

# MEDICARE GUIDE FOR AMERICAN EXPRESS EMPLOYEES AND RETIREES

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## Introduction

You and/or your covered dependent is identified as being Medicare eligible or becoming Medicare eligible. Use this guide to better understand Medicare and its impact on your health coverage.

**Note:** For the remainder of this guide, “the Company” refers to American Express Company and “you” refers to the person who is eligible of becomes eligible for Medicare benefits. **If the eligible person is your dependent, please share this guide with them.**

### What do you need to do?

#### **If you are enrolled in active health benefits with American Express as an employee or as a dependent:**

- Your active health coverage is not impacted, you can delay Medicare enrollment until active health coverage ends
- If you are an employee and you are enrolled in the Premier or Basic Plan, you will need to certify that you are not enrolled in Medicare in order to continue your Health Savings Account (HSA) contributions
  - If you decide to start collecting Social Security, you will automatically be enrolled in Medicare Part A and will therefore no longer be eligible for HSA contributions. If you’re enrolled in the Premier Plan, your Company HSA contributions will be credited to the Health Care Flexible Spending Account (HCFSA) instead

#### **If you are enrolled in COBRA benefits through American Express:**

- If you are enrolled in COBRA and you become eligible for Medicare while on COBRA\*, **your COBRA eligibility automatically ends on your Medicare eligibility date**, so you should consider enrolling in Medicare. If you want to enroll without a penalty, you should enroll in Medicare when you are initially eligible.

*\*Refer to the “Continuing your Coverage” section of the American Express Medical Plan Summary Plan Description (SPD) for further details. The SPD is posted on U.S. Benefits at [www.myamexbenefits.com](http://www.myamexbenefits.com) (go to Health & Insurance>Coverage Details>Plan Information).*

#### **If you are enrolled in the American Express Medical Plan for Retirees (the Retiree Medical Plan) \*:**

- If you continue coverage in the Retiree Medical Plan, **you will be moved to the UnitedHealthcare (UHC) PPO option, which pays secondary to Medicare A and B**
  - If your covered spouse is not yet eligible for Medicare, you must continue your coverage in the Retiree Medical Plan in order for your spouse’s coverage to continue
    - If you cancel your Retiree Medical Plan coverage when you qualify for Medicare, your covered spouse will not be eligible for COBRA
- Enroll in Medicare Part A and B to avoid a coverage gap and future penalties

*\*Refer to the “Benefits Guide for Retirement” for further details. The Guide is posted on U.S. Benefits at [www.myamexbenefits.com](http://www.myamexbenefits.com) (go to Health & Insurance>Coverage Details>Plan Information).*

### **If you are Medicare-eligible and are terminating employment:**

- Review your eligibility or enrollment information with Medicare
- If you're eligible for a special enrollment period, you should enroll in Medicare A and B within the special enrollment period to avoid late enrollment penalties
- Have a completed Form CMS - L564 with employment and coverage history ready for your Medicare enrollment to avoid late enrollment penalties (the Colleague Service Center can complete the form for you, but the company will not automatically provide one to you)
- If you decide to elect COBRA, **Medicare A and B will be your primary coverage and the American Express Medical Plan will be your secondary coverage** (however, you will pay the same COBRA premium as all other COBRA participants)\*.

*\*Refer to the "Continuing your Coverage" section of the American Express Medical Plan Summary Plan Description (SPD) for further details. The SPD is posted on U.S. Benefits at [www.myamexbenefits.com](http://www.myamexbenefits.com) (go to Health & Insurance>Coverage Details>Plan Information).*

### **If you are Medicare eligible and retiring, and you are eligible for the Retiree Medical Plan:**

- Refer to the Benefits Guide for Retirement\* to find out what benefits are available.
- Review your eligibility or enrollment information with Medicare
- Enroll in Medicare A and B during your special enrollment period to receive the maximum benefits
- Have a completed Form CMS - L564 with employment and coverage history ready for your Medicare enrollment (the Colleague Service Center will complete Section B of the form for you, but American Express will not automatically provide one to you)
- Enroll in the Retiree Medical Plan before the deadline date

*\*The Benefits Guide for Retirement is posted in U.S. Benefits at [www.myamexbenefits.com](http://www.myamexbenefits.com) (go to Health & Insurance>Coverage Details>Plan Information).*

## **Get to know Medicare**

This section provides a general overview of Medicare benefits. For the most up-to-date information on Medicare, visit [Medicare.gov](http://Medicare.gov).

### **When am I eligible for Medicare?**

You are generally eligible for Medicare when you reach age 65 or prior to age 65 if you're receiving Social Security disability benefits for 24 months.

### **What is Part A?**

In general, Part A is **hospital** insurance that helps cover inpatient care in hospitals, skilled nursing facilities, and hospice, along with home health care.

