U.S. Railroad Retirement Board www.rrb.gov

MEDICARE

For Railroad Workers and Their Families

U.S. Railroad Retirement Board
Mission Statement

The Railroad Retirement Board's mission is to administer retirement/survivor and unemployment/sickness insurance benefit programs for railroad workers and their families under the Railroad Retirement Act and the Railroad Unemployment Insurance Act. These programs provide income protection during old age and in the event of disability, death or temporary unemployment and sickness. The Railroad Retirement Board also administers aspects of the Medicare program and has administrative responsibilities under the Social Security Act and the Internal Revenue Code.

In carrying out its mission, the Railroad Retirement Board will pay benefits to the right people, in the right amounts, in a timely manner, and will take appropriate action to safeguard our customers' trust funds. The Railroad Retirement Board will treat every person who comes into contact with the agency with courtesy and concern, and respond to all inquiries promptly, accurately and clearly.

Why You Should Read This Booklet

Railroad workers are covered under the Medicare program just like workers covered under social security. Railroad retirement payroll taxes include a Medicare hospital insurance tax just like social security payroll taxes.

Even though you're paying into the Medicare program during your working years, and will probably rely on its services in the future, you may not be aware of what benefits the program offers. The basic information in this booklet will give you an overview of the Medicare program.

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More detailed information on Medicare's benefits, costs, and health service options is available from the Centers for Medicare & Medicaid Services publication *Medicare & You* which is mailed to Medicare beneficiary households each fall and to new Medicare beneficiaries when they become eligible for the coverage. *Medicare & You* and other Medicare publications are also available by calling the **Medicare toll-free number, 1-800-MEDICARE (1-800-633-4227), TTY/TDD 1-877-486-2048** or by going to **www.medicare.gov** on the Internet.

This booklet is issued for the purpose of general information. Certain limitations, exceptions and special cases are not covered.

WHAT IS MEDICARE?

Medicare is our country's health insurance program for people age 65 or older, certain people with disabilities who are under age 65, and people of any age who have permanent kidney failure. It provides basic protection against the cost of health care, but it doesn't cover all medical expenses or the cost of most long-term care.

Medicare is financed by a portion of railroad retirement tier I and social security payroll taxes paid by employees and employers. It is also financed in part by monthly premiums paid by enrollees.

The Centers for Medicare & Medicaid Services (CMS) is the agency in charge of the Medicare program. The Railroad Retirement Board (RRB) enrolls railroad retirement beneficiaries in the program, deducts Medicare premiums (presently Part B premiums only) from monthly benefit payments, and assists in certain other ways.

Medicare Includes

- **Hospital Insurance** (also called Medicare Part A), which helps pay for inpatient care in hospitals and skilled nursing facilities (following a hospital stay), some home health care services, and hospice care.

- **Medical Insurance** (also called Medicare Part B), which helps pay for doctors' services, and many other medical services and supplies that are not covered by hospital insurance. These include laboratory services, home health care services, outpatient hospital services, blood replacement and preventive services, among others.

- **Medicare Advantage Plans** (also called Medicare Part C), as described in more detail on pages 12-13.

• **Prescription Drug Coverage** (also called Medicare Part D), as described in more detail on pages 14-15.

A Word About Medicaid

You may think that Medicaid and Medicare are two different names for the same program. Actually, they are two different programs. Medicaid is a State-run program designed primarily to help those with low income and little or no resources. Each State has its own rules about who is eligible and what is covered under Medicaid. Some people qualify for both Medicare and Medicaid. For more information about the Medicaid program, contact your local medical assistance agency, social services or welfare office.

WHO CAN GET MEDICARE?

Hospital Insurance (Part A)

If you are age 65 or older. Most people age 65 or older who are citizens or permanent residents of the United States are eligible for free Medicare hospital insurance (Part A). You are eligible at age 65 if you receive or are eligible to receive railroad retirement or social security benefits. (Although the age requirements for some unreduced railroad retirement benefits have risen just like the social security requirements, beneficiaries are still eligible for Medicare at age 65.)

