



Original Medicare: An Overview



Created in 1966, 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 health care services



Part B

- Medically necessary care — Services or supplies to diagnose or treat a condition that meets accepted standards of medical practice
- Preventive care — Health care 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 related to prescribing 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 2020)

- **Premium:** \$0 for most beneficiaries. Up to \$458 per month if you paid Medicare payroll taxes for less than 39 quarters.
- **Deductible:** \$1,408 per year
- **Copayment/Coinsurance:** \$0 per day for the first 60 days of hospitalization in any given period. Thereafter, between \$352 and \$704 per day for additional days of hospitalization.

Out-of-pocket costs for Part B (as of 2020)

- **Premium:** \$144.60 per month for most beneficiaries. Higher for beneficiaries earning more than \$87,000 per year (more than \$174,000 on joint income tax returns).
- **Deductible:** \$198 per year
- **Coinsurance:** After you meet your deductible for the year, typically, 20% of the Medicare-approved amount for most covered services.

⚠ IMPORTANT:

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



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)

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)



Apply online
at ssa.gov

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 month before you turn 65.
- If you enroll **after** your 65th birthday, then your start date will be later. See timeline below.

This chart details how long you'd have to wait for coverage to begin if you enroll after your birth month:

If you sign up for Part A (if you have to buy it) and/or Part B in this month:	Your coverage starts:
The month you turn 65	1 month after you sign up
1 month after you turn 65	2 months after you sign up
2 months after you turn 65	3 months after you sign up
3 months after you turn 65	3 months after you sign up
During the January – March 31 General Enrollment Period	July 1

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?

No. Under Original Medicare you can see any provider 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 health care while you're traveling outside the U.S. There are some exceptions, including some cases where Medicare Part B may pay for services that you get on board a ship within the territorial waters adjoining the land areas of the U.S. 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're over 65, in most cases, you don't need to do anything until you (or your spouse) retire or you lose the employer coverage. If you didn't enroll when you were first eligible, the size of the employer determines whether you have to pay a penalty if you enroll later. 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 medical services I receive?

No. Medicare bases its payments on an approved amount for most services. If a doctor or hospital charges more than the Medicare-approved amount, you could be responsible for the difference. You're also 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 health care 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 must cover all of the services that Original Medicare covers except hospice care, which is covered under Original Medicare. 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 health care 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 health care costs, then your Medicare Supplement Plan will pay based on its 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)

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