



Medicare at a Glance

Who runs the Medicare Program?

The Centers for Medicare & Medicaid Services (CMS) is the Federal agency that runs Medicare. CMS is part of the U.S. Department of Health and Human Services.

What is Medicare?

Medicare is health insurance for people age 65 or older, under age 65 with certain disabilities, and any age with End-Stage Renal Disease (permanent kidney failure requiring dialysis or kidney transplant).

Medicare has

- Part A (Hospital)
- Part B (Medical)
- Part C (Medicare Advantage Plans, like HMOs and PPOs)
- Part D (Medicare Prescription Drug Coverage)

What is Medicare Part A?

Medicare Part A helps cover inpatient care in hospitals. This includes critical access hospitals and skilled nursing facilities (not custodial or long-term care). It also helps cover hospice care and home health care. You must meet certain conditions to get these benefits.

Cost: You usually don't have to pay a monthly fee, called a premium, for Medicare Part A benefits. This is because you or your spouse paid Medicare taxes while working. If you don't automatically get premium-free Part A, you may be able to buy it.



What is Medicare Part B?

Medicare Part B helps cover medical services like doctors' services, outpatient care, and other medical services that Part A doesn't cover. Part B is optional. Part B helps pay for covered medical services and items when they are medically necessary. Part B also covers some preventive services. These include a one-time "Welcome to Medicare" physical exam, bone mass measurements, flu and pneumococcal shots, cardiovascular screenings, cancer screenings, and diabetes screenings, and more.

Cost: Most people pay the standard Part B premium (\$88.50 in 2006). Starting January 1, 2007, some people will pay a higher premium, based on their income. Your monthly premium will be higher than the standard premium if you are single (file an individual tax return), and your annual income is more than \$80,000, or if you are married (file a joint tax return) and your annual income is more than \$160,000. These amounts change each year.

What isn't covered by Medicare Part A and Part B?

Medicare doesn't cover everything. For example, Medicare doesn't cover dental care, health care you get while traveling outside of the United States (except in limited cases), hearing aids, most hearing exams, long-term care, most eyeglasses, and more. Some of these services may be covered under Medicare Advantage Plans.

What are Medicare Advantage Plans (like HMOs and PPOs)?

Medicare Advantage Plans are health plan options that are approved by Medicare but run by private companies. They are part of the Medicare Program, and sometimes called "Part C." They provide all your Part A and Part B coverage and must cover medically-necessary services. They generally offer extra benefits, and many include Part D drug coverage. You may have to see doctors who belong to the plan or go to certain hospitals to get covered services.

Cost: Some Medicare Advantage Plans charge a monthly premium in addition to your Part B premium. Costs vary by plan and the services you use.



What is Medicare Prescription Drug Coverage?

Medicare offers prescription drug coverage for everyone with Medicare. This may be called “Part D.” This coverage may help lower prescription drug costs and help protect against higher costs in the future. It can give you greater access to drugs that you can use to prevent complications of diseases and stay well. These plans are run by insurance companies and other private companies approved by Medicare. Part D is optional.

Cost: If you join a Medicare drug plan, you usually pay a monthly premium. If you decide not to enroll in a Medicare drug plan when you are first eligible, you may pay a penalty if you choose to join later. If you have limited income and resources, you might qualify for extra help paying your Part D costs.

For more information on who can get extra help with prescription drug costs and how to apply, visit www.socialsecurity.gov on the web or call 1-800-772-1213. TTY users should call 1-800-325-0778.

What are my Medicare plan choices?

Most people get their Medicare health care coverage in one of two ways. Your costs vary depending on your coverage and the services you use.

- **Original Medicare Plan.** The Original Medicare Plan, which provides Part A and Part B coverage, is a fee-for-service plan managed by the Federal Government. This means you are usually charged a fee for each health care service or supply you get. For some services, you will pay an amount called a deductible before Medicare pays its part. Then, when you get a Medicare-covered medical supply or service, Medicare pays its share, and you pay your share, called the coinsurance or a copayment. You can also choose to get Part D coverage.
- **Medicare Advantage Plans.** Medicare Advantage Plans offer you many different ways to get your Medicare Part A, Part B, and Part D coverage. To join a Medicare Advantage Plan, you must have both Medicare Part A and Part B and live in the plan’s service area.

With Medicare Advantage, your choices may include

- Medicare Preferred Provider Organization (PPOs) Plans,
- Medicare Health Maintenance Organization (HMOs) Plans,
- Medicare Private Fee-for-Service (PFFS) Plans,
- Medicare Special Needs Plans, and
- Medicare Medical Savings Account (MSA) Plans.

For help comparing your plan choices, visit www.medicare.gov on the web. Select “Search Tools.” Or, call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.



When can I switch my Medicare plan?

Generally, if you join a Medicare Advantage Plan or Medicare Prescription Drug Plan, you can only change plans from November 15 through December 31 of every year.

Can I have other types of health insurance?

Yes. You may already have health care coverage such as employer or retiree coverage or another type of health insurance. There are times when your other coverage or health insurance must pay before Medicare pays. Talk to your benefits administrator to see how your other coverage or health insurance works with Medicare.

If you have the Original Medicare Plan, you might also want to buy a Medigap (Medicare Supplement Insurance) policy. A Medigap policy is a health insurance policy sold by private insurance companies to fill “gaps” in Original Medicare Plan coverage.

How can I get help to pay health care and prescription costs?

There are programs that help millions of people with Medicare save money each year. If you have limited income and resources, your State may help pay Medicare premiums and, in some cases, may also pay Medicare deductibles and coinsurance. Help is also available paying prescription drug costs. Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

Where can I get more information?

Medicare is here for you 24 hours a day, every day.

- www.medicare.gov
- 1-800-MEDICARE (1-800-633-4227)
- TTY users should call 1-877-486-2048.