

September 2016 Newsletter



Medicare and Medicaid: What Are They and How They Can Help Me?



Medicare. Medicare is a health coverage program provided by the federal government. It is divided into four parts, and most U. S. citizens age 65 and over are eligible for it, as are some people under 65 who are disabled, and people at any age with end-stage renal disease.

- **Part A** provides hospital, hospice and limited home health care coverage. It is free to eligible citizens 65 and older who, either themselves or their spouse, have paid Medicare taxes for 40 or more quarters. Anyone who already receives or is eligible to receive Social Security or Railroad benefits but hasn't yet filed for them is eligible for Part A. Other citizens or lawfully admitted aliens who have lived in the U.S. for at least five years can pay a monthly premium.
- **Part B**, administered by the government, covers medically necessary doctor visits, out-patient services, lab tests, x-rays, rehabilitation and physical therapy services, and medically necessary medical equipment. Under this plan, you can go to any doctor you choose. The current monthly premium for people earning \$82,000 or less per year is \$96.40 and there is an additional co-pay of 20 percent of the cost of the services covered. (Monthly premiums go up to \$238.40 for those earning above \$205,000 a year.) Eligible seniors can sign up for Part B within a 7-month period that begins 3 months before they turn 65. You can enroll by calling Social Security at 1-800-772-1213 or visiting or calling your local Social Security office.
- **Part C** is the Medicare Advantage Plan -- an optional plan administered by private insurance plans and substitutes for coverage under Part A and B. This plan is less costly than Part B, but because it restricts one's choice of doctors and service providers, it is important to be sure that the providers covered are accessible and meet your needs.
- **Part D** is an optional prescription drug coverage plan. There are many choices of plans, and they each have different monthly fees, yearly deductibles, and co-pays. In addition, all plans fit into a complex system under which after a certain amount of coverage, there is a gap in coverage up until another level is reached. Different plans cover different medications, so you need to check each plan to see which one covers the medications you are currently taking. At a certain time each year you can switch plans in case your medication needs change or you are unhappy with your current plan. For more information about the different options, go to formulary finder.

Medicaid. Many people confuse Medicare and Medicaid. Medicaid is a plan offering health coverage to low-income residents who meet specific federal and state criteria. These criteria vary from state to state and are based on income, assets and resources. The cost of this coverage is either free or much less expensive than Medicare Plan B or C.