



Balancing Health and Wealth: A Close Look at Medicare Costs

While Medicare does most of the heavy lifting when it comes to your healthcare costs, it doesn't eliminate all of your costs. Understanding the different “parts” of Medicare coverage and your costs associated with each part will help you weigh your options as you go deeper into your decision-making process. Ideally, you'll find the right balance between health and wealth so you can live your retirement years without sacrificing either.

Medicare's parts and their respective costs

Medicare is divided into various parts, each with its own set of costs:

- **Part A (Hospital Insurance):** Most beneficiaries don't pay a premium for Part A provided they or their spouse paid Medicare taxes for a certain amount of time. However, there are deductibles for inpatient hospital stays and potential additional costs if you exceed a certain number of days in the hospital
- **Part B (Medical Insurance):** Unlike Part A, Part B—which covers doctor visits, lab services, home health care, and certain in-patient and out-patient services—does have a monthly premium, which can vary based on your income. Plus, there's a yearly deductible you must meet before Medicare starts to pay, after which you typically pay 20% of the Medicare-approved amount for most doctor services
- **Part C (Medicare Advantage Plans):** Medicare Advantage Plans come from private companies rather than the government, so costs can vary depending on the plan. These plans combine Part A and Part B and often include Part D. Premiums, deductibles, copayments (a set rate you pay for doctor visits, prescriptions, etc.), and coinsurance (the percentage of costs you pay after meeting your deductible) can differ according to which Medicare Advantage plan you choose.
- **Part D (Prescription Drug Coverage):** Medicare beneficiaries can purchase drug coverage through various private companies, so costs can differ. Expect a monthly premium, yearly deductible, and other costs based on the medications you need. Many Medicare Advantage plans include drug coverage or you will need a separate Prescription drug plan.



Filling the gaps with Medigap

Medigap, sometimes referred to as a Medicare Supplement plan, is supplemental insurance sold by private companies and is for Original Medicare beneficiaries, not for those with a Medicare Advantage plan. It covers some of the healthcare costs that Medicare doesn't cover. Even though there's a separate premium for Medigap, it can help balance your out-of-pocket expenses.

Three tips for balancing health and wealth

Balancing health and wealth is about making informed decisions that promote your well-being without straining your wallet. With the right tools and resources, you can navigate the world of Medicare with confidence and clarity. Some foundational tips might help:

- **Research and compare:** Use tools like the [EOS Plan Finder](#) to compare costs and benefits of different plans.
- **Prepare for the unexpected:** Set aside some funds for unforeseen medical expenses.
- **Review regularly:** As Medicare plans and your personal health needs evolve, review your coverage annually to avoid overpaying or under-insuring.



The Brighter Way To Navigate Medicare

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