

## Original Medicare Cost-Sharing Requirements, 2005

BENEFITS IN FEE-FOR-SERVICE MEDICARE		BENEFICIARY RESPONSIBILITY, 2005
<i>Hospital Care</i>	<ul style="list-style-type: none"> <li>• <b>Inpatient care</b>, for up to 90 days per spell of illness. Beneficiaries have 60 lifetime reserve days.</li> </ul>	<ul style="list-style-type: none"> <li>⇒ Part A deductible (\$912 per spell of illness)</li> <li>⇒ Coinsurance: \$228/day for days 61-90 and \$456/day for days 91-150</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Outpatient care</b></li> </ul>	<ul style="list-style-type: none"> <li>⇒ Part B deductible (\$110 per year)</li> <li>⇒ Coinsurance: 20% of approved amount (<i>Until the coinsurance "buy-down"<sup>1</sup> is complete, the effective coinsurance for some outpatient services is greater than 20%</i>)</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Inpatient psychiatric care</b>, subject to a 190-day lifetime limit</li> </ul>	<ul style="list-style-type: none"> <li>⇒ Part A deductible</li> <li>⇒ Coinsurance: \$228/day for days 61-90 and \$456/day for days 91-150</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Emergency room services</b></li> </ul>	<ul style="list-style-type: none"> <li>⇒ Part B deductible</li> <li>⇒ Coinsurance: 20% of approved amount</li> </ul>
<i>Limited Post-Acute Care</i>	<ul style="list-style-type: none"> <li>• <b>Skilled nursing facility care</b>, up to 100 days per spell of illness, following a hospitalization of at least three consecutive days</li> </ul>	<ul style="list-style-type: none"> <li>⇒ Part A deductible</li> <li>⇒ Coinsurance: \$114/day for days 21-100</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Home health care visits</b>, whether or not preceded by hospitalization, subject to specified home health eligibility criteria</li> </ul>	<ul style="list-style-type: none"> <li>⇒ None under Part A or Part B</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Physical, occupational and speech therapy</b></li> </ul>	<ul style="list-style-type: none"> <li>⇒ Part B deductible</li> <li>⇒ Coinsurance: 20% of approved amount</li> </ul>
<i>Hospice Care</i>	<ul style="list-style-type: none"> <li>• <b>Hospice care</b>, subject to certification of eligibility and election of beneficiary</li> </ul>	<ul style="list-style-type: none"> <li>⇒ Coinsurance: 5% up to a maximum of \$5 per prescription; 5% per day copayment for respite care</li> </ul>
<i>Physician Services</i>	<ul style="list-style-type: none"> <li>• <b>Physician office visits, hospital visits, surgical services, consultations</b> (includes very limited chiropractic, dental, and podiatric services)</li> </ul>	<ul style="list-style-type: none"> <li>⇒ Part B deductible</li> <li>⇒ Coinsurance: 20% of approved amount <i>See below for outpatient mental health services</i></li> </ul>
<i>Mental Health</i>	<ul style="list-style-type: none"> <li>• <b>Specified outpatient mental health services</b></li> </ul>	<ul style="list-style-type: none"> <li>⇒ Part B deductible</li> <li>⇒ Coinsurance: <i>For most outpatient treatments, effective coinsurance is 50% of covered expenses<sup>2</sup></i></li> </ul>
<i>Medical Equipment/Supplies</i>	<ul style="list-style-type: none"> <li>• <b>Durable medical equipment</b> (e.g., wheelchairs, oxygen)</li> </ul>	<ul style="list-style-type: none"> <li>⇒ Part B deductible (if not provided under Part A)</li> <li>⇒ Coinsurance: 20% of approved amount</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Orthotics and prosthetic devices</b> (e.g., artificial limbs)</li> </ul>	<ul style="list-style-type: none"> <li>⇒ Part B deductible (if not provided under Part A)</li> <li>⇒ Coinsurance: 20% of approved amount</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>Medical supplies</b> (e.g., surgical dressings)</li> </ul>	<ul style="list-style-type: none"> <li>⇒ Part B deductible (if not provided under Part A)</li> <li>⇒ Coinsurance: 20% of approved amount</li> </ul>

<sup>1</sup> In 2005, Medicare beneficiaries are liable for up to 45% of total payments for certain hospital outpatient services. Beneficiaries' coinsurance had been based on 20% of whatever amount the hospital charges, rather than on the amount Medicare approves. The Balanced Budget Act of 1997 began to correct this problem by gradually reducing beneficiary coinsurance for *all* outpatient services to 20% of Medicare's approved amount. However, implementation of this reduction (known as the "buy-down") will be accomplished gradually over the next 20 years or more.

