

CareFirst

2026

Medicare Made Simple

Navigating your journey

Before you start your journey...

In the past, you've probably had someone there to help you choose the right health insurance—whether it was family, friends or your company's Human Resources department.

Now you may have questions about where to turn next. CareFirst BlueCross BlueShield (CareFirst) understands Medicare and wants to guide you along the way.

We're here to help you live your best life and make your Medicare coverage decision simple.

With Care

CareFirst®





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Medicare Basics

What is Medicare?

Medicare is a Federal health insurance program. It doesn't cover your spouse or children, only you. It's for people 65 or older, younger people with certain disabilities, and people of any age with end-stage renal disease or ALS, also known as Lou Gehrig's disease. To get Medicare, you must be a U.S. citizen or a legal resident who's lived in the country for at least five years.

Parts of Medicare



Part A
Hospital Coverage



Part B
Medical Coverage

Parts A and B (also known as Original Medicare) are administered by the federal government.

Part C, Part D and Medicare Supplement (also known as Medigap) are available from private health insurance companies.



Part C
Medicare Advantage



Part D
Prescription drug coverage



Medicare Supplement
Helps you pay for out-of-pocket costs

Part A

What's covered

- Inpatient care in hospitals
- Skilled nursing facility care
- Hospice care
- Home health care

For most people, Part A is free

If you or your spouse paid Medicare taxes while working at least 120 months, you won't have to pay a premium for Part A. You will, however, pay a deductible and/or coinsurance during each benefit period.

If you or your spouse didn't work the required 120 months, you may be able to buy Part A. For more information, contact Social Security at **ssa.gov**.

Part B

What's covered

Medicare Part B helps cover roughly 80% of your medically necessary services and supplies including:

- Inpatient and outpatient doctor visits, medical services and surgical service and supplies
- Physical and speech therapy
- Diagnostic tests
- Durable medical equipment
- Outpatient wellness exams and preventive care
- Approved home health and clinical lab services
- Ambulance services, emergency room and urgent care visits

There is a monthly cost for Part B

If you get Social Security, your monthly premium will come out of your Social Security check automatically.

You also pay a calendar year deductible for Part B. After you meet your deductible, you typically pay 20% of the Medicare approved amount.

Do all doctors, specialists and hospitals accept Medicare?

Most do, but not all. To save on healthcare expenses, it's important to visit doctors or providers that accept Medicare.

Participating Providers:
These are doctors or providers who accept Medicare and *always accept the full payment* of a Medicare-approved amount for health services.

Non-Participating Providers:
These are doctors or providers who accept Medicare. However, *they do not accept the full payment.* These providers can charge up to 15% more than the Medicare-approved amount.

Opt-Out Providers:
These are doctors or providers who *do not accept Medicare at all.* You will be responsible for 100% of the bill.



Part C—Medicare Advantage Plans

These “all-in-one” plans are an alternative to Original Medicare. These plans provide:

- All your Part A and Part B (Original Medicare) coverage
- Many also include prescription drug coverage (Part D)
- Some even offer extra benefits like dental, vision and hearing

To be eligible for a Medicare Advantage plan, you must:

- Be enrolled in Part A and B
- Continue paying your Part B premium
- Live in the plan’s service area

Compare plans before you buy

Since Medicare Advantage plans are offered by private insurance companies, no two plans are alike. This means each plan can charge different out-of-pocket costs and can have their own networks of providers.

Also, there are many types of Medicare Advantage plans, including Preferred Provider Organization (PPO) plans and Health Maintenance Organization (HMO) plans. Choosing which type is right for you depends on your specific health needs and budget.



Part D—Prescription Drug Plans

To be eligible for a Part D plan, you must have either Part A and/or Part B.

Part D drug plans are available from private health insurance companies. They must cover certain common types of drugs. However, each plan may choose which specific drugs it covers. Before buying a Part D plan, review each plan's list of drugs (also called a formulary) to see if yours are on the list.

Part D plans do NOT cover:

- Drugs that are not on the plan's formulary
- Drugs that Part A or Part B cover
- Drugs excluded by Medicare

What stage of the prescription drug cycle are you in?

