



## Protect What You've Worked So Hard To Build.

For years, you've invested a huge part of yourself in your profession. You studied. You put in grueling months of internship and residency. You sacrificed time with your family to take care of patients who needed you. Now, you're turning 65, and it's time to focus on the next phase of your journey and to decide on the best way to handle your health care coverage during your retirement years.

As a physician, you may be very familiar with Medicare as a payee. But there is much to learn when Medicare becomes your personal primary health coverage, which can happen at age 65. The decisions you make now could have a lasting impact on your future. This guide will help you make informed decisions that will optimize your Medicare coverage.



For Educational Purposes Only

– IMPORTANT –  
Remember These Dates

**Medicare Enrollment**  
Your 65th birthday month +/- 3 months

**Medicare Open Enrollment**  
Oct. 15–Dec. 7 every year  
(New coverage begins Jan. 1)

**Medicare Supplement Insurance Open Enrollment**  
65th birthday + 6 months

**Medicare Advantage Open Enrollment**  
Jan. 1–March 31 every year  
(New coverage begins July 1)

# First, Let's Take a Look At Your Choices.

A good place to start is with the alphabet-identified parts. Knowing your Medicare A-B-Cs will help you get your best protection from the health care costs that come as you grow older.

## **Medicare Parts A and B** (*Original Medicare*)

Original Medicare consists of Part A (hospital costs) and Part B (physician fees and several other non-hospital expenses) Parts A and B cover only 80% of Medicare-approved costs. However, there are options to take care of substantial parts of the remaining 20%, but you must be enrolled in Parts A (typically automatic) and B (you must opt in) to participate in the additional plans: Part C (Medicare Advantage); Medicare Supplement Insurance (Medigap); or Medicare Part D (prescription drug coverage).

## **Medicare Part C**

Known as Medicare Advantage, replaces Original Medicare (Parts A and B).

Medicare Advantage plans are offered by private insurers, cover specific geographic service areas, and require use of providers who are in the network.

These can be structured in various ways, but typically are HMOs or PPOs. If you are considering a Medicare Advantage plan, you'll want to see that your preferred providers are on the list.

Some Medicare Advantage plans include coverage for prescription drugs, vision and dental care, and preventive services.



Start With The Basics and Learn Your Medicare A-B-Cs



## Medicare Supplement Insurance or Medigap

One option often favored by retiring physicians is a Medicare Supplement Insurance policy offered by private insurers. Medicare Supplement Insurance is accepted by any provider in the United States that accepts Medicare, and it works with Part A and B.

Original Medicare first pays its benefit to the provider, then the Medicare Supplement Insurance plan pays all or part of the remaining costs. Is a Medicare Supplement Insurance Plan the right answer for you? Ask your retired colleagues and many will say yes. Here's why:

- **Medicare Supplement Insurance plans help cover most co-pays, deductibles, and co-insurance.**
- **You can make your own decisions, choosing any provider who accepts Medicare.**
- **No annual changes of service area or coverages.**
- **There is no "out-of-network." That's nice to know if you plan retirement travel.**
- **With 10 standardized plans to choose from, you can select the one that best meets your cost/benefit goals.**
- **Plans are standardized within a state, so for example, the benefits of one Illinois insurer's Plan A will be identical to every other Plan A offered within the state. That makes comparison easy.**
- **Rates do vary, however, so shopping makes sense.**
- **Discounts may be available for things like automatic payments. Do check and factor this into your decision process.**
- **If you sign up during the Medicare Supplement Insurance Open Enrollment Period, you must be accepted by any insurance company offering the plan in your state.**

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## Learn about the purpose and benefits of a Medicare Supplement Insurance Plan

Medicare Supplement Insurance plans typically include these benefits:

- **Hospital costs not paid by original Medicare**
- **All or substantial portions of co-pays and coinsurance for Part B**
- **First three pints of blood**
- **Skilled nursing care (at least 50% up to 100%)**
- **Part A deductible**
- **Out-of-pocket-limits (two plans only)**

Some plans also include benefits for foreign travel medical emergencies, Part B excess charges, and Part B deductibles, but Plans C and F that include benefits for Part B deductibles are available only to those who became eligible for Medicare prior to January 1, 2020.





