

Medicare 101: What You Need to Know

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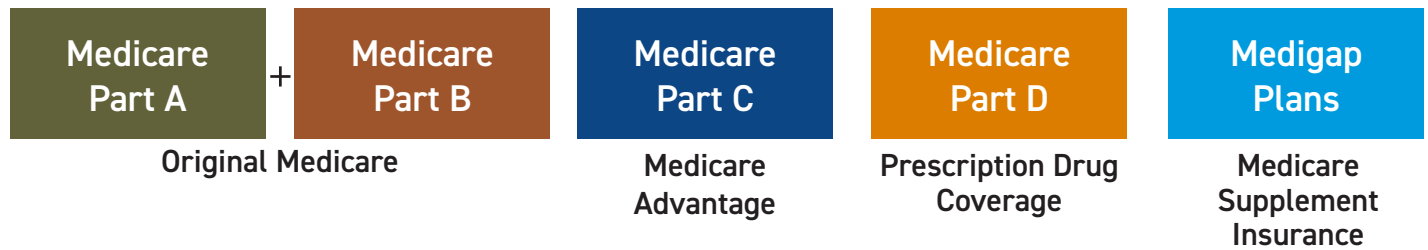


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What is Medicare?

Medicare is the federal health insurance program for people aged 65 and older, people under 65 with certain disabilities, and people of all ages with End-Stage Renal Disease (ESRD).

Medicare is made up of several components:



Original Medicare: Parts A & B

Medicare Part A - Hospital Insurance

Part A helps pay for:

- Inpatient hospital care
- Skilled nursing facility (SNF) care
- Home health services
- Hospice care

2026 Part A deductible: \$1,736 per benefit period*

Services	Medicare Pays	You Pay
Hospitalization		
First 60 Days	All but \$1,736	\$1,736 (Part A deductible)
61st - 90th Day	All but \$434 a day	\$434 a day
91st Day & After, while using 60 Lifetime Reserve Days	All but \$868 a day	\$868 a day
Skilled Nursing Facility Care		
First 20 Days	All approved amounts	\$0
21st - 100th Day	All but \$217 a day	\$217 a day
101st Day & After	\$0	All costs

* A benefit period begins the day you are admitted as an inpatient to a hospital or a skilled nursing facility (SNF) and ends the day you have been out of the hospital or SNF for 60 days in a row.

Medicare Part B - Medical Insurance

Part B helps pay for:

- Physician services
- Hospital outpatient services
- Laboratory & diagnostic services
- Durable medical equipment (DME)
- Home health services
- Some preventive services
- Ambulance

2026 Part B deductible: \$283 annually

Services	Medicare Pays	You Pay
Medical Expenses		
First \$283 of Medicare-approved Amounts	\$0	\$283 (Part B deductible)
Remainder of Medicare-approved Amounts	Generally, 80%	Generally, 20%
Part B Excess Charges** (above Medicare-approved amounts)	\$0	All costs

Your Part B deductible is met for the calendar year once you are billed the first \$283 of Medicare-approved amounts for covered services.

** Vermont law generally prohibits a physician from charging more than the Medicare-approved amount. However, there are exceptions, and this prohibition may not apply if you receive services out of state.

The amounts provided in this brochure are for 2026.

These costs are subject to change each year by the Centers for Medicare & Medicaid Services (CMS).

How to Pay for Medicare

Medicare Part A

- Most people pay \$0 premium because they or their spouse worked at least 10 years and paid Medicare taxes.
- If you don't qualify for \$0 premium, you may need to buy Part A. The cost depends on how long you worked and paid Medicare taxes.
- A late enrollment penalty may apply if you delay signing up when first eligible.

Need Help with Premiums?

Contact Social Security to learn more about your Part A and Part B premium amounts.

If you have limited income or resources, you may qualify for programs that help pay Medicare premiums. For assistance, contact your State Health Insurance Assistance Program (SHIP) or call Medicare.

