



# Medicare 101: Understanding Your Benefits



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Real Possibilities

# Agenda

In this session, you will learn about:

- Medicare Basics
- Medicare Choices
- Resources and Tools



# What is Medicare?

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A federal health insurance program for:

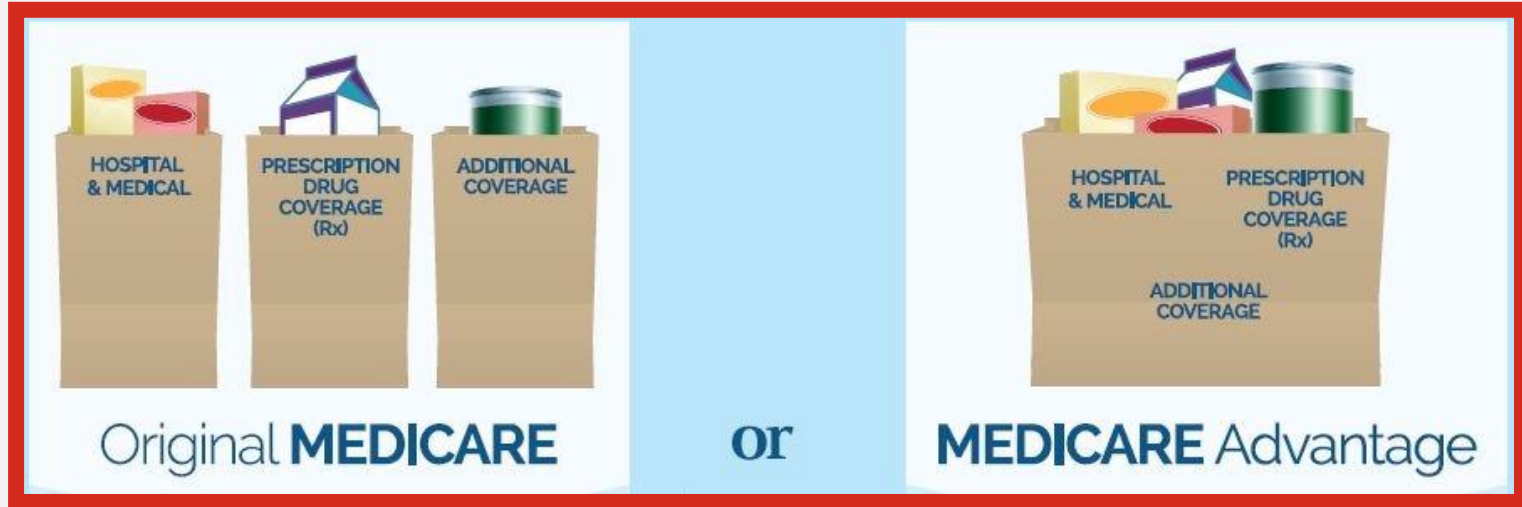
- People 65+
- People under 65 with certain disabilities
- People of any age with end-stage renal disease

# What You're Responsible For

- Monthly premiums
- Deductibles
- Coinsurance
- Copayments



# Medicare Choices



- *Parts A & B*
- *Part D (if you want prescription drug coverage)*

- *Part C*
- *Combines Parts A, B, & D*

# The Different Parts of Medicare

- Part A (Hospital Insurance)
- Part B (Medical Insurance)
- Part D (Prescription Drug Coverage)



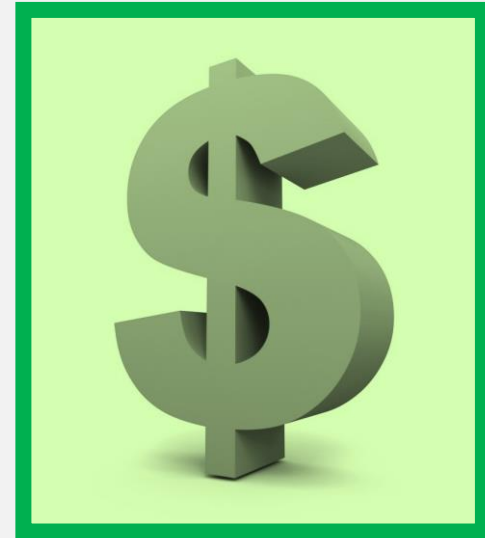
# Part A – Hospital Insurance

- In-patient hospital care
- Hospice and some home health care
- Some skilled nursing facility care



