



## NATIONWIDE RETIREMENT INSTITUTE®

The **Nationwide Retirement Institute®** provides practical thought leadership through timely insights and education, client-ready tools and consultative support. Our comprehensive approach helps financial advisors, plan sponsors and clients break down and simplify the most complex retirement challenges.

# Make the most of your Medicare choices

*Learn about your options and what the program covers.*

**Medicare Part A**

*Hospital insurance*

Covers inpatient hospital stays, care in a skilled nursing facility, hospice care and some home health care.

**Medicare Part B**

*Medical insurance*

Covers certain doctors' services, outpatient care, medical supplies and preventive services.

**Medicare Part D**

*Prescription drug coverage*

A plan to subsidize the costs of prescription drugs and prescription drug insurance premiums for Medicare beneficiaries.

**Medicare Part C**

*Medicare advantage plans*

Medicare-approved private health insurance plans - such as HMOs and PPOs .

*Cannot be combined with other parts.*

## Medicare eligibility

Signing up for Medicare is one of the first major decisions you face as you reach retirement. Your Medicare eligibility begins the month you turn 65.

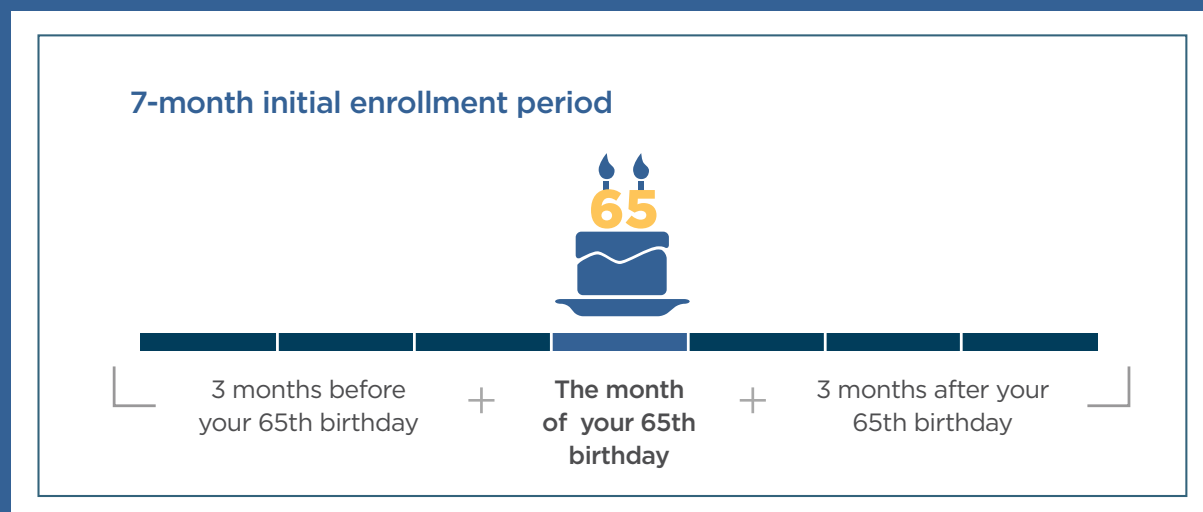


*If you receive Social Security or disability benefits before 65, you're automatically enrolled in Medicare the first day of the month of your 65th birthday.*

### *Signing up*

**Initial enrollment:** When you are first eligible for Medicare, you have a seven-month period to sign up – the three months before your birth month through the three months after your birth month.

If you are covered by group health insurance when you turn 65: Most do not need to sign up for Medicare Part B upon turning 65. When you or your spouse retires, is laid off or leaves their employer (and does not have COBRA), you will have a special eight month enrollment period after their employee coverage stops.



**General enrollment:** If you miss your Initial Enrollment Period, you can sign up between January 1 - March 31 of each year. Your coverage will begin July 1. You may have to pay a higher premium for late enrollment.

