



Medicare Costs: Unpacking A, B, C, and D

Anytime you pack for a trip, you don't want to forget your must-haves: a change of clothes, your passport, or your medications.

It's the same with your Medicare options. As you consider plans, don't forget one of the most important "must-haves" – total cost. That includes premiums, deductibles, out-of-pocket spending, and more.

Let's unpack your Medicare options and take a closer look at costs for Parts A, B, C, and D.

First, a Few Definitions

- **Premium:**The amount your insurance plan costs.
- **Deductible:**The amount you pay for your health care before your insurance pays. For example, if you have a \$2,000 deductible, you pay \$2,000 before your insurance coverage kicks in.
- **Coinsurance:**The percent you pay for health services after you meet your deductible. Say your coinsurance is 20%. After you've paid your deductible, if you get a \$100 bill from your doctor, you pay 20% or \$20. Your insurance pays the rest.
- **Benefit Period:** For Medicare Part A, the benefit period begins at day one of a hospital or skilled nursing admission. It ends after you are out of the hospital or skilled nursing facility for 60 consecutive days.

Costs for Medicare Part A

Most people don't pay a monthly premium for Medicare Part A – but only if they worked and paid for Medicare for 10 or more years. Their costs include:

Monthly premium— \$0. But in 2023 add \$278 to your monthly premium if you paid Medicare taxes for only 30 to 39 quarters (7.5 to 9.75 years). For less than 30 quarters or 7.5 years, add \$506.

Hospital inpatient deductible— \$1,600. The deductible applies every benefit period.

Coinsurance: Medicare covers up to 90 days of inpatient care every benefit period.

- Days 1 to 60: \$0
- Days 61 to 90: \$400 coinsurance each day
- Days 91 and beyond: \$800 coinsurance per each “lifetime reserve day” after day 90 for each benefit period (up to 60 days over your lifetime)
- Beyond lifetime reserve days: all costs

For example: You have a 120-day hospital stay; Medicare covered 90 days, and you used 30 lifetime reserve days. After you are out of the hospital for 60 days, you start another benefit period and are eligible for another 90 days of hospital coverage. But you then have only 30 lifetime reserve days remaining.

Costs for Medicare Part B

You'll pay a late enrollment penalty every month if you sign up for Part B after you're first eligible. That penalty could go up 10% for each 12-month period you could have had Part B.

Monthly premium— \$164.90 is the 2023 standard cost. Monthly premiums can be higher depending on your income. But any penalties add more cost.

Annual deductible— \$226

Coinsurance— 20% is what you typically pay of the Medicare-approved amount.

Costs for Medicare Part C

For Part C, or Medicare Advantage, costs vary depending on your plan.

Monthly premium— You must still pay your standard Medicare Part B premium. But many Medicare Advantage plans have a low or \$0 premium. Depending on your area, some Medicare Advantage plans may help pay your Part B premium.

Annual deductible, coinsurance/copays, and out-of-pocket costs— Visit [MyMedicare.gov](https://www.medicare.gov). After entering your ZIP code, compare health plan costs in your area.

Costs for Medicare Part D

If you have Original Medicare, you may also want Medicare Part D to cover your prescription drug costs. Medicare drug coverage is optional and is offered to everyone with Medicare. You should consider getting Medicare drug coverage even if you don't take prescription drugs now.



If you're planning a trip, try these packing tips from the experts at Good Housekeeping:

- Roll clothes and pack them first to help prevent creases. Then fit in shoes and accessories
- For outfits, choose travel-friendly knits and stretchy fabrics
- Pack the first outfit you plan to wear on top
- Pack heavy items like shoes by the wheeled end of your suitcase
- Layer plastic dry cleaning bags between clothes to further reduce wrinkling
- Bring an extra tote for souvenirs
- Keep important medication in your carry-on bag
- Bring a scarf on the plane; it can keep you warm and doubles as a pillow

If you decide not to get it when you're first eligible, and you don't have creditable prescription coverage (like drug coverage from an employer or union) or get Extra Help, you'll likely pay a Late Enrollment Penalty when you join a plan later. Generally, you'll pay this penalty as long as you have Medicare drug coverage.

Monthly premium and annual deductible— Visit [MyMedicare.gov](https://www.medicare.gov). After entering your ZIP code, add your prescription drugs. You can compare costs of monthly premiums and deductibles for prescriptions you use.

The plans are PDP, HMO, PPO with a Medicare contract. Their SNPs also have contracts with State Medicaid programs. Enrollment in any plan depends on contract renewal. Medicare Transition Services (MTS) is not connected with or endorsed by the U.S. Government or the Federal Medicare Program. MTS is a program offered by Carefree Insurance Services, Inc.® We do not offer every plan available in your area. Any information we provide is limited to those plans we do offer in your area. Please contact [Medicare.gov](https://www.medicare.gov) or 1-800-MEDICARE (TTY: 1-877-486-2048), 24 hours a day, 7 days a week, to get information on all your options. This is a solicitation of insurance. Plans not available in all states. Contact may be made by a licensed insurance agent or insurance company. The MTS program is not offered as part of an employer sponsored benefit plan. Recommendations made by an MTS employee or licensed agent are recommendations of MTS and should not be deemed to be endorsed by your employer. Please refer to [aetnamedicare.com/en/footers/disclaimers.html](https://www.aetnamedicare.com/en/footers/disclaimers.html) for Nondiscrimination, Language Assistance, and Effective Communication for Individuals with Disabilities.

MTS816 3/2023