The federal government created three stages and each year sets a dollar limit for each stage. When you change stages, the amount you pay changes too. A new cycle begins on January 1 each year.

Stage 1—Deductible

This stage begins when you fill your first prescription and ends when you meet your deductible (If there is one).

Stage 2—Initial coverage

You and your plan share drug costs until total shared costs reaches a designated amount.

Stage 3—Catastrophic coverage

After your yearly out-of-pocket drug costs (including drugs purchased through your retail pharmacy and through mail order) reach $2,000 in 2025, your plan will cover all costs of Part D drugs.

Late enrollment penalty

If you are found without creditable drug coverage more than 63 days after your Initial Enrollment Period, you may be subject to a Part D late enrollment penalty.



Original Medicare doesn't cover it all

Some people choose to have Original Medicare (Parts A and B) alone for their healthcare coverage, but it doesn't cover all your medical expenses. For instance, the chart below helps illustrate some of the costs not covered by Part A.

There are many healthcare benefits that Part A and Part B do not cover such as:

- Outpatient prescription drugs
- Prescription drugs
- Dental care and dentures
- Routine eye care and most eyeglasses
- Routine hearing care and hearing aids
- Routine foot care
- Routine acupuncture
- Routine chiropractic services
- Long-term care
- Cosmetic surgery
- Medicare and surgical charges above Medicare-approved amounts

For a full list, visit medicare.gov.

With only Medicare Part A, a 150-day hospital stay could cost you $66,836

Days 1–60

You pay $1,736

(Part A deductible)

Days 61–90

You pay $13,020

(**$434** coinsurance each day for 30 days)

Days 91–150

You pay $52,080

(**$868** coinsurance each day for 60 days)

Medicare Supplement plans

Medicare Supplement (aka Medigap) helps pay for healthcare costs not covered by Original Medicare, including deductibles, copays and/or coinsurance.

Medicare will pay its share, first. Then, your Medicare Supplement plan will pay its share. With Medicare Supplement, you can go to any doctor, specialist or hospital in the U.S. that accepts Medicare.

Compare plans before you buy

Medicare Supplement plans offer the same benefits and coverage level regardless of the insurance company selling it. However, there are 12 Medicare Supplement plans available, and companies can choose which of those plans they offer. Companies can also charge different premiums for their plans and many offer advantages like special discounts, programs and online tools to better serve your needs. Medicare Supplement plans do not include Part D drug coverage.

Careful! Medicare Supplement plans are named alphabetically, Plans A through N. This means you could have Original Medicare (Part A and B) and a Medicare Supplement Plan A at the same time. Try not to get them mixed up.



Original Medicare vs Medicare Advantage

When it comes to Medicare, you have the freedom to choose the coverage that works best for your needs.

Original Medicare

Part A (Hospital costs) and
Part B (Medical costs)

Optional add-ons to Original Medicare

Part D (Drug coverage)

Standalone prescription drug plan

+

Medicare Supplement

Fills in some of the gaps in Parts A and B, but doesn't include prescription drug coverage

Medicare Advantage (MA)

Original Medicare is included in all Medicare Advantage plans

Part A (Hospital costs) and Part B (Medical costs)

+

Part D (Drug coverage)

Included at no additional costs in many MA plans

+

Extra benefits

Dental, vision, hearing and other extra benefits are also often included



Medicare Advantage vs Medicare Supplement plans

Below you'll find a comparison of Medicare Advantage and Medicare Supplement plans. See which plan is right for you.

	Medicare Advantage (MA)	Medicare Supplement
Member cost	**Lower** monthly premiums, out-of-pocket costs; e.g. **varying copays**, coinsurance and deductibles. Limit on out-of-pocket maximum.	**Higher** monthly premiums, out-of-pocket costs; **no or limited copays**, coinsurance and deductibles, depending on the plan. No limit on out-of-pocket maximum.
Network/ Referrals	Some plans are PPO which offers members **access to in- and out-of-network providers.** Typically in-network costs are lower than out-of-network.	**Unrestricted provider network:** all providers who accept Medicare. **No referrals are required** to see specialists.
Care Coordination	Member's **primary care physician** may help coordinate care.	**Members** coordinate their own care.
Extra Benefits	Generally covers supplemental benefits such as vision, hearing, fitness, transportation, over-the-counter items, groceries, etc.	Some plans include benefits such as fitness and health coaching or education, but benefits like dental and vision are generally not included or are an additional premium.
Drug coverage	Prescription drug coverage **included** with most plans.	Prescription drug coverage **not included;** members must purchase a standalone plan.
Enrollment	Enroll during your **seven-month Initial Enrollment Period** or the Annual Election Period.	Enroll during the **six-month Medicare Supplement Open Enrollment Period** (after six months, you may be subject to medical underwriting).



