

ORIGINAL MEDICARE

An overview

Created in 1965, Medicare is a federal government insurance program that provides basic health coverage for Americans. Though it has grown in scope and complexity, it has two basic components:

- Part A primarily covers hospitalization.
- Part B primarily covers doctor visits and other outpatient services.
- The two parts together are called Original Medicare.

In general, here's what's covered under Medicare Parts A and B:



Part A

- Inpatient care in hospitals
- Inpatient care in a skilled nursing facility
- Hospice care services
- Home healthcare services



Part B

- Medically necessary care — Services or supplies to diagnose or treat a condition that meets accepted standards of medical practice
- Preventive care — Healthcare to identify or stop illness at an early stage
- Doctor visits
- Outpatient hospital care
- Durable medical equipment and supplies

Generally, Original Medicare does not cover additional services such as:

- most prescriptions
- long-term care (also called custodial care)
- most dental care
- eye examinations for prescription glasses
- dentures
- cosmetic surgery
- acupuncture
- hearing aids and associated exams
- routine foot care

Types of Original Medicare costs

For covered services, you're responsible for a share of the costs — mostly in the form of out-of-pocket expenses. These include:

- **Premium:** Monthly or annual.
- **Deductible:** The amount you must pay out-of-pocket before your plan starts paying benefits for covered services.
- **Copayment/Coinsurance:** A flat fee or percentage of the cost for a covered service.
- **Balance billing:** Medicare determines what it will pay for each covered service. If a provider charges more than the Medicare-approved amount, you could be responsible for the difference.

Out-of-pocket costs for Part A (as of 2023)

- **Premium:** \$0 for most beneficiaries. Up to \$506 per month if you paid Medicare payroll taxes for less than 40 quarters.
- **Deductible:** \$1,600 for each time you're admitted to the hospital per benefit period. There's no limit to the number of benefit periods you can have.
- **Copayment/Coinsurance:** \$0 per day for the first 60 days of hospitalization in any given period, after your deductible has been met. A benefit period starts when you're admitted to a hospital or skilled nursing facility and ends when you've been out of the hospital or facility for 60 days in a row. Thereafter, between \$400 and \$800 per day for additional days of hospitalization, after the deductible has been met.

Out-of-pocket costs for Part B (as of 2023)

- **Premium:** \$164.90 per month for most beneficiaries. Higher for beneficiaries earning more than \$97,000 per year (more than \$194,000 on joint income tax returns).
- **Deductible:** \$226 per year
- **Coinsurance:** After you meet your deductible for the year, typically, 20% of the Medicare-approved amount for most covered services if your provider accepts Medicare.
- **Out-of-pocket Maximum:** There is no maximum for your share of Medicare Part B costs.

Eligibility: Who can receive benefits

Original Medicare is available to people who meet any of these criteria:

- Age 65 or older and have paid Medicare taxes for a minimum of 40 quarters (10 years)
- Individuals of any age with a qualifying disability
- Individuals of any age with a qualifying diagnosis of End Stage Renal Disease (ESRD, also called kidney failure) or Amyotrophic Lateral Sclerosis (ALS, also called Lou Gherig's disease)



IMPORTANT:

Original Medicare imposes no upper limit on your out-of-pocket costs for any given year.




When you can enroll

You can enroll during an Initial Enrollment Period (IEP), which is based on your birthdate and other factors.

- **If you're turning 65 and not covered by group health insurance**, your IEP is a 7-month period: 3 months before your birthday month, your birthday month, and 3 months after.
- **If you're 65 or older**, your IEP lasts 60 days after your group coverage ends.

How to enroll

Enroll in Original Medicare through Social Security in person, by phone or online. The process takes about 10 minutes and is easy to complete.

 Visit your local Social Security office	 Call Social Security at 1-800-772-1213 (TTY 1-800-325-0778), Monday – Friday, 8 a.m. – 7 p.m.	 Apply online at ssa.gov
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When coverage starts

- If Medicare will be your main coverage and you enroll during the 3 months **before** your birth month, coverage starts on the first day of your birth month. If your birthday is on the first day of the month, then Medicare starts the first of the month before you turn 65.
- If you enroll **after** your 65th birthday, then your start date will be on the first day of the month following your enrollment.

