

Understanding Medicare Options

HAVE YOU FULLY EXPLORED YOUR MEDICARE CHOICES?

AMGEN

Getting Started

Parts of Medicare

Worksheet

Resources

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MEDICARE & YOU: This official US government handbook gives you more details on Medicare and will be referenced throughout this document. Click [here](#) to visit [medicare.gov](#) and download the handbook.



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Visit [medicare.gov](#) for the most current and comprehensive information on Medicare before making enrollment decisions.

Getting started

This guide outlines some options to consider with a spouse, family member, caregiver, or trusted advisor. The information does not recommend specific plans. Any Medicare decisions made should consider present and future needs and are the choice of each individual.



When to enroll

INITIAL ENROLLMENT: WHEN YOU TURN 65

Your initial enrollment period lasts 7 months, starting 3 months before you turn 65, the month you turn 65, and ending 3 months after.

OPEN ENROLLMENT: OCTOBER TO DECEMBER

In the fall of every year, Medicare plan selections are available for the following year. (Plans start January 1 of the next year.)

MEDICARE ADVANTAGE OPEN ENROLLMENT: JANUARY TO MARCH

If you're enrolled in a Medicare Advantage Plan (with or without drug coverage), during this period you can switch to another Medicare Advantage Plan or return to Original Medicare.

Be sure to read your Annual Notice of Changes (ANOC) to see if there are any changes to your coverage, costs, or service in the coming plan year.



LEARN MORE about enrollment in Section 1 of *Medicare & You*



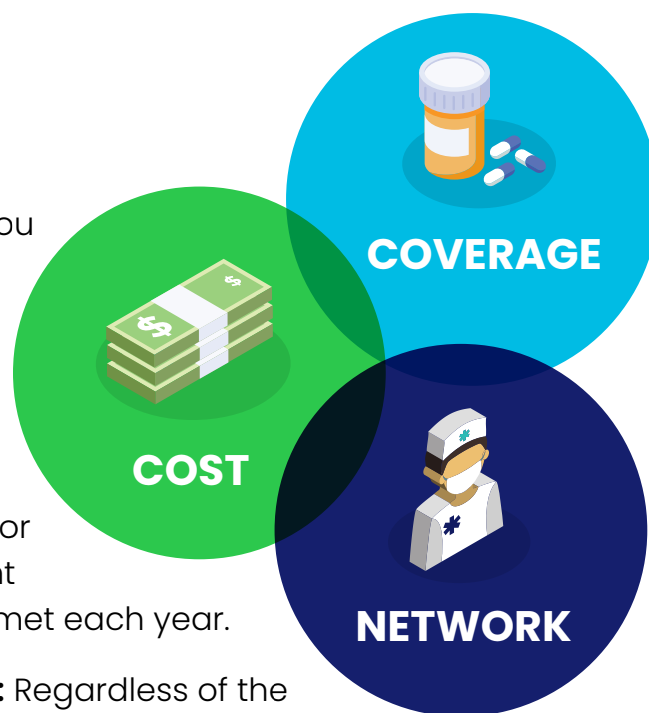
WATCH THIS VIDEO about getting started on [medicare.gov](https://www.medicare.gov)

Some things to consider

Whether enrolling for the first time or reviewing a current plan, these are a few things that you should consider:

What types of cost are involved?

- **Premium cost:** The amount you need to pay monthly for your health insurance coverage.
- **Deductible:** The amount you pay for covered health services before the plan pays a portion of the medical and/or medication costs. This amount resets annually and must be met each year.
- **Coinsurance or co-payment:** Regardless of the plan, you will often need to pay a share of the cost each time you use a healthcare service.
- **Out-of-pocket maximums:** The most you will pay for covered services in a plan year.



What medications and services are most important to you?

- You may be required to try a generic alternative prior to a branded medication being approved.
- Be sure to make a list of the medications you take and services you need.

What doctors, hospitals, and pharmacies do you use?

- The type of coverage you select may require you to use specific doctors, hospitals, and pharmacies.
- Higher costs may result if you use a doctor, hospital, or pharmacy that is not contracted with your Medicare choice.