### *Changing plans*

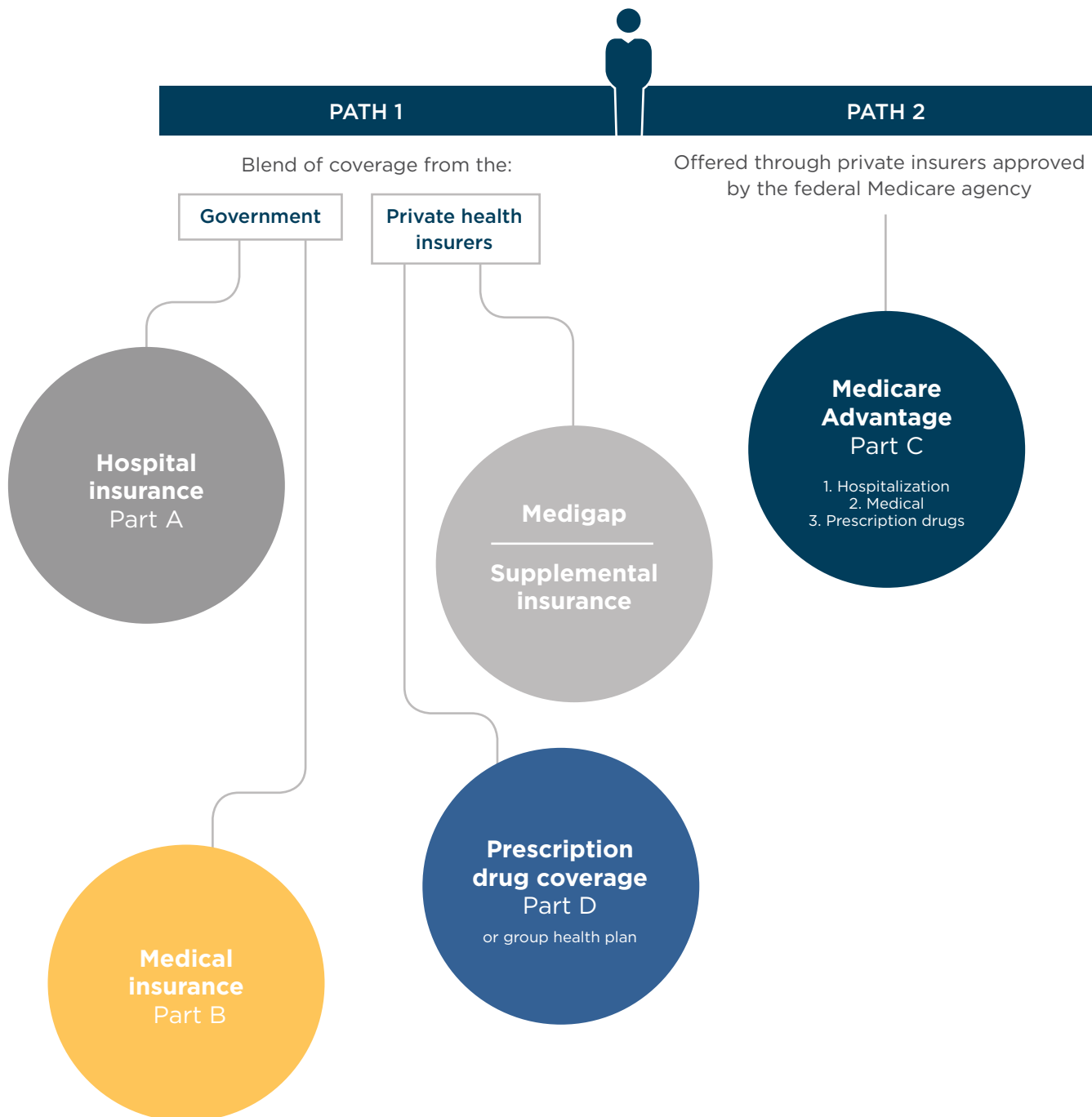
**Annual election:** You can change your Medicare health or prescription drug coverage from October 15 - December 7, 2017. Your coverage will begin January 1 of the following year.