This chart details when your coverage will begin based upon when you enroll.

If you sign up for Part A (if you have to buy it) and/or Part B in this month:	Your coverage starts:
Before the month you turn 65	The month you turn 65
The month you turn 65, or during the 3 months after	The month after you sign up
During the January – March 31 General Enrollment Period	The month after you sign up

As of January 1, 2023, a new prescription drug law designed to strengthen the Medicare program may help you save money and access more affordable treatment. The new law includes three main components:

1 Improved Part D coverage

Medicare Part D (prescription drug coverage) can help lower out-of-pocket costs while improving access to vaccines.

- Starting in 2024, once your Medicare prescription drug costs reach the catastrophic coverage level, you'll no longer pay a copayment or coinsurance.
- The Medicare program, **Extra Help**, assists individuals with limited income and resources in paying Part D premiums, deductibles, coinsurance and other costs. Starting in 2024, if you earn less than 150% of the federal poverty level, you may be eligible for this service.
- In 2025, there will be a \$2,000 cap on annual Part D out-of-pocket costs. If you're covered under Part D, you can opt to pay your out-of-pocket costs in monthly increments over the plan year.
- Part D coverage will pay for vaccines recommended by the Advisory Committee on Immunization Practices.

For more information on the **Extra Help** program, visit [medicare.gov/basics/costs/help/drug-costs](https://www.medicare.gov/basics/costs/help/drug-costs)

2 Medicare drug cost negotiations

Medicare is directly negotiating with manufacturers regarding the price of certain brand-name, non-competitive Part B and Part D drugs. To avoid paying a tax, manufacturers must follow established guidelines throughout their negotiations and incur penalties if they do not fulfill other manufacturers' requirements. The implementation schedule for negotiated drugs spans across the next few years:

Negotiation year	Number of negotiated drugs	New pricing begins
2023	10	2026
2025	15 – Part D	2027
2026	15 – Part B and Part D	2028
2027	20 – Part B and Part D	2029
2028 and every year after	20 – Part B and Part D	2030 and beyond

For additional details, visit [medicare.gov/about-us/prescription-drug-law](https://www.medicare.gov/about-us/prescription-drug-law)

3 Lower insulin costs

Under an Inflation Reduction Act provision, if you have Medicare Part D coverage:

- Medicare drug plans cannot charge you more than \$35 for a one-month supply of each Part D-covered insulin, and you won't pay a deductible on the insulin.
- The cost of a 2- or 3-month supply of covered insulin cannot be more than \$35 for each month's amount.
- Effective July 1, 2023, if your Medicare Durable Medical Equipment benefit covers your traditional insulin pump, Medicare Part B will cover your insulin charges.
- If you have Medicare Part D and use a covered insulin product, you can add, drop, or change your 2023 Part D coverage one time through December 31, 2023. If your plan changes mid-year, your True Out-of-Pocket (TrOOP) costs will carry over from the old plan to your new one.
- If you use a disposable insulin patch pump, you can get insulin through your Medicare Part D plan, and your insulin will not cost more than \$35 for a month's supply of each covered product. Since the \$35 cap does not apply to your pump, this item may cost more than \$35.

Medicare Part D covers:

- Injectable insulin not used with a traditional insulin pump
- Insulin used with a disposable insulin pump
- Certain medical supplies used to inject insulin, like syringes, gauze, and alcohol swabs

For more information regarding insulin coverage, visit [medicare.gov/coverage/insulin](https://www.medicare.gov/coverage/insulin)

For additional Medicare prescription drug law details, visit [medicare.gov](https://www.medicare.gov)

Q: Will I be enrolled automatically in Original Medicare when I turn 65?

No, you must enroll by contacting the Social Security Administration. With few exceptions (people already receiving benefits from Social Security or the Railroad Retirement Board), enrollment in Medicare is not automatic. You're responsible for taking this important first step.

Q: After I enroll in Original Medicare, will I have to re-enroll every year?

No, you only need to enroll once. Your coverage is renewed automatically.

