



How much does Medicare really cost?

Medicare has different parts you can combine for more coverage. Depending on your choice, you may pay premiums, copays, coinsurance, deductibles or other costs.

Let's see what coverage can cost and how to keep expenses in check.

What does Original Medicare cost?

Parts A and B, or Original Medicare, cover essential medical care. Original Medicare is provided through the federal government.

Part A covers inpatient hospital stays and some care outside of the hospital.

If you or your spouse worked and paid Medicare taxes for at least 10 years, you qualify for premium-free Part A. Otherwise, you'll pay a monthly premium. The amount depends on how long you've worked and paid Medicare taxes. Three months of work equals one "work credit."

In 2021, the standard Part A monthly premium is \$471 if you have fewer than 30 credits. If you have 30-39 credits, it's \$259.

You'll also need to pay an annual deductible. In 2021, it's \$1,484.

If you're in the hospital more than 60 days, you'll pay coinsurance.

Days 1-60: \$0 coinsurance for each benefit period
Days 61-90: \$371 coinsurance per day after day 60 of each benefit period

Days 91 and beyond: \$742 coinsurance per each "lifetime reserve day" after day 90 of each benefit period (up to 60 days)

Beyond lifetime reserve days: all costs

Part B covers:

- Doctor visits
- Outpatient procedures
- Lab services and other testing
- Durable medical equipment

Most people pay a monthly premium for Part B and also have a deductible. The standard monthly payment is \$148.50 in 2021. The annual Part B deductible is \$203 in 2021.

If you make above a certain amount, you'll pay the standard premium plus an extra charge. The charge is called an Income-Related Monthly Adjustment Amount (IRMAA).

The premium may cost more if you enroll later than three months after your 65th birthday and have no other creditable coverage.

That means coverage that's at least as good as what Medicare provides.

What does Part D cost?

Part D helps pay for prescription drugs. These plans are run by private insurance companies.

Premiums vary by plan and where you live. In 2021, the average monthly premium is \$30.50. The annual deductible is no more than \$445. If you make more than a certain amount, you may need to pay an extra monthly charge, called the Part D IRMAA. You may also pay a copayment or coinsurance.

If you go 63 or more consecutive days without Medicare drug coverage or other creditable coverage, you may pay a penalty if you sign up for Part D later.

What does Part C cost?

Part C, or Medicare Advantage (MA), plans provide the same coverage as Original Medicare. They often offer extra benefits, such as:

- Prescription drugs
- Dental, vision and hearing services
- Gym memberships
- Allowance for over-the-counter items

Part C plans are offered through private insurance companies. You have to enroll in Original Medicare before joining an MA plan. That means you'll pay premiums for your Part B, your MA plan and in some cases, your Part A. Premiums, deductibles, copayments and out-of-pocket costs vary by plan.

A closer look at the price of Medicare Advantage

Unlike Original Medicare, MA plans have an annual maximum out-of-pocket (MOOP) limit. That means you won't pay more than a certain amount for covered care. In 2021, the average MA MOOP is \$5,091. MA plan members often pay less. MOOP includes deductibles, copayments and coinsurance costs, but not premiums and Part D cost sharing.

Comparing costs for Original Medicare and MA plans

When considering plans, crunch the numbers for doctor visits, hospital stays and other scenarios.

MA plans, for example, require a copay for every doctor visit or medical service. Original Medicare charges a 20 percent coinsurance for most doctor visits and services. That means the plan only covers 80 percent of approved expenses.

No matter which plan you choose, Medicare is an essential way to pay for care as you age.

Learn more at
[AllinaHealthAetnaMedicare.com](https://www.AllinaHealthAetnaMedicare.com)



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