



Making Sense of Medicare Parts A, B, C, and D

With its four distinct parts, Medicare can be an alphabet soup of complexity. We provide an overview of the various components and how they impact your healthcare costs.

Medicare is available to virtually all U.S. citizens and legal residents 65 years of age and over who have previously worked and paid U.S. taxes or who are/were married to someone who did. There are four key parts to Medicare — Parts A, B, C, and D. To maximize coverage and benefits, it is critical to understand the features of each.

Medicare Parts A and B are referred to as Original Medicare

Medicare Part A: Hospital Insurance

This insurance helps cover hospital stays, skilled nursing facility care, nursing home care, hospice care, and home health care. As long as you or your spouse have made contributions to Social Security for at least 10 years, you will not pay a premium for Part A. However, if you haven't paid contributions, you will pay a monthly premium. Other features include:

- ◆ Choose any qualified provider in the U.S. who is seeing new patients.
- ◆ There are coverage limits, and you may incur out-of-pocket costs (for instance, if you are hospitalized for more than 90 days at a time).
- ◆ Doctor services provided during a hospital stay are not covered under Part A.
- ◆ You must pay a deductible before Part A pays for your costs. In 2024, the deductible is \$1,632 for each benefit period.

- ◆ You may also incur coinsurance costs. For 2024, the coinsurance is \$408 per day of each benefit period for days 61-90 and \$816 for days 91 and beyond.

Medicare Part B: Medical Insurance

This insurance covers doctor visits and other medical services, such as outpatient care at hospitals, durable medical equipment, laboratory tests, and some nursing care. Key features of Part B coverage include:

- ◆ Choose any qualified provider in the U.S. who is seeing new patients.
- ◆ There are coverage limits on a few services, such as occupational therapy.
- ◆ Part B may not cover vision, dental, or hearing services. It may not cover assistance with bathing or getting dressed, either.
- ◆ Most people pay a premium for Part B coverage. If you receive Social Security, this will be deducted from your benefits. In 2024, the standard premium is \$174.70.
- ◆ You must pay a deductible and coinsurance. For 2024, the deductible is \$240, and coinsurance is typically 20% of the Medicare-approved amount for services, outpatient therapy, and certain medical equipment.

Medicare Part C: Medicare Advantage (private)

These plans are offered by private insurance companies and pay for certain hospital costs, doctor visits and other services. Part D coverage may also be included in these plans.



Making Sense of Medicare Parts A, B, C, and D

(continued)

- ◆ Some plans allow you to choose a primary care doctor, while others allow you to go to any Medicare provider.
- ◆ Some plans cover services that original Medicare does not, such as dental and vision care, meal delivery, and extras such as wheelchair ramps and shower grips for homes.
- ◆ Coverage limits vary by plan.
- ◆ Part C coverage generally covers Original Medicare except for hospice care, which is covered under Part A.
- ◆ Holders of Part C plans must continue to pay their Part B premium. Part C plans may have their own premiums.
- ◆ Deductibles, copays and co-insurance vary by plan, while all place limits on your out-of-pocket expenses.
- ◆ In 2024, if your total drug costs reach \$5,030, you will be responsible for 25% of the remaining prescription drugs you buy during the year.
- ◆ In 2024, once you have paid \$8,000 out-of-pocket for medicines, you qualify for catastrophic coverage and will have no additional copayments for outpatient drugs for the rest of the year.
- ◆ Check medicare.gov to see if the plan you're considering has the medicines you take on its covered list.
- ◆ Some Medicare Advantage plans include Part D coverage. Check to be sure.
- ◆ Plans may restrict which pharmacies you can use.
- ◆ Coverage limits vary, with each offering various levels of copays.
- ◆ Plans also vary as to coverage and exclusions.
- ◆ Monthly premiums vary, as do deductibles and copays.

Medicare Part D: Prescription Drugs

Plan D applies to prescription drug coverage and is sold by private insurance companies. Coverage varies according to plan, with pricing options that can be complex.

- ◆ Many plans have coverage gaps, during which they may not cover all drug costs. Check the terms of any plan that you are reviewing.



Important Disclosures

This material is for general information only and is not intended to provide specific advice or recommendations for any individual. There is no assurance that the views or strategies discussed are suitable for all investors or will yield positive outcomes. Investing involves risks including possible loss of principal.

This material was prepared by LPL Financial.

Securities and advisory services offered through LPL Financial (LPL), a registered investment advisor and broker-dealer (member FINRA/SIPC). Insurance products are offered through LPL or its licensed affiliates. To the extent you are receiving investment advice from a separately registered independent investment advisor that is not an LPL Financial affiliate, please note LPL Financial makes no representation with respect to such entity.

Not Insured by FDIC/NCUA or Any Other Government Agency	Not Bank/Credit Union Guaranteed	Not Bank/Credit Union Deposits or Obligations	May Lose Value
---	----------------------------------	---	----------------