**Medicare Basics**

Medicare is a federal health insurance program that pays most of the health care costs for people who are 65 or older.  It will also pay for health care for some people under age 65 who have disabilities.

You can buy Medicare supplement insurance to help pay some of your out-of-pocket costs that Medicare won’t pay. Because it helps cover some of the “gaps” in Medicare coverage, Medicare supplement insurance is often called Medigap insurance.

Not everyone needs a Medicare supplement policy. If you have other health coverage, the gaps might already be covered. You probably don’t need Medicare supplement insurance if

* You have group health insurance through an employer or former employer, including government or military retiree plans.
* You have a Medicare Advantage plan.
* Medicaid or the Qualified Medicare Beneficiary (QMB) Program pays your Medicare premiums and other out-of-pocket costs. QMB is a Medicare savings program that helps pay Medicare premiums, deductibles, copayments, and coinsurance.

If you have other health insurance, ask your insurance company or agent how it works with Medicare.

Original Medicare has two parts. Part A covers hospital services, while Part B covers other types of medical expenses. You may go to any doctor or hospital that accepts Medicare.  Medicare supplement policies only work with original Medicare.

**Medicare Part A (hospital coverage)** pays for

* in-patient hospital services;
* skilled nursing facility care after a hospital stay;
* home health care;
* hospice care; and
* all but the first three pints of blood each calendar year.

**Medicare Part B (medical coverage)** pays for

* medical expenses;
* home health care;
* clinical laboratory services;
* outpatient hospital treatment;
* durable medical equipment and supplies; and
* preventive health services, including exams, health screenings, and shots.

**Medicare Part D (prescription drug coverage)** pays for generic and brand-name prescription drugs. You can get prescription drug coverage by either joining a stand-alone prescription drug plan or by buying a Medicare Advantage plan that includes drug coverage. If you have group health insurance, your health plan might already cover prescriptions. Ask your plan’s sponsor whether the plan has prescription drug coverage that is comparable to Medicare Part D.

Insurance companies approved by Medicare offer Part D coverage.

The **Centers for Medicare and Medicaid Services (CMS)** publishes the [*Medicare & You* handbook](https://www.medicare.gov/pubs/pdf/10050-Medicare-and-You.pdf) that describes Medicare coverages and health plan options. CMS mails the handbook to Medicare beneficiaries each year. The handbook is also available by calling 1-800-MEDICARE (1-800-633-4227).

**Services Medicare Doesn’t Cover**

* **Most long-term care.** Medicare only pays for medically necessary care provided in a nursing home.
* **Custodial care, if it’s the only kind of care you need.** Custodial care can include help with walking, getting in and out of bed, dressing, bathing, toileting, shopping, eating, and taking medicine.
* **More than 100 days of skilled nursing home care during a benefit period following a hospital stay.** The Medicare Part A benefit period begins the first day you receive a Medicare-covered service and ends when you have been out of the hospital or a skilled nursing home for 60 days in a row.
* **Homemaker services.**
* **Private-duty nursing care.**
* **Most dental care and dentures.**
* **Health care while traveling outside the United States, except under limited circumstances.**
* **Cosmetic surgery and routine foot care.**
* **Routine eye care, eyeglasses (except after cataract surgery), and hearing aids.**

**What You’ll Have to Pay with Original Medicare**

For Medicare parts A and B, you generally must pay monthly premiums, and deductibles, copayments, and coinsurance. You also pay the full cost of services not covered by Medicare.

* **Premiums** are amounts you pay to keep your Medicare coverage. Most people don’t have to pay a Part A premium, but everyone must pay the Part B premium. The premium amounts may change each year in January.
* A **deductible** is the amount you must pay for medical expenses before Medicare begins to pay.
* A **copayment** is a set dollar amount you usually have to pay to get a covered health service.  For instance, you might have to make a copayment each time you go to a doctor.
* **Coinsurance** is the percentage of the cost of a service that you pay after Medicare pays its portion of the cost. This means that if Medicare pays for 80 percent of the cost of a service, you’ll pay the remaining 20 percent.

**Assignment**

Assignment is an agreement between doctors and other health care providers and Medicare. Doctors who accept assignment charge only the Medicare-approved amount for a service. You must pay any deductibles, coinsurance, and copayments that you owe.

Doctors who don’t accept assignment may charge as much as 15 percent more than the Medicare-approved amount. You are responsible for the excess charges. You also might have to pay the full cost of the service at the time it’s provided, and then wait to be reimbursed by Medicare.

Use your Medicare Summary Notice to review the charges. You get a Medicare Summary Notice each quarter. If you were overcharged and weren’t reimbursed, follow the instructions on the notice to report the overcharge to Medicare. The notice will also show you any deadlines to complain or appeal charges and denied services. If you are in original Medicare, you can also look at your Medicare claims online at MyMedicare.gov.

Medicare has a directory of doctors, hospitals, and suppliers that work with Medicare. The [Physician Compare](https://www.medicare.gov/physiciancompare/search.html) directory also shows which providers accepted assignment on Medicare claims.