

What is Medicare?

Medicare is the federal government program that provides health care coverage if you are 65+, under 65 and receiving Social Security Disability Insurance (SSDI) for a certain amount of time, or under 65 and with End-Stage Renal Disease (ESRD). Medicare eligibility is not based on income. You can choose to get your Medicare benefits from Original Medicare or from a Medicare Advantage Plan.

Original Medicare

- Offered directly through the federal government
- Includes Part A (Inpatient/Hospital coverage) and Part B (Outpatient/Medical coverage)
- Most doctors in the country take your insurance
- You can see a specialist without prior authorization or a referral
- You are responsible for Original Medicare cost-sharing, which may include premiums, deductibles, and coinsurances
- You are eligible to enroll in a Medigap policy, which can help reduce your out-of-pocket costs

Medicare Advantage

- Also known as Medicare private health plan or Part C
- Contract with the federal government to provide Medicare benefits
- Most common types of plans are Health Maintenance Organizations (HMOs), Preferred Provider Organizations (PPOs), and Private Fee-For-Service (PFFS)
- Must provide same benefits offered by Original Medicare, but may apply different rules, costs, and restrictions, like network, referral, or prior authorization requirements
- May offer certain benefits that Medicare does not cover

Medigaps

- Supplemental health insurance policies that offer standardized benefits to work with Original Medicare (not Medicare Advantage)
- Medigaps cover deductibles, coinsurance, and copayments of Original Medicare. Different plans cover some or all of these costs.
- Medigaps are standardized – so the same plan offered by two different companies must provide the same benefits and coverage
- Each state has different eligibility requirements and enrollment rules

Prescription drug plans (Part D)

- Prescription drug benefit
- Covers most outpatient prescription drugs
- Only offered through private companies
- Either a stand-alone plan, or a set of benefits included with your Medicare Advantage Plan