

Medicare Parts A and B

Consider What Medicare Does and Does Not Cover

Medicare is a health insurance program operated by the federal government. Benefits are available to qualifying individuals age 65 or older and certain disabled individuals under age 65, and those suffering from end-stage renal disease. The traditional Medicare program consists of two main parts: Part A, Hospital Insurance and Part B, Medical Insurance. There are clearly defined limits as to what Medicare will, and will not, pay.

Medicare (Part A) 2013 Hospital Insurance - Covered Services per Benefit Period

Service	Benefit	Medicare Pays	You Pay
Hospitalization: Semiprivate room and board, general nursing and miscellaneous hospital services and supplies. Includes meals, special care units, drugs, lab tests, diagnostic X-rays, medical supplies, operating and recovery room, anesthesia and rehabilitation services		Medicare pays all covered costs for first 60 days, except the first \$1,184. For the 61st through 90th days, it pays all except \$296 a day. There are also 60 nonrenewable reserve days that can be used when the 90 days are past. Medicare pays all except the first \$592 for each reserve day.	
Post-hospital skilled nursing facility care (in a facility approved by Medicare): You must have been in a hospital for at least three days in a row and enter the facility within 30 days after having been discharged from the hospital.	First 20 days	All costs	Nothing
	Next 80 days	All but \$148.00	\$148.00 per day
	Medicare and private insurance will not pay for most nursing home care, and you pay for custodial care.		
Home health care: Post-institutional care. You must have been in a hospital for at least three days in a row or have been in a skilled nursing facility following a hospital stay.	Pays the cost of 100 home visits, if made under a physician's treatment plan.	Full cost	Nothing for services; 20% of approved amount for durable medical equipment.
Hospice care: May exceed the 210 days of care if recertified as terminally ill.	Two 90-day periods and one 30-day period	All but limited costs for outpatient drugs and inpatient respite care	Limited cost sharing for outpatient drugs and inpatient respite care
Blood	Blood	All but first three pints	For first three pints

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Medicare (Part B) 2013 Medical Insurance - Covered Services per Calendar Year Standard Monthly Premium: \$104.90

Service	Benefit	Medicare Pays	You Pay ¹
Medical expense: Doctor's services, inpatient and outpatient medical services and supplies, physical and speech therapy, ambulance, etc.	Medicare pays for medical services in or out of hospital. Some insurance policies pay less (or nothing) for hospital outpatient medical services in a doctor's office.	80% of approved amount (after \$147.00 deductible). 50% of approved charges for most outpatient mental health services.	\$147.00 deductible ² plus 20% of approved amount and limited charges above approved amount. ³ 50% of approved charges for mental health services.
Home health care ⁴	Unlimited, if made under a physician's treatment plan.	Full cost	Nothing for services; 20% of approved amount for durable medical equipment.
Outpatient hospital treatment	Unlimited if medically necessary.	80% of approved amount (after \$147.00 deductible).	\$147.00 deductible ² plus 20% of balance of approved amount.
Blood: Any blood deductibles satisfied under Part B will reduce the blood deductible requirements.	Blood	80% of approved amount (after first three pints).	\$147.00 deductible ² plus first three pints plus 20% of balance of approved amount.

Note: If the period of hospitalization covers two calendar years, no new deductible is required for the new year. These figures are for 2013 and are subject to change each year.

¹ You pay for charges higher than the amount approved by Medicare unless the doctor or supplier agrees to accept Medicare's approved amount as the total charge for services rendered.

² Once you have had \$147.00 of expense for covered services in 2013, the Part B deductible does not apply to any further covered services you receive the rest of the year.

³ Federal law limits charges for physician services.

⁴ Home health care is provided under Part B only if not covered under Part A.

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Part B Premium for Higher-Income Beneficiaries

In 2013, Medicare beneficiaries with modified adjusted gross incomes (generally, adjusted gross income plus any tax-free interest income or any excluded foreign earned income) in excess of certain limits will pay an increased Part B premium:

Unmarried Individuals	Married Filing Jointly	Monthly Premium
Less than \$85,000	Less Than \$170,000	\$104.90
\$85,001 to \$107,000	\$170,001 to \$214,000	\$146.90
\$107,001 to \$160,000	\$214,001 to \$320,000	\$209.80
\$160,001 to \$214,000	\$320,001 to \$428,000	\$272.70
More than \$214,000	More than \$428,000	\$335.70

Married Filing Separately	Monthly Premium
Less than \$85,000	\$104.90
\$85,001 to \$129,000	\$272.70
More than \$129,000	\$335.70

For 2013, modified-adjusted gross income is measured using the amounts shown on a beneficiary's income tax return for 2011. An appeal process is available in case of a major life change such as the death of a spouse, divorce, or marriage.