If you are under age 65. Before age 65, you are eligible for free Medicare hospital insurance if you have been entitled to monthly benefits based on a total disability for at least 24 months and have a disability insured status under social security law. If you are entitled to monthly benefits based on an occupational disability, **and** have been granted a disability freeze, you are eligible for Medicare starting with the 30th month after the freeze date or, if later, the 25th month after you became entitled to monthly

benefits. If you receive benefits due to occupational disability and have **not** been granted a disability freeze, you are generally eligible for Medicare hospital insurance at age 65. (The standards for a disability freeze determination follow social security law and are comparable to the medical criteria for granting total disability.) You are also eligible for Medicare if you have Lou Gehrig's disease (amyotrophic lateral sclerosis).

Eligibility for family members. Under certain conditions, your spouse, divorced spouse, surviving divorced spouse, widow or widower, or a dependent parent may be eligible for Medicare hospital insurance based on your work record when he or she turns age 65.

Also, disabled widows and widowers under age 65, disabled surviving divorced spouses under age 65, and disabled children may be eligible for Medicare, usually after a 24-month waiting period.

If you have permanent kidney failure. If you have permanent kidney failure, you are eligible for free Medicare hospital insurance at any age. This is true if you receive maintenance dialysis or a kidney transplant and you are eligible for or are receiving monthly benefits under the railroad retirement or social security system.

In addition, your spouse, divorced spouse or child may be eligible, based on your work record, if she or he has permanent kidney failure and receives maintenance dialysis or a kidney transplant.

Medical Insurance (Part B)

Anyone who is eligible for free Medicare hospital insurance (Part A) can enroll in Medicare medical insurance (Part B) by paying a monthly premium. The basic monthly premium in 2011 is $115.40. However, because there was no cost-of-living increase in social security or railroad retirement benefits in 2010 or 2011, most beneficiaries will con-

tinue to pay the same basic monthly premium they paid in 2010, either $96.40 or $110.50. Beneficiaries whose Part B first becomes effective in 2011, and those who do not have premiums deducted from their monthly benefits, must pay the basic monthly premium of $115.40. In addition, depending on the beneficiary's modified adjusted gross income, he or she may pay an additional income-related monthly adjustment amount in 2011.

The income-related Part B premiums for 2011 are $161.50, $230.70, $299.90, or $369.10, depending on the extent to which an individual beneficiary's modified adjusted gross income exceeds $85,000 (or $170,000 for a married couple), with the highest premium rates only paid by beneficiaries whose modified adjusted gross income exceeds $214,000 (or $428,000 for a married couple).

The Social Security Administration (SSA) is responsible for all income-related monthly adjustment amount determinations. To make the determinations, SSA uses the most recent tax return information provided by the IRS. For 2011, in most cases that is the beneficiary's 2009 tax return information. If that information is not available, SSA uses information from the 2008 tax return.

HOW MUCH DOES MEDICARE COST?

In addition to the monthly premiums you pay, there are other out-of-pocket costs for Medicare, which may also change each year. These costs, known as "deductibles" and "coinsurance," are the amounts you pay when you actually receive medical service.

For example, if you are hospitalized, you will be required to pay a deductible amount, and may have to pay coinsurance amounts, depending on how long you stay. In 2011, the hospital insurance deductible amount is $1,132.

If you receive medical services from a doctor, you pay a yearly deductible amount as well as a coinsurance amount for each visit. In 2011, the medical insurance deductible is $162.

If you cannot afford to pay your Medicare premiums and other medical costs, States offer programs for people who are entitled to Medicare and have low income. The State-run programs may pay some or all of Medicare's premiums and may also pay Medicare deductibles and coinsurance.