Q: Is there a provider network for Original Medicare?

Under Original Medicare, you can see any provider who agrees to accept Medicare as payment and who has been approved by Medicare. If you're not sure, check with the provider or visit [medicare.gov](https://www.medicare.gov).

Q: Does Original Medicare cover me while I'm out of the country?

Medicare usually doesn't cover healthcare while you're traveling outside the U.S. There are some exceptions. For specifics, visit [medicare.gov](https://www.medicare.gov).

Q: Do I have to enroll in Original Medicare if I plan to keep working and stay on my company's group plan after age 65?

Even if you have coverage through a current or former employer, you still may need to make some important Medicare enrollment decisions.

If you have coverage through your employer (or your spouse), ask your employer how your health insurance coordinates with Medicare. Learn more about whether you should get Medicare Parts A and B and what happens when your employment or coverage ends online at [medicare.gov](https://www.medicare.gov).

Q: Does Original Medicare pay the full cost of all Medicare covered services I receive?

Medicare bases its payments on an approved amount for most services. If you see a Medicare-approved provider who agrees to accept Medicare, that provider can only charge you the Medicare approved amount for the services you've received. You may be responsible for any copayments, coinsurance and deductibles unless you have additional insurance that covers these charges. Finally, Original Medicare does not limit your total annual or lifetime out-of-pocket costs. To protect against these costs, many people purchase coverage through a Medicare Advantage, Medicare Supplement and/or Medicare Prescription Drug Plan.

Q: When can I apply for additional coverage such as a Medicare Advantage, Medicare Supplement and/or Prescription Drug Plan?

You can apply as soon as your new Medicare ID card arrives — usually 30 to 60 days after you complete your enrollment.

After you enroll

Within 30 to 60 days after you enroll, you'll receive a Medicare ID card, with a unique Medicare Number assigned to you. You'll need the information on this card to receive medical care and to purchase additional insurance.

Once enrolled in Original Medicare, **you'll also have opportunities to purchase additional healthcare coverage**. These plans are available through private insurance carriers and pay many of the out-of-pocket costs you'd otherwise have to pay yourself. And they cover many of the services that aren't covered under Original Medicare. These coverage options include:

- **Medicare Advantage** (also called Medicare Part C): Medicare Advantage Plans cover the services that Original Medicare covers, with some exceptions. Medicare Advantage Plans cover emergency and urgent care, and must offer emergency coverage outside of the plan's service area (but not outside the U.S.). Many Medicare Advantage Plans also offer extra benefits such as dental care, eyeglasses, or wellness programs and include prescription drug coverage (Part D).
- **Medicare Supplement** (also known as Medigap): Private insurance that supplements Original Medicare and helps pay some of the healthcare costs that Original Medicare doesn't cover like copayments, coinsurance and deductibles. These are "gaps" in Medicare coverage. If you have Original Medicare and a Medicare Supplement Plan, Medicare will pay its share of the Medicare-approved amounts for covered healthcare costs, then your Medicare Supplement Plan will cover some of your out-of-pocket costs based on your plan benefits.
- **Medicare Prescription Drug coverage** (also called Part D): Helps pay the cost of many prescription drugs, which aren't typically covered under Original Medicare (exception: Part A provides limited coverage for certain prescription medications administered to hospital inpatients). This coverage can be purchased as standalone coverage, can be used in conjunction with a Medicare Supplement Plan or may be included in a Medicare Advantage Plan.



IMPORTANT:

You must be enrolled in Original Medicare before you can apply for any additional coverage.

Visit these sites to learn more about your Original Medicare options:

[medicare.gov](https://www.medicare.gov)

[cms.gov](https://www.cms.gov)

[ssa.gov](https://www.ssa.gov)

Medicare has neither reviewed nor endorsed this information.

We do not offer every plan available in your area. Currently, we represent 68 organizations which offer 3823 products in your area. Please contact Medicare.gov, 1-800-MEDICARE, or your local State Health Insurance Program (SHIP) to get information on all of your options.

The number of organizations and products available will vary by ZIP Code area and may be updated periodically. Any information we provide is limited to those plans we do offer in your area.

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