



Medicare is the government program that began in 1965 to provide medical coverage to people age 65 and older regardless of income. Throughout the years, the program has been expanded to include people under age 65 if they have qualifying disabilities. Today, more than 55 million Americans are enrolled in the Medicare program.

Medicare coverage is divided into four main parts: Part A, Part B, Part C and Part D. Parts A and B are sometimes called original Medicare and are administered by the government. Parts C and D were added later and are administered through private insurers approved by Medicare.

## **Part A: Hospital Benefit**

Under Part A, beneficiaries are responsible for a deductible and coinsurance for certain types of inpatient stays. Part A typically covers the following:

- Hospital care
- Skilled nursing facility care
- Some nursing home care
- Hospice
- Home health services

## **Part B: Medical Benefit**

Under Part B, beneficiaries are responsible for a deductible, and most beneficiaries pay 20 percent coinsurance for Part B services. Part B covers medications administered by a physician, like certain vaccinations or chemotherapy that are injected or infused. Part B also typically covers the following:

- Doctor visits
- Preventive care
- Lab tests, x-rays and more
- Ambulance services
- Durable medical equipment

- Mental health
  - Inpatient
  - Outpatient
  - Partial hospitalization
- Getting a second opinion before surgery
- Limited outpatient prescription drugs

### **Part C: Medicare Advantage**

Medicare Part C – also known as Medicare Advantage – consists of health plans, such as Health Maintenance Organizations or Preferred Provider Organizations, administered by private insurers. These plans are required to cover the same services covered by Medicare Parts A and B, and some plans may cover things Medicare does not, such as dental or vision coverage. Enrollees in Medicare Advantage must already have Medicare Parts A and B. Some Medicare Advantage plans may also provide the Part D prescription drug benefit (explained in more detail below). More than 17 million beneficiaries were enrolled in Medicare Advantage plans in 2016.

### **Part D: Prescription Drug Benefit**

Medicare Part D was created as part of the Medicare Modernization Act of 2003 and formally implemented in 2006. Part D covers outpatient prescription drugs through private plans that are approved by Medicare. These plans can be offered as stand-alone plans for beneficiaries enrolled in Part A and Part B, or combined with a Medicare Advantage plan. Beneficiaries pay monthly premiums and cost sharing for their medicines. Additional financial assistance is available to beneficiaries with modest incomes and resources through a program known as Extra Help or the low-income subsidy. About 41 million Medicare beneficiaries were enrolled in Part D as of 2016.