

VETERAN BENEFITS It will almost be to your advantage to keep your current coverage without any changes. However, if you have limited income and resources, you may qualify for extra help from Medicare.

If you lose your *VA* coverage and join a Medicare drug plan, in most cases, you won't have to pay a penalty, as long as you join within 63 days of losing your coverage.

FEDERAL EMPLOYEE RETIREMENT

BENEFITS It will almost be to your advantage to keep your current coverage without any changes. However, if you have limited income and resources, you may qualify for extra help from Medicare.

If you lose your *FEHBP* coverage and join a Medicare drug plan, in most cases, you won't have to pay a penalty, as long as you join within 63 days of losing your coverage.

MILITARY RETIREE BENEFITS (TRICARE)

It will almost be to your advantage to keep your current coverage without any changes. However, if you have limited income and resources, you may qualify for extra help from Medicare.

Call your representative that gave you this brochure for information on Veteran's benefits and services in your area.

If you lose your *TRICARE* coverage and join a Medicare drug plan, in most cases, you won't have to pay a penalty, as long as you join within 63 days of losing your coverage.

This information should be considered as general guidance and should not be used as specific advice for your individual case. Tax payers should always seek counsel from competent professionals

For Additional Information Contact:

"Your Name"

"Your Company Name"

"Your Address"

"Your City, State & Zip code"

"Your Phone Number"

***Shedding
Light
on the
Confusion
Over
Medicare
Benefits***

Medicare changes have been enacted into law. The new benefits regulations are often complicated and not easy to understand.

Medicare is made up of these primary parts:

- **Part A** which covers hospital care
- **Part B** which covers doctors visits, surgery and outpatient
- **Part C** which is an option to replace Part A and Part B
- **Part D** prescription drug coverage
Supplemental policies pay for medical bills the other parts don't cover.

Generally, you are enrolled automatically in Part A if your collecting Social Security. A month before turning 65, you should receive a copy of the Medicare handbook, "Medicare & You" in the mail.

Part A

Medicare Part A is hospital insurance and helps cover inpatient hospital stays. If you or your spouse paid Medicare taxes while employed, you are eligible for premium-free Part A benefits.

Part A also covers care received at many other Medicare facilities, including inpatient hospital care, long-term care hospital, inpatient rehabilitation facilities, home healthcare, inpatient mental health/psychiatric care and hospice care.

Part B

Medicare Part B is medical insurance that covers certain necessary services such as a doctors' visits and outpatient care. It's optional and requires a monthly premium that varies depending on your income.

Enrolling in Part B can be deferred if you or your spouse are still working, but there is a lifetime late-enrollment penalty (10% per year) for not enrolling in Part B when you first gain Medicare eligibility, unless you are actively working.

Part C

Medicare Part C, is a form of Medicare benefits offered by private companies. Part C combines Part A, B and sometimes D (prescription drug coverage), and is therefore both medical and hospital insurance.

While traditional Medicare Part A and B are not expensive, their coverage is limited, so many people turn to additional coverage through Medigap and Part D plans.

Part D

Medicare Part D is prescription drug coverage. These Medicare benefits went into effect at the beginning of 2006 to help improve Medicare's handling of rising prescription drug costs.

Part D plans cover most prescription drugs, but not all. There are certain drugs, like those that must be administered in a doctor's office, that are covered under Medicare benefits Part B instead. Anyone entitled to Medicare Part A enrolled in Part B also is eligible for Part D.

MEDIGAP Medigap, also known as supplemental insurance for Medicare benefits refers to health insurance policies standardized by the Centers for Medicare and Medicaid Services (CMS) and individual states, but sold by private insurance companies to fill in the "gaps" in traditional Medicare coverage.

ORIGINAL MEDICARE This fee-for-service plan covers many health care services. You can go to any doctor or supplier that is enrolled and accepts Medicare

and is accepting new Medicare patients, or to any hospital or other facility.

MEDICARE HEALTH PLANS These plans are approved by Medicare and run by private companies. When you join one of these plans, you are still in Medicare. Some of these plans require referrals to see specialists. They provide all of your Part A and Part B coverage. They generally offer extra benefits, and many include prescription drug coverage.

MEDICARE PRESCRIPTION DRUG PLANS

These plans add prescription drug coverage to Original Medicare, some Medicare Cost Plans, some Medicare Private Fee-for-Service Plans, and Medicare Medical Savings Account Plans.

With a Medicare Prescription Drug Plan:

- Generally, you pay less for your Prescriptions.
- You will get a plan member card after you enroll. You use this card when you go to the pharmacy to get your prescriptions filled.
- You will pay the co-payment, co-insurance, and/or deductible, if any.

OTHER MEDICARE HEALTH PLANS There are some types of Medicare Health Plans that include prescriptions drug coverage as part of the plan but that aren't part of Medicare Advantage that are still part of the Medicare Program. With these plans, you generally get all your Medicare coverage health care through that plan.

- Medicare Cost Plans
- Demonstrations/Pilot Programs
- PACE (Programs of All-inclusive Care for the Elderly)