Understanding the parts of Medicare

	PART A Original Medicare	PART B Original Medicare	MEDICARE SUPPLEMENT PLAN (Medigap)	PART C Medicare Advantage Plan	PART D Prescription Drug Plan
WHAT IS IT?	<p>Hospital insurance for people 65 or older, certain people with disabilities, and people with end-stage renal disease.</p>	<p>Medical insurance for people 65 or older, certain people with disabilities, and people with end-stage renal disease.</p>	<p>Additional insurance you may buy from a private insurance company to cover out-of-pocket costs associated with Original Medicare, Part A and Part B.</p> <p>Does not replace Original Medicare.</p>	<p>“Bundled” plans that also include Part A, Part B, and sometimes Part D.</p> <p>Offered by private insurance companies.</p>	<p>An insurance plan that covers prescription medications offered by private insurance companies. May be a stand-alone plan or part of a bundled Medicare Advantage plan.</p>
WHAT DOES IT COVER?	<p>Hospital Benefits</p> <ul style="list-style-type: none"> • Inpatient hospital care • Skilled nursing facility care • Hospice care • Limited home care 	<p>Medical Benefits</p> <ul style="list-style-type: none"> • Doctor visits • Medications given in doctors’ offices • Lab tests • Home healthcare • Diagnostic screening • Medical supplies 	<p>Supplemental Coverage</p> <p>Covers deductibles and co-payments not covered by Original Medicare once the Original Medicare deductible is met.</p>	<p>Hospital and Medical Benefits</p> <ul style="list-style-type: none"> • Includes all Part A and Part B coverage • Some plans may offer vision, hearing, and dental 	<p>Pharmacy Benefits (prescription medications)</p> <p>Medications you typically take at home.</p>
HOW TO ENROLL	<p>Visit medicare.gov ></p> <p>or call 1-800-MEDICARE (1-800-633-4227) TTY users can call 1-877-486-2048</p>		<p>Visit Medigap Policy Search ></p> <p>Find which insurance companies sell Medicare supplement plans in your area at Medigap Policy Search.</p>	<p>Visit Medicare Plan Finder ></p> <p>Use the Medicare Plan Finder tool to search and enroll in plans based on ZIP code.</p>	

 **Find out more at [medicare.gov](https://www.medicare.gov)** >

 **Use the worksheet to compare plans and coverage** >

Understanding the costs of Medicare

	PART A Original Medicare	PART B Original Medicare	MEDICARE SUPPLEMENT PLAN (Medigap)	PART C Medicare Advantage Plan	PART D Prescription Drug Plan
PREMIUM	<p>\$0 for most people.</p> <p>No premium if you or your spouse paid into Social Security for at least 40 quarters. If not, you may purchase the plan.</p>	<p>Cost varies based on income.</p> <p>You must pay a monthly premium for Part B. The amount is based on your income.</p>	<p>Cost varies by plan and location, and will change each year.</p> <p>You pay the private insurance company a monthly premium for Medigap in addition to the monthly Part B premium you pay to Medicare.</p>	<p>Cost varies by plan.</p> <p>Can change each year.</p> <p>In addition to your Part B premium, you may also pay a monthly premium for your Medicare Advantage coverage.</p>	<p>Cost varies by plan.</p> <p>Can change each year.</p>
DEDUCTIBLE	<p>One annual deductible for hospital admission.</p>	<p>One annual deductible for covered services.</p>	<p>Deductible varies by plan.</p> <p>May help pay cost of Original Medicare deductibles.</p>	<p>Deductible varies by plan.</p>	<p>Deductible varies by plan; some do not charge a deductible.</p>
CO-PAYMENT	<p>Standard co-payments for inpatient hospital and skilled nursing facility days.</p> <p>No out-of-pocket maximums.</p>	<p>None</p>	<p>Generally, there are no co-payments.</p>	<p>Typically charge co-payments that vary by plan.</p> <p>Annual out-of-pocket maximum varies by plan.</p>	<p>Co-payment varies by plan.</p> <p>Most Part D plans use formularies with 5 tiers. Cost varies by tier.</p>
COINSURANCE	<p>None</p>	<p>There is generally a 20% coinsurance.</p> <p>It also covers many preventative services at no cost.</p>	<p>Covers Original Medicare coinsurance.</p>	<p>May charge coinsurance; the percentage varies by plan.</p>	<p>Coinsurance varies by plan.</p>

It is important to look beyond the monthly premium cost as lower monthly premiums don't always translate to the lower total cost of care. Some plans have more coverage restrictions than others.

