

Medicare: The Essentials

Medicare Overview

Medicare is a federally funded health insurance program in the U.S. for residents aged 65 and older, those with disabilities, and anyone with End-Stage Renal Disease (ESRD). Established in July 1965 by President Lyndon B. Johnson, Medicare has grown to be the largest insurance program in the U.S. Today, over one million Tennesseans benefit from Medicare, with numbers rapidly increasing. Social Security Administration determines eligibility for Medicare benefits.

Medicare Part A: Hospital Insurance

- **Coverage:** Includes inpatient hospital care, skilled nursing facility stays, hospice care, and some home health services.
 - **Cost:** Most people do not pay a monthly premium.
 - **Enrollment:** Sign up three months before turning 65 if not receiving Social Security benefits. Special enrollment periods are available for those still working or volunteering internationally.
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Medicare Part B: Medical Insurance

- **Coverage:** Covers medically necessary services like doctor visits, outpatient care, and preventive services (e.g., flu shots, cancer screenings).
 - **Cost:** Most people pay a monthly premium and a yearly deductible applies.
 - **Enrollment:** Automatic at age 65 if receiving Social Security benefits; otherwise, apply at the SSA office. Late enrollment may incur penalties unless special circumstances apply. Those still working can delay in enrolling in Part B if they want to retain creditable coverage through their employer.
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Medicare Advantage Plans (Part C)

- **Overview:** Private companies offer these plans, which include Part A and Part B coverage, often with additional benefits like vision, dental, OTC benefits and prescription drugs.
 - **Enrollment:** Join during your initial eligibility period or change to another Medicare Advantage Plan during Medicare Advantage Open Enrollment (January 1 - March 31).
 - **Considerations:** Costs and coverage vary by plan. Check with providers before enrolling to ensure they accept the plan. Medigap (supplement) plans do not work with these plans.
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Medicare Part D: Prescription Drug Coverage

- **Overview:** Provides drug coverage through private insurers. Plans vary in cost and covered medications.
 - **Enrollment:** Join during your initial Medicare eligibility period or during the annual enrollment period (October 15 - December 7).
 - **Costs:** Includes monthly premiums, deductibles, copayments, and potential out-of-pocket costs during the coverage gap. Late enrollment penalty applies if joining outside of your Initial Enrollment Period without a special circumstance.
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Supplemental Insurance (Medigap)

- **Purpose:** Helps cover costs not paid by Original Medicare Parts A & B, such as copayments, coinsurance, and deductibles.
 - **Plans:** Standardized by letters (A-N), with benefits the same across insurers but premiums may vary.
 - **Eligibility:** Available to those with Medicare Part A and Part B. Enrollment is best during the 6-month period beginning when you first enroll in Part B.
 - **Costs:** Plans vary and may go up each year with age and/or inflation. Those under the age of 65 pay more for their supplemental plan but are offered the same guarantee rights as those over 65.
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Contact Us

For personalized assistance with Medicare, reach out to your local State Health Insurance Assistance Program (SHIP) office. We provide free, unbiased support to help you navigate your healthcare options.