Medicare Enrollment Periods

When can I enroll in Medicare?

Choose the path that best fits your situation. **Path 1**—Enroll in Medicare when you turn 65 or **Path 2**—Retire later and enroll in Medicare after the age of 65.

Path 1: Enroll when you turn 65

- Most people receive Medicare Part A and Part B starting the first day of the month they turn 65 because they already receive Social Security or Railroad Retirement benefits.
  - If you are automatically enrolled, you'll receive a red, white and blue Medicare card in the mail three months before your 65th birthday.
  - If you do not receive your Medicare card, contact Social Security at **800-772-1213.** Social Security handles Medicare enrollment. They should be your first stop for questions about Medicare eligibility.
- If you are not already receiving Social Security or Railroad Retirement benefits and you need Medicare, you will need to contact Social Security to apply for Medicare Parts A and B. Your Initial Enrollment Period is seven months—the three months before the month you turn 65, the month you turn 65 and the three months after you turn 65.
  - You could face enrollment penalties if you don't enroll in Medicare during this period when you're first eligible.



Initial Enrollment Period

For example, Rick turns 65 on September 15, 2026. See what his enrollment looks like.



June 1: Rick's Initial Enrollment Period begins three months before his 65th birthday.

Rick didn't receive his Medicare card in the mail, which means he hasn't been automatically enrolled in Medicare.

He needs to contact Social Security to begin the application process.

September 1: Rick's Medicare benefits become effective the first day of his birthday month.

December 31: Rick's Initial Enrollment Period ends three months after his birthday.

Path 2: Enroll when you retire after age 65

If you're still covered by your employer's health plan, you can delay paying Part B premiums. When you turn 65 and get your Medicare card in the mail, send it back to Social Security by following the instructions that come with your card. If you keep the original card, you're agreeing to keep Part B and will have to pay the monthly premiums.

When you're ready to retire, you'll need to apply for Medicare during one of these two periods:

- **Special Enrollment Period**—the eight-month period beginning the month after your employment or employer coverage ends, whichever happens first.
- **General Enrollment Period**—occurs January 1–March 31 of each year. If you enroll during this time, coverage begins the month after you sign up. You may have to pay a higher premium for a late enrollment.

Other things to know about employer coverage:

If you keep working past 65 and your employer has 20 or more employees, you must be offered the same health coverage as employees who are under 65.

If you keep working past 65 and your employer has less than 20 employees, you should sign up for Part A and Part B when you're first eligible. If you don't enroll when you're first eligible, you may have to pay a Part B late enrollment penalty, and you may have a gap in coverage if you decide you want Part B later.

Please be sure to obtain your individual creditable prescription drug disclosure notice from your employer to avoid a Part D penalty when you are ready to enroll in Part D Medicare prescription drug coverage.



If your employer offers retiree health coverage* and you're eligible for Medicare, you'll need to enroll in Parts A and B to get the full benefits from your retiree plan. Always talk to your employer or benefits administrator before making any decisions.

** Employers do not have to offer coverage to retirees.*

Special Enrollment Period

For example, Wendy is 72 years old and is planning to retire on May 1, 2026. This is what her enrollment looks like.



January 1, 2026: Wendy contacts Social Security four months before she retires to trigger her Special Enrollment Period.

June 1, 2026: Wendy's Special Enrollment Period begins one month after she retires.

January 31, 2027: Wendy's Special Enrollment Period ends after eight months.

IMPORTANT! If you have coverage through a current or former employer, or are continuing your employer coverage through COBRA, it's important to understand how your coverage works with Medicare before making any decisions. Consult your employer or benefits administrator.



