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The Details More People Should Know About Medicare

Before you enroll, take note of what the insurance does not cover and the changes ahead.

Misconceptions about Medicare coverage abound. Our national health insurance program provides seniors with some great benefits. Even so, traditional Medicare does not pay for dental care, vision care, or any real degree of long-term care. How about medicines? Again, it falls short.¹

Original Medicare (Parts A & B) offers no prescription drug coverage. You may not currently take prescription medicines, but you may later, and can you imagine paying out of pocket for them? Since 2013, the prices of the 20 most-prescribed drugs for seniors have risen an average of 12% annually. Will Social Security give you a 12% cost-of-living adjustment next year?¹

To address this issue, many seniors sign up for Part D (prescription drug) plans, which may reduce the co-pays for certain generic medicines down to \$1 or \$0. As private insurers provide Part D plans, the list of medicines each plan covers varies – so, carefully check the list, also called the formulary, before you enroll in one. Keep checking it, as insurers are permitted to change it from one year to the next.^{1,2}

You may want a Medigap policy, considering your Part B co-payments. If you stick with original Medicare, you will routinely pay 20% of the cost of medical services and procedures covered by Part B. If you need a hip replacement or a triple bypass, you could face a five-figure co-pay. Medigap insurance (also called Medicare Supplement insurance) addresses this problem with supplemental Part B coverage. Premiums and services can vary greatly on these plans, which are sold by insurers.¹

If you want dental and vision coverage (and much more), you may want a Part C plan. Around a third of Medicare beneficiaries enroll in these plans, also called Medicare Advantage programs. The typical Part C plan includes all the coverage of Medicare Parts A, B, and D, plus the dental and vision insurance that original Medicare cannot provide. Medicare Advantage plans also limit beneficiary out-of-pocket costs for the services they cover.¹

Part C plans may soon offer even more benefits. They will be allowed to include services beyond normal medical insurance beginning in 2019. Starting in October, they can reveal what new perks, if any, they have chosen to offer. Some of the new benefits you might see: coverage for the cost of home health aides, adult day care, palliative care, the installation of grab bars

and mobility ramps in the home, and trips to and from medical appointments. The list of potential benefits could expand further in 2020.³

Few seniors who enroll in Part C plans switch out of them. If you enroll in one, you should realize that these plans are regional rather than national – so, if you move, you may have to find another Part C plan or return to traditional Medicare, with or without Medigap coverage.^{1,3}

The Medicare Advantage Disenrollment Period is disappearing. A recently passed federal law, the 21st Century Cures Act, does away with this annual January 1-February 14 window. Beginning in 2019, there will simply be an annual Medicare Advantage Open Enrollment Period from January 1-March 31. During these three months, Medicare recipients will have the chance to either switch Part C plans or disenroll from a Part C plan and go back to original Medicare.⁴

Some Medicare Cost plans are being phased out. These plans, which offer some features of Medigap policies and some features of Medicare Advantage programs, are ending in certain counties within 15 states and in the District of Columbia. Enrollees are being left to search for new coverage.⁴

If you are financially challenged, you may have options. State subsidies and Medicare savings programs are available to help households handle co-payments and deductibles under original Medicare. Some non-profit groups offer pharmaceutical assistance programs (PAPs) to help Medicare beneficiaries pay less for medicines.⁴

Lastly, diabetics who use insulin pumps sometimes find they are better off with original Medicare as well as a Medigap policy, rather than a Part C plan. Some Medigap plans cover the entire cost of insulin. Many infusion treatments (such as chemotherapy) are also 100% covered by Medigap policies.⁴

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