BlueCross BlueShield of Montana

Enrolling in Medicare

Enrolling in Medicare is easier than you may think. You can sign up online, by phone or in person at any Social Security office. But there are a few things to know and have ready before you enroll.

Who's eligible?

You are eligible for Medicare if you:

- Are 65 years old or older and a U.S. citizen (or legal resident for at least two years).
- Are under age 65 and have a qualifying disability. (Medicare eligibility begins after 24 months of receiving Social Security disability benefits).
- Have end-stage renal disease (ESRD) or amyotrophic lateral sclerosis (ALS).

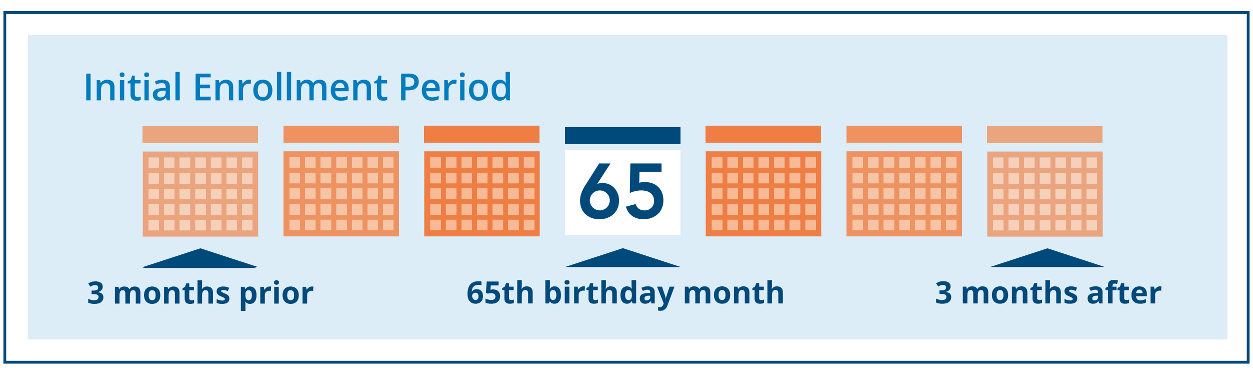
What You'll Need

You'll need an approved form of ID, and some personal, military, and employment information to get started.

When do I enroll?

You can enroll for the first time in Medicare Part A and/or Part B only at certain times without the risk of late enrollment penalties. The first opportunity is your Initial Enrollment Period (IEP). This is the period during which you can enroll in Medicare for the first time. It is a 7-month period:

- The three months before your 65th birthday month
- Your birthday month
- The three months after your 65th birthday month

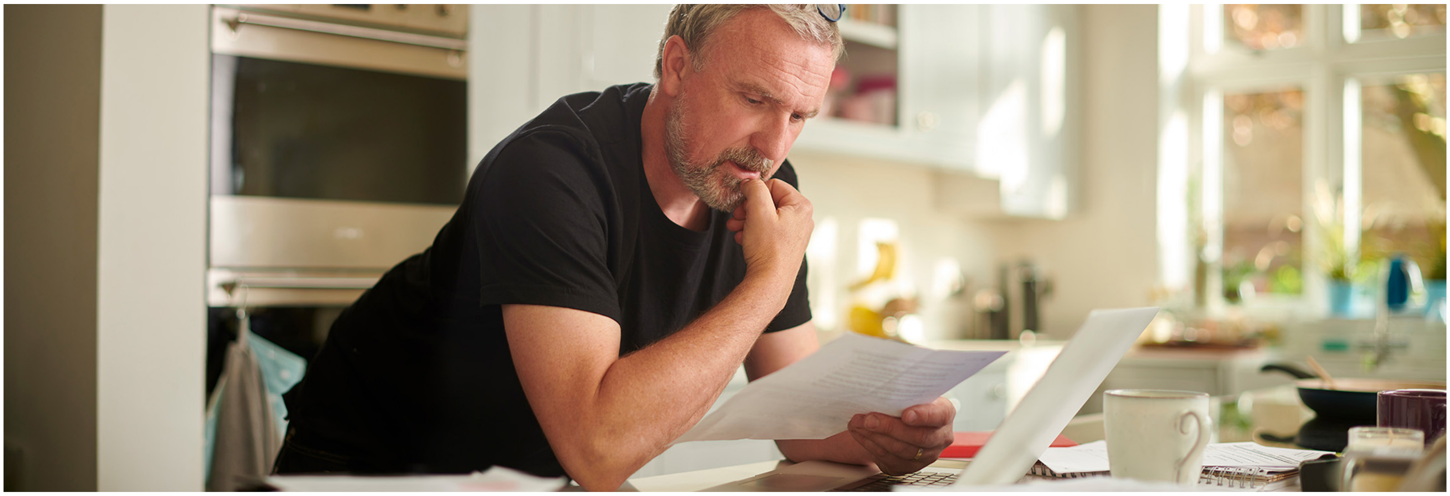


For example:

65th Birthday Month	IEP Begins	IEP Ends
January	October 1	April 30
April	January 1	July 31
July	April 1	October 31
October	July 1	January 31

Your IEP for any group retiree Medicare plan is the same as your IEP for Medicare Parts A and B.

