



# SOCIAL SECURITY

2016

## What is Medicare?

- Medicare is our government's health insurance program for people over age 65 or with disabilities
- There are four parts of Medicare—Part A, B, C, D
- Medicare is a federal program/Medicaid is a state program. (Medi-caid in California is Medi-Cal)
- Medicare is administered by CMS not Social Security
- Visit [www.medicare.gov](http://www.medicare.gov) or call 1-800-MEDICARE



## Social Security's Role in Medicare

- Determine if an individual is eligible for Medicare benefits
- Enroll the individual for Medicare
  - Part A
  - Part B
  - Part D Limited Income Subsidy
- Collect the monthly Medicare premiums

## Who Can Get Medicare?

65 & older

or

Receiving Social Security disability benefits at  
least 24 months

or

Permanent Kidney failure

or

Amyotrophic Lateral Sclerosis (ALS)

## Buying Part A



- If an individual does not have 40 Social Security or Medicare credits, they can buy Medicare Part A
- Part A : (Hospital Insurance) Premium for 2016:  
\$411.00 without 40 Social Security or Medicare credits  
\$226.00 with 30-39 Social Security or Medicare credits
- One Social Security credit in 2016: \$1,260 gross wages or net self employment  
(can earn a maximum of 4 Social Security credits per calendar year)

## What is Part B of Medicare?

- Part B is Medical Insurance and helps pay for outpatient hospital care and doctor's services (also includes certain home health services and medical durable equipment)
- Part B is an optional plan
- The monthly premium for Part B is \$121.80 in 2016
- There are no premiums if an individual has Medi-Cal
- Part B pays 80% of Medicare approved services after the annual deductible for 2016 of \$166 is paid.

## New Part B Premiums in 2016

- Medicare beneficiaries with income greater than \$85,000 (\$170,000/couple) Part B Premiums in 2016 will be calculated on a sliding scale based on the modified adjusted gross income reported on IRS tax returns
- Under \$85,000 (\$170,000/couple): Part B premium \$121.80
- \$85,000-\$107,000 (\$170,000-\$214,000/couple): Part B premium \$170.50
- \$107,000-\$160,000 (\$214,000-\$320,000/couple): Part B premium \$243.60
- \$160,000-\$214,000 (\$320,000-\$428,000/couple): Part B premium \$316.70
- Over \$214,000 (\$428,000/couple): Part B premium \$389.90
- Automated data from IRS used to calculate the premium
- Income from two years prior will be used to compute the premium (i.e. adjusted gross income for 2014 used to calculate the premium in 2016)
- Appeals available if income has changed due to divorce, death of a spouse, retirement, natural disaster, etc.

## Enrollment Periods for Medicare Part B

- There are 3 enrollment periods for Medicare:
  - Initial Enrollment Period
  - General Enrollment Period and
  - Special Enrollment Period
- If receiving Social Security benefits prior to age 65, Medicare enrollment will be automatic at age 65 and the premiums will be automatically deducted from the Social Security check each month
- A permanent 10% penalty is assessed for every 12 months of delayed enrollment in Part B past the Initial Enrollment Period. (unless filing through the Special Enrollment Period)

**B B B B**

## Initial Enrollment Period-Part B



- **3 months before and 3 months after age 65**

### **Example:**

**Age 65 in June**

**Initial Enrollment Period is March-September**

## General Enrollment Period for Part B



- **Open season every January, February, March**
- **Coverage will not begin until July of that year**

## Special Enrollment Period for Part B

- If covered through an active (not retired) employer group health plan through own work or spouse's work
- Can delay filing Medicare Part B for up to 8 months without any penalty.  
(month of termination plus 7 months for a total of 8 months)

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## What about Part C?

- Part C (Medicare Advantage) plans allow Medicare beneficiaries to receive all health care services through a private insurance company to help lower costs of medical services, or receive extra benefits for an additional monthly fee.
- A Medicare beneficiary must have both Part A and Part B to enroll in Part C.
- Social Security does not advise or enroll Medicare beneficiaries in a Part C plan.

## Social Security Information Resources



1-800-772-1213  
TTY: 1-866-545-7316

[www.socialsecurity.gov](http://www.socialsecurity.gov)