

# Understanding Medicare

## How Much Do You Know About Medicare?

(NAPSA)—Medicare plays an important role in covering health care expenses during retirement. Yet, a survey conducted by the National Association of Insurance Commissioners (NAIC) revealed that as many as 40 percent of the respondents were unaware of the age at which most people become eligible for the program.

“Anyone planning for retirement needs to understand what Medicare is and, more importantly, what it isn’t,” said Scott Perry, president of Bankers Life and Casualty Company, a national health and life insurer serving the retirement needs of the middle market.

### Understanding The Basics

Medicare benefits are available through:

- Original Medicare (Part A Hospital Insurance and Part B Medical Insurance),
- Medicare Advantage plans (Part C), and
- Medicare Prescription Drug Coverage (Part D).

If you plan to enroll in Original Medicare, consider purchasing a Medicare supplement (Medigap) policy. These policies help with some health care expenses not covered by Medicare, such as deductibles and co-pays. Eleven standardized plans are offered with varying levels of coverage.

Medicare Advantage plans generally provide benefits similar to what you would get if you combined traditional Medicare with Medicare supplement insurance, but with lower member premiums due to the use of network health care providers. These plans can also include extras such as vision care and dental discounts, and many have built-in prescription drug benefits.



Finally, Medicare Prescription Drug Coverage (Part D) is available to everyone with Medicare. To get the protection, which helps pay for outpatient prescription drugs, you must join a Prescription Drug Plan. These plans vary in cost and drugs covered.

### Avoiding Common Misunderstandings

Remember that most people become eligible for Medicare at age 65, even if they begin collecting Social Security earlier. If you plan to retire early, you may need to obtain other medical coverage until you reach 65.

Also, note that Medicare does not cover all medical costs, such as long-term care. Medicare only pays for skilled nursing care provided in a qualified nursing facility, and only for short periods while you’re recuperating after a hospital stay. It stops paying benefits once your care needs stabilize. Medigap policies pay only after Medicare has paid benefits and they, like Medicare, do not pay for long-term care.

“Knowing how Medicare works with other types of insurance can help protect savings at a time when many retirees are living on fixed incomes,” said Perry.

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