

MEDICARE IN 2020

A Medicare Interactive Resource
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What's New?

Medicare in 2020

Expansion of Medicare Advantage Supplemental Benefits

Some Medicare Advantage Plans cover services that are not covered by Original Medicare. Common supplemental benefits include dental care, vision care, and hearing aids.

Starting in 2019, Medicare Advantage Plans were granted more flexibility in the supplemental benefits they are allowed to offer to their members. This includes the ability to offer benefits that are not directly considered medical care. These benefits might include in-home supports and home modifications.

Starting in 2020, plans are allowed to begin offering supplemental benefits that are not primarily health-related for individuals who have chronic illnesses. These benefits might include meal delivery, transportation for non-medical needs, and home air cleaners. [Visit Medicare Interactive to learn more.](#)



Did You Know?

Medicare Advantage Plans, sometime referred to as **Part C**, contract with the federal government and are paid a fixed amount per person to provide Medicare benefits. **Plans must provide all Part A and Part B services offered by Original Medicare**, but can do so with different rules, costs, and restrictions that can affect how and when you receive care.

[Visit Medicare Interactive to learn more about Medicare Advantage.](#)

What's New?

Medicare in 2020

Medigap Changes

As a result of federal legislation, individuals who are newly eligible for Medicare on or after January 1, 2020 will not be able to purchase Medigap Plan C or Plan F (including the Plan F high-deductible option). This is because after January 1, 2020, the law prevents individuals new to Medicare from purchasing Medigaps that pay for the Part B deductible. Both Plan C and Plan F cover the Part B deductible. This law also applies to the three states (Massachusetts, Minnesota, and Wisconsin) that operate their own Medigap systems. People new to Medicare in those states will not be allowed to purchase Medigaps that pay for the Part B deductible. However, Plan D and Plan G currently provide coverage for all the same out-of-pocket costs, except for the Part B deductible.

If you were eligible for Medicare before January 1, 2020, you will not be affected by these Medigap changes. You will still be able to purchase Plan C or Plan F.

Closure of Donut Hole

The Part D donut hole is a phase of Part D coverage during which you pay more for the cost of your prescription drugs. In the past, beneficiaries used to pay a high percentage of the cost of their drugs, but over the years this percentage has been decreasing.

The donut hole closes completely in 2020, which means that you pay, on average, 25% of the cost of your generic and brand-name drugs. The donut hole closed in 2019 for brand-name drugs and in 2020 for generic drugs.

Part A Costs

Hospital Insurance

Premium

If you've worked 10 years or more	Free
If you've worked 7.5 to 10 years	\$252/month
If you've worked less than 7.5 years	\$458/month

Deductible

For each benefit period*	\$1,408
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Hospital Coinsurance

First 60 days of inpatient care each benefit period*	\$0
For days 61-90 each benefit period*	\$352/day
After day 90 in a benefit period	\$682/ lifetime reserve day**

Skilled Nursing Facility Coinsurance

First 20 days of inpatient care each benefit period*	\$0
For days 21-100 each benefit period	\$176/day

*A benefit period begins the day you start getting inpatient care. It ends when you haven't received inpatient hospital or skilled nursing facility care for 60 days in a row.

**You have 60 lifetime reserve days that can only be used once. They are not renewable.

Part B Costs

Medical Insurance

Premium

Standard premium if your annual income is below \$87,000 (\$174,000 for couples)*

\$144.60/month

People with high incomes have a higher Part B premium. [Visit Medicare Interactive to learn more.](#)

People with limited incomes may be eligible for the **Medicare Savings Program** for help paying their Part B premium. [Visit Medicare Interactive to learn more.](#)

* A small number of people may pay a premium that is lower than the standard premium because their Social Security benefits did not increase enough to cover the increase in their Part B premium from 2019 to 2020.

Deductible

Annual amount

\$198/year

Coinsurance

For most Part B-covered services

20%

Part D Costs

Prescription Drug Coverage

Premium

The premium varies by Part D plan.

\$32.74/month
National average in 2020

People with high incomes have a higher Part D premium. [Visit Medicare Interactive to learn more.](#)

Deductible

The deductible varies by Part D plan.

**Up to
\$435/year**

If you have Extra Help, you will have a low or no deductible.

What is Extra Help?

If you have a limited income and assets, you may be eligible for Extra Help, a federal program that helps you pay for some or most of the costs of Medicare prescription drug coverage

[Visit Medicare Interactive to learn about Extra Help.](#)

Part D Coverage Phases

How much you and your Part D plan pays will change during the year. There are four different coverage phases for Medicare prescription drug coverage.

1. Deductible Period

If your plan has a deductible, you will have to pay the full cost of your drugs (100%) until you meet that amount.

2. Initial Coverage Period

Begins after you meet the deductible.



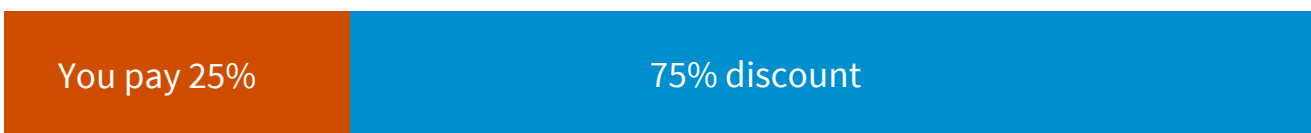
3. Coverage Gap (also known as the donut hole)

Begins when you and your plan together have paid \$4,020 for your covered drugs (does not include the premium).

Brand-name drugs

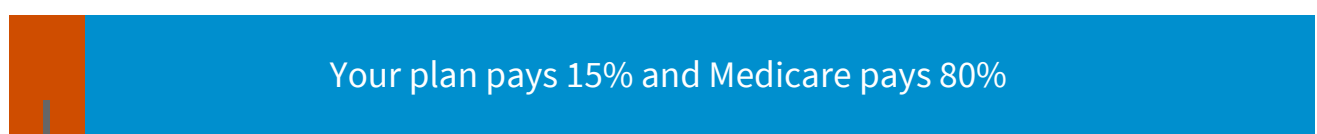


Generic drugs



4. Catastrophic Coverage

Begins when you have paid \$6,350 for your covered drugs (does not include the premium).



You pay 5%

Medicare Advantage

Private Health Plan

In a Medicare Advantage Plan (private health plan) you generally must pay the Medicare Part B premium. Some Medicare Advantage Plans may also charge you an additional premium. In some cases, the plan may pay part of your Part B premium.

Medicare Advantage Plans may have a deductible for hospital visits, doctor visits, or prescription drugs, but some do not. Plans usually charge you a fixed copayment when you visit a doctor, instead of the 20% coinsurance you pay under Original Medicare.

All plans must include a limit on the amount of money you spend out-of-pocket during the year.



In 2020, the maximum out-of-pocket limit for most plans is \$6,700.

They also cannot charge higher copayments than Original Medicare for certain care. This includes chemotherapy, dialysis, and skilled nursing facility (SNF) care. They can charge you more than Original Medicare for others services, including home health, durable medical equipment, and inpatient hospital services.

Important!

Many Medicare Advantage Plans have a network of doctors, hospitals, and pharmacies, and provide services only in a certain part of the country. **Be sure to always review the plan's cost and coverage before enrolling.**

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