# 2020 Part A Costs

- Typically no premium for Part A
- Deductibles
  - \$1,408 for 2020 1-60 of inpatient care
  - Deductible can be applied more than once for additional hospitalizations each 60 days





# 2020 Part A Costs (continued)

## Copayments:

- \$0 per day: days 1-60
- \$352 per day: days 61-90
- \$704 per day: days 91-150
- All costs after day 150

# Part B – Medical Insurance

- Doctor visits
- Outpatient hospital services
- Durable medical equipment
- Medicare-approved preventive services



# 2020 Part B Costs

- Standard premium is \$144.60/month
- Premiums go up for those with higher income
  - *Individuals who earn more than \$85,000*
  - *Couples who earn more than \$170,000*
- Annual deductible is \$198
- Coinsurance is 20% for most services

# Medigap Coverage

- Supplemental insurance policy
- Sold by private insurance companies
  - *Covers gaps for Original Medicare only*
  - *Deductibles, coinsurance, & copayments*
  - *Does not work with Medicare Advantage plans*
- Up to 11 standardized plans so people can compare easily. Plan F is grandfathered. Most will choose Plan G.

# How Medigap Works

- Buy a policy
  - *Within 6 months of enrolling in Part B*
  - *Must be age 65 or over*
- Pay a monthly premium
- Does not cover prescription drug costs

# Part D – Prescription Drug Coverage

- Helps cover the cost of prescription drugs
- Run by Medicare-approved private insurance companies



# 2019 Part D Costs

- People enrolled in Part D may pay:
  - *Monthly premiums*
  - *Copayments or coinsurance*
  - *Annual deductible up to \$435*
- People with higher incomes pay higher Part D premiums

# Prescription Drug Coverage

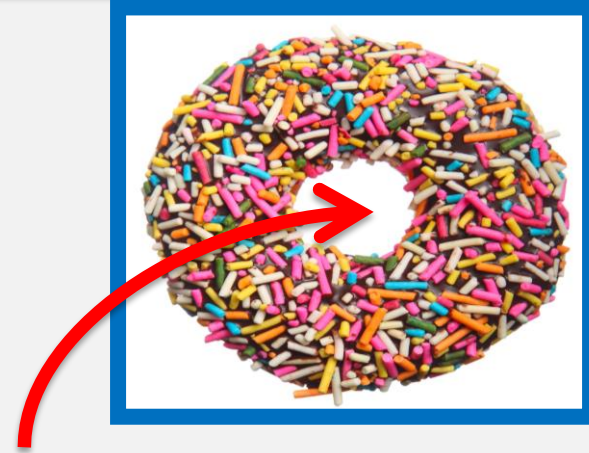
Plans pay 75%, you pay \$25%

Coverage until \$4,020

Coverage gap – you pay 25% retail price

Coverage gap ends at \$6,350

Catastrophic coverage begins, plan pays 95%, you pay 5%





# Original Medicare

- Fee-for-service
- Includes Parts A & B
- Go to any provider that accepts Medicare
- Choose and join Medicare prescription drug plan for drug coverage



# Medicare Advantage Plans (Part C)

- Alternatives to original Medicare
- Plans offered by private insurance companies
- All plans include Parts A & B, and in most cases, Part D

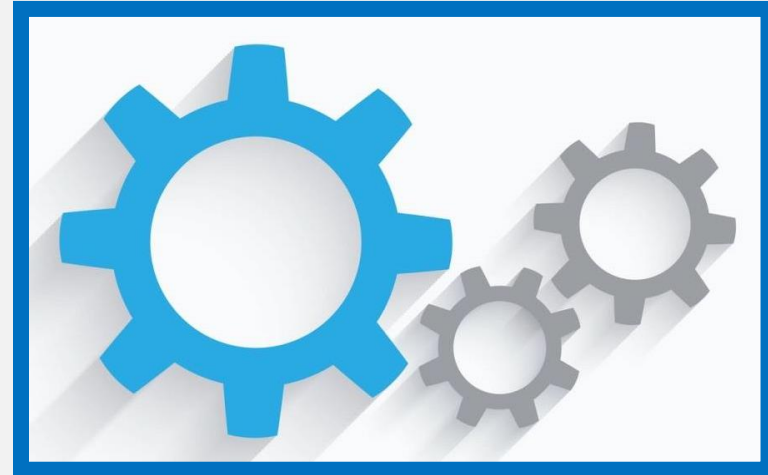


# What Medicare Advantage Covers

- Includes both Part A (Hospital) and B (Medical)
- Many include Part D (Prescription drug coverage)
- Extra benefits depending on the plan selected

