



A Guide to the Different Parts of Medicare

Medicare is a federal health insurance program for¹:

- People age 65 or older
- Certain younger people with disabilities
- People of any age with amyotrophic lateral sclerosis (ALS)
- People of any age with end-stage renal disease (ESRD), which refers to permanent kidney failure requiring dialysis or a transplant

There are 4 parts of Medicare: A, B, C, and D. You can choose to get coverage either through Original Medicare (Parts A and B) or Medicare Advantage (Part C).

Original Medicare

Medicare Part A²

Hospital insurance that covers the different types of inpatient care, including:

- Inpatient* care in a hospital
- Skilled nursing facility (SNF) care[†]
- Nursing home care (inpatient care in a skilled nursing facility that's not custodial or long-term care)
- Hospice care
- Home healthcare

Medicare Part B³

Medical insurance that covers:

- Services from doctors and other [healthcare providers](#)
- Outpatient[‡] care (lab tests, X-rays, and emergency department visits)
- Home healthcare
- Durable medical equipment (wheelchairs, walkers, hospital beds, and other equipment)
- Many preventive services (screenings, shots or vaccines, and yearly wellness visits)



Medigap (Medicare Supplement Insurance)^{1,4}

Extra insurance you can buy from a private (also known as commercial) health insurer to help with costs in Original Medicare. You must have Original Medicare to buy a Medigap policy.

Medicare Advantage (MA), also known as Medicare Part C^{3,5}

Medicare coverage you can buy from certain private health insurers. MA plans offer Part A, Part B, and usually Part D coverage.

MA plans may cover:

- Vision, hearing, and dental services
- Benefits such as fitness programs and health and wellness services
- Transportation to doctor visits
- Certain over-the-counter drugs and wellness products that Part D doesn't cover

MA coverage is different from a Medicare Supplement Insurance (Medigap) policy.

Medicare Part D (prescription drug coverage)³

Medicare coverage that helps with the cost of prescription drugs, including shots or vaccines. You can either enroll in a Part D plan in addition to Original Medicare or join an MA plan that includes Part D coverage.

[Learn more about Medicare](#) 

[Apply for Medicare](#) 

²Inpatient refers to when the patient is formally admitted to a hospital as an inpatient with a doctor's order.⁶

[†]SNFs provide 24/7 nursing care as well as rehabilitation services. Generally, patients who have been discharged from the hospital but still need medical support during recovery are sent to SNFs.⁷

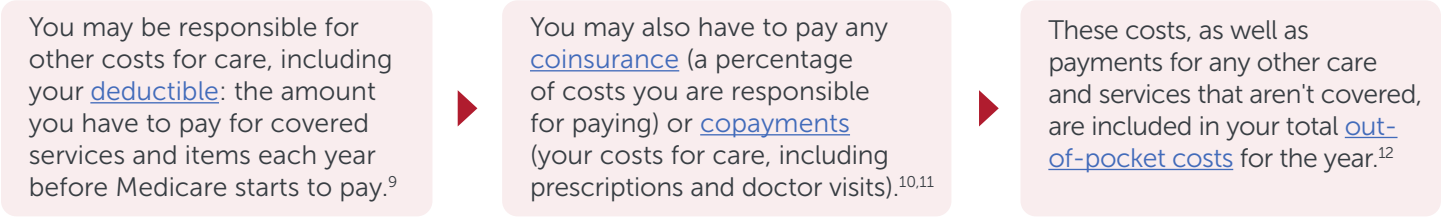
[‡]Outpatient refers to when the patient is receiving healthcare services but the doctor hasn't written an order to admit the patient to a hospital as an inpatient.⁶

What to Expect For Medicare Costs – Parts A and B

What you pay for Medicare depends on the coverage and services you get and the doctors you visit

With most Medicare plans, you'll have to pay a [premium](#): a monthly fee for your coverage, whether you get services or not.⁸

Learn more about your [premium](#) for Medicare 



Learn more about key terms on [page 7](#).