Medicare Part B

- The standard monthly premium is \$202.90 (2026).
- People with higher incomes pay more based on the Income-Related Monthly Adjustment Amount (IRMAA).
- Premium amounts and income brackets are set by the federal government and may change each year on January 1.
- The Social Security Administration (SSA) will notify you of your exact premium.
- A late enrollment penalty may apply if you delay enrolling when first eligible.

Medicare Part C – Medicare Advantage

Medicare Advantage (MA) is an alternative way to receive your Medicare benefits. These plans are offered by private insurance companies that contract with Medicare to provide your Medicare Part A and Part B benefits in one plan.

What's Included:

- All services covered by Original Medicare, such as hospital stays, provider visits, and medical supplies.
- May include extra benefits not available with Original Medicare's coverage.
- May require using in-network healthcare providers.

To join, you must:

- Have both Medicare Part A and Part B.
- Live in the plan's service area.
- Be a U.S. citizen or lawful U.S. resident.

What It Costs:

- Monthly plan premium (some plans are \$0).
- Your Medicare Part B premium.
- Deductibles, copays, and coinsurance based on the plan.
- Prescription drug costs if the plan includes Part D coverage.
- Costs for any extra benefits the plan offers.

Medicare Advantage plan availability varies by location. Visit [Medicare.gov](https://www.medicare.gov) to compare options in your area.

Medicare Part D – Prescription Drug Coverage

Medicare Part D is optional prescription drug coverage offered by private insurers approved by Centers for Medicare & Medicaid Services (CMS) that helps Medicare enrollees pay for their medications.

What Medicare Part D Includes:

- Coverage, premiums, and drug lists vary by plan.
- Prescription drugs only (not over-the-counter medications)
- Many plans use a pharmacy network.

A Part D plan has different stages:

Stage	You Pay
Annual Deductible*	Varies by plan but cannot exceed \$615.
Initial Coverage	After deductible, you pay a set copay or coinsurance.
Catastrophic Coverage	Once your out-of-pocket costs reach \$2,100, the plan pays the full cost for your covered Part D drugs. You pay nothing.

* Some plans may waive the annual deductible for certain drugs.

With Medicare Part D, many vaccines are covered at no cost to you. You also won't pay more than \$35 for a one-month supply of each insulin product regardless of the cost-sharing tier, even if your deductible is not yet paid.

Medicare Supplement Insurance

Medicare Supplement insurance, also called Medigap, is optional coverage you can purchase from a private health insurance company. These plans help pay some of the out-of-pocket costs not paid by Original Medicare.

Overview of Medigap Plans:

- Accepted by any provider or facility in the U.S. that accepts Medicare.
- Does not include prescription drug coverage, which can be purchased separately.
- Typically does not cover long-term care, vision or dental services, hearing aids, or private-duty nursing.
- Some plans offer limited coverage for emergency care while traveling outside the U.S.

To join a plan, you must:

- Have Medicare Part A and/or Part B.
- Live in the plan's service area.
- Enroll in a stand-alone Part D or choose a Medicare Advantage plan that includes drug coverage.
- If your Medicare Advantage plan does not include drug coverage, you usually cannot add a separate Part D plan.

Late Enrollment Penalty:

If you delay Part D enrollment after your Initial Enrollment Period, you may pay a permanent penalty added to your monthly premium. You can avoid this if you have creditable drug coverage or qualify for Medicare's Extra Help program.

To buy a Medigap Plan, you must:

- Be enrolled in Medicare Part A and Part B.
- Continue paying your Part B premium.
- Live in a state where the plan is offered.

Costs You May Pay:

- A monthly plan premium.
- Your Medicare Part B premium.
- Costs for services that Original Medicare doesn't cover.
- A separate premium for a stand-alone Part D plan, if you choose to enroll.
- Costs vary by plan and may include deductibles, copayments, and coinsurance.

The best time to buy a Medigap plan is during your Medigap Open Enrollment Period. This is the 6-month window that begins the first day of the month you're 65 or older and enrolled in Part B. After this period ends, your ability to buy a Medigap plan may be limited, and premiums may be higher.