To qualify, you must have Medicare Part A (hospital insurance), a limited income, and, in most States, your resources, such as bank accounts, stocks, and bonds, must not be more than a certain amount. Income limits increase slightly each year and are higher in Alaska and Hawaii.

To find out if you qualify, contact your State medical assistance (Medicaid) office. You can get the number to call in your State by dialing 1-800-MEDICARE (1-800-633-4227) and asking for information about the Medicare Savings Program.

SIGNING UP FOR MEDICARE

If you're already getting railroad retirement or social security benefits, you will be contacted a few months before you become eligible for Medicare and given information about the Medicare program. You will automatically be enrolled in Medicare Parts A and B. However, because you must pay a premium for Part B coverage, you have the option of turning it down.

If you aren't already getting benefits, you should contact your local RRB office about 3 months before your 65th birthday to sign up for Medicare. You can sign up for Medicare even if you don't plan to retire at age 65.

You should also contact your local RRB office about applying for Medicare if:

- you're a disabled widow or widower between age 50 and age 65 but haven't applied for disability benefits because you're already getting another kind of benefit;

- you had Medicare medical insurance in the past but dropped the coverage;

- you turned down Medicare medical insurance when you became entitled to hospital insurance; or

- you, your spouse, or your dependent child has permanent kidney failure. (Contact a social security office in these cases to see if you are eligible.)

Initial Enrollment Period for Part B

When you first become eligible for hospital insurance (Part A), you have a 7-month period to sign up for medical insurance (Part B). This is called your "initial enrollment period." A delay on your part may cause a delay in coverage **and** result in higher premiums. If you are eligible at age 65, your initial enrollment period begins 3 months before the month of your 65th birthday, includes the month you turn age 65, and ends 3 months after the month of your 65th birthday. If you are eligible for Medicare based on disability or permanent kidney failure, your initial enrollment period depends on the date your disability or treatment began.

When does my enrollment in Part B become effective? If you accept the automatic enrollment in Medicare Part B, or if you enroll in Medicare Part B during the first 3 months of your initial enrollment period, your medical insurance protection will start with the month you are first eligible. If you enroll during the last 4 months, your protection will start from 1 to 3 months after you enroll.

If you enroll in this month of your initial enrollment period:	*Then your Medicare Part B coverage starts:*
1, 2, 3	the month you become eligible for Medicare
4	1 month after enrollment
5	2 months after enrollment
6, 7	3 months after enrollment

General Enrollment Period for Part B

If you don't enroll in Medicare Part B during your initial enrollment period, you have another chance each year to sign up during a "general enrollment period" from January 1 through March 31. Your coverage begins the following July. **However, your monthly premium increases 10 percent for each 12-month period you were eligible but didn't enroll.**

Special Enrollment Period for People Covered Under a Group Health Plan

If you are age 65 or older and are covered under a group health plan, either from your own or your spouse's **current employment,** you have a "special enrollment period" in which to sign up for Medicare Part B. This means that you may delay enrolling in Medicare Part B without having to wait for a general enrollment period and paying

the 10 percent premium surcharge for late enrollment. The rules allow you to:

- enroll in Medicare Part B any time while you are covered under the group health plan based on current employment; or

- enroll in Medicare Part B during the 8-month period that begins with the month your group health coverage ends, or the month employment ends -- whichever comes first.

Special enrollment period rules do **not** apply if employment or employer-provided group health plan coverage ends during your initial enrollment period.

If you do not enroll by the end of the 8-month period, you will have to wait until the next general enrollment period, which begins January 1 of the next year.

People who receive disability benefits and are covered under a group health plan from either their own or a family member's current employment also have a special enrollment period and premium rights that are similar to those for workers age 65 or older.

Medigap

Individuals deciding when to enroll in Medicare Part B must consider how this will affect eligibility for health insurance policies which supplement Medicare coverage. These policies are known as "Medigap" insurance. A Medigap policy is a health insurance policy, sold by private insurance companies, that helps pay some of the costs that the Original Medicare Plan doesn't cover.