Enrolling in a Medicare Supplement plan

To enroll in a Medicare Supplement plan, you must:

- Be enrolled in Medicare Part A and B.
- Be age 65 or older (Note: In certain states, Medicare Supplement plans are also available to disabled individuals under age 65 who are eligible for Medicare).

What you should know:

- You pay a monthly premium for your Medicare Supplement plan in addition to your monthly Medicare Part B premium.
- A Medicare Supplement plan only covers one person, so spouses must buy separate policies.
- If you have group health coverage from your current employer, your Medicare Supplement Open Enrollment Period will start when you turn 65 and enroll in Medicare Part B.

When can I enroll?

- The Medicare Supplement Enrollment Period begins the first day of the month you are enrolled in Part B and are 65 years or older.
- The enrollment period ends six months later.

What if I miss my Medicare Supplement Open Enrollment Period?*

If you miss your Medicare Supplement Open Enrollment Period and decide later you want Medicare Supplement coverage, you risk denial of coverage and more expensive monthly premiums.

**In some states if you are under the age of 65 and disabled, your Open Enrollment Period will begin on the date you are notified by Medicare of your enrollment in Part B.*

Enrolling in a Medicare Advantage plan

There are three specific times you can purchase a MA plan:

- **When you first become eligible for Medicare**—A seven-month period that begins three months before the month of your 65th birthday and continues three months after the month of your 65th birthday.
- **If you get Medicare due to a disability**—You can join during the seven-month period that begins three months before your 25th month of disability and ends three months after your 25th month of disability.
- **Between October 15–December 7 every year**—Anyone can join, switch or drop a Medicare Advantage plan during this Annual Election Period. Coverage will begin on January 1.

There are a few exceptions, known as Special Enrollment Periods, during which you may join, switch or drop a Medicare Advantage plan.

Life events that may trigger a Special Enrollment Period are as follows:

- You change where you live
- You lose your current coverage
- You have a chance to get other coverage
- Your plan changes its contract with Medicare
- Other special situations (visit **www.medicare.gov** for a complete list)

What if I want to change plans?

Each year, between January 1–March 31, Medicare Advantage members have the opportunity to leave their plan and return to Original Medicare. If your Medicare Advantage plan includes prescription drug coverage, you also have until March 31 to purchase a Part D plan for prescription drug coverage.



Enrollment Period snapshot

Original Medicare

Medicare Initial Enrollment Period

Begins three months before 65th birthday (Includes month of your birthday) and ends three months after birthday month. Applies to individuals, whether automatically enrolled or not, and for those who need to apply for Medicare Part A and/or Part B.

Medicare Special Enrollment Period*

Begins the month after your employment or employer coverage ends, whichever comes first, and ends eight months later. Applies to individuals who are turning 65, are still working and receive health insurance from their employer and those who delay enrollment in Original Medicare Part B.

- Enroll in Medicare Part B to avoid a late enrollment fee.
- If your employer has 20 or more employees, you must be offered the same health coverage as employees who are under 65.
- If your employer has less than 20 employees, sign up for Medicare Part A and B during your Initial Enrollment Period to avoid paying a Part B late enrollment fee.

Comprehensive coverage after Part A & B enrollment

Medicare Advantage with or without prescription drug or Medicare Part D Open Enrollment Period

Enroll between October 15–December 7 annually. Join, drop or switch Medicare Advantage plans or Part D plans.

Medicare Advantage with or without prescription drug or Medicare Part D Special Enrollment Period

You have two months to enroll in a Medicare Advantage or Part D after you lose group health insurance. Applies to individuals who lose their group health coverage from an employer.

- Enroll in this time period to avoid a late enrollment penalty
- You must have Medicare Part A and B

Medicare Supplement Open Enrollment Period

The six-month period that begins the first day of the month you turn 65 and enroll in Medicare Part B.

If applying for a Medicare Supplement plan outside this six-month enrollment period, you could face higher premiums or denied coverage.

