

2017 Medicare Cost Summary

Patient Pays in 2017

❖ Part A – Inpatient (Hospital & Skilled Nursing Facility)

For those who have to pay a premium for Part A, because they do not have the 10 years of work quarters the costs can be up to - **\$413/month**
Penalties add additional charges if enrolled late.

(Most Medicare beneficiaries do not pay a Medicare Part A Premium)

• Hospital

Inpatient Hospital Deductible **\$1,316 per benefit period**
(Benefit Period = hospital stay + 60 days)

Coinsurance – Inpatient Days 61-90 **\$329/day**

Inpatient Days 91-150 **\$658/day**

Inpatient Beyond 150 days **All costs**

(Hospital outpatient services are billed under Medicare Part B)

• Skilled Nursing Facility (Short-term, rehab care only)

(requires a full **3-day inpatient hospital stay** & **prescribed skilled care on a daily basis**)

Day 1-20 **no copay**

Day 21-100 **\$164.50/day**

Beyond 100 days **Patient Pays All Costs**

❖ Part B – Outpatient (office visits, labs, tests, physical therapy, etc.)

Base Premium **\$134 per month***

*Medicare enrollees on Part B before 2016 will pay the hold harmless premium of **\$104.90**

*Those with incomes over \$85,000 single, \$170,000 couple will have higher premiums.

*Penalties will add additional charges if enrolled late.

Annual Deductible **\$183/year**

Patient pays the first \$183 of approved charges beginning when they first get Medicare and again in January of each year.

After paying the deductible:

- Patient pays **20%** of the approved charge by “Participating Medicare Providers.”
- Patient may pay an **additional 15%** above the approved charge by “Non-Participating Medicare Providers.” (total = **20% + 15% = 35%** of approved charge)

❖ Part C-- also called Medicare Health Plans and Medicare Advantage Plans are replacements for Medicare Part A, B & usually D. It is provided by private insurance companies who have contracts with Medicare. Beneficiaries who choose to receive their coverage thru Part C companies must pay the Medicare Advantage company premium in addition to the Medicare Part B premium, and then must also pay deductibles and copays for all medical claims. (Medicare Supplemental or Medigap insurance is not available for Part C plans.)

❖ Part D—Medicare Prescription Drug Insurance

Part D is purchased from a Medicare-approved private insurance company. The Part D insurance company's card is used at the pharmacy. Stand-alone Part D plans are used by people who use Medicare Part A and B for their medical coverage. (Occasionally a person may enroll in a Part D plan and a Medicare Advantage (Part C) plan which does not cover drugs.)

The only way to clearly compare Medicare prescription insurance plans is to look at your **total costs--premiums, deductibles, and copays**--for your drugs with each insurance plan available at the pharmacy you want to use. The insurance plans are not standardized and a computer program must be used to determine your **total costs** with each plan.

Most Medicare beneficiaries are "locked" into their Part D insurance plan for a complete calendar year. Because insurance plans change their coverage every year, all Medicare beneficiaries should get a new analysis each year between **October 15 and December 7**. If you decide to switch plans, the change will take place on January 1 of the following year.

For assistance, contact Bay Aging's VICAP Medicare Counseling Program at 1-866-758-2386 ext. 1234.

❖ Medigap Insurance (also called Medicare Supplemental Insurance)-- Medigap insurance is purchased from private insurance companies to reduce the "out-of-pocket" costs for medical bills with *original fee-for-service Medicare* (Part A & B). It is not designed to work with Medicare Advantage Plans, also called Part C or Medicare Health Plans.

Medigap insurance is standardized into 11 plans which are given names of letters of the alphabet A thru N.

Standard Plan "F" (not high-deductible Plan F) has the most coverage and pays **all** deductibles and co-pays for medical claims which are approved by Medicare. With Plan F, you will have "0" costs for Medicare covered claims. With all other Medigap plans, you will have some costs to pay. Many companies sell Medigap insurance.

You can contact the Virginia Bureau of Insurance (VA toll free 1-800-552-7945) or Bay Aging VICAP Medicare Counseling Program for more information on Medigap insurance (1-866-758-2386 ext. 1234).