

CONTENTS

The Four Parts of Medicare

PART A: Covers inpatient hospital care, skilled nursing facility, hospice, and home health care. In 2008, Part A accounted for approximately 40 percent of Medicare benefit spending.

PART B: Helps pay for physician services, outpatient care, and some preventive services. Part B accounted for 27 percent of benefit spending in 2008.

PART C (Medicare Advantage program): Beneficiaries enroll in a plan run by Medicare-approved private companies. Part C, which includes Part A, Part B, and, in most cases, prescription drug coverage, accounted for 21 percent of benefit spending in 2008.

PART D: Covers outpatient prescription drugs through private plans that contract with Medicare. Part D accounted for 11 percent of benefit spending in 2008.