* *There are other qualifying situations that may allow you to delay enrollment into Original Medicare. You should contact Medicare at 1-800-Medicare or visit www.medicare.gov for more information.*

** *There are many different rules for the type of life events that occur that could qualify as a Special Enrollment Period. You should contact Medicare at 1-800-Medicare or visit www.medicare.gov to learn more.*



Medicare Resources

Glossary of key terms

Benefit Period: A benefit period begins the day you're admitted as an inpatient in a hospital or skilled nursing facility. The benefit period ends when you haven't received any inpatient hospital care (or skilled care in a skilled nursing facility) for 60 days in a row. If you go into a hospital or a skilled nursing facility after one benefit period has ended, a new benefit period begins. You must pay the inpatient hospital deductible for each benefit period. There's no limit to the number of benefit periods.

Coinsurance: The percentage of the cost you pay after you meet your deductible.

Copayment (copay): A fixed dollar amount you pay when you visit a doctor or other provider of service.

Deductible: The amount you must pay before the insurance company or Medicare begins to pay its portion of the claims.

Home health care: Skilled nursing and related services provided to patients in a home setting. Home care services include physical therapy, occupational therapy, speech therapy, medical social services, home health services, and medical supplies and equipment.

Hospice: A program or facility that provides care, comfort, and support services for terminally ill patients and their families. Hospice care concentrates on reducing the severity of disease symptoms rather than halting or delaying progression of the disease itself.

Inpatient: A patient who has been formally admitted to the hospital under a doctor's order. The day before you're discharged is your last inpatient day.

Lifetime reserve days: Additional days Medicare will pay for when you're in a hospital for more than 90 consecutive days in the same benefit period. Once used, it cannot be renewed. Individuals have 60 total reserve days for their lifetime.

Out-of-pocket maximum: The most you will have to pay for medical and prescription drugs in a calendar year.

Outpatient: A patient who receives emergency department services, observation services, outpatient surgery, lab tests, X-rays or any other hospital services, and the doctor hasn't written an order to admit you to a hospital as an inpatient. In these cases, you're an outpatient even if you spend the night in the hospital.

Skilled Nursing Facility (SNF): A level of care that requires the daily involvement of a skilled nursing or rehabilitation staff like physical therapy and intravenous injections. You qualify only after a three-day minimum hospital stay for a related illness or injury for up to 100 days in a benefit period that includes a semi-private room and meals. Medicare doesn't cover long-term care or custodial care in this setting.

Key contacts

Still have questions about Medicare and your coverage options? Here are some key contacts when you're ready to take the next step.

CareFirst contacts

- **Phone**—Call us toll-free at **833-987-0767** to speak to one of our licensed Medicare agents.
- **Web**—Visit **carefirst.com/simplemedicare** to view our Medicare plan options and get a free rate quote.

Need "Extra Help"?

If you have limited income and resources, you may be able to receive "Extra Help" when paying for your prescription drug coverage costs. People who qualify may be eligible to have their prescriptions filled and pay little to nothing out of pocket.

- You may apply for "Extra Help" at any time! To apply online, visit **socialsecurity.gov/i1020.**
- Call Social Security at **800-772-1213** to apply by phone or to receive a paper application.
- Maryland (SHIP) **410-767-1100**
- Virginia (VICAP) **800-552-3402**
- Washington, D.C. **202-727-8370**

Federal contacts

Medicare—The official source for Medicare information including details about coverage, costs and the *Medicare & You* handbook:

- Call **1-800-MEDICARE (800-633-4227)**
- Visit **medicare.gov**
- To download a copy of the *Medicare & You* Handbook, visit **medicare.gov/medicare-and-you.**

Social Security Administration—the first place to go when you have questions about your Medicare eligibility or enrollment:

- Call **800-772-1213**
- Visit **ssa.gov**



Working with a broker?

If you're currently working with a broker or have worked with one in the past, they can be a great resource for you as well. Brokers can provide personal service at no additional cost to you.

Enjoy the journey ahead!

Now that you're familiar with the basics of Medicare—its various parts and plans, the different enrollment periods, key terms and more—making a decision about your Medicare coverage should be a little easier.

The more you know and understand, the better you'll feel about choosing what works best to meet your health needs and budget, so you can live a healthier life and enjoy every moment along the way.





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In the District of Columbia and Maryland, Medicare Supplement Insurance underwritten by First Care, Inc. In Virginia, Medicare Supplement Insurance is underwritten by First Care, Inc. of Maryland (Used in VA By: First Care, Inc.).

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