When an individual enrolls in Medicare Part B at or after age 65, a one-time "Medigap open enrollment period" is triggered. The open enrollment period lasts 6 months.

During this period, an insurance company can't deny insurance coverage, place conditions on a policy, or charge more for a policy because of past or present health problems.

Individuals age 65 or older with health coverage through an employer or union based on their or their spouse's current employment may want to wait to enroll in Medicare Part B and delay their Medigap open enrollment period.

More detailed information about Medigap policies and other supplemental health insurance plans is available in the publication *Medicare & You.* To get a copy, call the Medicare toll-free number 1-800-MEDICARE (1-800-633-4227) or go to www.medicare.gov on the Internet.

IF YOU HAVE OTHER HEALTH INSURANCE

As stated earlier, Medicare hospital insurance (Part A) is free for almost everyone, but you pay a monthly premium for Medicare medical insurance (Part B). If you already have other health insurance when you become eligible for Medicare, you should ask whether it is worth the monthly premium cost to sign up for Medicare medical insurance.

The answer varies with each person and the kind of other health insurance you may have. Although we cannot give you "yes" or "no" answers, we can offer a few tips that may be helpful when you make your decision.

Private Insurance Plans

Contact your insurance agent to see how your private plan fits with Medicare medical insurance. This is especially important if you have family members who are cov-

ered under the same policy. And remember, just as Medicare does not cover all health services, most private plans do not either. In planning your health insurance coverage, keep in mind that most nursing home care is not covered by Medicare or private health insurance policies. One important word of caution: for your own protection, **do not cancel any health insurance you now have until your Medicare coverage actually begins.**

Employer-Provided Group Health Plans

Group health plans of employers with 20 or more employees are required by law to offer workers and their spouses who are age 65 (or older) the same health benefits that are provided to younger employees.

If you are currently covered under an employer-provided group health plan, you should talk to your human resources office before you sign up for Medicare medical insurance.

Health Care Protection From Other Plans

If you have TRICARE coverage under a program from the Department of Defense, you must have Medicare Part B to keep this coverage. However, if you are an active duty service member, or the spouse or dependent child of an active duty service member, you may not have to get Medicare Part B right away. You can get Part B during a special enrollment period, and in most cases you won't pay a late enrollment penalty. Call the contractor that handles TRICARE claims at 1-866-773-0404 or a military health benefits advisor for information before you decide whether to enroll in Medicare medical insurance.

If you have health care protection from the Indian Health Service, Department of Veterans Affairs or a State medical assistance program, contact those offices to help

you decide whether it is to your advantage to have Medicare medical insurance.

For more information on how other health insurance plans work with Medicare, call the Medicare toll-free number 1-800-MEDICARE (1-800-633-4227) and ask for the publication *Medicare and Other Health Benefits: Your Guide to Who Pays First,* or visit www.medicare.gov on the Internet.

OPTIONS FOR RECEIVING HEALTH CARE SERVICES

Medicare beneficiaries have choices for receiving health care services. The **Original Medicare Plan** is the traditional fee-for-service Medicare plan that is available nationwide. A beneficiary can see any doctor or provider who accepts Medicare and is accepting new Medicare patients. Persons enrolled in the Original Medicare Plan who want prescription drug coverage must join a Medicare Prescription Drug Plan as described on pages 14-15, unless they already have drug coverage from a current or former employer or union that is at least as good as the standard Medicare prescription drug coverage.

