

INCLUDES  
COSTS FOR  
**2024**

# UNDERSTANDING YOUR OPTIONS FOR MEDICARE DRUG COVERAGE

This resource gives you information to help you choose the Medicare drug coverage that works best for you

## Enroll when you turn 65!

### Did you know?

Even if you don't need Medicare when you turn 65 years old, **most people must enroll to avoid paying a penalty later.**

Everyone has a different situation. Please visit [www.medicare.gov](http://www.medicare.gov) or call **1-800-MEDICARE** (1-800-633-4227) to learn how to avoid penalties.

### You can enroll when you turn 65— you have 7 months to enroll:

- Starting 3 months before your birthday
- Including the month of your birthday
- Ending 3 months after the month you turn 65

### Medicare is a federal health insurance program for:

- People aged 65 years or older
- Certain younger people with disabilities
- People of any age with end-stage renal disease (ESRD) or amyotrophic lateral sclerosis (ALS)



**In this resource, you'll find:**

When to enroll in Medicare during the year.....2

Information about the 4 different parts of Medicare.....3

A guide to the costs for each part .....4

A guide to the cost for drug coverage in each part.....5



**Open enrollment**

You can choose or change your **Medicare** plans from **October 15 through December 7**

**You can:**

- Choose Original Medicare (**Part A** and **Part B**) if you haven't already, and possibly add Medicare Supplement Insurance called Medigap
- Choose or change your Medicare Advantage Plan (**Part C**)
- Choose or change your prescription drug coverage plan (**Part D**)



**General enrollment**

You can change your **Part C** plan from **January 1 through March 31**

**You can:**

- Switch to a different **Part C** plan
- Switch to **Part A** and **Part B**, and possibly add Medigap
- Add a **Part D** plan

**Medicare can be tough to understand.**

If you want more information about Medicare, please visit **[www.medicare.gov](http://www.medicare.gov)** or call **1-800-MEDICARE** (1-800-633-4227).

# Medicare is divided into 4 different parts: **A** **B** **C** and **D**

Each part provides certain types of coverage

## Original Medicare: Parts **A** and **B**



### Part **A**

Hospital insurance from the government

- Part of Original Medicare
- Covers stays in the hospital



### Part **B**

Medical insurance from the government

- Part of Original Medicare
- Covers visits to a healthcare provider
- Covers medications your healthcare provider usually administers, like infusions

## Medicare Advantage: Part **C**



### Part **C**

Part A and Part B from a private company rather than the government

or

## Medigap



Medicare Supplement Insurance from a private company

- You can add Medigap to Original Medicare
- You **cannot** add Medigap if you have Part C and not Original Medicare

## Medicare Part **D**





### Part **D**

Prescription drug coverage from a private company approved by Medicare

- You can add Part D to Original Medicare
- Usually a part of Medicare Advantage; you may be able to add Part D if your Part C plan doesn't have it

## Different costs are associated with both types of Medicare plans



	Original Medicare	
	 Part <b>A</b> Hospital	 Part <b>B</b> Medical
<b>Helps cover</b>	<b>Services</b> like inpatient care in the hospital, skilled nursing facilities, hospice care, and home healthcare	<b>Services</b> like visits to doctors and other healthcare providers, outpatient care, home healthcare, medical equipment (like wheelchairs) and preventive services (like screenings)  <b>Drugs administered by a healthcare provider, like infusions and some injections</b>
<b>Does not cover</b>	Most vision, hearing, and dental services or products	Most vision, hearing, and dental services or products
<b>Premium</b>	<b>2024:</b> \$0 for most people because they paid Medicare taxes while working  <b>\$278 or \$505</b> each month if you don't get it for \$0	<b>2024:</b> <b>\$174.70</b> each month (or more, depending on your income)
<b>Deductible</b>	<b>2024:</b> <b>\$1632</b> each time you're admitted to the hospital	<b>2024:</b> <b>\$240</b> each year before Original Medicare starts to pay
<b>Co-payment and co-insurance</b>	Based on the number of days spent in the hospital: 1-60: \$0 after you pay your Part A deductible 61-90: \$408 each day 91-150: \$816 each day while using your 60 lifetime reserve days After Day 150: You pay all costs	After you've paid your deductible, you pay 20% of the cost for each service or item that is covered by Medicare.

### Important

- **Part A** and **Part B** have no yearly limit on how much you pay out of your own pocket
- **Part C** has a yearly limit. After you reach the limit, the Part C plan pays for 100% of costs

## Consider all your out-of-pocket costs when choosing between Original Medicare and Medicare Advantage

or

	Medicare Advantage	
	 Part <b>C</b>	 Part <b>D</b> Drug coverage
<b>Helps cover</b>	<b>Services</b> like the ones in Part A and Part B  <b>Drugs administered by a healthcare provider, like infusions and some injections</b>  <b>Prescription drugs covered by Part D</b> (Medicare Advantage usually includes Part D drug coverage)	<b>Prescription drugs that you administer yourself like pills, as well as many recommended vaccines</b>
<b>Does not cover</b>	Some services covered in Part A and Part B, like hospice care	Services
<b>Premium</b>	The monthly premium depends on the plan. The amount may change every year.	The monthly premium depends on the plan. The amount may change every year and may be more, depending on your income.  <b>2024:</b> The monthly premium may range from <b>\$0 to \$195</b> , with an average monthly premium of <b>\$55.50</b>
<b>Deductible</b>	The deductible depends on the plan.	The deductible depends on the plan and the drugs you take. Some plans don't have a deductible.  <b>2024:</b> <b>\$545 each</b> year for most plans
<b>Co-payment and co-insurance</b>	The co-payment and co-insurance depend on the plan and the drugs your healthcare provider administers to you.	The co-payment and co-insurance depend on the plan and the prescription drugs you take.