**Ready to Explore?  
Here are Some Resources:**

- [www.Medicare.gov](http://www.Medicare.gov)
- *Your state insurance department*

When you're considering Medicare Supplement Insurance plans, here are some things to remember:

- **Not all insurance companies offer all plans.**
- **Not all plans are offered in every state. Some states, including Massachusetts, Minnesota, and Wisconsin, offer their own standardized plans.**
- **Be sure to check available plans for your state.**
- **Today's Medicare Supplement Insurance plans do not cover prescription drug costs. Medicare prescription drug coverage (Part D) helps you pay for both brand-name and generic drugs. Covered drugs vary, so be sure to check formularies as well as rates.**



**Part D**

This is separate coverage exclusively for prescription drugs. If you plan on using Original Medicare plus a Medicare Supplement Insurance Plan, consider adding Part D. Benefits of Medicare Advantage and Medicare Supplement Insurance cannot be combined. And you can't use the benefits of one to pay premiums of the other. With either option, you must be enrolled in Medicare Part B and continue to pay the Part B premium.

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# Which Plan Is Right For You?

That's a decision only you can make. It will help to take a look at the plans side-by-side.

Medicare Advantage vs. Medicare Supplement Insurance Comparison Chart		
What You Need to Know	Medicare Advantage	Medicare Supplement Insurance
<i>Is the plan accepted nationwide?</i>	NO	YES
<i>Are there co-payments to providers?</i>	YES	NOT on most plans
<i>Are out-of-pocket expenses predictable?</i>	NO	YES
<i>Will I need referrals?</i>	YES	NO
<i>Can the insurer cancel my policy?</i>	YES	NO, as long as premiums are paid
<i>Will the plan be accepted by any provider who accepts Medicare when I travel in the U.S.?</i>	NO	YES
<i>Are there benefits for foreign travel health emergencies?</i>	Some policies cover medical emergencies that arise during foreign travel.	Yes, there are some plans offering foreign travel benefits.
<i>Can I switch plans if I'm not happy?</i>	Yes, there are two annual open enrollment periods when you can change plans or return to Original Medicare.	You can, but you may not be guaranteed issue if you decide to switch plans.
<i>When can I sign up?</i>	You can sign up during your enrollment period for Medicare, including the three months before and three months after your birthday month.  There are also annual open enrollment periods (Oct. 15 to Dec. 7) when you can add a Medicare Advantage plan.	You are guaranteed issue of a policy if you sign up within the six months following your 65th birthday and Part B enrollment. There can be other opportunities if you retain group or employer health coverage OR if you have signed up for a Medicare Advantage plan and you're not happy with it.
<i>What about my spouse?</i>	A separate policy is required.	A separate policy is required but inquire about discounts when both spouses are insured.

# Here's a Quick Navigation Guide.

## 1. The Individual Enrollment Period for Original Medicare (Parts A and B)

Most people become eligible for Original Medicare when they turn 65, can enroll at any time during the seven-month period beginning three months prior to the month of your 65th birthday and ending three months after the birthday month. Coverage can begin on your 65th birthday if you are enrolled at that time.

*Shopping Tip: You MUST have enrolled in Medicare Part B to be eligible for Medicare Advantage or Medicare Supplement Insurance plans.*

## 2. The Open Enrollment Period for a Medicare Supplement Insurance Policy

The best time to buy a Medicare Supplement Insurance policy is during your six-month Medicare Supplement Insurance Open Enrollment Period. This period automatically starts the first of the month you have Medicare Part B and are age 65 or older. During this six-month period, every insurer offering Medicare Supplement Insurance coverage in your state must accept you, regardless of your health. But afterward, an insurer may...

- Refuse coverage
- Impose a waiting period for coverage of a pre-existing condition, or
- Charge you a higher rate than others of your age and state.\*

Coverage arranged during this period begins when the policy is issued. Once you are issued a Medicare Supplement Insurance policy, you can keep it for life as long as you pay the premiums when due, have given accurate information when you apply, and your insurer remains solvent. There are a number of exceptions, and state regulations vary. Your licensed insurance agent/producer can provide you with the information you need to help protect your financial health.

*Shopping Tip: If you let your initial Medicare Supplement Insurance enrollment period pass by, you may want to ask if an insurer offers guaranteed issue at other times. Some do.*

## 3. The Annual Open Enrollment Period October 15 to December 7

This period applies only to those already enrolled in Original Medicare or in Medicare Advantage (Part C) and who want to make changes. During this period, you can...

- Change Medicare Advantage plans
- Sign up for a Medicare Advantage plan
- Drop your Medicare Advantage plan and return to Original Medicare
- Add or drop a Prescription Drug Plan (Part D) or change from one plan to another

Any changes you make during this period take effect on January 1 of the following year.

*Shopping Tip: Remember that you cannot combine benefits from a Medicare Advantage plan and a Medicare Supplement Insurance plan.*

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\*AR, CT, ID, MA, ME, MN, NY, VT, and WA are community rated states.

#### 4. The Medicare Advantage Open Enrollment Period January 1 through March 31

This period is open only to people with existing Medicare Advantage plans. If you have one, this is your opportunity to ...