A beneficiary can choose a **Medicare Advantage Plan** (also called Medicare Part C) instead. These plans, which are managed by private insurance companies approved by Medicare, combine Medicare Part A and Part B coverage, and are available in most areas of the country. A beneficiary must have both Medicare Part A and Part B to join a Medicare Advantage Plan, and the individual must live in the plan's service area. Medicare Advantage Plan choices include regional preferred provider organizations (PPOs), health maintenance organizations (HMOs), private fee-for-service plans and others. A PPO is a plan under which a beneficiary uses doctors, hospitals, and providers belong-

ing to a network; beneficiaries can use doctors, hospitals, and providers outside the network for an additional cost. Under a Medicare Advantage Plan, a beneficiary may pay lower copayments and receive extra benefits. Most plans also include Medicare prescription drug coverage (Part D).

Beneficiaries can generally join or change plans once each year during an annual enrollment period from October 15 through December 7. Your Medicare Advantage Plan would then begin January 1 of the following year.

You can get more information about your health care options from the publication *Medicare & You*. This general guide is mailed to people after they enroll in Medicare and an updated version is mailed each year after that.

To get a copy of any publication, call the Medicare toll-free number 1-800-MEDICARE (1-800-633-4227) or go to www.medicare.gov on the Internet.

Some publications may instruct you to call or visit an office of the SSA for assistance. Railroad retirement beneficiaries should instead contact an RRB office.

MEDICAL INSURANCE CLAIMS

Palmetto GBA, a subsidiary of Blue Cross and Blue Shield, processes medical insurance (Part B) claims for railroad retirement beneficiaries in the Original Medicare Plan. If you are in the Original Medicare Plan, your hospital, doctor, or other health care provider should submit Part B claims directly to:

Palmetto GBA
Railroad Medicare Part B Office
P.O. Box 10066
Augusta, GA 30999-0001

If you have questions about Part B claims under the Original Medicare Plan, write to Palmetto GBA at the above address; telephone them toll-free at 1-800-833-4455,

(TTY/TDD: 1-877-566-3572); or go to www.palmettogba.com/medicare on the Internet, and click on "Railroad Medicare beneficiaries."

For those in a Medicare Advantage Plan, information on out-of-pocket costs is available by calling the Medicare toll-free number 1-800-MEDICARE (1-800-633-4227) or by going to www.medicare.gov on the Internet.

PRESCRIPTION DRUG COVERAGE

Medicare offers voluntary insurance coverage for prescription drugs (Part D) through Medicare prescription drug plans and other health plan options. While Medicare prescription drug plans vary, all drug plans offer coverage that, at the very least, meets a minimum standard of coverage as determined by Medicare. These drug plans work with all Medicare health plans, including the Original Medicare Plan and Medicare Advantage Plans.

To enroll, you must have Medicare Part A and/or Part B. You will generally pay a monthly premium (averaging about $32 in 2011) and an annual deductible (up to $310 in 2011). You must also pay a share of your prescription drug costs. Costs vary depending on the drug plan you choose. If you have limited income and resources, you may qualify for extra help to cover your drug costs.

Beginning in 2011, the Affordable Care Act requires some Part D beneficiaries to also pay a monthly adjustment amount, depending on a beneficiary's or married couple's modified adjusted gross income. The Part D income-related monthly adjustment amounts are $12.00, $31.10, $50.10 or $69.10, depending on the extent to which an individual beneficiary's modified adjusted gross income exceeds $85,000 (or a married couple's exceeds $170,000), with the highest amounts only paid by beneficiaries whose incomes are over $214,000 (or $428,000 for a married couple).

When persons first become eligible for Medicare, they can enroll in a Medicare prescription drug plan during the period that starts 3 months before the month their Medicare coverage starts and ends 3 months after that month. **If you don't join a drug plan when you are first eligible, you may have to pay a higher premium if you choose to join later.**

Beneficiaries can generally join or change plans once each year during an annual enrollment period from October 15 through December 7. Drug coverage would then begin January 1 of the following year.

If you already have prescription drug coverage from other insurance, such as coverage provided by an employer or union, you can keep that coverage. If that coverage offers the same or better benefits than a Medicare prescription drug plan, you will **not** have to pay a higher premium if you join a Medicare prescription drug plan at a later date. In many cases, your other insurance provider will send you a notice that tells you if your plan covers as much or more than a Medicare prescription drug plan. If you do not receive a notice, you should check with your other provider to see how your coverage compares.

