.10 and added to your monthly premium. Since the national base beneficiary premium may increase each year, the penalty amount may also increase each year. You may have to pay this penalty for as long as you have a Medicare drug plan. After you join a Medicare drug plan, the plan will tell you if you owe a penalty and what your premium will be.

ANNUAL ENROLLMENT PERIOD (AEP)

Except for the Medicare Advantage Open Enrollment Period, the Annual Enrollment Period may be the only chance you have each year to make a change to your health and prescription drug coverage.

October 1	Medicare Advantage plans announce their new benefits. Start comparing your coverage with other options. You may be able to save money by comparing all of your options.
October 15 – December 7	This is the time to change your Medicare health or prescription drug coverage for the upcoming year, if you decide to.
January 1	New coverage begins if you make a change during Open Enrollment. New costs and benefit changes also begin if you keep your existing Medicare health or prescription drug coverage, and your plan makes changes.

IF YOU DON'T LIKE YOUR PLAN, YOU CAN CHANGE.

- You can join a Medicare Advantage plan even if you have a pre-existing condition.
- You can only join or leave a Medicare Advantage plan at certain times during the year.
- Each year, Medicare Advantage plans can choose to leave Medicare or make changes to the services they cover and what you pay. If the plan decides to stop participating in Medicare, you'll have to join another Medicare Advantage plan or return to Original Medicare.
- Medicare Advantage plans must follow certain rules when giving you information about how to join their plan.

DEFINITIONS

Plan Deductible	The amount you must pay for healthcare or prescriptions before a plan begins to pay. This varies by plan. Some plans charge an annual deductible and some do not.
Plan Premium	The periodic payment to an insurance company or a healthcare plan for health or prescription drug coverage.
Copayment	An amount you may be required to pay as your share of the cost for a medical service or supply, like a doctor's visit, hospital outpatient visit, or a prescription drug. A copayment is usually a set amount, rather than a percentage. For example, you might pay $10 or $20 for a doctor's visit or prescription drug.
Coinsurance	The percentage you pay of the total cost of certain medical services. You pay a coinsurance at the time you get the medical service. Coinsurance is usually a percentage (for example, 20%).
Cost-sharing	Cost-sharing includes any combination of the following three types of payments: (1) any deductible amount a plan may impose before services or drugs are covered; (2) any fixed copayment amount that a plan requires when a specific service or drug is received; or (3) any coinsurance amount, a percentage of the total amount paid for a service or drug, that a plan requires when a specific service or drug is received.
Maximum Out-of-Pocket Amount	The most that you pay out-of-pocket during the calendar year for in-network covered Part A and Part B services. Your Medicare Part A, Part B, plan premiums and prescription drugs do not count toward the maximum out-of-pocket amount. Please note: our plans do not have a monthly premium.
Out-of-Pocket Cost	A member's cost-sharing requirement to pay for a portion of services or drugs received is also referred to as the member's out-of-pocket cost requirement.

For nearly 30 years, Prominence Health Plan has been keeping families and businesses healthy. We provide health plans to Medicare beneficiaries as well as employees of covered employer groups.

Prominence Health Plan is an independent subsidiary of Universal Health Services, Inc. (UHS), a company recognized by Fortune as one of the World's Most Admired Companies. At Prominence Health Plan, our Mission is to make it easy to access affordable, high-quality and compassionate care.

We know that Medicare coverage and the decisions you need to make can be complicated and we're here to help. Call us at **1-844-407-0070**.

You deserve healthcare that best meets your needs!

Make sure to take the time to look at all of your options.

For additional information, visit **medicare.gov**.

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