

What is Medicare?*

How does it work?

- 1.** **How you get Medicare:** Most people sign up at age 65 for basic coverage (Part A and B). Some people with disabilities also qualify. You have to pick a Part D plan to get drug coverage or an Advantage Plan (Part C) that covers Parts A, B and D, but can limit your choices of care.
- 2.** **How much does Medicare cost?** Most people pay a standard premium (about \$140/mo) for Part B and extra for Part D. High earners pay more, depending on income. Those with low income can get help paying premiums or may get Medicaid and pay no premiums.
- 3.** **What does Medicare cover?** Hospitalization, outpatient care, drugs and very limited home and nursing care.
- 4.** **Does Medicare pay all my costs?** No. There are deductibles you have to pay before Medicare pays anything (about \$1400 for hospital and \$140 for outpatient).
- 5.** **Are there other out-of-pocket costs?** Yes, usually 20% of your costs, except the first 60 days in the hospital. Drug costs vary depending on the plan you pick. There is no limit to out-of-pocket expenses.**
- 6.** **What are Medigap policies?** They are private plans that you can pay for that can limit your out-of-pocket costs. They are strictly regulated and cannot cover drugs.
- 7.** **How is Medicare administered?** Medicare pays 20 private insurance companies (local carriers) to manage its claims. They each interpret Medicare rules but they can be appealed to Medicare or the courts.
- 8.** **How is Medicare financed?** The money for Medicare comes from a mixture of general revenues (41%), payroll taxes (38%), premiums (13%) and a few other sources.

MEDICARE FOR ALL includes many improvements to Medicare in addition to providing it to everyone.

*This fact sheet describes the most common situations. For more details see More Details About Medicare at <https://www.acamfausa.org> or

<https://www.kff.org/medicare/report/a-primer-on-medicare-key-facts-about-the-medicare-program-and-the-people-it-covers/>



For more details go to: <https://www.acamfausa.org>