

# 2026 Medicare Basics

Medicare is health insurance for people age 65 or older and people under age 65 who have been determined disabled by the Social Security Administration. Coverage options vary in cost depending on the plan, coverage, and the services used.

## Option #1

### Original Medicare Plan

Together these parts are traditional Medicare

Part A: Hospital	Part B: Medical
<i>Has a \$1,676 deductible per benefit period (period is usually 60 days)</i>	<i>Basically covers 80% of costs after \$257/yr. deductible</i>
➤ Cost: free for most people. (Otherwise, \$285/mo. if 30-39 qtrs. of work; \$518/mo. if under 30 qtrs. of work)	➤ Cost: \$185/mo. usually taken out of Social Security benefit.
You have your choice of doctors, hospitals, or clinics that accept Medicare.	

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### Prescription Drug Plan

Choose one – can have both

Medicare Part D	SeniorCare
The federal Medicare-approved drug plans provided by private <i>insurance</i> companies. Plans differ in coverage, formularies, & co-pays.	The prescription drug program available only in Wisconsin. <i>Funded</i> by state and federal dollars. SeniorCare coverage is based on income level.
➤ Cost: mo. premium plus plan co-pays (may have deductible up to \$590).	➤ Cost: \$30/yr plus co-pays and possible deductible

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### Medigap / Supplement Policy

All Supplements work where Medicare does

**Traditional Medigap policies** are offered by private insurance companies to cover payment of the 20% Medicare does not cover. Optional riders are available to cover additional costs such as deductibles, excess charges, foreign travel emergencies, and additional home health care visits.

- Cost: Varies by policy and company. The cost of a basic policy for a 65-year-old is between \$0-\$400 (average approx. \$147) per month.

OR

## Option #2

### Part C: Advantage Plans

Can be with or w/o Prescription Coverage

Medicare Advantage plans are private companies that provide the same benefits as Medicare Part A and B. Using Medicare monies, private companies make arrangements with hospitals/doctors/clinics to provide care for their clients at reduced rates.

**Co-pays** are assigned to most medical procedures and need to be paid by insured *client*. Co-pays vary by plan. In 2024, the out-of-pocket maximum is \$9,350, but some plans set lower limits.

- Cost: Medicare A & B and plan premiums + co-pays.

#### 3 basic types of Advantage Plans

**HMO\***: Health Maintenance Organization- must use medical providers who are in plan's network.

**PPO\***: Preferred Provider Organization- pay less if using providers in network, more if out of network.

\*Note: With the above plans, you must get prescription coverage either in the plan or from SeniorCare/another creditable coverage

**PFFS**: Private Fee for Service; You can use any provider that accepts the plan, and you can get your prescription coverage with a separate Part D plan.

With Advantage plans:

- ◆ Referrals do not guarantee insurance payment
- ◆ **Doctors/Hospitals, and other providers can terminate their coverage arrangements with each other at any time**
- ◆ Often plans do not offer coverage outside regional area, except for emergencies
- ◆ Plans cannot drop insured clients for any reason other than non-payment of premium, but plans can leave an area
- ◆ Client no longer uses Original Medicare

#### Medicare Cost Plans

Cost plans are offered by some HMOs who agree to provide Medicare benefits. Cost plans will only pay supplemental benefits if you use network providers. If you use a non-network provider, Medicare will still pay its share of covered charges, but you will pay the deductibles and co-pays. Prescription coverage can either be with the cost plan, a separate Part D plan, Senior Care or the Veteran's Administration.

# The Parts of Medicare

## Part A Services:

- Inpatient Hospitalization
- Skilled Nursing Facility Care
- Home Health Care
- Blood
- Hospice Care
- Inpatient Mental Health Services

## Part B Services:

- Outpatient Hospital Services
- Doctor's visits
- Durable Medical Equipment, including Oxygen
- Lab work
- X-Rays, Scans, and MRIs
- Physical, Occupational, Speech, and Cardiac Rehabilitation therapies
- Chemotherapy and injectable drugs
- Ambulance
- Emergency room and urgent care
- Diabetes supplies (except insulin and syringes→ Part D)
- Mental Health Services (outpatient)

## Part C Services:

- Another name for Medicare Advantage plans.

## Part D Services:

- Prescription medications, Insulin, syringes, and the Shingles Vaccine

## Some Things to Remember:

- Each year individuals have a chance to review and change their Medicare Part D or Medicare Advantage plan during Medicare's open enrollment, **October 15-December 7**.
- You cannot have an HMO or PPO Advantage plan and a separate Part D Plan together. You can have Senior Care or other credible coverage with either plan.
- You can change supplement policies any time if you can find another company who will accept you (subject to health underwriting).