More information about Medicare prescription drug plans is available in the publication *Your Guide to Medicare Prescription Drug Coverage.* The *Medicare & You* handbook also lists the Medicare prescription drug plans that are available in your area. You can get either publication by calling the Medicare toll-free number 1-800-MEDICARE (1-800-633-4227) or by visiting www.medicare.gov on the Internet.

Need More Information?

Railroad retirement beneficiaries should contact the RRB toll-free at 1-877-772-5772 for general information on their Medicare coverage. They can also use the agency's website (www.rrb.gov), or the Medicare and Palmetto GBA information sources as described on the back cover of this leaflet.

NONDISCRIMINATION ON THE BASIS OF DISABILITY

Under Section 504 of the Rehabilitation Act of 1973 and RRB regulations, no qualified person may be discriminated against on the basis of disability. The RRB's programs and activities must be accessible to all qualified applicants and beneficiaries, including those with impaired vision and/or hearing. Individuals with disabilities needing assistance (including auxiliary aids or program information in accessible formats) should contact an RRB office. Complaints of alleged discrimination by the RRB on the basis of disability must be filed within 90 days in writing with the Director of Administration, U.S. Railroad Retirement Board, 844 North Rush Street, Chicago, Illinois 60611-2092. Questions about individual rights under this regulation may be directed to the RRB's Director of Equal Opportunity at the above address.

FRAUD, WASTE AND ABUSE HOTLINE
1-800-772-4258

The RRB's Office of Inspector General established its Hotline as a public service. The Hotline provides individuals with a means to report or discuss any suspected misconduct relating to the RRB, its programs or employees.

If you believe a doctor, hospital or other health care provider is billing Medicare for services not provided or for unnecessary medical procedures or supplies; someone is illegally receiving RRB benefits; or you wish to report or discuss any other suspected misconduct relating to the RRB, its programs or employees, please contact the Office of Inspector General at:

Toll-Free Hotline: 1-800-772-4258

U.S. Mail:
RRB-OIG Hotline Officer
844 North Rush Street, 4th Floor
Chicago, IL 60611-2092

Fax: (312) 751-4342

E-mail: hotline@oig.rrb.gov

Please review the RRB's e-mail notice and Internet privacy policy at www.rrb.gov before submitting information online.

Note: Please do not contact the Office of Inspector General's Hotline with questions regarding benefit eligibility requirements, delayed payments or similar issues. These types of matters should be directed to an RRB office.

U.S. Railroad Retirement Board
Toll-Free Service and Website
1-877-772-5772
www.rrb.gov

The RRB's toll-free telephone service provides customers with easy access to the agency's field office representatives. In addition, through automated menus available 24 hours a day, you can find the address for the field office serving your area and listen to special announcements about the agency's benefit programs. You can also request a replacement Medicare card, a letter showing your current monthly benefit rate, a replacement tax statement for the most recently completed tax year, or a statement of creditable railroad service and compensation. Information on unemployment-sickness claims is also available.

Most of these services and others, including annuity estimates and online filing of unemployment applications and claims, as well as sickness claims, are available on the RRB's website. The website offers access to agency publications and information about many topics of interest.

Medicare Toll-Free Number and Website
1-800-MEDICARE (1-800-633-4227)
TTY/TDD 1-877-486-2048
www.medicare.gov

To get help with your Medicare questions, you can call Medicare's toll-free number or look on the website.

Palmetto GBA Toll-Free Number and Website
1-800-833-4455
TTY/TDD 1-877-566-3572
www.palmettogba.com/medicare

If you are in the Original Medicare Plan and have questions about Medicare medical insurance (Part B) claims, you can call Palmetto GBA's toll-free number or visit the website for help.

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