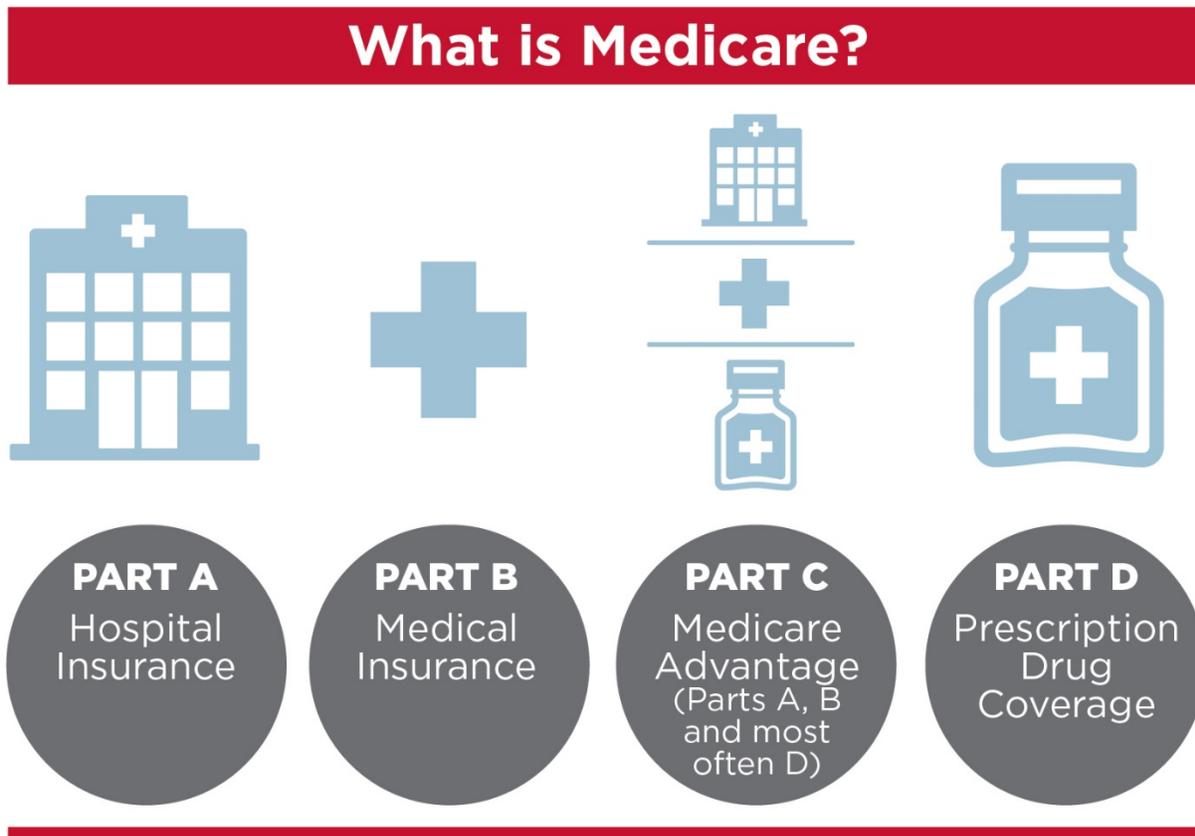


WHAT ARE MEDICARE PARTS A, B, C AND D?

People often get confused by Medicare which is not surprising because Medicare is incredibly confusing. Let's begin by taking a look at the various parts of Medicare so that we have a foundation for future articles and blogs.



Medicare Part A covers Medicare-approved care while you are in the hospital (inpatient hospitalization), skilled nursing facility, hospice, and home health care. If you have worked for 10 years (40 quarters), there is no cost to you for Part A. This is the case for most people. If you haven't worked for at least 10 years there will most likely be a cost to you for Part A.

For inpatient hospitalizations, you must satisfy the Part A deductible before Medicare will cover the rest of your care for the first 60 days. The deductible for the year 2020 is \$1,408 per benefit period.

A benefit period begins the day you are admitted to a hospital as an inpatient or to a skilled nursing facility (SNF) and ends the day you have been out of the hospital or SNF for 60

consecutive days. As you can see, it is very possible for you to have multiple benefit periods—and therefore multiple Part A deductibles—in the same year.

Medicare Part B covers:

Outpatient and physician services

Doctors visits

Lab tests

Surgeries on an outpatient basis

Wellness visits and more

Each year, you must satisfy a Part B deductible (\$198 in 2020). You then receive 80% coverage for services leaving you to pay the remaining 20 percent. There is no limit to your maximum out-of-pocket costs in any given year.

Medicare Parts A and B combined constitute what is known as Original Medicare.

Medicare Part C is that part of Medicare which is known as Advantage plans. Advantage plans do not supplement but rather replace Original Medicare. Advantage plans work very differently than Original Medicare, and utilize a series of copays and coinsurances which can be found in each plan's summary of benefits. Each Medicare Advantage plan has its own list of copays and coinsurances so benefits can vary widely between available plans.

Medicare Advantage plans have a Maximum-Out-Of-Pocket (MOOP) which make them unique compared to all other parts of Medicare. All the plan's copays and coinsurances apply towards the MOOP, giving you an absolute limit on your annual spending for all covered services. The maximum MOOP for in-network providers is \$6,700 but can be less with some Advantage plans. The out-of-network MOOP is higher. **Prescription drug costs and non-covered benefits do not apply toward the MOOP.**

Medicare Part D covers prescription drug coverage. People on Original Medicare can sign up for a stand-alone Part D plan that's provided by a private insurance company.

Many Medicare Advantage plans include Part D coverage built into the coverage so you would receive your health and prescription benefits from one company. These Medicare Advantage Prescription Drug plans are referred to as MAPDs.

In future articles we will look at Medicare Supplement plans—also known as Medigap plans—that enhance Original Medicare, and compare them to Advantage plans. We will also look at specific strategies which you should consider if you live in New York or Connecticut. Both of these states provide certain rights and privileges with regard to insurance that are different from any other state in the nation and warrant special considerations when choosing a Medigap or Advantage plan.