



BEGINNER'S GUIDE TO MEDICARE

If you're new to Medicare, you're probably just starting to learn about the different parts of the Medicare program. This guide explains more about Medicare Part A and Part B, often referred to as Original Medicare, Medicare Part C, more commonly known as Medicare Advantage, and Medicare Part D, the part of Medicare that covers your prescription medications.

Medicare Plan Options

Medicare Part	Original Medicare		Medicare Advantage	Prescription Drug Coverage	Medicare Supplement Insurance
	A	B	C	D	May help cover costs associated with the following **
Inpatient hospital stays	✓		✓		✓
Doctor office visits		✓	✓		✓
Outpatient visits		✓	✓		✓
Lab tests/imaging		✓	✓		✓
Preventive exams		✓	✓		✓
Prescription Drugs			✓*	✓	
Preventive Dental Care			Some plans		
Preventive Vision Care			Some plans		
Fitness classes (Example: Silver Sneakers)			Some plans		

*Prescription drugs are included with Medicare Advantage Prescription Drug Plans.

**Medicare Supplement Insurance Plans may only be used in conjunction with Original Medicare. Medicare Part A and Part B come with out-of-pocket costs you have to pay. You might be able to save money with a Medicare Supplement insurance plan. Medicare Supplement, or Medigap, insurance plans fill in "gaps" in basic benefits left behind by Original Medicare, Part A and Part B, such as deductibles, coinsurance, and copayments. This type of insurance is sometimes called Medicare Supplemental insurance.

Medicare Part A – Hospital Insurance

Many people think of Medicare Part A as “hospital insurance.” It helps cover services such as (but not limited to):



Inpatient hospital care, including semi-private rooms, meals, nursing services, prescription drugs needed during your hospital stay, and more.



Skilled nursing facility care, including a semi-private room, meals, skilled nursing care, and other related medical services, supplies, and equipment.



Hospice care, including doctor services, nursing care, medical equipment, and supplies, and more, if your doctor determines you are terminally ill and will likely die within the next six months.



Home health services, including certain amounts of at-home skilled nursing care, physical therapy, occupational therapy and more when medically necessary.

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YEARS

Most people don't pay a monthly premium for Medicare Part A as long as they or their spouse paid Medicare taxes for a minimum of 10 years (40 quarters) when they were working.



However, your Part A coverage may still include other costs such as deductibles, copayments and/or coinsurance when you use the coverage.

Medicare Part B – Medical Insurance

Many people think of Medicare Part B as “medical insurance.” It helps cover services and supplies needed for the diagnosis or treatment of your health condition, including but not limited to:



Doctor visits



Laboratory tests and X-rays



Emergency ambulance service

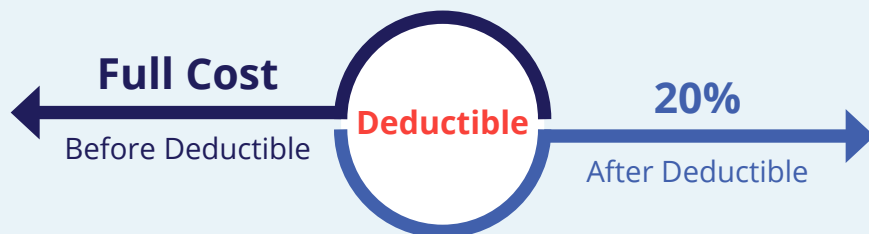


Various preventive tests (such as flu shots and Pap tests)

Most people pay a monthly premium for Medicare Part B. The amount you pay will vary depending on your specific situation.

In addition to your monthly premium, most people with Part B coverage have a yearly deductible and coinsurance. Before the deductible is met, you'll pay the full Medicare-approved cost of any medical service you receive during the year.

After it's met, you'll typically pay only 20% of the Medicare-approved amount for most Part B covered services for the rest of the year.



Medicare Part C – Medicare Advantage

Some people choose to get their Medicare benefits through Medicare Part C, also known as Medicare Advantage. These are Medicare-approved health insurance plans offered by private companies for people enrolled in Medicare Part A and Part B.



Medicare Advantage plans provide all your hospital and medical insurance coverage that you would receive with Medicare Part A and Part B. Plus, they often include extra benefits, such as routine vision, dental and hearing coverage, and may also include prescription drug coverage.



Most Medicare Advantage plans have specific provider networks, which means you may have to see certain doctors or go to certain hospitals to use your plan benefits — or you may pay more to go to a doctor who is outside the network.



The average Medicare beneficiary in 2021 has access to 33 Medicare Advantage plans, the largest number of options available in the last decade, according to a 2021 study from the Kaiser Family Foundation.[†] They are popular, in part, because they may have lower out-of-pocket costs than Original Medicare (Part A and Part B only).



When you enroll in a Medicare Advantage plan, you are still in the Medicare program and must keep paying your Part B premium. After your initial enrollment in Medicare switching to a different type of Medicare plan is usually limited to certain times of the year.

[†]KFF analysis of CMS's Landscape files for 2010 — 2021 (<https://www.kff.org/medicare/issue-brief/medicare-advantage-2021-spotlight-first-look/>)

Medicare Part D – Prescription Drug Coverage

Original Medicare (Part A and Part B) doesn't cover most prescription medicines. For that coverage, you will need to either enroll in a stand-alone Medicare Part D Prescription Drug Plan or a Medicare Advantage (Part C) plan that includes Part D benefits.



