

Alternatives to Medicare Supplement Insurance

Employer Health Insurance

If you or your spouse continues to work after your 65th birthday, you may be able to continue under an employer group health insurance plan. In many situations your employer plan will be primary (it will pay first). In that case, you may not need to sign up for Medicare Part B or buy a Medicare supplement. Contact Social Security at 800.772.1213 with any questions regarding enrollment in Medicare Part B.

When you retire at age 65 or later and do not have an employed spouse, Medicare will become your primary insurance plan. You must enroll in Medicare Part B to avoid a penalty for late enrollment. Your employer may offer a retiree health plan which will pay after Medicare.

Employer group insurance plans do not have to comply with the regulations governing Medicare supplement policies. Carefully compare benefits and costs before deciding to keep employer insurance or replace it with a Medicare supplement.

Medicare Prescription Drug Plan (Part D)

On January 1, 2006, Medicare prescription drug coverage became available to everyone with Medicare. Everyone with Medicare can get this coverage that may help lower prescription drug costs and help protect against higher costs in the future. Medicare Prescription Drug Coverage is insurance. Private companies provide the coverage. You choose the drug plan and pay a monthly premium. Like other insurance, if you decide not to enroll in a drug plan when you are first eligible, you may pay a penalty if you choose to join later. You may compare drug plan coverage on www.Medicare.gov.

There are two types of Medicare plans that provide insurance coverage for prescription drugs. There will be prescription drug coverage that is a part of Medicare Advantage plans and other Medicare health plans. You would get all of your Medicare prescription drug coverage that adds coverage to the original Medicare plan and some Medicare private fee-for-service plans. Private insurance companies approved by Medicare will offer these plans.

Like other insurance, if you join a plan offering Medicare drug coverage, there is a monthly premium. If you have limited income and resources, you may get extra help to cover prescription drugs for little or no cost (contact Social Security). The amount of the monthly premium is not affected by your health status or how many prescriptions you need. You will also pay a share of the cost of your prescriptions. All drug plans will have to provide coverage at least as good as the standard coverage which Medicare has set.

Full Low-Income Subsidy (LIS) Extra Help 2012

- Income Eligibility Requirements: \$1,256.63/ month or less if single; \$1,702.13/month or less if married.
- Asset Eligibility Requirements: \$8,440 or less if single; \$13,410 or less if married.

Partial Low-Income Subsidy (LIS) Extra Help 2012

- Income Eligibility Requirements: \$1,396.25/ month or less if single; \$1,891.25/month or less if married.
- Asset Eligibility Requirements: \$13,070 or less if single; \$26.120 or less if married.

Medicare Savings for Qualified Beneficiaries

The Qualified Medicare Beneficiary (QMB) program is a state assistance program that pays Medicare deductibles, Medicare's coinsurance, Medicare's Part B monthly premium, plus the full scope of Medicaid for certain elderly and disabled persons who are entitled to Medicare Part A, if the annual income is at or below the National Poverty Level and whose savings and other resources are very limited.