## Choose your Medicare path

Upon signing up for Medicare, many people are surprised to learn that there are costs involved with the program. Even after paying into Medicare throughout your career, you'll face monthly premiums and cost-sharing provisions once you're enrolled in the program.

Medicare may seem complex, but there are only two paths you need to consider for coverage. Both paths offer coverage for the same services for hospitalization, physician care and prescription drugs - and both come with deductibles, co-pays and premiums for coverage.



	WHAT IT'S CALLED	WHAT'S COVERED	WHAT YOU PAY
PATH 1	<b>Part A</b> Hospital insurance	<ul style="list-style-type: none"> <li>• Hospital care</li> <li>• Skilled care coverage for 100 days</li> <li>• Hospice</li> <li>• Home care coverage only when certified by a physician</li> </ul>	<b>Each benefit period:</b> <ul style="list-style-type: none"> <li>• <b>Monthly premium:</b> \$0</li> <li>• <b>Deductible:</b> \$1,316</li> <li>• <b>Coinsurance:</b> <ul style="list-style-type: none"> <li>- Days 1-60: \$0</li> <li>- Days 61-90: \$329</li> <li>- Days 91+: \$658 coinsurance per each lifetime reserve day (up to 60 lifetime reserve days, after which you are responsible for all costs)</li> </ul> </li> </ul>
	<b>Part B</b> Medical insurance	<ul style="list-style-type: none"> <li>• Doctor and physician services</li> <li>• Preventive benefits</li> <li>• Durable medical equipment</li> <li>• Outpatient services</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Monthly premium:</b> Average cost is \$109 (tranche system runs from \$134-\$428.60)(based on modified adjusted gross income - MAGI)</li> <li>• <b>Yearly deductible:</b> \$183</li> <li>• <b>Coinsurance:</b> 20% on doctors' services and outpatient care</li> </ul>
	<b>Part D</b> Prescription drug coverage  Available two ways: <ul style="list-style-type: none"> <li>• Stand-alone Prescription Drug Plans (PDPs)</li> <li>• Medicare Advantage Plans (MAPDs)</li> </ul>	<ul style="list-style-type: none"> <li>• Covered drugs vary by plan</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Monthly premium:</b> Varies by plan</li> <li>• <b>Yearly deductible:</b> \$400</li> <li>• <b>Co-pay:</b> 25% or flat co-pay amounts based on formulary</li> <li>• <b>Coverage gap (donut hole)*:</b> \$3,700 to \$7,425 in total drug costs</li> <li>• <b>Coverage gap the insured pays:</b> 40% of the cost on brand name medications and 51% of the cost on generic medications during coverage gap</li> <li>• <b>Catastrophic coverage is reached after \$4,950 is spent out of pocket:</b> 5% minimum co-pay after coverage gap, \$3.30 generic or \$8.25 brand medication costs</li> </ul>
PATH 2	<b>Part C</b> Medicare Advantage	<ul style="list-style-type: none"> <li>• Covers the services that Original Medicare** covers, except hospice care</li> <li>• May cover hearing, dental and vision treatment</li> </ul>	Costs vary by plan. Visit Medicare.gov or call the plan(s) you're interested in for more details.  <i>Each year, plans establish the amount they charge for premiums, deductibles and services. The plan (rather than Medicare) decides how much you pay for the covered services. What you pay the plan may change only once a year on January 1.</i>

Source: Medicare.gov, November 2016. Numbers reflect 2017 rates.

\*The coverage gap, or donut hole, is a temporary limit on what your plan will pay for prescription drug costs. While you're in the coverage gap, you'll pay higher costs until you reach the yearly out-of-pocket spending limit.

\*\*Original Medicare, offered directly through the federal government, is the traditional fee-for-service program. It can also be called Traditional Medicare or Fee-for-Service Medicare. It includes Part A and Part B coverage



**Clients** Talk with your financial advisor about your Medicare decisions and how they fit within the scope of your overall retirement plan.



**Financial professionals** For more information, call your wholesaler or the Retirement Institute Income Planning Team at 1-877-245-0763.

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