Part A ^{13,14}	
Premium	• \$0 for most people (those who have paid Medicare taxes for at least 10 years). Otherwise, premiums may range. For 2025, premiums were \$285–\$518, which can change slightly each year • If you don't qualify for premium-free Part A, you may be able to buy Part A • You must sign up for Part B to buy Part A
Deductible	Pay an out-of-pocket deductible for each hospital visit per benefit period (the way that Original Medicare measures your use of hospital and SNF services) before Medicare covers costs. Because there's no limit to the number of benefit periods you can have in a year, you may have to pay the deductible more than once in a year. As of 2025, the deductible was \$1,676, which can change slightly each year.
Inpatient stay Copayments	• Days 1-60: \$0 after you pay your deductible • Days 61-90: Varies every year. In 2025, cost was \$419 per day • Days 91-150: Varies every year. In 2025, cost was \$838 per day while using your 60 lifetime reserve days • After day 150: You pay for all costs

Part B ^{13,14}	
Premium	Amount paid can change each year and may be higher depending on your income. For 2025, the premium was \$185 each month. You'll pay the premium each month, even if you don't get any services through Part B.
Deductible	Paid once a year and can vary depending on the year. In 2025, the deductible was \$257 for the year
Patient coinsurance	20% of the Medicare-approved amount once you've paid your deductible .



Medigap (Medicare Supplement Insurance) can help cover your 20% [coinsurance](#) for Parts A and B^{13,15}. There's no yearly limit on what you pay out of pocket for Original Medicare, unless you have Medigap or join a Medicare Advantage Plan.¹³

Medigap usually helps pay your portion of costs (like [deductibles](#), [coinsurance](#), and [copayments](#)) for services that Part A and Part B cover in Original Medicare. The amount you'll pay for Part A and Part B services depends on the Medigap policy you buy.

Medigap [premiums](#) depend on your specific coverage plan, location, and more, with amounts changing each year. You must pay your Part B [premium](#) to have Medigap.

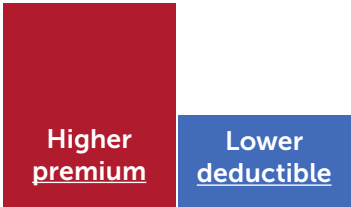
What to Expect About Medicare Costs – Parts C and D



Things to consider in choosing an MA or Part D plan^{3,8,13}

- Medicare Advantage plans are offered by private insurance companies. There are many different types of MA plans, and [premiums](#) can vary widely
- Medicare Part D plans also come from insurance companies and have a range of [premiums](#) . Most MA plans include Part D coverage
- When choosing a plan, it may be helpful to consider your overall costs to determine how much you can pay for care. In many cases, there is a trade-off between a plan's monthly [premium](#) and your [deductible](#), which matters in determining your total [out-of-pocket costs](#)

Plans with the lowest monthly [premium](#) may not be the cheapest option if you need a lot of care.



Plans with higher [premiums](#) typically have lower or sometimes no [deductible](#), which may mean lower [out-of-pocket costs](#) over the course of the year.⁸



Conversely, some plans with lower [premiums](#) may have high [deductibles](#). This means you may have more [out-of-pocket costs](#) over the course of the year.⁸

Medicare Advantage (Part C)^{5,13,16,17}

MA plans cover the same health services as Original Medicare, as well as additional benefits. Each plan has its own rules for cost and coverage. Costs may change each year. You cannot buy a Medigap policy with an MA plan.

Premium	• Depends on your MA plan – To get MA coverage, you'll need to pay your Part B premium and may also have to pay your MA plan's premium – MA plans may help with costs for your Part B premium
Other cost responsibilities (deductibles , copayments , coinsurance)	• Depends on your MA plan
Out-of-pocket costs	• MA plans may have lower out-of-pocket costs than Original Medicare • MA plans have a yearly limit on what you pay out of pocket for services Medicare Parts A and B cover. Once you reach your plan's limit, you'll pay nothing for services Parts A and B cover for the rest of the year

What to Expect About Medicare Costs – Parts C and D (continued)



Part D (prescription drug coverage)^{8,13,18,19,20}

Part D costs depend on the plan you choose.

- Plan coverage and costs can change each year, including rules around the pharmacies you can use to get your treatment, which may affect costs

The monthly [premium](#) for Part D changes depending on your selected plan.

- Usually, Part D plans with higher [premiums](#) have better coverage and lower [out-of-pocket costs](#)
- You may also have to pay a [deductible](#), [copayments](#), or [coinsurance](#) throughout the year for your Part D plan

Although Part D plans vary in cost and which drugs they cover, Medicare requires that all meet a set level of coverage, known as the **standard benefit**.