 Use our worksheet to compare plans and coverage >

Understanding your coverage options

ORIGINAL MEDICARE (PART A AND PART B)



Original Medicare includes Medicare Part A (hospital insurance) and Part B (medical insurance)

- Medicare covers 80% of allowable amount for hospitals, doctors, and medications administered by a healthcare provider
- You are responsible for 20%. You can purchase a Medicare supplement plan (Medigap) to help pay your 20% out-of-pocket costs
- You can buy a separate Medicare Part D plan to cover prescription medications
- You can use any doctor or hospital in the US that accepts Medicare



MEDICARE SUPPLEMENT PLAN (MEDIGAP)

Additional coverage you may buy from a private insurance company to help pay the 20% balance associated with Original Medicare.

- You may have additional coverage through a former employment retirement program or union, TRICARE, or Medicaid, which may help pay out-of-pocket costs



LEARN MORE about Medicare supplement plans in Section 5 of *Medicare & You*

MEDICARE ADVANTAGE (PART C)



- Medicare Advantage is a Medicare-approved plan from a private insurance company that offers an alternative to Original Medicare. These “bundled” plans include Part A, Part B, and sometimes Part D
- Plans may also include coverage for dental, vision, and hearing
- The Medicare Advantage plans that offer prescription drug coverage are called MA-PDs
- In many cases, you’ll need to only use doctors and other providers who are in the plan’s network (for non-emergency care). Some plans offer non-emergency coverage out of network, but typically at a higher cost
- While Original Medicare offers the same coverage across the United States, Medicare Advantage plans **may not provide coverage outside your service area network**
- You cannot buy a Medicare supplement plan (Medigap) policy if you are enrolled in a Medicare Advantage plan



Find out more at [medicare.gov](https://www.medicare.gov)

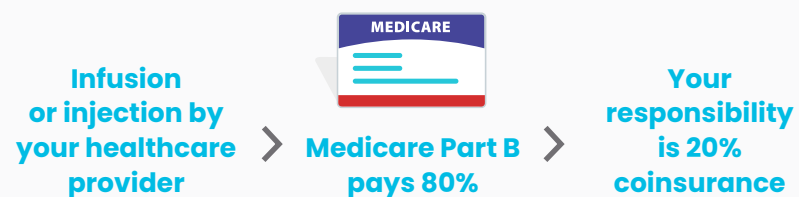


Part B and Part D medication coverage

MEDICARE PART B – MEDICATIONS COVERED UNDER THE MEDICAL BENEFIT

Covers infusions and injections that are administered by a healthcare provider, including:

- medications
 - administration fees
 - facility fees (depending on place of care)
-
- Original Medicare covers 80% of the allowed amount; you are responsible for the other 20%
 - A Medicare supplement plan (Medigap) may help cover your 20% responsibility
 - Original Medicare has no formulary or preferred drug list*



LEARN MORE about Part B medications in Section 2 of *Medicare & You*

*A recent law established Medicare Part B prescription drug inflation rebates for single-source drugs and biologicals with prices increasing faster than the rate of inflation. Enrollees with Traditional Medicare and Medicare Advantage who use these Part B drugs may pay a reduced amount for their coinsurance.

For more information about this law, view the [Fact Sheet](#)

MEDICARE PART D – PHARMACY BENEFIT

Covers prescription medications filled by a pharmacy.

Optional prescription drug coverage is available to anyone with Original Medicare.

- To join a separate Medicare prescription drug plan, you must have Medicare Part A and/or Part B
- To join a Medicare Advantage Plan with drug coverage, you must have Medicare Part A and Part B

Drug coverage and cost will vary based on the plan you choose.

