

Medicare Benefits and Out-of-Pocket Costs in 2010

The "Parts" of Medicare & Covered Services	Out-of-Pocket Costs
Part A Automatically included with no premium for most beneficiaries.	
Inpatient hospital • Up to 90 days per year • Plus 60 "lifetime reserve days"	\$1100 deductible for the first stay in during a year • Days 1 - 60: \$0 • Days 61 - 90: \$275 per day • 60 "lifetime reserve days": \$550 per day
Skilled nursing facility - up to 100 days per year	• Days 1 - 20: \$0 • Days 21 - 100: \$137.50 per day
Hospice care for terminally ill beneficiaries	Nominal coinsurance for drugs and respite care
Home health care for homebound beneficiaries needing skilled care	\$0
Part B Optional. You pay a premium to Medicare which is usually deducted from your Social Security check.	
Premium ^a	\$1156 - \$4243.00 annually or \$96.50 - \$353.60 per month depending on income ^b
Deductible	\$155 annually
Physician and other medical services including: supplies durable medical equipment and physical and speech therapy	20 % of Medicare approved amount
Outpatient hospital care	Greater of 20 % of Medicare-approved amount or 20 % of 1996 national median charge updated to 2000 ^c
Ambulatory surgical services	20 % of Medicare approved amount
Laboratory services	\$0
Outpatient mental health services	50 % of Medicare approved amount
Part D Optional. You pay a premium to a Medicare approved private insurance plan.	
Premium ^a	Approximately \$564/year or \$47/month. Premiums vary by insurance company.
Deductible	\$0 to \$310 annually depending on plan.
Coinsurance	25 % of costs from \$311-\$2830 100% of Costs between \$2831-\$6440.00 If your annual prescription costs are over \$6440.00 either you pay: (a) the greater of either 5% of the prescription drug costs or \$2.50 for generic prescription drugs or (b) \$6.30 for brand-name prescription drugs. Medicare Part D pays the lesser of either: 95% of the prescription drug costs or the balance of the prescription drug costs. Out of pocket threshold \$4550.
Notes:	<p>^a Beneficiaries with low incomes may be eligible for extra help with paying Medicare B and D premiums.</p> <p>^b Outpatient charges are often higher than Medicare "approved" charges. Therefore, Medicare beneficiaries' coinsurance rates are often well above the 20% of the Medicare "approved" charges. For example, the average coinsurance rate for imaging services can be > 40%. As a result, the beneficiary's out-of-pocket cost may actually be higher than 20%.</p>

What is Medicare Part C, also known as Medicare Advantage”?

- ❖ A combination of :
 - ❖ Medicare A and Medicare B and sometimes Medicare D
- ❖ Sold through private health insurance plans and you pay a monthly premium in addition to the Medicare Part B premium that you must continue to pay.
- ❖ Can be a good value and include many features of Medigap ***if you choose the properly structured plan.*** Otherwise, you can still be responsible for the out-of-pocket costs like the ones listed in the table for Medicare Parts A, B, and D.

What is Medigap?

- ❖ Privately purchased health insurance that is not a mandatory part of Medicare.
- ❖ It covers the “gaps” in Medicare coverage including co-payments and deductibles that are built into the Medicare program
- ❖ There are up to 12 varieties of Medigap plans, labeled A through L, that cover varying amounts and types of Medicare “gaps.”
- ❖ Not all varieties of Medigap insurance are available in all areas, due to state laws that govern health insurance.

Parts of Medicare	Premium	Open Enrollment
Part A: hospital insurance for acute hospital, home care and rehabilitation, required	No premium unless not on Social Security	<ul style="list-style-type: none"> • Through Social Security • 3 months before/after 65 years old unless medically disabled earlier • No need to re-enroll after initial enrollment
Part B: supplemental insurance for outpatient services, primary care, laboratory, etc., required	Yes – sliding scale based on income	<ul style="list-style-type: none"> • Through Social Security • 3 months before/after 65 years old unless “Creditable Coverage” • ≥ 63 days after “Creditable Coverage” • No need to re-enroll after initial enrollment
Part C: Medicare Advantage (MA) - Medicare HMO or PPO, optional	Most of the time	<ul style="list-style-type: none"> • Through private insurance • Annual open enrollment 1/1/09 - 3/31/09 • ≥ 63 days after “Creditable Coverage”
Part D: prescription drugs, required	Most of the time	<ul style="list-style-type: none"> • Through private insurance • Open enrollment mid November 2009 - 12/31/09 • ≥ 63 days after “Creditable Coverage”

Note: This is the most current information available as of October 20, 2009. Please check back at www.GOODCARE.com for our Tool Kit where we post the most updated information.

