



SOCIAL SECURITY

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June 1, 2011

Ms. Jacqueline C. Greene
United Nations Benefits Officer
Room FF-354
304 East 45th Street
New York, New York 10017

Dear Ms. Greene:

This letter is in response to your inquiry to our regional office in New York concerning Medicare.

Medicare is the U.S. national health insurance system for people age 65 or older or who are disabled. Generally, Medicare only covers medical expenses in the United States.

The Medicare program has four parts, hospital insurance (Part A), medical insurance (Part B), Medicare Advantage (Part C), and prescription drug coverage (Part D). A person is eligible for free hospital insurance (Part A) at age 65 if he or she has worked long enough under U.S. Social Security to qualify for a retirement benefit. People born in 1929 or later need 40 credits to qualify for retirement benefits.

The United States has Social Security agreements with a number of countries that allow the Social Security Administration to count a person's foreign credits to help him or her qualify for U.S. retirement, disability, or survivor benefits. However, these agreements do not cover Medicare benefits.

If a person has not worked long enough to be eligible for free Medicare hospital insurance, he or she can choose to buy it at age 65 by paying a monthly premium. However, if a person wants to buy hospital insurance, he or she also has to enroll in Medicare medical insurance and pay a monthly premium for that coverage as well. There is no requirement that a person who wants to enroll in medical insurance (Part B) must also buy hospital insurance (Part A).

To be eligible to buy Medicare, a person must be age 65 or older, a resident of the United States and either a U.S. citizen or a lawfully admitted permanent resident who has resided in the United States continuously for at least 5 years before the month of enrollment.

The amount a person who buys Medicare hospital insurance pays depends on the number of credits he or she has earned. If a person has less than 30 credits, the monthly premium in 2011 is \$450. If a person has at least 30 credits (but less than the 40 credits needed for free hospital insurance), the monthly premium in 2011 is \$248. The monthly premium in 2011 for medical insurance for most people is \$115.40 regardless of how many credits a person has earned. If a person's income is above \$85,000 (single) or \$170,000 (married), then the Medicare Part B premium may be higher than \$115.40 per month. All of these premium amounts are subject to change each year.

If a person has Medicare Parts A and B, he or she can join a Medicare Advantage plan (Part C), formerly called Medicare+Choice. These Medicare-approved plans include managed care plans, preferred provider organization (PPO) plans, private fee-for-service plans, and specialty plans. Many Medicare Advantage plans include a provision for Medicare-approved prescription drug coverage (Part D). A person might have to pay an additional monthly premium for his or her Medicare Advantage plan because of the extra benefits it offers.

Sincerely,

A handwritten signature in black ink, appearing to read 'Frank Biro', with a long horizontal flourish extending to the right.

Frank Biro
Acting Associate Commissioner
Office of Public Inquiries

Enclosure