Medicare Definitions
You Need to Know

Premium: The amount you must pay to Medicare or a health insurance plan for coverage. Usually paid on a monthly basis.

Deductible: The amount you must pay for health care expenses before your health insurance starts to pay.

Copays: Are the set amounts that you must pay for medical services or drugs you receive.

Coinsurance: Is the percentage of the cost that you must pay for medical services or drugs you receive.

Benefits: Are the services and products that Medicare and private health insurance cover.

Extra Help: Is a federal program run by Social Security that helps people with Medicare pay for their Medicare prescription drug coverage (Part D).

Medicare Savings Programs: Are programs that help people pay their Medicare premiums and sometimes coinsurance and deductibles.

Primary Insurance: Is your insurance that pays first for medical or drug costs.

Secondary Insurance: Is your insurance that pays after your primary insurance has paid.

47 million Americans have the right to expect a system that gets it right.

The Medicare Rights Center is a national, nonprofit consumer service organization that works to ensure access to affordable health care for older adults and people with disabilities through counseling and advocacy, educational programs and public policy initiatives.

Medicare Resources

Medicare Rights Center
800-333-4114 • www.medicarerights.org

Medicare Interactive
www.medicareinteractive.org

Medicare
800-MEDICARE • www.medicare.gov

SHIP (State Health Insurance Assistance Program)
www.shiptalk.org • call 800-MEDICARE for SHIP phone number

Social Security Administration
800-772-1213 • www.SSA.gov

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Choose Wisely

Choose wisely when you decide what kind of Medicare coverage you want. There are two ways to get Medicare health benefits: through Original Medicare or Medicare Advantage.

**Original Medicare** – This is health insurance from the government. It’s what most people choose. If you go to almost any doctor or hospital. Many people choose to buy supplemental insurance (Medigap plans) to help cover coinsurance and deductible costs.

**Medicare Advantage** – Private insurance companies sell Medicare Advantage plans. They’re often HMOs or PPOs. They cover Medicare benefits, but each plan has its own rules and costs. These rules may restrict which providers you can see and require you to get permission before you can receive certain services.

Most people must stay with their choice for the calendar year. Make sure it meets your needs and works with your other drug and health insurance.

“B” Careful

Part B is the part of Medicare that covers outpatient services and doctors’ visits.

Generally, you should sign up for Part B when you first become eligible for Medicare. If you are working, check with the Social Security Administration to find out if your current employer insurance is primary to Medicare. If it is, you may consider delaying enrollment into Part B, but you must sign up as soon as you stop working.

If you don’t sign up for Part B when you should, you may have gaps in your coverage. You may also have to pay a penalty.

Prescription for Health

You may want to sign up for a Part D drug plan to get coverage for prescription drugs. If you have Medicare Advantage, drug coverage is usually included in your health plan. If you have Original Medicare, you must choose a separate drug plan from a private insurance company. Important reminders:

- When choosing a drug plan, make sure it covers the drugs you take.
- Find out if the plan has any restrictions on the drugs you take – such as quantity limits, prior approval, or a requirement that you try other drugs first.
- Learn how much the monthly premium is, and check how much the deductible and copays are before you sign up for a plan.

Don’t Take No for an Answer

Whether you are in Original Medicare, a Medicare Advantage plan, or a drug plan, you can appeal if any of them denies coverage.

An appeal is a formal request asking a plan to change its decision and provide you with coverage.

Many people win their appeals. If you don’t win at first, you can continue to appeal to the next level.

There are a number of the reasons you might appeal a drug plan’s decision. You can appeal if the plan is restricting the quantity of the drug you can get, making you get prior approval, having you try other drugs first, or if your drug is not on its list of covered drugs (formulary).

Save Money Now

Apply for programs that can help you pay your Medicare costs. If you are eligible, these programs can help pay your premiums, copays and deductibles for both health and drug coverage.

**Apply** even if your income and assets seem to be above the limits; some income and assets may not count towards the limit.

**Programs** include: Extra Help, Medicare Savings Programs (MSPs), State Pharmaceutical Assistance Programs (SPAPs) and Medicaid.

Contact your local SHIP (State Health Insurance Assistance Program) to find out which programs are available in your state, if you are eligible, and how to apply. Contact information is on the inner panel.

What’s Not Covered

Medicare does not cover all health care services and products.

Those that are not covered include:
- Most dental care
- Alternative medicine
- Most personal or custodial care at home or in a nursing home
- Hearing aids
- Most cosmetic surgery
- Most vision care
- Most care received outside of U.S.
- Most nonemergency transportation

Medicare Advantage plans may cover some of the above services.