

Medicare

Medicare is the Federal health insurance program for Americans age 65 and older and for certain disabled Americans. If you are eligible for Social Security or Railroad Retirement benefits and are age 65, you and your spouse automatically qualify for Medicare.

Medicare has two parts: hospital insurance, known as Part A, and supplementary medical insurance, known as Part B, which provides payments for doctors and related services and supplies ordered by the doctor. If you are eligible for Medicare, Part A is free, but you must pay a premium for Part B.

Medicare will pay for many of your health care expenses, but not all of them. In particular, Medicare does not cover most nursing home care, long-term care services in the home, or prescription drugs. There are also special rules on when Medicare pays your bills that apply if you have employer group health insurance coverage through your own job or the employment of a spouse.

Medicare usually operates on a fee-for-service basis. HMOs and similar forms of prepaid health care plans are now available to Medicare enrollees in some locations.

The best source of information on the Medicare program is the *Medicare Handbook*. This booklet explains how the Medicare program works and what your benefits are. To order a free copy, write to: Health Care Financing Administration, Publications, N1-26-27, 7500 Security Blvd., Baltimore, MD 21244-1850. You also can contact your local Social Security office for information.

Some people who are covered by Medicare buy private insurance, called "Medigap" policies, to pay the medical bills that Medicare doesn't cover. Some Medigap policies cover Medicare's deductibles; most pay the coinsurance amount. Some also pay for health services not covered by Medicare. There are 10 standard plans from which you can choose. (Some states may have fewer than 10.) If you buy a Medigap policy, make sure you do not purchase more than one.

You need to shop carefully before deciding on the best policy to fit your needs. You may get another booklet, *Guide to Health Insurance for People with Medicare*, to help you in making the right choice. To order a free copy, write to: Health Care Financing Administration, Publications, N1-26-27, 7500 Security Blvd., Baltimore, MD 21244-1850.

Another good source of information on the same topic is *The Consumer's Guide to Medicare Supplement Insurance*. To order a free copy, write to: Health Insurance Association of America, 555 13th St., N.W., Suite 600 East, Washington, D.C. 20004.