- Plan-specific formulary (drug list)
- Preferred pharmacies (retail, specialty, or mail order)
- Co-payment is based on the tier level of the medication (Tiers 1-5)

If you have Medicare and full Medicaid coverage, Medicare covers your prescription drugs through Part D.



LEARN MORE about Part D medications in Section 6 of *Medicare & You*

Financial support options

There are assistance programs for those who need additional help with costs, including medications.

NATIONAL PROGRAMS

Extra Help

- Also known as Medicare Low Income Subsidy (LIS), this is a Medicare program to help people with limited income and resources pay Medicare prescription drug program costs, like premiums, deductibles, and coinsurance

There are 3 ways to enroll:

- Online at:
www.ssa.gov/benefits/medicare/prescriptionhelp.html
- Call 1-800-772-1213 (TTY 1-800-325-0778)
- At your local Social Security office

Medicaid

- A joint federal and state program that helps with medical costs for some people with limited income and (in some cases) resources
- If eligible for both Medicare and Medicaid, you can have both
- Medicare covers your prescription drugs through Part D
- Call 1-800-MEDICARE (1-800-633-4227) to get the phone number for your state's Medicaid office. TTY users can call 1-877-486-2048

OTHER PROGRAMS

State Medicare Savings Programs

- Learn more [here](#) or by calling 1-800-633-4227

Programs for All-inclusive Care for the Elderly (PACE)

- A Medicare and Medicaid program that helps people meet healthcare needs without going to a nursing home or other facility for care
- Learn more [here](#)

State Pharmaceutical Assistance Program (SPAP)

- A state program that provides help paying for drug coverage based on financial need, age, or medical condition
- Find out if your state has a [State Pharmaceutical Assistance Program](#)



LEARN MORE about financial support
in Section 7 of *Medicare & You*



**Find out more
at medicare.gov**



For more information

MEDICARE (PARTS A & B)

COMPARE COSTS

- For updated information about coverage and rates, visit [Costs | Medicare](#)

COMPARE PLANS

- Go to [medicare.gov](https://www.medicare.gov) to see if Original Medicare covers necessary tests or services

ENROLL

- Online at [medicare.gov](https://www.medicare.gov)
- Call 1-800-MEDICARE (1-800-633-4227)

MEDICARE SUPPLEMENT (MEDIGAP)

Find which insurance companies sell Medigap policies in your area at [Medigap Policy Search](#)

MEDICARE ADVANTAGE (PART C)

Medicare uses star ratings from 1-5 to help you compare plans based on quality and performance. Use [Medicare Plan Finder](#) to find plans and ratings in your area.

DRUG PLAN (PART D)

COMPARE PLANS

- Medicare uses star ratings from 1-5 to help you compare plans based on quality and performance. Use [Medicare Plan Finder](#) to find plans and ratings in your area

ENROLL

- Online at [Medicare Plan Finder](#) or the plan's website
- Call 1-800-MEDICARE (1-800-633-4227)

ADDITIONAL SUPPORT

- The [Medicare Rights Center](#) (1-800-333-4114) can walk beneficiaries through the differences among Original Medicare plans, Medicare Advantage plans, and prescription drug plans
- Get free, personalized counseling from your [State Health Insurance Assistance Program \(SHIP\)](#)



Compare options in your area. Use [Medicare Plan Finder](#) tool or your local State Health Insurance Assistance Program office. When reviewing your options consider your total costs including coverage and out-of-pocket responsibilities.

COST Based on the options you choose there could be multiple premiums (Part A, B, C, D, and/or Supplemental), deductibles, and co-pays.

	ORIGINAL MEDICARE	OPTION 1: _____	OPTION 2: _____
Monthly Premium(s):	\$	\$	\$
Deductible(s):	\$	\$	\$
Provider Co-pay(s): (multiply by number of specialists you see & office visits/month)	\$	\$	\$
Pharmacy Co-pay(s): (multiply by number of medications you take/month)	\$	\$	\$
Out-of-pocket Maximum	\$	\$	\$

COVERAGE How well do the options cover the medications you need? List them here.

Medication 1 _____

Is your medication given by your doctor covered (Medicare Part B)?