## What does Part A Cover?

In general, Part A covers:

- Inpatient care in hospitals (such as critical access hospitals, inpatient rehabilitation facilities, and custodial care hospitals)
- Inpatient care in a skilled nursing facility (not custodial or long-term care)
- Hospice care services
- Home health care services
- Inpatient care in a religious non-medical health care institution

## How much does Part A cost?

If you or your spouse paid Medicare taxes while working, you will not pay a premium for Medicare Part A coverage.

Detailed plan information such as deductible and coinsurance can be found on the [Medicare.gov](https://www.medicare.gov) site.

## What is Part B?

In general, Part B is **medical** insurance that helps cover medically necessary services like doctors' services, outpatient care, durable medical equipment, home health services, and other medical services. Part B also covers some preventive services.

## What does Part B cover?

In general, Part B covers two types of services:

- Medically necessary services—Services or supplies that are needed to diagnose or treat your medical condition and that meet accepted standards of medical practice
- Preventive services—Health care to prevent illness (like the flu) or detect it at an early stage, when treatment is most likely to work best

Detailed plan information such as deductible and coinsurance can be found on the [Medicare.gov](https://www.medicare.gov) site.

## How much does Part B cost?

If you have Part B, you will pay a premium each month. Most people will pay a standard premium.

If you have a higher income, you might pay more for your Medicare Part B coverage. Social Security will contact those individuals who have to pay more based on their income.

If you don't sign up for Part B when you're first eligible (and you don't qualify for special enrollment), you will have to pay a late enrollment penalty.

## What's not covered by Medicare Parts A and B?

Medicare Parts A and B do not cover everything, such as custodial care, routine dental care, or prescription drugs. Even if Medicare Part A or Part B covers a service or item, you'll still generally have to pay deductibles, coinsurance, and copayments. Refer to [Medicare.gov](https://www.medicare.gov) for more information.

## What is Part D?

In general, Part D is Medicare **drug coverage** that helps cover the cost of prescription drugs (including many recommended shots or vaccines).

Plans that offer Part D coverage are run by private insurance companies that follow rules set by Medicare.

## What does Part D cover?

Each plan can vary as to which specific drugs are covered. Visit [Medicare.gov](https://www.medicare.gov) to compare the specific Medicare drug plan details.

## How much does Part D cost?

If you have Part D, you will pay a premium each month to the private insurance company. The cost will vary by plan.

If the Centers for Medicare and Medicaid Services (CMS) determines that you are an individual with limited income, you could qualify for extra help that provides low-cost Part D coverage. If applicable, CMS will notify you, and your premiums will be reduced.

If you have a higher income, you might pay more for your Medicare Part D coverage. The additional amount is paid to Social Security. Social Security will contact those individuals who have to pay more based on their income.

If you don't sign up for Part D when you're first eligible (and you don't qualify for special enrollment), you will have to pay a late enrollment penalty.

## When can I enroll in Medicare?

If you are turning 65, you are eligible for the initial enrollment period. If you're already receiving Social Security, you will be automatically enrolled in Medicare A and automatically receive a Medicare card about three months before you turn 65.

If you are not already receiving Social Security, you can sign up for Medicare during the seven-month period that begins three months before the month you turn 65, includes the month you turn 65, and ends three months after the month you turn 65.

Medicare benefits begin date depends on when you enroll in the initial enrollment period:

- **During the first three months:** coverage will begin the first day of your birthday month; if your birthday is on the first day of the month, coverage will start the first day of the prior month
- **In your birth month:** coverage will begin one month after you sign up
- **During the month following your birth month:** coverage will begin two months after you sign up
- **During two to three months after you turn 65:** coverage will begin three months after you sign up

If you decline Medicare when first eligible, other Medicare enrollment periods will be available to you.

## Medicare Part B and D

	Part B	Part D
<b>Special Enrollment Period</b>	If you are losing active health coverage from American Express, you have eight months to enroll in Medicare Part B during a special enrollment period. You will need a Form CMS-L564 completed with your employment and coverage history. Coverage will begin the first day of the month following your enrollment. Plan accordingly to avoid any gap in coverage.	If you are losing prescription benefits from an employer, you are also losing creditable coverage (prescription drug coverage that is comparable to or better than Medicare Part D). You have two months to enroll in Medicare Part D during a special enrollment period. Coverage will begin the first day of the month following your enrollment. Plan accordingly to avoid any gap in coverage.
<b>General Enrollment Period/ Open Enrollment Period (Available Annually)</b>	You can enroll during the general enrollment period between January 1 and March 31 each year (coverage will begin July 1). Late enrollment penalties will apply.	You can enroll during the open enrollment period between October 15 and December 7 each year (coverage will begin January 1). Late enrollment penalties will apply.

