



American Republic  
Insurance Services®



**Understanding Medicare:**  
Know your risks. Know your options.



**Planning a Secure Retirement is  
not Simple—but it is Important**

# The First Step in Planning a Secure Retirement is Understanding the Risks you Face in Retirement

One of the most complicated and confusing issues you'll face as you plan for retirement is understanding what Medicare does and does not cover.

- Failure to protect against expenses that are not covered by Medicare may have a dramatic impact on your financial security.
- The American Republic Insurance Services organization specializes in helping you understand your needs for life and health insurance in retirement.
- This brochure will help you understand what Medicare covers and does not cover.
- This document, together with an assessment of your individual needs, will help you **be informed, be smart and be secure.**

## Understanding the Medicare Insurance Program

While Medicare helps cover healthcare costs, it doesn't cover all medical expenses or the cost of most long-term care. The program has four basic parts:

### PART A

#### Medicare Part A (Hospital Insurance)

Part A helps pay for inpatient hospital care, limited skilled nursing care, hospice care and other services.

### PART B

#### Medicare Part B (Medical Insurance)

Part B helps pay for doctors' fees, outpatient hospital visits and other medical services and supplies not covered by Part A.

### PART C

#### Medicare Part C (Private Medicare Advantage)

Part C allows you to choose to receive all of your healthcare services through a private organization. (You must have both Parts A and B to enroll in Part C.)

### PART D

#### Medicare Part D (Prescription Drug Insurance)

Part D helps pay for some of the cost of medications that your healthcare professionals prescribe.

# Understanding What Medicare Does Not Cover

Because Medicare does not cover all your medical costs, you may decide to obtain additional protection through supplemental insurance policies. These policies are sold by private companies and are not part of Medicare.

Having the right insurance protection in place can provide you with peace of mind and protect you from high out-of-pocket medical expenses. Having Medicare alone can expose you to many thousands of dollars in out-of-pocket expenses.

You may want to consider insurance coverage for some or all of the following expenses:

- The costs of skilled nursing, assisted living, nursing home and home health care
- The deductibles, coinsurance and exclusions in Medicare coverage
- The additional costs that go along with critical illnesses like the cost of travel and lodging when receiving care away from home
- The costs of final expenses and replacing lost income

## ORIGINAL MEDICARE



◀ **BASIC** ▶  
Hospital Costs  
Doctor Costs  
Outpatient Care

◀ **PRESCRIPTIONS** ▶

◀ **ADDITIONAL** ▶  
Insurance and Benefits

## MEDICARE ADVANTAGE



## Medicare Does Not Eliminate Your Financial Responsibilities

The number-one misperception most people have about Medicare is that it covers all of your medical expenses. As the following charts indicate, it does not. In many cases you could be responsible for thousands of dollars of care.

### MEDICARE PART A: HOSPITAL EXPENSES (per benefit period)

BENEFIT	MEDICARE PAYS	YOUR RESPONSIBILITY
<b>HOSPITAL CONFINEMENT</b>		
First 60 days	All but \$1,288 per benefit period* (Part A deductible)	<b>\$1,288</b> per benefit period
Days 61–90	All but \$322 per day (Part A co-insurance)	<b>\$322–\$9,660</b>
Days 91–150	All but \$644 per day	<b>\$644–\$38,640</b>
<b>BLOOD</b>		
First 3 pints (blood deductible)	Nothing	<b>YOUR TOTAL RESPONSIBILITY</b>
<b>SKILLED NURSING FACILITY</b> (After a hospital stay for less than three nights)		
	Nothing	<b>YOUR TOTAL RESPONSIBILITY</b>
(After three nights in the hospital)		
First 20 days	100% of all costs	<b>\$0</b>
Days 21–100	All but \$161 per day	<b>\$161–\$12,880</b>
Beyond 100 days	Nothing	<b>YOUR TOTAL RESPONSIBILITY</b>
<b>NON-SKILLED INTERMEDIATE AND CUSTODIAL CARE</b>		
For chronically ill and aged who need help with activities of daily living	Nothing	<b>YOUR TOTAL RESPONSIBILITY</b>
<b>HOSPICE CARE</b>		
Available for the terminally ill who elect to receive these services	All but very limited co-insurance for outpatient drugs and inpatient respite care	<b>MINIMAL CO-INSURANCE PAYMENT</b>

## MEDICARE PART B: MEDICAL EXPENSES (per calendar year)

BENEFIT	MEDICARE PAYS	YOUR RESPONSIBILITY
<b>PHYSICIAN SERVICES AND OTHER MEDICAL EXPENSES IN OR OUT OF THE HOSPITAL</b>		
Medicare approved amounts up to \$166	Nothing (Part B deductible)	<b>\$166 EACH CALENDAR YEAR</b>
Medicare approved amounts over \$166	Generally 80% (Part B co-insurance)	<b>GENERALLY 20% OF COSTS</b>
Covered charges in excess of Medicare approved amounts, up to any charge limitations established by state or federal law	Nothing	<b>YOUR TOTAL RESPONSIBILITY</b>
<b>BLOOD</b>		
First 3 pints (blood deductible)	Nothing	<b>YOUR TOTAL RESPONSIBILITY</b>

## MEDICARE PARTS A and B:

### HOME HEALTH CARE MEDICARE-APPROVED SERVICES

Covered home care visits and medical supplies	100%	<b>\$0</b>
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### DURABLE MEDICAL EQUIPMENT

Medicare approved amounts up to \$166	Nothing (Part B deductible)	<b>\$166 EACH CALENDAR YEAR</b>
Medicare approved amounts over \$166	80%	<b>20% OF COSTS</b>

## EXPENSES NOT COVERED BY MEDICARE

### FOREIGN TRAVEL

Medically necessary emergency hospital and medical care	Nothing	<b>YOUR TOTAL RESPONSIBILITY</b>
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## Suffering from Medicare Overload Yet?

Don't worry, you are not alone. It's easy to become overwhelmed by the complexity of Medicare. Your American Republic Insurance Services representative, however, is a life and health insurance specialist focused on retirement planning and can help you sort through Medicare, your options and the other insurance products that can help protect your financial security. Our goal is simple, we want you to be informed, be smart and be secure in the decisions you make about your financial security in retirement.



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[www.AmericanRepublicInsuranceServices.com](http://www.AmericanRepublicInsuranceServices.com)

800-954-3301

**Not connected with or endorsed by the United States government or the Federal Medicare program.**

This is a solicitation of insurance and an agent may contact you. Call today for more information about the benefits, costs and limits. Coverage available to qualified Medicare beneficiaries under age 65. Plan availability, features and benefits vary by state.

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