



AmericanExchange.com

MAKING HEALTHCARE WORK BETTER FOR YOU

MEDICARE BASICS

Medicare can be confusing. American Exchange wants to help you understand how it works so you choose the option that best fits your budget and healthcare needs.



Medicare has 4 parts

Medicare is health insurance for people age 65 or older and people under age 65 with disabilities who have had Social Security disability or Railroad Retirement Board (RRB) benefits for 24 months. The 24-month waiting period is waived for people with amyotrophic lateral sclerosis (ALS), also called Lou Gehrig's disease, and people of any age with end stage renal disease (ESRD).



Part A: Hospital Insurance

Medicare Part A helps cover care in the following settings:

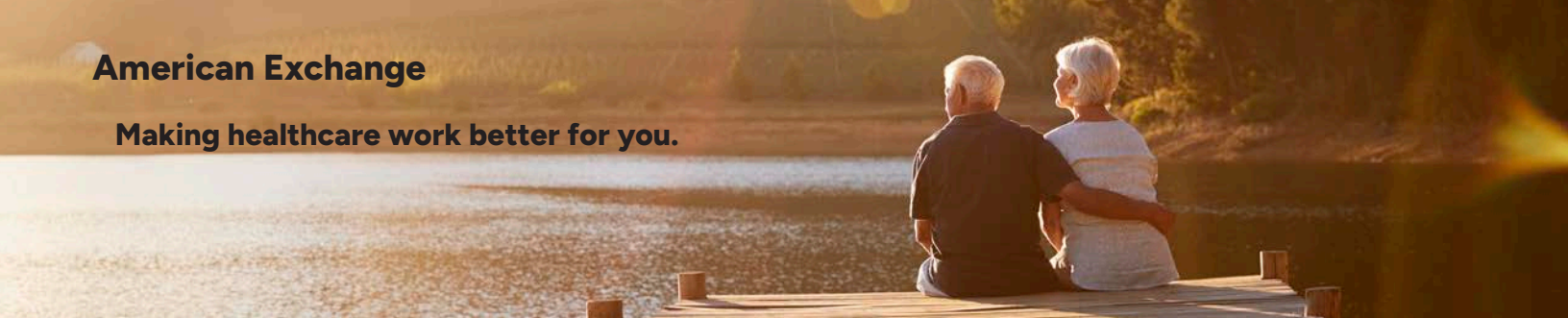
- Inpatient care in hospitals
- Skilled nursing facility care
- Home health care
- Hospice care

Part B: Medical Insurance

Medicare Part B helps cover:

- Services from doctors and other healthcare providers
- Outpatient care
- Home health care
- Durable medical equipment like wheelchairs and walkers
- Many preventive services, like health screenings or shots, and yearly wellness visits





Part C: Medicare Advantage

Medicare Advantage is a Medicare-approved plan (like an HMO or PPO) from a private company that offers an alternative to Original Medicare for your health and drug coverage. These plans combine Medicare Part A, Part B, and usually Part D.

Part D: Prescription Drug Coverage

Insurance plans offered by private companies to help cover the costs of prescription drugs, including many recommended shots or vaccines. The companies offering Part D plans must follow rules set by Medicare.



Types of Medicare Coverage

You can choose to sign up for Original Medicare, which is Part A and Part B. If you want your medicines covered, you can add Part D. Or, you can sign up for a Medicare Advantage plan, which bundles your hospital, medical, and prescription coverage together in a single health plan.

Medicare Costs	
Original Medicare (Parts A & B)	Medicare Advantage (Part C)
You usually pay 20% of the Medicare-approved amount (co-insurance) for your Part B covered services, after you meet your yearly deductible.	Out-of-pocket costs vary based on the plan you choose.
You pay a monthly premium for Part B. You will also pay a premium if you get a Part D prescription drug plan.	You pay the monthly Part B premium. You may also have to pay the plan's premium if there is one. Some plans may pay all or part of your Part B premium. Most Medicare Advantage plans cover prescription drug costs.
There is no yearly limit on what you pay out-of-pocket, unless you have supplemental coverage, like a Medigap plan.	Plans have a yearly limit on what you pay out-of-pocket for services Medicare Part A and Part B cover. Once you reach your plan's limit, you pay nothing for Part A and Part B covered services for the rest of the year.
You can get a Medigap plan to help pay your remaining out-of-pocket costs, like your 20% coinsurance. Or you can use coverage from a former employer, union, or Medicaid.	You can't buy Medigap insurance because you don't need it.

