DID YOU KNOW?

The first Medicare recipients were President Harry S. Truman and First Lady Bess Truman. When President Lyndon B. Johnson signed the Medicare program into law on July 30, 1965, at the Truman Library in Independence, Missouri, he presented Truman with the nation's first Medicare card.

Chapter 1
What Medicare Is and Who It's For

Whether you're new to Medicare or getting ready to sign up, you may have questions about what exactly Medicare is and who it's for. You're not alone — Medicare is huge and confusing and even people who've had Medicare for years often aren't entirely clear on how it works. This chapter covers the basics you need to know to get started.

What Is Medicare?

Medicare is a federal insurance program that provides guaranteed health coverage for Americans ages 65 and older, as well as younger people with disabilities. The program was established in 1965 and currently serves more than 68 million Americans, including more than 60 million seniors and 7 million people with disabilities.

The program is structured into several parts:

- Part A covers hospital stays and skilled nursing care.
- Part B covers doctor visits and outpatient services.
- Part C (also known as Medicare Advantage) is an alternative private insurance option.
- Part D helps with prescription drug costs.

Premiums for Parts B and D may vary based on income, but Medicare eligibility isn't based on income or assets, and you can't be denied coverage due to preexisting conditions.

Who Is Eligible for Medicare?

To be eligible for Medicare at age 65, you must be either a U.S. citizen or a lawful permanent resident who has lived in the United States for at least five continuous years. You may also qualify

based on your spouse's work history if you've been married for at least one year.

People under 65 can qualify for Medicare if they've received Social Security Disability Insurance (SSDI) benefits for at least two years, have Lou Gehrig's disease (amyotrophic lateral sclerosis, or ALS), or have permanent kidney failure requiring dialysis or transplant. Additionally, most people need to have worked and paid Medicare taxes for at least 40 quarters (ten years) to receive premium-free Part A coverage, although those who don't meet this requirement can still get Medicare by paying additional premiums.

Will Medicare Cover All My Medical Bills?

No, Medicare will not cover all your medical bills. Medicare covers many healthcare costs, but you'll still have out-of-pocket expenses including premiums, deductibles, copayments, and coinsurance.

Original Medicare (see Chapters 2 and 3) doesn't generally cover several important services like routine dental, hearing, and vision care. Many people choose to purchase additional coverage through a Medicare supplement policy (called Medigap) to help cover deductibles, coinsurance, and copayments, or a Part D prescription drug plan to help with medication costs.

Does Medicare Have a Network?

Original Medicare allows you to see any doctor or provider in the United States that accepts Medicare, without needing to worry about network restrictions. You don't need referrals to see specialists, and approximately 98 percent of doctors participate in Medicare, with 83 percent of primary-care physicians accepting new Medicare patients.

Medicare Advantage plans, on the other hand, typically operate with restricted provider networks, similar to employer-based insurance. With Medicare Advantage, you may have higher out-of-pocket costs or no coverage at all for out-of-network providers. These plans often require you to choose a primary-care doctor and obtain referrals for specialists; they also may require prior authorization for certain medical services.

How Do I Find Out If My Doctor Accepts Medicare?

You can use Medicare's Care Compare tool (`www.medicare.gov/care-compare`) to find doctors who accept Medicare in your area by entering your zip code. The tool shows you a list of providers, and under each doctor's name it indicates

if they charge the Medicare-approved amount. You can filter results by factors like gender and board certification, though you should still call the doctor's office to confirm they're still accepting new Medicare patients.

If you have a Medicare Advantage plan, you'll need to check if the doctor is in your plan's network, because seeing out-of-network providers typically results in higher out-of-pocket costs. You can do so by going on your Medicare Advantage plan website or contacting your doctor.