<sup>2</sup> For most services, Medicare pays only 62.5% of covered expenses. Therefore, the patient pays the remaining 37.5%, plus 20% coinsurance on the 62.5% (or 12.5%), for a total of 50 percent.

## Original Medicare Cost-Sharing Requirements, 2005 (Cont.)

BENEFITS IN FEE-FOR-SERVICE MEDICARE	BENEFICIARY RESPONSIBILITY, 2005
<b>Blood</b> <ul style="list-style-type: none"> <li>• <b>Blood</b>, needed as part of Part A or Part B covered service</li> </ul>	⇒ Pay for the first three pints per year ⇒ Part B deductible (if not provided under Part A) ⇒ Coinsurance: 20% of approved amount
<b>Diagnostic</b> <ul style="list-style-type: none"> <li>• <b>Clinical laboratory</b> (e.g., blood tests, urinalysis)</li> </ul>	⇒ None
<ul style="list-style-type: none"> <li>• <b>Physiological laboratory</b> (e.g., radiological scans and imaging)</li> </ul>	⇒ Part B deductible ⇒ Coinsurance: 20% of approved amount
<b>Preventive Care*</b> <ul style="list-style-type: none"> <li>• <b>“Welcome to Medicare” (one-time) physical examination</b>, within the first six months of enrollment in Part B, for beneficiaries whose Part B coverage begins on or after January 1, 2005</li> </ul>	⇒ Part B deductible ⇒ Coinsurance: 20% of approved amount
<ul style="list-style-type: none"> <li>• <b>Mammograms</b>, annually, for women age 40 and over</li> </ul>	⇒ Coinsurance: 20% of approved amount ⇒ <i>Part B deductible does not apply</i>
<ul style="list-style-type: none"> <li>• <b>Pelvic/Breast exam/Pap smears</b>, once every two years (more frequently for those at high risk), for women</li> </ul>	⇒ Coinsurance: 20% of approved amount for physician services ⇒ <i>Part B deductible does not apply</i>
<ul style="list-style-type: none"> <li>• <b>Diabetes screening</b>, not more than twice a year, for those at risk</li> </ul>	⇒ Part B deductible ⇒ Coinsurance: 20% of approved amount ⇒ <i>No coinsurance or Part B deductible for diabetes screening lab tests</i>
<ul style="list-style-type: none"> <li>• <b>Glaucoma testing</b>, annually, for those at risk</li> </ul>	⇒ Part B deductible ⇒ Coinsurance: 20% of approved amount
<ul style="list-style-type: none"> <li>• <b>Cardiovascular screening blood tests</b>, not more than once every two years</li> </ul>	⇒ Part B deductible ⇒ Coinsurance: 20% of approved amount ⇒ <i>No coinsurance or Part B deductible for lab tests</i>
<ul style="list-style-type: none"> <li>• <b>Colorectal cancer screening</b>, annually, for all beneficiaries age 50 and over</li> </ul>	⇒ Part B deductible and 20% coinsurance may apply (depending on which screening test is performed)
<ul style="list-style-type: none"> <li>• <b>Bone mass measurement</b>, once every two years, for certain beneficiaries at risk for losing bone mass</li> </ul>	⇒ Part B deductible ⇒ Coinsurance: 20% of approved amount
<ul style="list-style-type: none"> <li>• <b>Prostate cancer screening</b>, annually, for male beneficiaries age 50 and over</li> </ul>	⇒ Part B deductible and 20% coinsurance for screening rectal exams ⇒ <i>No coinsurance or Part B deductible for PSA test</i>
<ul style="list-style-type: none"> <li>• <b>Flu vaccine</b>, annually, for all beneficiaries</li> </ul>	⇒ None
<ul style="list-style-type: none"> <li>• <b>Pneumococcal vaccine</b>, usually a one-time vaccination, for all beneficiaries</li> </ul>	⇒ None
<ul style="list-style-type: none"> <li>• <b>Hepatitis B vaccine</b>, a one-time series, for those at risk</li> </ul>	⇒ Part B deductible ⇒ Coinsurance: 20% of approved amount

\* Certain restrictions and other requirements may apply. See [www.medicare.gov](http://www.medicare.gov) or call 1-800-MEDICARE for more information on preventive care or other Medicare benefits.

Sources: Centers for Medicare and Medicaid Services, *Medicare & You*, 2005; CMS Medicare website, [www.medicare.gov](http://www.medicare.gov); CCH, Inc., *2004 Medicare Explained*, Chicago: CCH, Incorporated, 2004.

Prepared by Craig Caplan, AARP Public Policy Institute, February 2005.

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