Medicare Glossary

Medicare Coverage

- **Part A**: helps cover hospital care and what follows including rehabilitation services, some home health, and hospice services. There is a "benefit period" deductible for individuals without secondary coverage. There is no monthly premium for most individuals as this is covered by payroll taxes for those who worked ten years (or their spouses). 2020 Part A deductible is $1,408.
- **Part B**: covers 80% of "medically necessary" care by doctors, physical, occupational, and speech therapy, ambulance services, medical equipment and some home health care services. The standard Part B premium in 2020 is $144.60 with a $198 annual deductible. People with higher incomes pay larger premiums and those with limited incomes may get help paying this premium.
- **Part C** (Medicare Advantage plans or Medicare Replacement health plans): A and B services are covered by these privately administered health plans and a drug plan *may* be included. You pay for services differently than traditional Medicare A and B and not all providers accept these plans.
- **Part D**: Drug coverage. These privately administered plans cover different medicines at different costs and *change every year*. There are various monthly premiums. People with higher incomes pay more and those with limited incomes may get help paying this premium (called "extra help" or low-income subsidy).
- **Secondary coverage**: an insurance plan that pays *after* Medicare; e.g. Medicaid, past employer group plan, Medicare supplement, etc.
- **Medicare Supplement or Medigap policies**: these private plans are secondary coverage that fills in the payment holes of Original Medicare A and B. These plans have premiums and are accepted wherever Medicare is accepted.

Insurance Terms

- **Premium**: usually a monthly fee that must be paid to participate
- **Deductible**: a fixed amount that must be paid before other coverage begins
- **Copay or copayment**: a fixed cost per service; for example $20 for a doctor's office visit; this amount is due *before* care or service is received
- **Coinsurance**: a percentage (%) that is owed *after* receiving care; e.g. 20%
- **MOOP**: Maximum Out-Of-Pocket; the amount the individual needs to spend on deductibles, co-pays, or co-insurances if they have a Medicare Advantage plan or an employer-sponsored benefit before the insurance covers approved care for the rest of the year (does not include premium payments). There can be a MOOP for prescriptions and a MOOP for medical benefits.
- **Benefit period**: for Medicare A, it starts the day you are *admitted* to the hospital or skilled nursing facility (SNF) for rehab and ends when you have not

received that care for 60 days in a row. You (or your secondary coverage) pay the hospital deductible each time you start a new benefit period.

- **Open Enrollment Period (OEP):** the time when you review and can change Part C or D coverage; it runs from October 15 – December 7 each year and coverage begins on the first of the following year.
- **Special Election Period (SEP):** under special circumstances, some people can change their Medicare insurance coverage outside of the annual election. Examples include if you: moved and your old coverage does not work, are new to Medicare, recently lost employer coverage, qualify for financial assistance with Medicare D, etc.
- **Medicare assignment**: when a provider accepts 100% of what Original Medicare A and B approves. Some providers do not accept assignment and can charge up to 15% more (often called "excess" fees).
- **Guarantee issue rights**: when a Medicare supplement or Medigap plan must be offered at published rates to those eligible - regardless of their health
- **Long-term care**: when someone is receiving care that is not focused on rehabilitation; for example, in a skilled nursing facility; Medicare does not pay for long-term care; however, Medicaid can help those with limited incomes/assets.
- **Rehabilitation or Rehab**: when someone has a care plan to improve or maintain their health; Medicare A covers rehab in a skilled nursing facility for up to 100 days if certain criteria are met (usually after a hospital admission of 3 or more days/midnight stays).
- **Networks**: providers who have contracts with insurance plans to provide services at agreed upon fees
- **HMO** (Health Maintenance Organizations): Health insurance that only pays for care from providers who are "in-network" with that plan (except in an emergency).
- **PPO** (Preferred Provider Organizations): Health insurance that is usually less expensive when you use in-network providers, but also allows you to use other providers that are "out-of-network" (usually for a higher fee).
- **IRMAA** (Income-Related Medicare Adjustment Amount): Individuals with incomes above $87,000/single or $174,000/couple pay more for B and D.
- **Extra Help or Low-Income Subsidy:** Those with limited incomes and assets may get help paying *Part D premiums*.
- **Medicare Savings Programs or MQB (Medicare Qualified Beneficiary):** Those with limited incomes and assets may obtain help paying their *Part B premiums* and other cost-sharing.