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

Scan QRS Code for Sources & Readings

Created by Haran Sivakumar. All Rights Reserved.