Medicare Enrollment Periods

Most people sign up for Medicare for the first time around their 65th birthday. However, those with a qualifying disability or specific medical conditions may be eligible to enroll earlier than age 65.

Below are some common Medicare enrollment periods:

Initial Enrollment Period (IEP)

Your Initial Enrollment Period (IEP) is an important 7-month window to enroll in Original Medicare (Part A & Part B) for the first time and explore additional coverage options. It begins three months before your 65th birthday, includes your birthday month, and extends three months afterwards.



Other Enrollment Periods

If you missed enrolling in Medicare during your IEP, there may still be other opportunities available for you to enroll.

Medicare General Enrollment Period

January 1 – March 31

If you didn't enroll in Medicare when first eligible and don't qualify for a Special Enrollment Period, you can still sign up for Medicare Part A and/or Part B during this enrollment period. However, late enrollment penalties may apply, and your coverage will begin on the first day of the month following your enrollment.

Special Enrollment Period (SEP)

There are certain life events, such as job loss or moving, that may allow you to enroll in Medicare or make changes to your Medicare coverage outside of the standard Medicare enrollment periods. For more information on available SEPs, visit [Medicare.gov](https://www.medicare.gov) or call Medicare.

Annual Enrollment Period (AEP)

October 15 – December 7

This yearly enrollment period allows you to make changes to your Medicare plans. You can:

- Join, drop, or switch to another Medicare Advantage plan.
- Switch from a Medicare Advantage plan to Original Medicare.
- Enroll or switch to a different Medicare Part D plan if you have Original Medicare.

Know Your Plan Options

Original Medicare	Original Medicare + Supplement and/or Part D	Medicare Advantage
<p>PART A: Hospital Insurance + PART B: Medical Insurance</p>	<p>PART A: Hospital Insurance + PART B: Medical Insurance</p> <hr/> <p>PART D: Drug Coverage and/or Medicare Supplement Insurance</p>	<p>PART A: Hospital Insurance + PART B: Medical Insurance</p> <hr/> <p>PART D: Drug Coverage + Extra Benefits</p>

Preparing for Medicare Checklist

When it comes to Medicare, there are a lot of health insurance options and steps to navigate.

Here's a simple checklist to help you get started on the right path for your Medicare coverage.

12 months before your 65th:	9 months before your 65th:	6 months before your 65th:	3 months before your 65th:
Determine when you should enroll in Medicare	Start learning about your coverage options	Evaluate your health care needs and costs	Enroll in the Medicare plan(s) that are right for you

Additional Resources

Medicare

Visit [Medicare.gov](https://www.Medicare.gov)

Call: 1-800-MEDICARE (1-800-633-4227)

TTY users can call 1-877-486-2048

Representatives are available 24 hours a day, 7 days a week (except some federal holidays).

Vermont Association of Area Agencies on Aging

Get information and support for Vermonters age 60+ and their families.

Visit [Vermont4a.org](https://www.Vermont4a.org) to find your local agency.

Call: 1-800-642-5119

Social Security Administration (SSA)

Sign up for Medicare, apply for the Extra Help program if you have limited income or resources, or talk about retirement benefits.

Visit [SSA.gov](https://www.SSA.gov)

Call: 1-800-772-1213


TTY users can call 1-800-325-0778.

Available in most U.S. time zones Monday through Friday, 8 a.m. to 7 p.m.


Contact an Agent

You can work with an agent to help you navigate your Medicare options.

We understand this process can be complicated. We're here to help.

 (800) 255-4550 (TTY/TDD: 711)

 consumersupport@bcbsvt.com

 [bluecrossvt.org](https://www.bluecrossvt.org)

Blue Cross and Blue Shield of Vermont is not connected with or endorsed by the U.S. government or the Federal Medicare Program.

To get comprehensive information about your Medicare options, please visit [Medicare.gov](https://www.Medicare.gov) or call 1-800-MEDICARE (1-800-633-4227), or contact your local State Health Insurance Program (SHIP). By contacting a licensed sales agent, this does not obligate you to enroll in a plan or affect your current enrollment status, and automatic enrollment will not occur.

