

Medicare:the basics

Medicare is the federal health insurance program available to all people at age 65. It also is available to people under age 65 who have been on Social Security disability for 24 months or who have end-stage renal disease or Lou Gehrig's (ALS). Medicare is made up of Parts A, B, C & D. Most people over age 65 get Medicare Part A premium-free, but most must pay a monthly premium for Medicare Part B (\$99.90 in 2012). Medicare Part C (Medicare Advantage) gives you a choice of how you take your Medicare, and Part D gives the opportunity to purchase a prescription drug plan.

Approval of covered services for Medicare benefits is usually based on what is medically necessary.

The amounts approved are based on payment schedules established by Medicare. Under Part A, the health care providers who contract with Medicare are not allowed to charge more than what is approved by Medicare. Part B does allow "excess charges" for some services. The maximum excess charge physicians are allowed is 15% more than Medicare's approved amount for claims in which the provider did not accept Medicare Assignment.

Gaps in Medicare

- Gap 1: Deductibles and Coinsurance
- Gap 2: Excess Charges
- Gap 3: Noncovered Items

Medicare pays a large share of the health care costs for seniors over age 65, but there are significant gaps. The Medicare Benefit Chart on the following page shows Medicare's benefits and remaining gaps for which you are responsible.

Medicare Part A

- Inpatient Hospital
- Skilled Nursing Facility
- Home Health Care
- Hospice

Medicare Part B

- Doctor Services
- Outpatient Hospital & Emergency Room
- Durable Medical Equipment
- Other Services & Supplies

Medicare Part C

- Medicare Advantage Plans

Medicare Part D

- Prescription Drug Benefit