Annual Deductible	Initial Coverage	Catastrophic Coverage
You pay up to the deductible	You pay up to out-of-pocket cap	You pay \$0
• You pay 100% of drug costs until you meet the deductible, at which time your plan begins covering costs • Costs may vary depending on your plan and associated cost. For example, some Part D plans don't have any deductible • In 2025 the deductible was \$590, which may change slightly each year	• After you have met your deductible, you pay 25% of drug costs (known as a coinsurance or copay) and your plan covers the rest during the initial coverage period • You will continue to share drug costs with your plan until you meet the out-of-pocket cap, including your deductible. In 2025 the out-of-pocket cap was \$2,000, which can change slightly year to year	• You are responsible for out-of-pocket costs for the entire year up to the maximum • After you have reached the out-of-pocket maximum, you enter catastrophic coverage, where you pay \$0 for your medications



Part D plans cover different types of pharmacies, including:

- Retail, where you get more common or over-the-counter drugs
- Specialty, where you get more complex treatments
- Mail-order programs that send treatments directly to your home

Confirm costs and rules regarding pharmacies for each Part D plan (for example, whether the plan requires that you get your drugs from a certain pharmacy or if it charges you less if you use a mail-order pharmacy).²¹

Learn more about costs across different parts of Medicare



Compare your Medicare Advantage, Medigap, and Medicare Part D options and choose the right plan for you.



[Learn more](#)

Medicare and Medicaid

Your State Medical Assistance ([Medicaid](#)) office offers programs to help lower costs

Medicaid²²

[Medicaid](#) is a joint federal and state program that helps cover medical costs for some people with limited income and resources. [Medicaid](#) offers benefits not normally covered by Medicare, like nursing home care and personal care services. People who get both Medicare and [Medicaid](#) are known as **dual-eligible**.

The rules around who's eligible for [Medicaid](#) are different in each state. To qualify, you must meet your state's rules for your income and resources, and more. You can still pick how you want to get your Medicare coverage: Original Medicare or Medicare Advantage (Part C).

Depending on the level of [Medicaid](#) you qualify for, your state might pay for:



Your share of Medicare costs, like [deductibles](#), [coinsurance](#), and [copayments](#)



Part A [premiums](#), if you have to pay a [premium](#) for that coverage



Your Medicare Part B monthly [premiums](#)



Other drugs and services that Medicare doesn't cover

To learn more, call your State Medical Assistance ([Medicaid](#)) office and ask about medical help for people with limited resources.

Learn more 



If you get both Medicare and [Medicaid](#), you'll automatically be enrolled in a Medicare program to help with drug costs, known as [Extra Help \(or Low-Income Subsidy\)](#). This means that you'll never pay 100% of the cost for drugs covered by Medicare. Learn more on the next page.^{22,23}



Medicare Prescription Payment Plan

If you do not qualify for Extra Help and would like help managing your out-of-pocket drug costs, you may benefit from enrolling in the Medicare Prescription Payment Plan (MPPP).

The MPPP may help by spreading out your drug costs, including your deductible, over the year, but works best if you sign up earlier in the year, especially if you anticipate high medication costs.

To learn more information and enroll in the program, contact your prescription drug plan or visit the [Medicare](#) website.

Help With Medicare Costs

Find out if you're eligible for support and how to apply

Extra Help (Low-Income Subsidy)^{23,24}



[Extra Help](#), also known as [Low-Income Subsidy \(LIS\)](#), helps people with limited income and resources pay Medicare Part D [premiums](#), [deductibles](#), [coinsurance](#), and other costs. You also won't have to pay a Part D late enrollment penalty if you get [Extra Help](#).

Some people qualify for [Extra Help](#) automatically, whereas others have to apply. You'll get [Extra Help](#) automatically if you have:

- Full [Medicaid](#) coverage
- Help from your state paying your Part B [premiums](#) (from a [Medicare Savings Program](#))
- Supplemental Security Income (SSI) benefits from Social Security

✓ **If you're automatically enrolled**, you'll get a letter about your [Extra Help](#). It tells you things like how much you'll pay, and your new Medicare drug plan, if you don't have one already.