Y0096_GRPAGEINENROLL_C TURNING65ENROLLING.0126



"Get Ready for Medicare" Packet:

This welcome package is the first mail you will receive from Medicare. It includes a letter, booklet, and Medicare card. The booklet explains important decisions you need to make before your Medicare Part A (Hospital Insurance) and Medicare Part B (Medical Insurance) coverage starts. It is sent to those people who are automatically enrolled in Medicare because they are getting Social Security benefits. You can enroll online at www.ssa.gov even if you're not ready to retire. You can enroll by phone at **1-800-772-1213 (TTY 1-800-325-0778)**, Monday through Friday, 7:00 a.m. – 7:00 p.m. local time. You can also enroll in person at any Social Security office. Call the same number above to schedule an appointment.

Initial Enrollment Period: Important considerations as you turn 65 to avoid paying costly penalties later.

- **If you haven't already, you should consider enrolling in Medicare Part A**—even if you plan to continue working. (If you are age 65 or older and receive Social Security benefits, you will be automatically enrolled in Part A). For most people it's free, and can serve as secondary insurance, which may cover things your primary insurance does not.
- Since most people are entitled to premium-free Part A, many sign up for Part A at age 65 and delay Part B if they continue working. Since loss of employer coverage qualifies you for a special enrollment period to enroll in Part A, B, C, and D, you should not experience any late enrollment penalties.

Important: Signing up for either Part A or Part B means you cannot add funds to a health savings account.

Annual Enrollment Period – If your benefit administrator offers multiple group retiree Medicare plan options, the Annual Enrollment Period gives you the chance to switch to a different plan for the following year. It is set by your employer.

Special Enrollment Period – If you do not enroll in Medicare during your IEP, special circumstances — including late retirement—allow you to sign up for Part A and/or B during a Special Enrollment Period (SEP). To learn more about SEPs, refer to your Medicare & You handbook or go to **www.medicare.gov**.

General Enrollment Period – Each year, for the 3-month period from January 1 to March 31, individuals who missed their Initial Enrollment Period (IEP) or who didn't enroll in Part B initially, can enroll in Medicare Part A and/or Part B. Coverage generally begins the following July 1 after enrollment during GEP. Individuals may also be subject to a late enrollment penalty if they enroll during the GEP after missing their IEP.

Understanding Costs and Penalties

Premiums

- You won't pay a premium for Medicare Part A if you're 65 years old and you or your spouse paid Medicare taxes for at least ten years.
- There is a monthly premium for Part B. Generally, the Part B premium is taken out of your monthly Social Security benefit. This premium adjusts annually.
- Part B IRMAA
  If your modified adjusted gross income as reported on your IRS tax return from 2 years prior is above a certain amount, you'll pay the standard Part B premium plus an income-related monthly adjustment amount (IRMAA). A notice from Medicare will be mailed to those who will pay the Part B IRMAA surcharge. Non-payment of Part B and/or IRMAA premiums will result in termination of coverage.

Late Enrollment Penalties

- **Part A** (hospital coverage) – If you have ten years of work history and qualify for free Medicare Part A, you likely won't have to worry about a late enrollment penalty. If you don't qualify for free Part A and you don't sign up for Part A as soon as you're eligible, you will have to pay a late enrollment penalty of 10% for twice the number of years you delayed your Part A enrollment.
- **Part B** (medical coverage) - If you decline Part B during your Initial Enrollment Period and enroll later, you may pay a penalty. The penalty does not apply if you continue working and are covered by your employer's health plan as long as your employer has 20 or more employers.
- **Part D** (prescription drugs) - If you go without Part D or other creditable prescription drug coverage for 63 days or more in a row after the end of your Initial Enrollment Period, you may have to pay a penalty.

What is Creditable Coverage?

Creditable prescription drug coverage is coverage that's expected to pay, on average, at least as much as Medicare's standard prescription drug coverage. This includes group or individual plans that cover prescription drugs.

Exceptions to the penalties – The most likely exception is that you are still working and have coverage through your current employer's plan. You may also have coverage through your spouse's employer when you turn 65. In those cases, you can sign up for Part A and B, along with additional coverage, during your Special Enrollment Period at **www.medicare.gov**.

9101073.0425