



WEALTH MANAGEMENT

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Medicare for retirees: 2018 quick reference

Part A: Hospital insurance– Enrollment

Enrollment is automatic if you are collecting Social Security benefits three months prior to the month you attain age 65. Otherwise, you should apply three months prior to the month you turn age 65 through the sixth month after.*

Part A: Hospital insurance– Costs†

You are eligible for Medicare Part A with no premiums if:

- You are receiving or are eligible to receive (but have not yet filed for) Social Security retirement benefits (including spousal or survivor benefits),
- You are the 65-year-old spouse of a 62-year-old or older worker who qualifies for no premium Part A, or
- You or your spouse had Medicare-covered government employment.

2018 monthly premiums

Quarters of social security eligibility	Premium
30-39	\$232
Less than 30	\$422

Costs for in-hospital stays are outlined below. After 90 days, you can pay the costs yourself or use your 60 non-renewable lifetime reserve days (you pay \$670 per day)

2018 cost for an in-hospital stay (per occurrence)

Days 1-60	\$1,340 deductible
Days 61-90	\$335 per day co-payment
Days 90+	All costs or lifetime reserve days

* Applies if you qualify for Part A with no premiums. Otherwise, you should apply three months prior to the month you turn age 65 through the third month after. † Surcharges may apply for late enrollment. ‡ To qualify, you must have continuous employer group health insurance based on your or your spouse's current work since first eligible for Medicare or had Medicare coverage for any month not covered. COBRA coverage does not qualify. § Yearly income thresholds are frozen at 2009 levels through 2019. || These charges may be covered by supplemental insurance.

Part B: Medical insurance– Enrollment

Enrollment is automatic if you are collecting Social Security benefits three months prior to the month you attain age 65. Otherwise, you should apply three months prior to the month you turn age 65 through the third month after.

Enrollment periods

Enrollment period	Coverage effective date
Initial – Seven month period beginning three months before the month the individual becomes age 65.	Enroll in months 1-3: month Medicare eligible Enroll in month 4: 1 month after enrollment Enroll in month 5: 2 months after enrollment Enroll in months 6-7: 3 months after enrollment
Special †– Anytime while covered under a current employer's plan (or spouse's current employer's plan) or during an eight month period beginning with the earlier of the month coverage terminates or work ends.	Enroll in month 1: month of enrollment Enroll in months 2-8: 1 month after enrollment
General †– Annually Jan 1-Mar 31	Jul 1

Part B: Medical insurance– Costs†

2018 monthly premiums

Single	Yearly income by filing status [§]		Total monthly premium
	Married/joint	Married/separate	
\$85,000 or less	\$170,000 or less	\$85,000 or less	\$134.00
\$85,001-\$107,000	\$170,001-\$214,000		\$187.50
\$107,001-\$133,500	\$214,001-\$267,000		\$267.90
\$133,501-\$160,000	\$267,001-\$320,000		\$348.30
Over \$160,000	Over \$320,000	Over \$85,000	\$428.60

You will also be responsible for an annual deductible (\$183 in 2018), 20% coinsurance and any amounts over the Medicare allowed charge.^{||}

Part D: Prescription drug coverage– Enrollment (must be enrolled in parts A and B)

Enrollment periods

Enrollment period	Coverage effective date
Initial – Seven month period beginning three months before the individual becomes age 65.	Enroll in months 1-3: month Medicare eligible Enroll in month 4: 1 month after enrollment Enroll in month 5: 2 months after enrollment Enroll in months 6-7: 3 months after enrollment
Initial – Apr 1–Jun 30 if you enroll in Part B during general enrollment.	Jul 1
Annual – Oct 15–Dec 7*	Jan 1 of following year

Part D: Prescription drug coverage– Costs†

2018 prescription drug costs (federal guidelines)

	Prescription drug costs	What you pay	What part D pays	Total out of pocket expense
Annual deductible	\$0–\$405	100%	0%	\$405
Initial coverage phase	\$406–\$3,750	25%	75%	\$836.25
Coverage gap “Donut Hole”	\$3,751–\$7,508.75	100%	0%	\$5,000
Catastrophic coverage	Above \$7,508.75	Greater of 5% or \$3.35 generic or \$8.35 all other drugs	95%	\$5,000+

- Plans may have different deductibles, co-pays and coverage in the “Donut Hole.” The federal guidelines above represent maximum out-of-pocket costs.
- You will also be responsible for a monthly premium which can vary by plan.‡
- In the “Donut Hole,” you will receive a 55% discount on brand and a 35% discount on generic prescriptions. The full cost will still apply for getting out of the “Donut Hole.”

Medigap

Insurance issued by private insurance companies that provides reimbursement for out-of-pocket medical costs such as

1. Deductibles for Parts A & B
 2. Cost of extended hospitalization under Part A
 3. Coinsurance on doctors’ services and outpatient care under Part B
 4. Costs in excess of medicare-approved charges
 5. Most self-administered prescription drugs
 6. Skilled nursing facility costs regulated by state insurance authorities within guidelines set by the federal government
- 10 standard Medigap plans offer different levels of supplemental coverage (A-D, F, G, K-N).§ The best time to buy a Medigap policy is during the six month period that begins on the first day of the month in which you are age 65 or older and enrolled in Part B. After this period your option to buy a Medigap policy may be limited and may cost more.

Part C: Medicare advantage

- A Medicare Advantage Plan is an alternative to Medicare Part B. Must be enrolled in Parts A and B to elect a Medicare Advantage Plan.
- Part C coverage is available in three forms: managed care plans (e.g., HMOs, PPOs), private fee-for-service plans or medical savings accounts.||
- If you want prescription drug coverage, in most cases you will need to obtain the coverage through your Medicare Advantage Plan.
- Each plan can charge different out-of-pocket costs. You usually pay one monthly premium to the plan, in addition to your Part B premium.

* A person can enroll in Part D anytime if they qualify for the extra help due to low income. † Surcharges may apply for late enrollment. ‡ May be higher for individuals with higher income. § Special provisions offered in MA, MN and WI. || Only available in Pennsylvania.

Want to know more?



Source: Department of Health and Human Services. See www.medicare.gov for more information, restrictions and limitations on Medicare benefits.

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