

Understanding Medicare and How It Works



Get the facts
about your Medicare
insurance options



What Is Medicare?

Medicare is a health insurance program for people **65 or older** or **under 65 and with certain disabilities**. The Centers for Medicare & Medicaid Services (CMS) is the federal agency that oversees Medicare. Seniors are advised to apply for Medicare three months before turning 65. Some people who have taken early retirement or those with disabilities who are eligible to receive Social Security disability benefits will be automatically enrolled and receive a Medicare card.

To learn more, contact the Social Security Administration at (800) 772-1213 or visit www.socialsecurity.gov.

The importance of choosing the right Medicare coverage

There are four primary components to Medicare and multiple plan combinations. Stroke survivors and their caregivers should be well-informed about the choices available to ensure they are enrolled in the plan that best meets their financial and healthcare needs. Medicare has different parts that cover inpatient services, outpatient services and prescription drugs at the pharmacy.

Part A is hospital insurance, which covers inpatient hospital stays, limited skilled nursing facility care, home healthcare and hospice care.

Part B is medical insurance, which covers doctor services, outpatient medical care, hospital and surgical services, clinical lab services and home healthcare. Part B also covers some preventive services, some therapies and durable medical equipment, such as wheelchairs and walkers.

MEDICARE		HEALTH INSURANCE	
1-800-MEDICARE (1-800-633-4227)			
NAME OF BENEFICIARY			
JANE DOE			
MEDICARE CLAIM NUMBER		SEX	
000-00-0000-A		FEMALE	
IS ENTITLED TO		EFFECTIVE DATE	
HOSPITAL (PART A)		07-01-1986	
HOSPITAL (PART B)		07-01-1986	
SIGN HERE _____			

Parts A and B are known as traditional Medicare and are offered by the federal government. When people enroll in Medicare, they are issued a red, white and blue health insurance card. This card is presented when obtaining healthcare services and supplies. It should be protected in the same way you would protect a credit card.

Part D is prescription drug coverage insurance and is offered by private companies approved by Medicare. Costs vary based on the plan and medications. People who do not enroll in a Part D plan when they first become eligible for traditional Medicare may pay a penalty for late enrollment. The penalty does not apply to people who have had “creditable coverage” as good as Medicare prescription drug coverage from another source.

Part C, or a Medicare Advantage plan, combines Parts A, B and sometimes D, and is also offered by private insurance companies contracted with Medicare. Medicare Advantage plans are an alternative to traditional Medicare. Costs and benefits vary by plan depending on the services offered, but must cover all Medicare Part A and B services. In most cases, these plans also include prescription drug coverage. However, with a Medicare Advantage plan, recipients cannot purchase a Medigap policy. Be sure to check about specific coverage before selecting a plan.

How Much Does Medicare Cost?

Traditional Medicare: Parts A and B

Most people pay no monthly premium costs for Part A because they paid Medicare or FICA taxes while working. Enrolling in Part B is optional. Most people pay a monthly premium of about \$100 for Part B. People who do not enroll in Part B when first eligible may pay a penalty for late enrollment.

Individuals are responsible for deductibles and co-payments with traditional Medicare. These may be covered with an optional Medigap policy.

Prescription Drug Coverage: Part D

Costs for prescription drug coverage vary depending on the plan and medications.

Medicare Advantage: Part C

The costs of Medicare Advantage plans vary, depending on the coverage, the company and the enrollee's location. The plans cover both hospital and medical services (Parts A and B) and may cover prescription drug coverage, or Part D. Since there are so many different plans, the costs can vary widely.

Filling the Gaps

Medigap or supplemental coverage is a health insurance policy sold by private insurance companies to pay for “gaps” in traditional Medicare (Parts A and B). People enrolled in Part C, or a Medicare Advantage plan, do not need a Medigap policy. Most states require that a Medigap policy be one of 10 standardized plans. However, Medigap availability for people under age 65 varies from state to state. Medigap insurance provides flexibility, although the number of options can be overwhelming. The following chart shows the 10 plans currently available.

Medicare is always changing. Healthcare needs may also change from year to year. That’s why understanding Medicare coverage and knowing which plan works best for specific needs is so important. Medicare offers preventive screenings at no cost. These services help protect not only your health, but also your finances.

