

Medicare and Social Security Process


In This Guide


- [Understanding Components of Medicare](#)
- [Starting Medicare Benefits](#)
- [Medicare Credible Coverage](#)
- [Medicare Enrollment Penalty](#)
- [Social Security Benefits](#)
- [Resources](#)

Understanding Components of Medicare

Original Medicare Coverage

Original Medicare
Provided by the government

PART A  **Part A covers hospital stays**

PART B  **Part B covers doctor and outpatient visits**



Additional Medicare Coverage Options

OPTION 1 ————— **OR** ————— **OPTION 2**

Add one or both of the following to Original Medicare:

Choose a Medicare Advantage plan:


Medicare Supplement Insurance
Offered by private companies


 Covers some of the costs not paid by Original Medicare Parts A and B


Medicare Part D
Offered by private companies

 **Part D covers prescription drugs**

Medicare Advantage (Part C)
Offered by private companies

 **Part C combines Part A (hospital) and Part B (doctor)**

 Provides additional benefits

 Most plans cover prescription drugs

Starting Medicare Benefits

- If you are not currently receiving Social Security retirement benefits, you should sign up for Medicare Plans (A & B) approximately **3 months prior** to your retirement.
- If you are receiving Social Security benefits when you turn 65, you are already qualified, and **Part A (Hospital Insurance)** starts **automatically**.
- **Part B (Medical Insurance)** is an optional program with a monthly cost. Almost anyone who is eligible for Part A can sign up for Part B. If you don't enroll in Part B when you are first eligible, you may pay a penalty to enroll at a later date, unless you are covered by an employer-based plan as an active employee. For full-time actively employed, you may waive enrollment in Medicare B until you retire or separate from service.
- **Part C (Medicare Advantage Plans)** is another optional program that requires your enrollment in both Parts A and B. You might have to pay an additional monthly premium for Part C because of the extra benefits the Medicare Advantage plan offers.
- **Part D (Prescription Drug Plan)** is available to anyone who has Parts A **and** B, **or** Part C. This prescription insurance is also optional, and an additional monthly premium is required for the coverage. If you don't enroll in Part D when you are first eligible, you may pay a penalty to enroll at a later date, unless you are enrolled in an employer based plan that provides "creditable coverage" like Baylor does.
- If you apply for Medicare enrollment online, you may want to indicate that you do not wish to enroll in Medicare Part B at this time if you are currently employed full-time with medical benefits (there should be a comment box on the online form)
- Enroll by contacting the local Social Security Administration Office.
1700 Lake Air Drive, Waco, TX 76710 (in person contact) or toll free: 866.964.6304
- If you are currently enrolled in a medical plan *outside* of the Baylor medical plan, you would contact the administrator of your plan to confirm their requirements of your enrollment in Medicare.

Medicare Credible Coverage

Medicare requires employer-sponsored plans to conduct evaluations based on specific criteria to determine if the prescription drug benefit provided is at least as good as the benefit provided under **Medicare Part D**. If the employer sponsored coverage is at least as good as the Part D benefit, it's considered "creditable coverage."

Baylor's evaluations, according to Medicare guidelines, indicate that Baylor's prescription drug coverage with CVS/caremark is "creditable coverage."

Medicare Enrollment Penalty

You *must* enroll in the Medicare plans (A and B) if you/spouse are age 65+ when you retire. Medicare allows an 8-month special enrollment period to allow enrollment without penalty beginning with your retirement date. Medicare becomes your primary insurance carrier the first day of the month following your retirement from Baylor.

If you do not enroll within the 8-month enrollment period, there will be a penalty.

Social Security Benefits

If you are at least 62 years of age, you can apply for and begin receiving your **Social Security** benefits. However, keep in mind that if you apply to receive retirement benefits before reaching full retirement age (check [here](#) to determine your full retirement age), you will receive reduced benefits for the rest of your life. Likewise, if you decide to delay the receipt of your benefits until after your full retirement age, your benefit amount will increase by a certain percentage based on the year of your birth.

After your death, your family may be eligible to continue receiving benefits. Eligible family members may include your spouse or ex-spouse, unmarried or disabled children, and your parents. In addition, a **one-time lump sum payment** may be paid to your family if you have enough credits to qualify.

Resources-Medicare and Social Security Benefits

- [United States Social Security Administration website](#)
- [Full Retirement Age Calculator](#)
- [Understanding Lump Sum Payments](#)