

Navigating Medicare

Medicare is available to anyone 65 and older. That's the easy part. The rest of the process is more complicated.

Traditional Medicare (Parts A & B) covers basic health services. But after that, you'll need to connect the dots to make sure you have the additional coverage you need. For example, what do you do about dental coverage? Prescription drug coverage? Those are not included in the basic plan, so you'll need to add other pieces of coverage.

Here are some basics: Part A: Covers inpatient hospital care, stays at skilled nursing facilities, home health care, psychiatric care and some hospice care. You don't pay a premium, but you will have some out-of-pocket costs, such as a deductible for a hospital stay.

Part B: This medical insurance includes coverage of doctor visits and outpatient hospital care. You'll pay a monthly premium.

Part C: Medicare Advantage Plans. Private health plans, such as HMOs and PPOs, that may offer additional benefits not covered by Medicare, such as vision, hearing, dental and prescription drugs. Compare plans for the best value.

Part D: Prescription drug insurance. This is offered through private health plans. Costs vary.

What is the Affordable Care Act? It's a plan that includes benefits to make Medicare prescription drug coverage (Part D) more affordable. It does this by gradually closing the coverage gap (also called the "doughnut hole").

What is the doughnut hole? Most Medicare drug plans have a gap in coverage. So after you and your plan have spent a certain amount of money for covered drugs — about \$2,840 — you have to pay all costs out-of-pocket for your drugs until you hit the current yearly out-of-pocket spending limit of \$6,440. That's when Medicare's catastrophic coverage kicks in. The "doughnut hole" is the difference of the initial

coverage limit and what you pay until you hit that limit. (After you reach the yearly spending limit, you are generally only responsible for a small amount of the cost.)

What it means

- If you reach the coverage gap in your Medicare Part D coverage, you automatically get a 50 percent discount on covered brand-name drugs. You get the discount when you buy them at a pharmacy or order them through the mail, until you reach the catastrophic coverage phase.
- You will also get a 7 percent discount on generic drugs while in the “doughnut hole.”
- Expect additional savings on covered brand-name and generic drugs while in the coverage gap until the gap is closed in 2020.

Sources: Medicare.org, The Associated Press and Healthcare.org