



[◀ Back to Get Started with Medicare](#)

Step 1

What does Medicare cost?

Generally, you pay a monthly premium for Medicare coverage and part of the costs each time you get a covered service. There's no yearly limit on what you pay out-of-pocket, unless you have supplemental coverage, like a Medicare Supplement Insurance (Medigap) policy, or you join a Medicare Advantage Plan.

[What's a premium, deductible, coinsurance, or copayment? ⓘ](#)



Costs for Part A (Hospital Insurance)

Part A costs:	What you pay in 2023:
Premium	<p>\$0 for most people (because they paid Medicare taxes long enough while working – generally at least 10 years). This is sometimes called “premium-free Part A.” Do I qualify? ⓘ</p> <p>If you don’t qualify for a premium-free Part A, you might be able to buy it. In 2023, the premium is either \$278 or \$506 each month, depending on how long you or your spouse worked and paid Medicare taxes.</p> <ul style="list-style-type: none">• You also have to sign up for Part B to buy Part A.

Feedback

Part A costs:	What you pay in 2023:
	<ul style="list-style-type: none"> If you don't buy Part A when you're first eligible for Medicare (usually when you turn 65), you might pay a penalty. How much is the Part A penalty? <small>i</small>
Deductible	\$1,600 for each time you're admitted to the hospital per benefit period, before Original Medicare starts to pay. There's no limit to the number of benefit periods you can have.
Inpatient stays (copayments)	<p>Days 1-60: \$0 after you pay your Part A deductible</p> <p>Days 61-90: \$400 each day</p> <p>Days 91-150: \$800 each day while using your 60 lifetime reserve days</p> <p>After day 150: You pay all costs</p>



Costs for Part B (Medical Insurance)

Part B costs:	What you pay 2023:
Premium	<p>\$164.90 each month (or higher depending on your income). The amount can change each year. You'll pay the premium each month, even if you don't get any Part B-covered services.</p> <p>Who pays a higher premium because of income? <small>i</small></p> <p>How do I pay my Part B premiums? <small>i</small></p> <p>You might pay a penalty if you don't sign up for Part B when you're first eligible for Medicare (usually when you turn 65). Check when I should sign up for Part B.</p> <p>How much is the Part B late enrollment penalty?</p> <ul style="list-style-type: none"> You'll pay an extra 10% for each year you could have signed up for Part B, but didn't.

Part B costs:	What you pay 2023:
	<ul style="list-style-type: none"> • This penalty is added to your monthly Part B premium. (You may also pay a higher premium depending on your income.) • It's not a one-time late fee – you'll pay the penalty for as long as you have Part B. • Generally, you won't have to pay a penalty if you qualify for a Special Enrollment Period. To qualify, you (or your spouse) must still be working and you must have health coverage based on that job. <p><u>Example of the Part B penalty. <small>i</small></u></p>
Deductible	<p>You'll pay \$226, before Original Medicare starts to pay. You pay this deductible once each year.</p>
Costs for services (coinsurance)	<p>You'll usually pay 20% of the cost for each Medicare-covered service or item after you've paid your deductible.</p>

Get help with Part A & Part B costs

If you have limited income and resources, you may be able to get help from your state to pay your premiums and other costs, like deductibles, coinsurance, and copays. [Learn more about help with costs.](#)

Costs for plans & supplemental coverage



Drug coverage (Part D):

Part D costs:	What you pay:
Premium	<p>Monthly premiums vary based on which plan you join. The amount can change each year. You may also have to pay an extra amount each month based on your income.</p> <p><u>Who pays an extra amount because of income? </u></p> <p>You might pay a penalty if you:</p> <ul style="list-style-type: none"> • Don't join a Medicare drug plan when you first get Medicare, and • Go 63 days or more without creditable drug coverage (coverage that's similar in value to Part D). <p>How much is the Part D penalty?</p> <ul style="list-style-type: none"> • You'll pay an extra 1% for each month (that's 12% a year) you could have signed up for Part D, but didn't. • The penalty is added to your monthly premium. • It's not a one-time late fee — you'll pay the penalty each month for as long as you have Part D coverage (even if you change plans). • If you have creditable drug coverage or if you qualify for Extra Help, you won't have to pay a penalty. <p><u>Example of the Part D penalty. </u></p>
When you get prescription drugs	<p>Most plans charge a deductible, an amount you pay before the plan starts to pay, for prescriptions you fill. The deductible amount varies based on which plan you join.</p> <p>Your actual costs vary depending on the medicines you take, if they are on your plan's list of covered drugs, and which pharmacy you use.</p>

Get help with drug costs

If you have limited income and resources, you may be able to get Extra Help to pay your plan premiums and other drug costs (like deductibles, coinsurance, and copays). If you

qualify, you won't have to pay the Part D late enrollment penalty. [Learn more about help with costs.](#)

Medicare Advantage Plan (Part C):

- Monthly premiums vary based on which plan you join. The amount can change each year.
- You must keep paying your Part B premium to stay in your plan.
- Deductibles, coinsurance, and copayments vary based on which plan you join.
- Plans also have a yearly limit on what you pay out-of-pocket. Once you pay the plan's limit, the plan pays 100% for covered health services for the rest of the year.

Medicare Supplement Insurance (Medigap):

- Monthly premiums vary based on which policy you buy, where you live, and other factors. The amount can change each year.
- You must keep paying your Part B premium to keep your supplement insurance.
- Helps lower your share of costs for Part A and Part B services in Original Medicare.
- Some Medigap policies include extra benefits to lower your costs, like coverage when you travel out of the country.

[Learn more about Medigap and its costs.](#)

What do you want to do next?

Next Step

