

# MEDICARE 101: What You Need to Know to Get Started

*\*Source: "National Association of Health Underwriters"*

By Peggy Olson

## **A Quick Look at Medicare**

Medicare is a health insurance program for people 65 years of age and older, some disabled people under 65 year of age and people with end-stage renal disease (permanent kidney failure treated with dialysis or a transplant).

Medicare has two parts:

*Part A* is hospital insurance. This helps pay for care in hospitals, skilled nursing facilities, hospice and some home health care.

*Part B* is medical insurance. This helps pay for doctors, outpatient hospital care and some other medical services such as physical and occupational therapists.

Buyer beware: Both parts of Medicare have deductibles and co-payments and seldom pay for all medical services.

## **How to Fill the Gaps**

There are ways to fill the gaps in Medicare coverage. Managed care plans, known as Medicare+Choice options, include:

- HMOs
- PPOs
- PSOs (provider-sponsored organizations)
- Religious/fraternal benefit societies
- Private fee-for-service plans
- Medicare medical savings accounts

There are also Medicare supplements available through various local and national carriers. Letters A through J always designates these plans. Plan A has the lowest benefit but must be guaranteed issue. Check with your local carriers to see if they offer other plans without underwriting.

Most Medicare supplements allow subscribers to see any provider. There are Medicare "select" plans in which a member may receive a higher benefit for using providers contracted with the insurance plan.

A health plan may **not** require health statement underwriting to **any** applicant within the first six month of their enrollment in Part B of Medicare.

## Medicare-Covered Preventive Services

<u>What is covered</u>	<u>Who is covered</u>	<u>What you pay</u>
Bone mass measurements	People who are at risk for losing bone mass	20% of Medicare-approved amount <i>after</i> the Part B deductible
Colorectal cancer screening	People with Medicare aged 50 and older	No co-insurance or Part B deductible for fecal occult blood test. Same as above for others. A screening colonoscopy is covered every 10 years for people not a high risk for colorectal cancer.
Diabetes monitoring	People with Medicare who have diabetes	20% of Medicare-approved amount <i>after</i> Part B deductible
Mammograms	All women with Medicare age 40 and older	Same as above
Pap smear and pelvic examination	All women with Medicare	Same as above
Prostate cancer screening	All men with Medicare age 50 And over	Generally 20% of Medicare-approved amount after the yearly part B deductible. No co-insurance and no Part B deductible for the PSA (prostate specific antigen) test
Vaccinations	All people with Medicare	No co-insurance or deductible for flu and pneumonia

if the doctor accepts assignment.  
20% after Part B deductible for Hepatitis B shots.

Beginning July 1, 2001:

Screening test for breast, cervical and colorectal cancers

All people with Medicare

20% of Medicare allowable after Part B deductible.

Beginning January 1, 2002:

Annual glaucoma screening test and medical nutrition therapy by registered dieticians.

People with diabetes and a renal disease

20% of Medicare allowable after Part B deductible.

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The Right Click:

For NAHU's position on Medicare reform issues, please visit [www.nahu.org/government/issues/medicare/index.htm](http://www.nahu.org/government/issues/medicare/index.htm).

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