**What Does Medicare Part A Insurance Cover?**

*Presented by* ***Eric C. Tolmie, MBA***

Medicare Part A insurance covers inpatient care in a hospital or a skilled nursing facility, as well as hospice care. It provides limited coverage for nursing home and home health services.

**How—and when—do I enroll?**

There are specific enrollment guidelines for Medicare, and you must sign up before the enrollment deadline to avoid incurring a penalty.

* **Automatic:** Enrollment in Part A is automatic if you receive social security, Railroad Retirement Board disability, or retirement benefits at least four months before your 65th birthday.
* **Initial enrollment period:** If you are not automatically enrolled, you must enroll before the enrollment deadline. The initial seven**-**month enrollment period is the three months preceding your 65th birthday, the month of your birthday, and three months following your birthday.
* **General enrollment period:** If you didn’t sign up when you were first eligible, the annual Medicare Part A and/or Part B general enrollment period begins January 1 and ends March 31.
* **Special enrollment period:** The special enrollment period applies when your employment ends. If you continue to work after your 65th birthday and have employer health insurance, you must enroll in Part A and/or Part B within eight months of your last date of employment. The eight**-**month period also applies to spouses who are eligible for Medicare and used employer health insurance. Enrolling in Part B during the special enrollment period generally avoids the 10**-**percent penalty assessed for late enrollment.

You may enroll online at [***www.socialsecurity.gov/medicare/apply.html***](http://www.socialsecurity.gov/medicare/apply.html) or in person at a local social security office.

For more information about Medicare, visit the Getting Started with Medicare page at [***www.medicare.gov/people-like-me/new-to-medicare/getting-started-with-medicare.html***](http://www.medicare.gov/people-like-me/new-to-medicare/getting-started-with-medicare.html)

**What are my out-of-pocket expenses?**

Part A premium and deductible costs are listed within the Your Medicare Costs tab at ***www.medicare.gov***. Click the “Medicare **2018** costs at a glance” link for in-patient deductible and coinsurance rates. <https://www.medicare.gov/your-medicare-costs/costs-at-a-glance/costs-at-glance.html>

**Part A premiums:** Most people don’t pay monthly premiums for Medicare Part A. If you or your spouse paid FICA taxes for 40 quarters of coverage (10 years), you should be eligible to receive “premium**-**free Part A” insurance.

* + **Government employees:** Federal employees hired after January 1, 1983, should be eligible for premium**-**free Part A insurance.
  + **State and local employees:** State and local employees hired after April 1, 1986, should be eligible for premium**-**free Part A insurance.
* **Hospital deductible:** The Part A deductible applies to each “benefit period.” A benefit period begins the first day of in**-**patient care and ends 60 days after you have not been in a hospital or skilled nursing facility. If you have multiple Part A benefit periods within the same year, the deductible would be charged for *each* benefit period.
* **Coinsurance:** Part A has separate coinsurance charges for hospital and skilled nursing facility care.
* **Hospital care:**
  + **Days 1–60:** $0 coinsurance charge
  + **Days 61–90:** Daily coinsurance charges begin
  + **Days 91–150:** Daily coinsurance charges increase
  + **Day 151+:** You pay all charges
* **Skilled nursing facility care**:
  + **Days 1–20:** $0 coinsurance charge
  + **Days 21–100:** Daily coinsurance charges begin
  + **Days 100+:** You pay all charges

**Can I contribute to a health savings account (HSA) once I’ve enrolled in Medicare?**

You cannot contribute to an HSA if you’ve enrolled in Medicare, although enrollment does not preclude future withdrawals from an HSA. It is recommended that you stop contributing to your HSA six months prior to social security and/or Medicare enrollment to prevent the assessment of penalties and deduction loss if your Medicare coverage enrollment is backdated. A spouse who is not enrolled in Medicare can continue to contribute to his or her HSA.

**What else do I need to know about Medicare Part A coverage?**

* **Hospital care:** Part A coverage includes acute care hospitals, in**-**patient rehabilitation facilities, and in**-**patient mental health facilities. You have 60 lifetime reserve days. You begin to use lifetime reserve days on day 91 of hospital admission.
* **Skilled nursing facility care:** It is important to confirm your hospital admission status and to distinguish “observation” status from “in-patient” status. Part A will not cover skilled nursing facility charges unless you have had in**-**patient hospital status for at least three consecutive days before transferring to the facility. In addition, Part A does not cover “custodial care,” even if you receive those services in a skilled nursing facility.
* **Hospice care:** Part A hospice coverage includes medical care, nursing services, prescription drugs, durable medical equipment, respite care, and grief counseling. Your physician must certify that your illness is terminal and that death is expected within six months. Your physician may recertify the terminal condition if you outlive the initial six**-**month period.

**Please note:** Original Medicare Parts A and B provide no coverage when you travel internationally. You will need to purchase additional insurance for coverage outside of the U.S.

*This material has been provided for general informational purposes only and does not constitute either tax or legal advice. Although we go to great lengths to make sure our information is accurate and useful, we recommend you consult a tax preparer, professional tax advisor, or lawyer.*

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