### Key terms



**Premium:** An amount you pay every month, even if you don't use healthcare services that month.




**Deductible:** An amount you pay every year before Medicare or your other insurance plan starts to pay.

**Co-payment:** A fixed amount you pay rather than a percentage.

**Co-insurance:** A percentage you may have to pay as your share of the cost for services after you pay your deductible.

## Different drug coverage options are available with both types of Medicare plans

Part **B** or Part **C** covers drugs usually administered by a healthcare provider


Original Medicare Drug Coverage Costs	Medicare Advantage Drug Coverage Costs
 <b>Part <b>B</b> Medical</b>	 <b>Part <b>C</b></b>
After you meet your deductible, the co-insurance is <b>usually 20%</b> .	The co-insurance depends on the plan.
<b>How much do you pay out of your own pocket?</b>	
<b>Answer:</b> If your drug costs \$1000 each month, <b>you pay \$200</b> out of pocket each month.	<b>Answer:</b> If your drug costs \$1000 each month <ul style="list-style-type: none"> <li>• with a co-insurance of 20%, <b>you pay \$200</b> each month out of pocket</li> <li>• with a co-insurance of 50%, <b>you pay \$500</b> each month out of pocket</li> </ul>
<b>Can you add supplemental insurance to help pay for out-of-pocket costs?</b>	
<b>Answer:</b> <b>Yes. You can add Medigap to Original Medicare (Part A and Part B)</b> If you choose a Medigap plan that covers your drug, <b>you pay \$0</b> out of pocket.	<b>Answer:</b> <b>No.</b> You cannot add Medigap if you have Part C, and not Original Medicare (Part A and Part B).
 <b>Medigap may help to pay for your drugs</b> <ul style="list-style-type: none"> <li>• Medigap is also called Medicare Supplement Insurance</li> <li>• You can only add Medigap if you have Original Medicare</li> <li>• Medigap can help pay your remaining out-of-pocket costs like your co-insurance</li> </ul>	

### Important: When choosing between Original Medicare and Medicare Advantage plans, think about the drugs you take.

- If your drugs, like an infusion, are administered by a healthcare provider, they are covered by Part B or Part C
- When you choose either Original Medicare (Part A and Part B) or Medicare Advantage (Part C), check if your drugs are covered by your plan
- If your drugs are covered, check how much they cost before choosing a plan

It's important to think about the drugs you take when choosing drug coverage. The amount that you have to pay (called out-of-pocket costs) can vary depending on the type of medication.

Part **D** covers prescription drugs you administer yourself

Medicare Part <b>D</b> Prescription Coverage Costs
<b>Part <b>D</b></b>
 <b>Part D helps cover</b> <ul style="list-style-type: none"> <li>• Prescription drugs that are not usually administered by a healthcare provider</li> <li>• Many recommended vaccines</li> </ul>
<b>The amount you pay out of your own pocket with a Part D plan changes during the year</b> <ul style="list-style-type: none"> <li>• Premium: <b>This amount stays the same all year</b> and ranges from <b>\$0 to \$195</b>, with an average monthly premium of <b>\$55.50</b>, in 2024</li> <li>• Deductible: <b>This amount stays the same all year</b>, from <b>\$545</b> for most plans in 2024</li> <li>• Co-payment/co-insurance: After you meet your deductible, <b>you pay the co-payment or co-insurance, and your plan pays for the rest</b> <ul style="list-style-type: none"> <li>– How much you pay depends on your plan and what prescription drugs you take</li> </ul> </li> </ul>
<b>The coverage gap</b> <ul style="list-style-type: none"> <li>• <b>Once you and your plan spend \$5030</b> (including the deductible) in 2024, you reach the coverage gap (also known as the “donut hole”)</li> <li>• After that, you usually pay no more than 25% of the cost for prescription drugs</li> </ul>
<b>Catastrophic coverage</b> <ul style="list-style-type: none"> <li>• Catastrophic coverage: <b>If your prescription drugs are expensive and in 2024 you spend more than \$8000, you get what is called catastrophic coverage</b></li> <li>• <b>\$8000</b> includes what you have spent for your drugs out of your own pocket as well as what some others have spent; for example, family members or charities                     <ul style="list-style-type: none"> <li>– Based on the Inflation Reduction Act, you won't have to pay a co-payment or co-insurance for the rest of the calendar year in 2024</li> </ul> </li> </ul>

Visit [www.medicare.gov/plan-compare](https://www.medicare.gov/plan-compare) to check if your drugs are covered by the plan you choose

## KEY POINTS TO REMEMBER

- ✓ Enroll in Medicare when you turn 65 years old to avoid possibly paying a penalty later on
- ✓ The amount you pay out of pocket for prescription drug coverage depends on the drugs you take
- ✓ Compare the plans' out-of-pocket costs, including the costs for the drugs you take, before you choose your Medicare coverage
- ✓ Check that your drugs are covered by the plans you choose

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**Contact Medicare for  
more information on how  
and when to enroll**

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