

Benjamin Rush Institute presents
The ABCs of Medicare

Medicare Part A



Covers Hospital Visits

Part A = 1st half of Original Medicare
\$0 monthly premium for most
\$1288 Annual Deductible
Copays based on length of visit
No Out-of-Pocket Maximum

Main reason Medicare is insolvent
No choice of deductible, copay, etc
ACA cuts funding by over \$700 billion
Cost-cutting is quality metrics based
More major cuts, raise taxes if needed
Defined subsidies of private plans

Medicare Part B



Covers Office Visits

Part B = 2nd half of Original Medicare
Premium ~\$135, varies with income
\$166 Annual Deductible
20% coinsurance for covered costs
No Out-of-Pocket Maximum

Bad coverage w/o Part D & MediGap
No choice of premium or deductible
ACA made preventative care free
New tax on income >200k to fund B
Minor cuts, raise taxes if needed
Transition to subsidized private plans

Medicare Part C



Comprehensive Private Plan

a.k.a. Medicare Advantage

Covers all parts of care in one plan
Replaces Parts A&B and usually D
Higher premium, lower deductibles
Sets an Out-of-Pocket Maximum

Still must buy Part B but can't use it
Market dominated by a few HMOs
ACA cuts funding by over \$150 billion
Led to fewer plans w/fewer benefits
Continue cuts & shrink Part C overall
Encourage more plans & grow Part C

Medicare Part D



Covers Medications

a.k.a. Prescription Drug Plan (PDP)
Private plans to pay for meds
Low income subsidies available
High income users pay a surcharge
Drug coverage varies by plan

Future influx of costly specialty meds
Overuse of brand-names vs generics
ACA closed donut hole coverage gap
New tax on income >200k to fund D
Expand coverage & promote generics
Cut benefits & spur efficient spending

MediGap Plan



Covers Additional Costs

a.k.a. Medicare Supplement Insurance
Helps pay for deductibles/copays/etc
Must have Parts A & B to purchase
Not compatible with Part C
Does not cover meds/vision/dental

Less cost-sharing leads to more waste
Often a luxury plan for richer seniors
ACA had minimal impact on MediGap
Supports future cost-sharing increases
Grow MediGap with subsidies for poor
Cut benefits & spur efficient spending

- Hospital Visits
- Office Visits
- Medications
- Extra Coverage



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Sources & Readings

- Long-Standing Problems
- Changes under the ACA
- Democrat Proposals
- Republican Proposals