# How Medicare Advantage Works

- Must live in plan's service area
- May have to use providers in plan's network
- May pay additional premium



# Costs in Medicare Advantage Plans

- Additional monthly premiums (in some cases)
- Deductibles
- Copayments
- Plan rules
- Extra benefits

# What Medicare Does Not Cover

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- Vision
- Dental (in most cases)
- Hearing
- Long-term care

# When Do I Enroll in Medicare?

- If you are receiving Social Security, you automatically are enrolled at age 65
- You can enroll 3 months before, the month of, or 3 months after the month you turn 65
- Late enrollment means you will pay higher Part B and Part D premiums
- Special enrollment periods for people over 65 transitioning from employer-sponsored health coverage

# Medicare Changes

## Coronavirus – Medicare covers

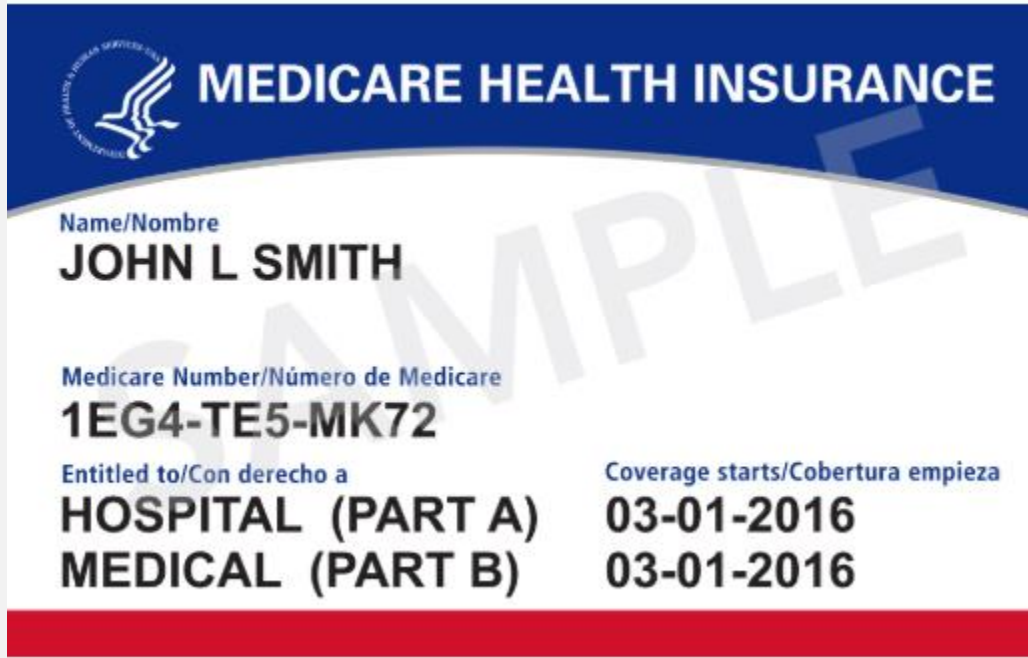
- Lab tests for COVID-19 – no charge
- FDA authorized antibody tests if diagnosed – no charge
- All necessary hospitalizations – you will still have to pay any deductibles, copays that apply.
- Vaccine will be covered – no charge

## Open Enrollment

- October 15<sup>th</sup> – December 7<sup>th</sup> to make any changes
- Do your homework
- If you don't have any changes you don't do anything



# New Medicare Card Scams



# [aarp.org/fraudwatchnetwork](https://aarp.org/fraudwatchnetwork)

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- Sign up for “Watchdog Alerts”
- View scam tracker map – or share your own story
- Call 877-908-3360 for help with a fraud encounter



# For Assistance



**Medicare.gov** or 1-800-633-4227

**State Health Insurance Assistance Program**, [www.shiptacenter.org](http://www.shiptacenter.org) or  
1-877-839-2675

Veterans: **TRICARE**; <https://health.mil/dha>; 1-877-698-7422

# Additional Resources


HEALTH

## Medicare Resource Center

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Medicare Basics · Eligibility & Enrollment · Managing Your Medicare · Medicare Options · Medicare Q&A

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**ADVOCACY**

### Navigating the Medicare Maze

Steps you can take to avoid penalties, gaps in care

- ☰ Why Medicare Matters to All Americans
- ☰ We Stand on Principle, Not Politics

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[www.aarp.org/medicare](http://www.aarp.org/medicare)



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