Yes No

Yes No

Yes No

Is your medication from a pharmacy covered (Medicare Part D)?

Yes No

Yes No

Yes No

Do you have to take a generic before taking a branded medication?

Yes No

Yes No

Yes No

Medication 2 _____

Is your medication given by your doctor covered (Medicare Part B)?

Yes No

Yes No

Yes No

Is your medication from a pharmacy covered (Medicare Part D)?

Yes No

Yes No

Yes No

Do you have to take a generic before taking a branded medication?

Yes No

Yes No

Yes No

Medication 3 _____

Is your medication given by your doctor covered (Medicare Part B)?

Yes No

Yes No

Yes No

Is your medication from a pharmacy covered (Medicare Part D)?

Yes No

Yes No

Yes No

Do you have to take a generic before taking a branded medication?

Yes No

Yes No

Yes No

NETWORK Do these options give you access to your network of doctors and hospitals?

Can you choose where you can have your medications administered?

Yes No

Yes No

Yes No

Can you choose your healthcare providers or hospitals?

Yes No

Yes No

Yes No

Are you covered if you travel?

Yes No

Yes No

Yes No



FAQs

Q What if I'm 65 and didn't sign up for Medicare during the Initial Enrollment Period?

A Unless you qualify for a Special Enrollment Period, in most cases, you'll have to pay a late enrollment penalty if you didn't sign up when you were first eligible.

Part A: Your monthly premium may go up 10%. For more information, see *Medicare & You* Section 1.

Part B: Your monthly premium may go up 10% for each 12-month period you could have had Part B but didn't sign up. For more information, see *Medicare & You* Section 1.

Part D: The penalty amount depends on how long you didn't have prescription drug coverage and may increase each year. For more information, see *Medicare & You* Section 6.

Medicare Supplement (Medigap): You will likely pay a higher monthly premium. For more information, see *Medicare & You* Section 5

Learn more about special enrollment in *Medicare & You* Section 1

Q What if I'm 65 but I'm still working and have coverage through my job?

A If you or your spouse are still working and you have health coverage through that employer or union, contact the employer or union benefits administrator to find out how your coverage works with Medicare. For more information, see *Medicare & You* Section 1.

Q When is the best time to purchase a Medicare supplement plan (Medigap)?

A The best time to buy a Medigap policy is during your Medigap Open Enrollment Period. This 6-month period begins the first month you have Medicare Part B (medical insurance) and you're 65 or older.

For more information, see *Medicare & You* Section 5

Q When can I join, switch, or drop a plan?

A You can join, switch, or drop a Medicare drug plan or a Medicare Advantage Plan with drug coverage during these times:

- **Initial Enrollment Period:** When you first become eligible for Medicare, you can join a plan. See Section 1 of *Medicare & You*.
- **Open Enrollment Period:** From October 15 through December 7 each year, you can join, switch, or drop a plan. Your coverage will begin on January 1 (as long as the plan gets your request by December 7).
- **Medicare Advantage Open Enrollment Period:** From January 1 through March 31 each year, if you're enrolled in a Medicare Advantage Plan, you can switch to a different Medicare Advantage Plan or switch to Original Medicare (and join a separate Medicare drug plan) once during this time.

For more information, see *Medicare & You* Section 6.

FAQs (continued)

Q **When can I switch to a plan that provides better coverage?**

A During the Open Enrollment Period (OEP) – from October through December – all people with Medicare may change their healthcare plan with no penalties.

You can enroll/change plans on the Social Security website: www.ssa.gov/benefits/medicare/

For more details, see *Medicare & You* Section 1.

Q **If I switch my coverage, what do I need to consider?**

A Compare all Medicare options to ensure your medications and services are covered. Refer to pages 10 and 11 in this guide for support.

Q **If I'm enrolled in a Medicare Advantage plan, can I switch to Original Medicare?**

A Medicare has certain rules that differ in each state. For more information, see *Medicare & You* Section 4.

From January through March each year, if you are enrolled in a Medicare Advantage plan you have the option to switch Medicare Advantage plans or go back to Original Medicare with or without a Part D prescription plan.

