

Medicare Fact Sheet

What is Medicare?

Medicare is health insurance for people 65 or older, people under 65 with certain disabilities, and people of any age with End-Stage Renal Disease (ESRD) (permanent kidney failure requiring dialysis or a kidney transplant).

What are the different parts of Medicare?

There are four different parts of Medicare: Part A, Part B, Part C, and Part D. Each part covers different services and has different costs.

Medicare Part A (Hospital Insurance) helps cover:

- Inpatient hospital care
- Skilled nursing facility care
- Hospice care
- Home health care

Medicare Part B (Medical Insurance) helps cover:

- Services from doctors and other health care providers
- Outpatient care
- Home health care
- Durable medical equipment
- Some preventive services, including certain vaccines and cancer screenings

Medicare Part C (also called “Medicare Advantage”):

- Includes all benefits and services covered under Part A and Part B provided by Medicare-approved private insurance companies
- May include extra benefits and services for an extra cost
- Usually includes Medicare prescription drug coverage (Part D) as part of the plan

Medicare Part D (Medicare prescription drug coverage):

- Helps cover your prescription drug costs
- Run by Medicare-approved private insurance companies
- May help lower your prescription drug costs and help protect against higher costs in the future

Other Medicare terms

Some other terms you might need to know include:

- **Original Medicare:** Original Medicare is sometimes called “traditional Medicare.” Original Medicare coverage is managed by the Federal Government. If you don’t choose a Medicare Advantage Plan (such as a Medicare HMO or PPO), you will have Original Medicare.
- **Medicare Supplement Insurance (also called Medigap):** Medigap helps pay some of the costs that Original Medicare does not cover, such as copayments and deductibles. You need both Part A and Part B to purchase a Medigap policy

Medicare plans

If you are eligible for Medicare, there are different plans available to suit your individual health and financial needs.

Medicare Advantage Plans

If you have Part A and Part B, you can join a Medicare Advantage Plan, sometimes called “Part C” or an “MA plan.” This type of Medicare health plan is offered by Medicare-approved private companies that must follow rules set by Medicare.

Most Medicare Advantage Plans include drug coverage (Part D) and deductibles. You need both Part A and Part B to purchase a Medigap policy.

Here’s a summary table of the Medicare Advantage Plans:

Plan Type	HMO Health Maintenance Organization	PPO Preferred Provider Organization	PFFS Private Fee- for-Service (PFFS) Plan	SNP Special Needs Plan	MSA Medicare Savings Account
Premium Do most plans charge a monthly premium?	Yes Many charge a premium in addition to the monthly Part B premium.	Yes Many charge a premium in addition to the monthly Part B premium.	Yes Many charge a premium in addition to the monthly Part B premium.	Yes Many charge a premium in addition to the monthly Part B premium.	No You won't have to pay a separate monthly premium, but you'll continue to pay your Part B premium.
Drugs Does the plan offer Medicare prescription drug coverage (Part D)?	Usually If you join an HMO plan that doesn't offer drug coverage, you can't get a separate Medicare drug plan.	Usually If you join a PPO plan that doesn't offer drug coverage, you can't get a separate Medicare drug plan.	Usually If your PFFS Plan that doesn't offer drug coverage, you can get a separate Medicare drug plan.	Yes All SNPs must provide Medicare drug coverage (Part D).	No You may join a separate Medicare drug plan.

Plan Type	HMO Health Maintenance Organization	PPO Preferred Provider Organization	PFFS Private Fee- for-Service (PFFS) Plan	SNP Special Needs Plan	MSA Medicare Savings Account
Providers Can I use any doctor or hospital that accepts Medicare for covered services?	Sometimes You generally must get your care and services from doctors, other providers, or hospitals in the plan's network (except emergency or urgent care or out-of-area dialysis). In an HMO Point-of-Service (HMOPOS) Plan you may be able to get some services out of network for a higher copayment or coinsurance.	Yes Each plan has a network of doctors, hospitals, and other providers that you may go to. You may also go out of the plan's network, but your costs may be higher.	Yes You can go to any Medicare-approved doctor, other health care provider, or hospital that accepts the plan's payment terms and agrees to treat you. If the plan has a network, you can use any of the network providers. (If you go to an out-of-network provider that accepts the plan's terms, you may pay more.)	Sometimes If your SNP is an HMO, you must get your care and services from doctors or hospitals in the SNP's network (except for emergency, urgent care, or out-of-area dialysis). However, if your SNP is a PPO, you can get Medicare-covered services out of network.	Yes MSA plans generally don't have network providers. You may go to any Medicare-approved provider for services that Original Medicare covers.
Primary Care Do I need to choose a primary care doctor?	Usually	No	No	Varies by plan Some SNPs require you to choose a primary care doctor and others don't.	No
Referrals Do I need a referral from my doctor to use a specialist?	Yes	No	No	Maybe If the SNPs is an HMO, you need a referral. If the SNP is a PPO, you don't need a referral.	No

Adapted from Centers for Medicare & Medicaid Services. (n.d.-a). *Compare types of Medicare advantage plans*. Centers for Medicare & Medicaid Services. Retrieved 2024, from <https://www.cms.gov/outreach-and-education/find-your-provider-type/employers-and-unions/fs1-intro-to-medicare.pdf>

Other Medicare health plans

Some types of Medicare health plans aren't Medicare Advantage Plans, but are still part of Medicare. The coverage they offer varies depending on the specific type of plan.

Some of these plans include Medicare Part A and Medicare Part B coverage, but most only offer Part B coverage. Some also include Medicare drug coverage (Part D). These other types of health plans include:

- **Medicare Cost Plans:** Cost Plans, limited to specific areas, offer services through their network at lower costs and allow the use of Medicare-accepting providers. Members can join when the plan is open and leave anytime for Original Medicare. Drug coverage can be through the Cost Plan, if available, or a separate Medicare drug plan, with enrollment changes allowed only at designated times.
- **Health Care Prepayment Plans (Part B-only Cost Plans):** An alternative Medicare Cost Plan, known as a Health Care Prepayment Plan (HCPP), exclusively covers Part B services, with Part A services remaining under Original Medicare.

These plans may be affiliated with employer or union group health plans, or provided by companies that do not offer Part A services. It's important to note that Part D is never included in these plans. For further details, please contact the plan directly.

- **Program of All-inclusive Care for the Elderly (PACE):** The Program of All-Inclusive Care for the Elderly (PACE) is a comprehensive Medicare and Medicaid initiative designed to assist individuals in meeting their health care requirements within their community, thereby avoiding the need for nursing homes or similar care institutions.

By joining PACE, participants benefit from a dedicated team of healthcare professionals who are committed to coordinating and optimizing their care.

- **Demonstration/pilot programs:** Demonstrations and pilot programs, or "research studies," test new ways to improve Medicare coverage, payment, and quality of care. They're usually temporary, aimed at specific groups, or located in certain areas.

References

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