UNDERSTANDING
THE PARTS OF MEDICARE AND YOUR COSTS

Medicare is a government health plan that covers people aged 65 or older, under age 65 with disabilities, and any age with end-stage renal (kidney) disease or amyotrophic lateral sclerosis (ALS). It has 4 different parts, which are listed below.

PART A: Hospital Insurance
- Covers: Care in the hospital, skilled nursing facilities, hospice care and home health care.
- Amount you pay: Varies by length of hospital stay.

PART B: Medical Insurance
- Covers: Doctor’s services, medicines given at your doctor’s office (such as infusions or injections) and a few other types of care.
- Amount you pay: 20% co-insurance for most services. You may purchase a Medigap plan from a private insurance company to help with your Medicare Part A and B costs if you have a Medicare Fee-for-Service plan (also called “Original Medicare”).

PART C: Medicare Advantage
- Covers: Everything covered by Medicare Part A and Part B. Usually, it also covers your prescription drugs (Part D).
- Amount you pay: Varies depending on the plan you pick, because it is provided by private insurance companies.

PART D: Prescription Drug Plan
- Covers: Prescription drugs that you take by mouth or inject yourself.
- Amount you pay: Varies depending on the plan you pick, because it is provided by private insurance companies. Your drug cost may also change during the year, depending on how much you pay for out-of-pocket costs like deductibles, co-pays and co-insurance.

Sample costs for Medicare Part D

1. **Deductible**: You pay up to $415 for your deductible.
   - For brand-name and generic (nonbrand-name) drugs.

2. **Initial Coverage**: You pay 25% for your drug costs until the amount paid reaches $3820.
   - For brand-name and generic (nonbrand-name) drugs.

3. **Coverage Gap**: You continue to pay 25% of the cost for brand-name drugs until the amount paid reaches $5100.*

4. **Catastrophic Coverage†**: You pay $3.40 (generic) or $8.50 (brand-name) or 5% of your drug costs, whichever is more.

*This amount includes the costs you pay and the costs covered by the manufacturer of your brand-name drug.
†Catastrophic coverage means that you pay a small co-pay or co-insurance because your total prescription drug costs for the year have reached the maximum level. For 2019, this level is $5100.
LOW-INCOME SUBSIDY (LIS) OR “EXTRA HELP”
The Extra Help program helps people with Medicare prescription drug plans who meet certain income and resource limits. It can help with the **premiums, deductibles and out-of-pocket costs** for your prescription drugs.

You qualify automatically if you have Medicare and also:
- Get help for your Part B costs from a Medicare Savings Program
- Get Supplemental Security Income (SSI) benefits

If you don’t qualify automatically, you may need to apply.

**KEY WORDS AND DEFINITIONS**

**Out-of-pocket**: The amount not paid by the insurance plan that you must pay for your treatment. This includes premiums, deductibles, co-pays and co-insurance.

**Premium**: The amount you pay your health insurance plan for coverage. How often you pay this amount can vary. For example, you might pay every month. You may also have other costs, like deductibles and co-pays.

**Deductible**: The amount you pay for health care services or medicines out of pocket before your health insurance plan begins to pay.

**Co-insurance**: An amount you have to pay for health care services or medicines. You pay this amount after you pay your deductible. Co-insurance is usually a percentage, such as 20%.

**Co-pay**: An amount you have to pay for health care services or medicines. You pay this amount after you pay your deductible. A co-pay is usually a set amount, such as $10.

**WHERE TO GET MORE INFORMATION**

**MEDICARE**
- 1-800-MEDICARE (1-800-633-4227)
- TTY: 1-877-486-2048
- Medicare.gov

**SOCIAL SECURITY**
- 1-800-772-1213
- TTY: 1-800-325-0778
- socialsecurity.gov
- Visit your local Social Security office