For more details on switching from Medicare Advantage to Original Medicare, see *Medicare & You* Section 4.

For more details on switching back to Original Medicare and adding a Medicare supplement plan, see *Medicare & You* Section 4.

 **Read more FAQs at ssa.gov** 

Medicare definitions

Coinsurance: An amount you may be required to pay as your share of the cost for services after you pay any deductibles. Coinsurance is usually a percentage (for example, 20%).

Co-payment (Co-pay): 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 prescription drug. A co-payment 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.

Deductible: The amount you must pay for healthcare or prescriptions before Original Medicare, your Medicare Advantage Plan, your Medicare drug plan, or your other insurance begins to pay.

Extra help: Also known as Medicare Low Income Subsidy (LIS), this is a Medicare program to help people with limited income and resources pay Medicare prescription drug program costs, like premiums, deductibles, and coinsurance.

Formulary: A list of prescription drugs covered by a prescription drug plan or another insurance plan offering prescription drug benefits. Also called a drug list.

Medicaid: A joint federal and state program that helps with medical costs for some people with limited income and resources. Medicaid programs vary from state to state, but most healthcare costs are covered if you qualify for both Medicare and Medicaid.

Medicare Advantage: See "Medicare Part C."

Medicare Part A (hospital insurance): Part A covers inpatient hospital stays, care in a skilled nursing facility, hospice care, and some home healthcare.

Medicare Part B (medical insurance): Part B covers certain doctors' services, outpatient care, medical supplies, and preventive services.

Medicare Part C (Medicare Advantage plan): A type of Medicare health plan offered by a private company that contracts with Medicare. Medicare Advantage plans provide all of your Part A and Part B benefits.

Medicare Part D (drug plan): Part D adds prescription drug coverage to:

- Original Medicare
- Some Medicare cost plans
- Some Medicare private-fee-for-service plans
- Medicare medical savings account plans

These plans are offered by insurance companies and other private companies approved by Medicare. Medicare Advantage plans may also offer prescription drug coverage that follows the same rules as Medicare drug plans.

Medigap: Medicare supplement insurance, sold by private insurance companies to fill "gaps" in Original Medicare coverage. Also known as Medicare Supplement Plan.



Medicare definitions (continued)

Medicare Advantage Open Enrollment Period (OEP): A one-time only, 3-month period (January 1–March 31) when federal law allows you to switch to a different Medicare Advantage plan with or without a drug plan, go back to Original Medicare, or join a Medicare prescription drug plan.

Network: A network is a group of healthcare providers or facilities that have agreed to provide care based on a plan's terms and conditions. These providers include doctors, hospitals, pharmacies, etc.

Original Medicare: Original Medicare is a fee-for-service health plan that has two parts: Part A (hospital insurance) and Part B (medical insurance). After you meet an annual deductible, Medicare pays its share of the Medicare-approved amount, and you pay your share (coinsurance and deductibles).

Out-of-pocket costs: Health or prescription drug costs that you must pay on your own, like co-pays, or because they aren't covered by Medicare or other insurance.

Premium: The periodic payment to Medicare, an insurance company, or a healthcare plan for health or prescription drug coverage.

Service area: A geographic area where the plan accepts members. The plan may limit membership based on where people live. For plans that limit which doctors and hospitals you may use, it's also generally the area where you can receive routine (non-emergency) services. The plan may disenroll you if you move out of the plan's service area.

Skilled nursing facility (SNF) care: Skilled nursing care and therapy services provided on a daily basis in a skilled nursing facility. Examples of skilled nursing facility care include physical therapy or intravenous injections that can only be given by a physical therapist or a registered nurse.

Star ratings: Medicare uses information from member satisfaction surveys, plans, and health care providers to give overall performance star ratings to plans. A plan can get a rating between 1 and 5 stars. A 5-star rating is considered excellent. These ratings help you compare plans based on quality and performance. Medicare updates these ratings each fall for the following year. These ratings can change each year.

Reference: Centers for Medicare & Medicaid Services. Medicare & You 2024. Accessed July 29, 2024. <https://www.medicare.gov/medicare-and-you>



View more definitions in the
Medicare & You Handbook



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