How to read the chart: The following chart shows basic information about the different benefits that Medigap policies cover. If a percentage appears, the Medigap plan covers that percentage of the benefit. If a row is blank, the policy doesn’t cover that benefit. **Note:** The Medigap policy covers co-insurance only after you have paid the deductible (unless the Medigap policy also covers the deductible).

	Medigap Plans													
Medigap Benefits	A	B	C	D	F*	G	K	L	M	N				
Medicare Part A Co-insurance and hospital costs up to an additional 365 days after Medicare benefits are used up	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%				
Medicare Part B Co-insurance or Co-payment	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%**				
Blood (First 3 Pints)	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%				
Part A Hospice Care Co-insurance or Co-payment	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%				
Skilled Nursing Facility Care Co-insurance			100%	100%	100%	100%	50%	75%	100%	100%				
Medicare Part A Deductible		100%	100%	100%	100%	100%	50%	75%	50%	100%				
Medicare Part B Deductible			100%		100%									
Medicare Part B Excess Charges					100%	100%								
Foreign Travel Emergency (Up to Plan Limits)			100%	100%	100%	100%			100%	100%				
Out-of-Pocket Limit***							\$4,800	\$2,400						

*Plan F also offers a high-deductible plan. If you choose this option, this means you must pay for Medicare-covered costs before your Medigap plan pays anything.

**Plan N pays 100 percent of the Part B co-insurance, except for a co-payment of up to \$20 for some office visits and up to a \$50 co-payment for emergency room visits that don't result in an inpatient admission.

***For plans K and L, after you meet your out-of-pocket yearly limit and your yearly Part B deductible, the Medigap plan pays 100 percent of covered services for the rest of the calendar year.

Medicare Summary Notice (MSN)

Individuals who have traditional Medicare will receive a “Medicare Summary Notice” (MSN) in the mail every three months for Medicare Part A- and Part B-covered services.

The notice shows all services and/or supplies that healthcare providers and suppliers billed to Medicare during the three-month period, what Medicare paid and what amount may be owed to the provider. This notice is not a bill.

About *Allsup Medicare Advisor*[®]

Allsup Medicare Advisor is a Medicare plan selection service that offers a number of service options, each at a flat fee, that examine plan types to help you make a more informed decision. Their experts will help you understand how certain Medicare plans can benefit you and, based on your specific healthcare needs, which ones are most likely to provide the coverage you need at a cost you can afford.

Allsup Medicare Advisor reviews your needs and preferences and examines all Medicare plan options to provide an in-depth, objective analysis.

Resources

**Medicare.gov: the official US
government site for Medicare**
www.medicare.gov

Allsup Medicare Advisor[®]
www.medicare.allsup.com

**AARP: Medicare and You:
Getting Started**
[www.aarp.org/health/medicare-
insurance/info-01-2011/understanding_
medicare_a_boomers_guide.html](http://www.aarp.org/health/medicare-insurance/info-01-2011/understanding_medicare_a_boomers_guide.html)

Medicare Rights Center
(800) 333-4114
www.medicarerights.org

Warning Signs

Learn the many warning signs of a stroke. Act **FAST** and **CALL 9-1-1 IMMEDIATELY** at any sign of a stroke. Use **FAST** to remember warning signs:

F

FACE: Ask the person to smile. Does one side of the face droop? _____

A

ARMS: Ask the person to raise both arms. Does one arm drift downward? _____

S

SPEECH: Ask the person to repeat a simple phrase. Is their speech slurred or strange? _____

T

TIME: If you observe any of these signs, call 9-1-1 immediately. _____

NOTE THE TIME WHEN ANY SYMPTOMS FIRST APPEAR. If given within *three hours* of the first symptom, there is an FDA-approved clot-buster medication that may reduce long-term disability for the most common type of stroke.

LEARN ABOUT MORE SIGNS OF STROKE AT

www.stroke.gov

of Stroke



e.org/symp

National Stroke Association's mission is to reduce the incidence and impact of stroke by developing compelling education and programs focused on prevention, treatment, rehabilitation and support for all impacted by stroke.

A stroke is a brain attack that occurs when a blood clot blocks an artery or a blood vessel breaks, interrupting blood flow to an area of the brain. Brain cells begin to die.

**CALL 9-1-1 IMMEDIATELY IF
YOU SEE ONE OR MORE SIGNS
OF A STROKE.**



**STROKE
HELP LINESM**

**1-800-STROKES
(787-6537)**

www.stroke.org

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