## Medicare Part A

If Part A is declined at the time of initial enrollment, you can enroll in Medicare Part A at any time; you do not need to wait until a special enrollment period or general enrollment period. If you sign up within six months of your 65th birthday, your coverage will start at one of these times:

- The first day of the month you turn 65
- The month before you turn 65 (if your birthday is the first of the month)

After that, your coverage start date will go back (retroactively) six months from when you sign up.

## Do I need to enroll in Medicare?

Enrolling in Medicare is your choice, but consider the following:

Part A (Hospital Coverage)	Part B (Medical Coverage)	Part D (Prescription Drug Coverage)
Part A does not have a premium cost if you paid Medicare taxes while you were employed.  <b>If you currently have active health coverage through American Express as an employee or as the dependent of an employee</b> , you can enroll in Part A at any time because you will not pay a separate Part A premium. If you wish to continue contributing to an HSA, you can delay your Medicare Part A enrollment, but if you start collecting Social Security, you will	Part B has a premium cost.  <b>If you currently have active health coverage through American Express as an employee or as the dependent of an employee</b> , you can delay Medicare Part B enrollment until a later time.  <b>If you are currently enrolled in retiree health coverage through American Express</b> , you need to enroll in Medicare Part B to receive maximum benefits under the retiree health coverage.	Part D has a premium cost.  <b>If you currently have active health benefits or retiree health benefits with American Express as an employee, a retiree or as the dependent of an employee or a retiree</b> , you also have prescription drug coverage that is certified to be creditable, which means it's comparable to or better than Medicare Part D drug coverage. Therefore, you can delay Medicare Part D enrollment until a later time.

<p>automatically be enrolled in Medicare A, and you will therefore no longer be eligible for HSA contributions.</p> <p><b>If you are enrolled in the Retiree Medical Plan</b>, you need to enroll in Medicare Part A to receive maximum benefits under the retiree health coverage.</p> <p><b>If you are currently enrolled in COBRA through American Express, your COBRA coverage will end when you become eligible for Medicare.</b> You should therefore enroll in Medicare Part A as soon as you're eligible.</p> <p><b>If you delayed Medicare Part A to be able to continue contributing to your HSA while working for American Express</b>, Medicare Part A coverage will go back (retroactively) six months from when you sign up, but no earlier than the first month you're eligible for Medicare. As a result, you should discontinue contributing to the HSA at least six months prior to your Medicare enrollment, or you could be subject to additional penalty taxes.</p>	<p><b>If you are currently enrolled in COBRA through American Express, your COBRA coverage will end when you become eligible for Medicare.</b> You should therefore enroll in Medicare B as soon as you're eligible.</p> <p><b>If you delayed Medicare Part B while you were covered under active health benefits and you are now losing the active health benefits</b>, you should enroll in Medicare Part B.</p> <ul style="list-style-type: none"> <li>• If you intend on enrolling in Medicare Part B, you should consider enrolling in the special enrollment period, if it applies, to avoid penalties.</li> <li>• If you will be covered under your spouse's active health benefits through another employer, you can delay Medicare Part B further.</li> <li>• If you enroll in COBRA, your COBRA medical coverage will pay secondary to Medicare A and B. Therefore, you should enroll in Medicare B during your special enrollment period. Your next opportunity to enroll in Medicare will be the general enrollment period, and you will experience a gap in coverage and late enrollment penalties.</li> </ul>	<p><b>If you delayed Medicare Part D while you were covered under active health benefits or retiree health benefits with American Express</b>, you should enroll when your coverage ends. If you will be covered under other creditable coverage through your spouse's health benefits through another employer, you can delay Medicare Part D further. If you intend on enrolling in Medicare Part D, you should consider enrolling in the special enrollment period, if it applies, to avoid penalties.</p>
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## Late enrollment penalties

Medicare Part B penalty	Medicare Part D penalty
<p>If you do not sign up for Medicare Part B when you are first eligible or during the special enrollment period, you will have to pay a late enrollment penalty for as long as you have Medicare. Your monthly premium for Part B may go up 10% for each full year that you could have enrolled in Medicare Part B and chose not to sign up.</p>	<p>If you do not sign up for Medicare Part D when you are first eligible or during the special enrollment period, you will have to pay a late enrollment penalty for as long as you have Medicare. Your monthly premium for Part D may go up 1% for each month that you could have enrolled in Medicare Part D and chose not to sign up.</p>

*The Company plans, programs, practices, policies, and processes described in this document may be amended, changed, or terminated by the Company at any time without prior notice to, or consent by, participants. This document does not create a contract, whether of employment or otherwise, between the Company and any individual, or an obligation by the Company to maintain any particular benefit plan program, practice, policy, or process. Your benefits, if any, may be different from those described here due to changes made to the plans or the termination of any of the plans. The information in this document regarding Medicare is based on the Company's current interpretation of federal Medicare regulations and is subject to change.*