You don't automatically get Medicare Part D Prescription Drug coverage as a Medicare beneficiary. The coverage is optional, but you may have to pay a late enrollment penalty if you sign up for Part D coverage after you're first eligible for it or if you go 63 days or more in a row without a Medicare Prescription Drug Plan.



To avoid paying this penalty, it's often a good idea to sign up for Medicare Part D as soon as you're first eligible unless you have and continue to keep what Medicare considers "credible prescription drug coverage."



Like Medicare Advantage, enrollment in a Medicare Part D Prescription Drug Plan is usually limited to certain times of the year, including but not limited to when you are first eligible for Medicare Part B.



Medicare Part D Prescription Drug Plans are offered by private insurance companies who have a Medicare contract. Your monthly premium, deductible, copays, coinsurance, pharmacy network/service area, and the list of prescription drugs covered by the plan (formulary) will vary depending on the plan you choose.



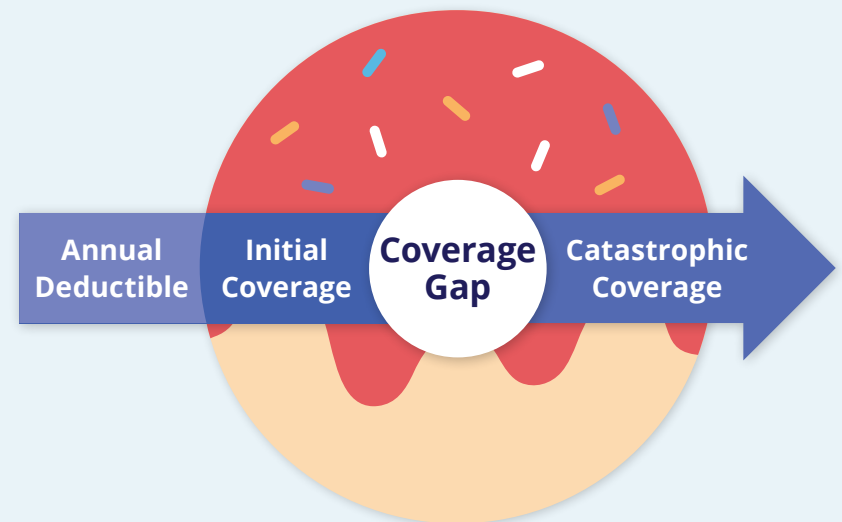
The formulary may change at any time, and if necessary, your Medicare plan will notify you when it changes. All these variables can make choosing a plan complicated.

The Medicare Part D Coverage Gap ("Donut Hole")

The coverage gap (sometimes called the "donut hole") refers to the point when you and your Medicare Part D Prescription Drug Plan (or Medicare Advantage Prescription Drug Plan) have spent a certain amount on covered medicines; this amount is also known as your initial coverage limit, this amount may change each year.

This means there is a temporary limit on what the prescription drug plan will cover for medications. Once you've reached your initial coverage limit, you pay a higher portion of your prescription drug costs.

After you have spent a certain amount out-of-pocket, you're out of the coverage gap, and you'll automatically get catastrophic coverage, at which time your Medicare Part D Prescription Drug Plan will pay for most of the cost of your covered prescription medicines. You will only pay a small coinsurance amount or copayment until the end of the year.



Not everyone will enter the coverage gap. You can prevent or delay entering it by reducing your prescription drug costs. There are many ways to do this, including:



Switching to lower-cost medication (including generics) after first talking to your doctor.



Using a prescription mail-order program offered by your Medicare Part D Prescription Drug Plan.



Enrolling in and using a reputable prescription drug assistance program.



Applying for the Extra Help (Low-income Subsidy or LIS) program. If you qualify, you will not be subject to the Part D coverage gap.



Medicare Part D coverage can be confusing even for people who've had Medicare for a long time.

Be sure to ask your insurance plan or broker how this benefit works. By knowing how Part D works, you will get the most from your coverage.

Medicare Supplement Plans

A Medicare supplement insurance policy (sometimes called Medigap) can help pay some of the health care costs that Original Medicare (Parts A and B) doesn't cover, such as copayments, coinsurance, and deductibles.



Medicare supplement policies are sold by private companies. You pay the insurance company a monthly premium in addition to what you pay for your Part B coverage.



All Medicare supplement insurance policies offer the same coverage. Benefits are standardized and denoted by different letters of the alphabet. If you have a standardized Medicare supplement insurance plan, your policy is guaranteed renewable even if you have health problems however, if you enroll outside of your 6-month Medigap Open Enrollment Period (OEP), you may be subject to medical underwriting.



A Medicare supplement insurance policy is different from a Medicare Advantage plan. Medicare Advantage is a way to get your Medicare benefits, while a Medigap policy only supplements your Original Medicare (Parts A and B) coverage. **You cannot have both a Medigap policy and a Medicare Advantage plan.**



New Medicare supplement insurance policies do not include prescription drug coverage, so many people with a Medicare supplement insurance plan also buy a Part D plan. This means they have Original Medicare (Part A and Part B), a Part D plan, and a Medicare Supplement Insurance policy.



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