

## Medicare true-or-false

Circle "True" or "False" for each of the statements based on your knowledge of Medicare.

- 1) There are five parts to the Medicare Program: A, B, C, D and M(edigap).  
**True / False**
- 2) Part A covers hospice care and long-term care. **True / False**
- 3) If you have not paid Medicare taxes for at least 10 years, you cannot qualify for Part A. **True / False**
- 4) There is no out-of-pocket maximum for Medicare. **True / False**
- 5) Medicare Advantage plans must cover everything provided by Parts A, B and D.  
**True / False**
- 6) Part D enrollees pay monthly premiums, a deductible and copayments or coinsurance. **True / False**
- 7) Medigap is designed to close the coverage gap between the services offered under Original Medicare and what is needed (hearing aids, prescriptions, eye and vision care, etc.). **True / False**
- 8) All Medigap plans of the same letter (G, K, L, etc.) provide the same coverage at the same cost. **True / False**
- 9) You'll have the greatest amount of coverage if you enroll in both an Advantage plan *and* a Medigap plan. **True / False**
- 10) If you are enrolled in an Medigap plan, you may be limited to providers within the provider network. **True / False**
- 11) If you don't buy a Medigap policy within six months of signing up for Part B, you can be turned down for coverage due to pre-existing conditions. **True / False**
- 12) To be eligible for Medicare Part A and Part B, you must be a U.S. citizen or a permanent legal resident for at least 10 continuous years. **True / False**
- 13) The Initial Enrollment Period (IEP) for Medicare Part A and Part B is the seven-month period that starts six months before the month you turn 65 and includes the month you turn 65. **True / False**
- 14) "Creditable" medical coverage is insurance that allows you to postpone enrolling in Medicare Part B. **True / False**

Exercise for *Get Covered: Choosing and using Medicare*

- 15) If you don't sign up for Medicare Part B when you first become eligible, you may have to pay a penalty of up to 10% of your Medicare premiums for the year you enroll. **True / False**
- 16) Coinsurance is the flat fee you must pay for certain services and prescriptions. **True / False**
- 17) A Medicare Savings Program allows workers age 55 and older to save money in a tax-advantaged account to be used for Medicare-related expenses after retirement. **True / False**
- 18) The program known as "Extra Help" provides financial assistance with uncovered costs related to hospitalization. **True / False**
- 19) Your Medicare Summary Notice (MSN) can alert you to errors or signs of fraud. **True / False**
- 20) The "donut hole" is the coverage gap in Medicare Part D. **True / False**

### **Medicare True-or-False answer key**

- 1) **FALSE:** There are four parts to Medicare: A, B, C and D. Medigap is supplemental health insurance you purchase from a private company to pay all or part of the charges that are not fully covered by Original Medicare (Parts A and B)—coinsurance, copayments, deductibles, and medical bills incurred while traveling internationally.
- 2) **FALSE:** Part A covers inpatient hospital stays, skilled nursing facilities, some home health visits and hospice (end-of-life) care, but not custodial—or “long-term”—care.
- 3) **FALSE.** People who don’t qualify for premium-free Part A through the Medicare taxes they or their spouses paid during their working years (at least 40 quarters, or 10 years) can still get Part A coverage, but they will have to pay monthly premiums (up to \$437 a month in 2020).
- 4) **TRUE.** There is no yearly limit on out-of-pocket expenses for Medicare. This is why Original Medicare enrollees should strongly consider purchasing a Medigap plan.
- 5) **FALSE.** Advantage plans, which are offered by private insurance companies (HMOs and PPOs, for example), must cover everything provided by Parts A and B (Original Medicare). Most include prescription drug coverage (Part D), and most offer extra coverage, like vision, hearing and/or dental care, but they are not required to, and some don’t.
- 6) **TRUE.** Those who enroll in Part D prescription drug coverage pay monthly premiums, an annual deductible, and cost-sharing (copayments or coinsurance) for prescriptions, with costs varying by plan, prescription and pharmacy.
- 7) **FALSE.** Medigap doesn't pay for any services not covered by Original Medicare (so no vision care, dental care, hearing aids, prescriptions, etc.). If you want coverage for these health services, you would need to consider an Advantage plan (Part C) to replace Original Medicare (Parts A and B), and either purchase Part D prescription drug coverage or choose an Advantage plan that includes a prescription benefit.
- 8) **FALSE.** All Medigap plans with the same letter (G or K or L, for example) will provide the same coverage no matter whom you buy them from (with some exceptions for Massachusetts, Minnesota and Wisconsin), but the cost may vary across insurers.
- 9) **FALSE.** You can’t use or buy a Medigap policy if you have a Medicare Advantage plan. If you enroll in a Medicare Advantage plan, you should drop your Medigap plan because it will not pay any of the Medicare Advantage deductibles, copayments or coinsurance.
- 10) **FALSE.** A Medigap plan allows you to go to any doctor who accepts Medicare (which means most). Most Advantage plans are network-based.

- 11) **TRUE.** If you don't buy a Medigap policy within six months of signing up for Part B, you can be turned down for coverage due to pre-existing conditions.
- 12) **FALSE.** You must be a U.S. citizen or a permanent legal resident for just five continuous years. You must also be 65 or older and eligible for Social Security payments; be permanently disabled and receive disability benefits for at least two years; **or** have permanent kidney failure, requiring dialysis or a kidney transplant, or have Lou Gehrig's disease (ALS).
- 13) **FALSE.** The Initial Enrollment Period (IEP) for Medicare Part A and Part B is the seven-month period that starts three months before the month you turn 65, includes the month you turn 65, and ends three months after the month you turn 65.
- 14) **TRUE.** Having "creditable" medical coverage (equal to or better than Medicare's coverage) through an employer with 20 or more employees could allow you to postpone enrolling in—and paying for—Plan B. (For most people, there's no reason not to enroll in Medicare Part A as soon as you become eligible because there's no cost for the coverage.)
- 15) **FALSE.** Not signing up for Medicare Part B when you first become eligible *will* result in a penalty, but it is 10% for *every year* between when you first became eligible and when you finally enrolled. This penalty will be added to your monthly premium *for as long as you have Plan B coverage.*
- 16) **FALSE.** Coinsurance is a percentage of the cost that you must pay when you receive medical services or prescription drugs. A copayment is a flat fee.
- 17) **FALSE.** A Medicare Savings Program is a state-managed program that can pay all or part of your Original Medicare (Parts A and B) out-of-pocket expenses, including premiums, if you have limited income and resources.
- 18) **FALSE.** The Part D Low-Income Subsidy (LIS) program (known as Extra Help) helps with the costs related to a Medicare prescription drug plan, including premiums, deductibles and copayments.
- 19) **TRUE.** You should review your Medicare Summary Notice (MSN) for errors or signs of fraud. Record medical appointment dates and save receipts and statements from providers to compare against your Medicare statement.
- 20) **TRUE.** Most Medicare drug plans (Part D) have a coverage gap, also known as the "donut hole." This means that once you hit a certain prescription spending level (\$4,020 in 2020), you'll begin paying more out of pocket for your prescriptions until the "hole" is closed (at \$6,350 in 2020). Under the Affordable Care Act, the amount Part D enrollees in the "hole" have to pay for their prescriptions has been reduced, so that in 2020, you'll pay only 25% of the cost of generic and brand-name prescriptions. If you receive "Extra Help," there is no coverage gap.