✗ **If you don't automatically get [Extra Help](#)**, you can apply [online](#) or by calling **1-800-772-1213**.

Potential cost savings with [Extra Help](#)^{20,*}

	Covers deductible	Reduces drug costs to \$1.60 – \$12.15 (as of 2025)	Catastrophic Coverage
Extra Help/LIS	✓	✓	✓

Learn more 

[State Health Insurance Assistance Program \(SHIP\)](#)²⁵

SHIP refers to state programs that receive money from the federal government to give free local health insurance counseling to people with Medicare. This includes counseling around costs, eligibility, and coverage rules for different Medicare plans.

1-877-839-2675

Learn more 

[Medicare Savings Programs](#)²⁶

[Medicare Savings Programs](#) can help with [premiums](#), [deductibles](#), [coinsurance](#), and [copayments](#) for qualifying beneficiaries enrolled in Original Medicare. Individuals apply for Medicare Savings Programs through their state.

Learn more 

*Subject to eligibility criteria.

Terms to Know

Benefit period	The way that Original Medicare measures your use of hospital and skilled nursing facility (SNF) services, starting from the day you're admitted. The benefit period ends when you haven't received any inpatient hospital care for 60 days in a row. ²⁷
Catastrophic Coverage	The third and final stage of Medicare Part D coverage after you have paid the maximum out of your own pocket for drug costs. ²⁰
Coinsurance	An amount you may have to pay as your share of the cost for services after you pay any deductibles, usually as a percentage (for example, 20%). ¹⁰
Copayments (Copays)	An amount you may have to pay as your share of the cost for benefits after you pay any deductibles, usually a fixed amount, like \$30. ¹¹
Deductible	The amount you must pay for healthcare or prescriptions before Original Medicare, your Medicare Advantage Plan, your Medicare drug plan, or your other insurance begins to pay. ⁹
Deductible period	The first stage of Medicare Part D when you pay the full price for your covered prescription drugs until you meet the plan's deductible. While deductibles change from plan to plan and vary each year, some plans have no deductible. ¹³
Extra Help/Low-Income Subsidy (LIS)	A Medicare program to help patients with limited income and resources with Part D costs, like premiums, deductibles, coinsurance, and copayments. To apply, go online or call 1-800-772-1213. ²³
Formulary	A list of prescription drugs covered by a prescription drug plan or another insurance plan offering prescription drug benefits. Also called a drug list. ²⁸
Healthcare provider	A person or organization that's licensed to give healthcare. Doctors, nurses, and hospitals are examples of healthcare providers. ²⁹
Initial Coverage	The stage of Medicare Part D after you pay your deductible. Your plan helps with costs for covered prescription drugs and you pay 25% of the cost, up to the out-of-pocket cap for total drug costs. ²⁰
Medicaid	A joint federal and state program that helps with medical costs for some people with limited income and resources. Medicaid programs vary from state to state, but most healthcare costs are covered if you qualify for both Medicare and Medicaid. ²²
Medicare Savings Program	State-run programs that help people with limited income and resources pay some or all of their premiums, deductibles, and coinsurance for Original Medicare. ²⁶
Out-of-pocket costs	Health or prescription drug costs that you must pay on your own because they aren't covered by Medicare or other insurance. These include deductibles, coinsurance, and copayments for covered services plus all costs for services that aren't covered. ¹²
Premium	The monthly fee you pay to Medicare, an insurance company, or a healthcare plan for health or prescription drug coverage. ⁸
State Health Insurance Assistance Program (SHIP)	A state program that receives money from the federal government to give free local health insurance counseling to people with Medicare. ²⁵
Tiers	Groups of drugs that have a different cost for each group. Generally, a drug in a lower tier will cost you less than a drug in a higher tier. ³⁰

Otsuka Patient Support offers dedicated professionals and digital solutions to help make treatment more accessible for patients and provide ongoing support.

For questions about Medicare, Otsuka Patient Support may be able to help provide answers.



Call Center

Representatives available to deliver personalized assistance and additional resources.

1-833-468-7852

Monday–Friday, 8 AM–8 PM ET



OtsukaPatientSupport.com

View educational resources and have your questions answered through a 24/7 chat.

Visit [Insurance Resources](#) for additional education about Medicare and related topics.

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