

## **Ea\$y Money – Retirement: Medicare (A, B, and D)**

**What it is:** Medicare is the federal health insurance program for people who are 65 or older, certain younger people with disabilities. Different types of Medicare plans help pay for your inpatient hospital care, doctor visits, outpatient services, home health care, prescription drugs, some care in a skilled nursing facility and much more, depending on the plan or plans you choose.

As complicated as that sounds, there's a single key choice at the core of all your decision-making: Will you go with the Original Medicare plan, which is run by the federal government and consists of Parts A and B, or a Medicare Advantage plan (also called Part C) that is offered by a private insurer and approved by Medicare?

**How it works:** Although Social Security's full retirement age is no longer 65, you should sign up for Medicare three months before your 65th birthday. You can apply at [www.socialsecurity.gov](http://www.socialsecurity.gov). To get started with Medicare you can complete an Authorization Form if you want your family or friends to call Medicare on your behalf. Medicare can't give personal health information about you to anyone unless you give permission in writing first.

**Why it matters?** Medicare Part A (Hospital Insurance) covers inpatient hospital stays, care in a skilled nursing facility, hospice care, and some home health care. Medicare Part B (Medical Insurance) covers certain doctors' services, outpatient care, medical supplies, and preventive services. Medicare Part D (prescription drug coverage) adds prescription drug coverage to Original Medicare, some Medicare Cost Plans, some Medicare Private-Fee-for-Service Plans, and Medicare Medical Savings Account Plans. These plans are offered by insurance companies and other private companies approved by Medicare. Medicare Advantage Plans may also offer prescription drug coverage that follows the same rules as Medicare Prescription Drug Plans.

**Who should care?** Once you sign up for Medicare you will receive a list of tests, items, and services that are covered no matter where you live. If your test, item, or service isn't listed, talk

to your doctor or other health care provider about why you need certain tests, items, or services, and ask if Medicare will cover them.

**NOTE:** This information is provided as an educational service and is not intended as, nor should it be considered legal advice but provides general information.

**For more information:**

- Iowa State University Extension and Outreach Money Blogs tips, <http://blogs.extension.iastate.edu/moneytips/>
- Iowa State University Extension and Outreach publication PM1825A, *Retirement Transitions: Strategies for Retirement Income -- Retirement: Secure Your Future*
- Iowa State University Extension and Outreach Human Sciences website at [www.extension.iastate.edu/humansciences/](http://www.extension.iastate.edu/humansciences/)
- The official U.S. Government site for Medicare, [www.Medicare.gov](http://www.Medicare.gov)
- Social Security, <https://www.socialsecurity.gov/pubs/EN-05-10043.pdf>