

Medicare Basics

What is Medicare?

Medicare is health insurance for the following:

- People 65 or older
- People under 65 with certain disabilities or that have been on social security disability for 24 months.
- People of any age with End-Stage Renal Disease (ESRD) (permanent kidney failure requiring dialysis or a kidney transplant)

The Different Parts of Medicare

The different parts of Medicare help cover specific services:

Medicare Part A (Hospital Insurance)

- Helps cover inpatient care in hospitals
- Helps cover skilled nursing facility, hospice, and home health care

Medicare Part B (Medical Insurance)

- Helps cover doctors' and other health care providers' services, outpatient care, durable medical equipment, and home health care
- Helps cover some preventive services to help maintain your health and to keep certain illnesses from getting worse

Medicare Coverage Choices at a Glance

There are two main ways to get your Medicare coverage: Original Medicare or a Medicare Advantage Plan.

Original Medicare Includes Part A (Hospital Insurance) and/or Part B (Medical Insurance)

- Medicare provides this coverage directly.
- You have your choice of doctors, hospitals, and other providers that accept Medicare.
- Generally, you or your supplemental coverage pay deductibles and coinsurance.
- You usually pay a monthly premium for Part B.

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Part D Prescription Drug plan:

If you want this coverage, **you must join a Medicare Prescription Drug Plan**. You usually pay a monthly premium. These plans are run by private companies approved by Medicare.

If you choose not to get this coverage a Part D Late Enrollment Penalty may be added to your Part D premium if you did not have Medicare prescription drug coverage or “creditable” coverage when you first became eligible for Medicare.

Medicare Supplement (Medigap)

- You may want to get coverage that fills gaps in Original Medicare coverage. You can choose to buy a Medicare Supplement Insurance (Medigap) policy from a private company.
- Costs vary by policy and company.
- Employers/unions may offer similar coverage.
- Medigap insurance companies in most states can only sell you a standardized Medigap policy identified by letter A through N. These plans must offer same basic benefits, no matter which company sells it.

Medicare Advantage Plan (like an HMO or PPO)

Part C—Includes BOTH Part A (Hospital Insurance) and Part B (Medical Insurance)

- Private insurance companies approved by Medicare provide this coverage.
- In most plans, you need to use plan doctors, hospitals, and other providers or you may pay more or all of the costs.
- You usually pay a monthly premium (in addition to your Part B premium) and a copayment or coinsurance for covered services.
- Costs, extra coverage, and rules vary by plan.

Note: If you join a Medicare Advantage Plan, you can’t use Medicare Supplement Insurance (Medigap) to pay for out-of-pocket costs you have in the Medicare Advantage Plan. If you already have a Medicare Advantage Plan, you can’t be sold a Medigap policy.