Medicare Made Easy – Part 2
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In this month’s installment on Medicare, we’ll touch on what Medicare covers and the different options you have for receiving Medicare.

Part A Covered Services
Medicare Part A is considered “hospital insurance”. It covers inpatient care in a hospital, inpatient care in a skilled nursing facility (not custodial or long term care), hospice care (terminal illness expected to result in death within 6 months), home health care and inpatient care in a religious, nonmedical health care institution.

Part B Covered Services
Medicare Part B is considered “medical insurance”. It covers medically necessary doctors’ services, outpatient care, home health services, durable medical equipment, other medical services and many preventative services.

There are generally two different ways to receive Medicare coverage. The first is through Original Medicare and the second is through a Medicare Advantage Plan.

Original Medicare
Unless you choose a Medicare Advantage Plan, you will be covered under Original Medicare. Original Medicare is managed by the federal government. In most cases, you can go to any doctor, health care provider or hospital that is enrolled in Medicare and accepting Medicare patients. You don’t need to choose a primary doctor or get a referral to see a specialist. Prescription drugs are generally not covered so you will need to sign up for a Medicare Prescription Drug Plan (Medicare Part D). You’ll generally pay a set amount for your health care through a deductible before Medicare pays its share. Then, Medicare pays its share and you pay your share through coinsurance and a copayment. There is no limit for what you pay out-of-pocket. For Medicare Part A, the deductible is $1,288 in 2016 for each benefit period. A benefit period is the way that Original Medicare measures your use of hospital and skilled nursing facility (SNF) services. A benefit period begins the day you’re admitted as an inpatient in a hospital or SNF. The benefit period ends when you haven’t received any inpatient hospital care (or skilled care in a SNF) for 60 days in a row. If you go into a hospital or a SNF after one benefit period has ended, a new benefit period begins. You must pay the inpatient hospital deductible for each benefit period. There’s no limit to the number of benefit periods. For days 1-60 in a hospital or SNF, there is no coinsurance. Days 61-90 you pay coinsurance of $322/day. Over 90 days and you pay 100% of the costs. However, you have 60 “lifetime reserve” days you can draw on. The coinsurance for these days is $644/day. For Medicare Part B services, the deductible is $166 for 2016 and then generally coinsurance of 20%. This is in addition to the monthly premium for Part B. See the following link for more information on Medicare costs for 2016: https://www.medicare.gov/your-medicare-costs/costs-at-a-glance/costs-at-glance.html#collapse-4809

Medicare Supplement Policies
Unless you have supplemental employer or union health coverage, you will most likely want to purchase a Medicare Supplement (Medigap) Policy. Medigap policies are sold by private insurance companies and can help pay for some of the costs that Original Medicare doesn’t cover, like copayments, coinsurance and deductibles. Medigap policies are standardized and offer the same basic benefits so that they can be easily
compared. You will pay a monthly premium to the insurance company in addition to your monthly Medicare Part B premium. It is important to shop around as different companies may charge different premiums for the same exact policy. In addition, some policies provide additional benefits over and above the standard benefits.

See the following link to learn more about Medigap policies: [https://www.medicare.gov/supplement-other-insurance/compare-medigap/compare-medigap.html](https://www.medicare.gov/supplement-other-insurance/compare-medigap/compare-medigap.html). The “Find a Medigap” link under For more information is very helpful to compare policies offered in your area. It is important to sign up for a Medigap policy during the 6 month Open Enrollment Period that begins in the month you turn 65 and are enrolled in Medicare Part B. Insurance companies have to sell you a policy during this time period regardless of your health. You will also pay the same premium as someone who is in good health. If you don’t sign up during the Open Enrollment Period you may be refused a policy or you may pay more depending on your health.

**Medicare Advantage Plan**

If you don’t choose Original Medicare, you’ll want to get a Medicare Advantage Plan (Part C). These plans are offered by private insurance companies that Medicare approves. If you join a Medicare Advantage Plan you’ll still have Medicare but you will get your Medicare Part A and Part B coverage from the Medicare Advantage Plan. These plans cover all the same services as Original Medicare except for hospice care and some care in qualifying clinical research studies. Original Medicare will cover these costs for you. Medicare Advantage Plans may offer extra coverage like vision, hearing, dental and other health and wellness programs not covered by Original Medicare. Most plans also include Medicare prescription drug coverage (Part D). There are different types of Medicare Advantage Plans to choose from that are similar to health plans you may already be familiar with. HMO plans require a primary doctor, specialist referral and in network providers. PPO plans allow you to go to any health care provider or specialist but you will pay more for out of network providers. There are also other types of plans including MSA plans (high deductible health plan), HMO Point of Service Plans, Special Needs Plans, and Private Fee for Service Plans. The costs you pay for Medicare Advantage Plans will be dependent on the type of plan you choose. Generally you will pay a monthly premium for the Medicare Advantage Plan and your monthly Medicare Part B premium. Copayments, coinsurance and deductibles may also be part of coverage.

See the following link to learn more about Medicare Advantage Plans: [https://www.medicare.gov/supplement-other-insurance/compare-medigap/compare-medigap.html](https://www.medicare.gov/supplement-other-insurance/compare-medigap/compare-medigap.html)

In conclusion, if you decide not to go with a Medicare Advantage Plan, and instead enroll in Original Medicare, you will most likely also need a Prescription Drug Plan (Part D) and a Medicare Supplement Policy (Medigap). This may not be required if you already have supplemental health coverage through an employer or union plan. It is important to take the time to familiarize yourself with all plans available in your area in order to determine the one that best fits your unique health care needs.