- Change Medicare Advantage plans
- Drop your Medicare Advantage plan and return to Original Medicare (and optionally add a Medicare Supplement Insurance Plan)
- Add or drop a Prescription Drug Plan (Part D) or change from one Part D plan to another

Changes made during this period take effect in July.

*Shopping Tip: Formularies differ and change. Be sure to check current formularies when considering a Prescription Drug Plan.*

## What If You're Retiring, And You're Not 65?

**If you're younger ...** You can begin to receive Social Security benefits at age 62, but you will not be eligible for Medicare until age 65\*. However, if you are receiving Social Security benefits before age 65, you will be automatically enrolled in Medicare Part A when you reach age 65. Your six-month open enrollment period for Medicare Supplement Insurance will begin on your 65th birthday.

**If you're older ...** If you can establish that you have creditable coverage up until your retirement time, you may be eligible for special enrollment periods for both Original Medicare and Medicare Supplement Insurance plans. Talk with a licensed insurance agent/producer about your rights and options.

This is just the beginning. There is much more to know about Medicare, open enrollment, and how plans like Medicare Supplement Insurance, Medicare Advantage, and Medicare Part D work together.

The chart above is a brief overview to get you started, and with all the variables, you will want to take a closer look. When you are ready, you can always call on the licensed agent/producers of AMA Insurance. Specialists in the insurance needs of physicians, they have been offering insurance plans that protect physicians' families and assets for more than 30 years.



\* Medicare is available to individuals younger than age 65 if they have a disability, ESRD or ALS.



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## Where To Start.

The first step for obtaining any Medicare coverage is to enroll in Original Medicare (Parts A and B). Part A is usually fee-free and enrollment may be automatic, but there is a monthly premium for Plan B, usually deducted from Social Security or other government-sponsored pensions. If you don't enroll when you're first eligible, you may be subject to a costly late enrollment penalty.

As we mentioned earlier, when you become 65, your acceptance for a Medicare Supplement Insurance policy is guaranteed during the six months after your birthday, assuming you are also enrolled in Medicare Part B. But there's an important caveat: If you enroll in a Medicare Supplement Insurance Plan outside of an Open Enrollment Period, you may be subject to medical underwriting. If you're considering Medicare Supplement Insurance after the initial enrollment period has expired, ask the insurer about their medical underwriting policy. Some companies may guarantee issue beyond the original period.

There is some flexibility in enrollment periods. If, for example, you continue to practice beyond age 65 and are covered by a group plan, you may qualify for guaranteed issue when your group coverage ends. A licensed insurance agent/producer can walk you through these types of exceptions.

## Moving Forward.

Whether retirement is a few years away or just around the corner, it pays to learn all you can about Medicare, Medicare Supplement Insurance plans, Medicare Advantage, and Part D Prescription Drug coverage from the viewpoint of the beneficiary, rather than the payee. With 30 years experience in the business, AMA Insurance has helped thousands of physicians like you with insurance protection for your family, your home, your automobile, and more. Now, count on them to help you make sure your hard-earned assets are safe from unexpected health care costs when you retire. Just ask.





In the meantime, here are some potentially cost-saving ways to optimize your entire insurance portfolio:

**1. Review all your current insurance policies.**

This is a good time to make needed adjustments to your insurance portfolio. Your needs may change ... property values do change, and you want to make sure you always get the protection you and your family need. Housing prices have risen substantially over the past few years. Does your homeowner's insurance reflect the new value of your home? Is the liability coverage sufficient? Will you be losing life insurance provided by your practice or employer when you retire?

**2. Consider consolidation.**

You can often save a bundle by insuring your home, your vehicles, boats, et al, with one company. It's worth looking into — you could be pleasantly surprised!

**3. Talk with a professional who understands your needs.**

Retirement, whether before, after or at age 65, should be a time when you relax and enjoy. Making sure you are protected from the financial impacts of illness, accidents, and damage to property is a solid step toward peace of mind. Talk with an insurance professional who understands the particular needs of physicians and can help you assemble a full protection plan. You'll be glad you did.

**4. Refresh your entire financial plan.**

AMA Insurance offers you access to the services of Physicians Financial Partners (PFP), with fully vetted independent financial professionals across the country. They will help you manage your assets with lifetime financial security as a goal.





## About AMA Insurance.

Since 1988, AMA Insurance has been helping physicians and their families find insurance solutions for every stage of their life. Our focus has been to help protect physicians for a lifetime. Through that journey we want to be sure that you have the information you need to make informed decisions about your insurance choices at your life stage. Retirement should be a time to enjoy, we hope this guide helps you to better understand your Medicare choices.



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