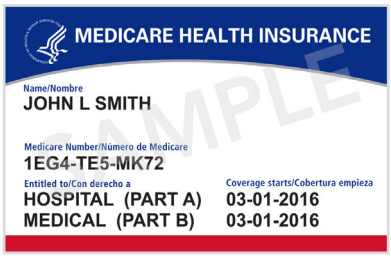
Medicare Basics

What is Medicare?



Medicare is a federal health insurance program for:

- People age 65 or older
- People under age 65 with a qualifying disability
- Individuals with End-Stage Renal Disease

When first signing up for Medicare you can choose which way to get your Medicare coverage. There are two ways, shown below. Everyone's situation is different. You may or may not need all parts of Medicare. Some individuals can receive insurance through other sources like their employer, a retirement package, or other sources, which can affect your decision making. Remember, Medicare is individual insurance. This brochure is meant to be a general guide; prices and costs are examples and do not reflect every situation. For information specific to you, contact Nebraska SHIP & SMP.

Pick Original Medicare or a Medicare Advantage plan.

Original Medicare

Part A:	Part B:	Supplement:	Part D:
Inpatient Hospital	Outpatient Medical	Pays A/B Copays and Deductibles	Prescription Drugs

Premium Cost Example:	
Medicare Part A	$0.00
Medicare Part B	$202.90
Supplement*	$175.33
Medicare Part D*	$29.70
Combined Monthly Premiums	$407.93

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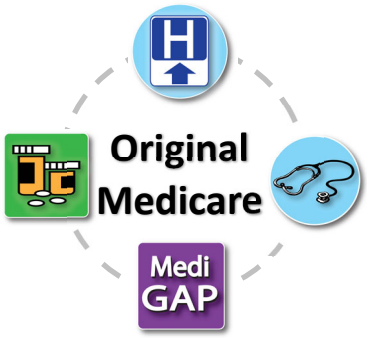
Medicare Advantage *(Part C)*

Provides Coverage of:
Inpatient Hospital *(Part A)*
Outpatient Medical *(Part B)*
And may include
Prescription Drugs *(Part D)*
Extra Benefits

Premium Cost Example:	
Medicare Part A	$0.00
Medicare Part B	$202.90
Medicare Advantage*	$30.00
Combined Monthly Premiums	$232.90

**Prices are an example in Nebraska. Actual cost will depend on individual needs and the chosen plan.*

Medicare is individual insurance.



Original Medicare includes Part A, Inpatient Hospital, and Part B, Outpatient Medical. You can join a separate Medicare Part D, Prescription Drug Plan, to get prescription drugs covered. To help pay your out-of-pocket costs in Original Medicare, you can buy a Medicare Supplement Insurance policy, or have coverage from a former employer or union, or Medicaid.

What is Medicare Part A?

Coverage: Medicare Part A covers inpatient hospital stays, skilled nursing facility care, home health care, and hospice care.

Premium: $0 monthly premium for most people. Typically, if you or your spouse worked 10 years and paid your Medicare taxes, Part A is premium-free. The Social Security Administration will determine if you have a premium.

Deductible and Other Costs: The 2026 Part A deductible is $1,736, covering days 1—60, for each inpatient hospital stay or benefit period. There is no limit to the number of benefit periods you can have, meaning you may pay the deductible more than once in a year. Part A can cover additional days in the hospital per benefit period, with a copay for each of the additional days. Other services may have copays or coinsurance. Part A does not have an out-of-pocket maximum.

What is Medicare Part B?

Coverage: Medicare Part B covers medically necessary outpatient services including doctor or specialist visits, durable medical equipment, lab work, outpatient surgery, preventive care, and other outpatient services.

Premium: $202.90 monthly premium in 2026. Based on your tax return from two years ago, if you filed an individual tax return and your Modified Adjusted Gross Income (MAGI) was more than $109,000, or if you filed a joint tax return and your MAGI was more than $218,000, you may owe more.

Deductible and Other Costs: The 2026 annual deductible is $283. After you meet this deductible, Medicare Part B pays 80% of covered charges, you are responsible for 20% of the covered charges. Part B does not have an out-of-pocket maximum.

What parts are right for you?

Premium Cost Example:	
Medicare Part A	$0.00
Medicare Part B	$202.90
Medicare Supplement*	$175.33
Medicare Part D*	$29.70
Combined Monthly Premiums	$407.93

Remember supplements only help with Part A and/or Part B costs. Deductibles, copays, and coinsurance will vary based on the supplement plan chosen. Supplements do not help with Part D costs. People should expect copays and/or coinsurance for prescription drugs.

**Prices are an example in Nebraska. Actual cost will depend on individual needs and the chosen plan.*

What is Medicare Supplement Insurance?

Coverage: Medicare Supplement policies, or Medigap, help pay your deductibles, co-pays, and coinsurance after Medicare has paid first. If Medicare does not pay for a service or item the supplement will not pay either. There are ten standardized plans, each offering its own different level of coverage for Medicare-covered services.

Premium: Premiums vary based on age, primary zip code, tobacco use, gender and the policy and company you choose. For example, as of January 2026 a Plan G Policy at age 65 ranges from $110.—$765 per month in Nebraska.

Deductible and Other Costs: The policy you select will determine your deductibles, copays, and coinsurance. For example, with a Plan G policy the supplement will pay your Part A costs and will also pay your 20% coinsurance after you pay the annual Part B deductible.

What is Medicare Part D?

Coverage: Medicare Part D plans cover brand name and generic prescription drugs and are offered by private insurance companies contracted with Medicare. In 2026, Nebraska has 11 Part D plans. Each Part D plan will have its own list of covered drugs, called a formulary.

Premium: Monthly Part D premiums in Nebraska vary according to plan and range from $4.70 - $140.20/per month in 2026.

Deductible and Other Costs: The 2026 annual deductible for Part D plans in Nebraska is between $0 - $615, depending on the plan you choose. Each prescription may have a copay or coinsurance per refill. Medicare prescription coverage has a $2,100 out-of-pocket spending limit for the calendar year. Depending on your situation you may or may not reach the annual spending limit.

Provides Coverage of:

Inpatient Hospital *(Part A)*
Outpatient Medical *(Part B)*
And may include
Prescription Drugs *(Part D)*
Extra Benefits

Premium Cost Example:

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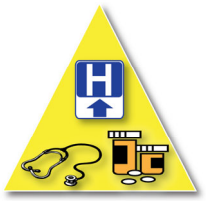

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What is Medicare Advantage (Part C)?

Coverage: Medicare Advantage is a Medicare-approved plan from a private company that offers an alternative to Original Medicare. Plans must cover all medically necessary services that Original Medicare covers and generally include Part D, drug coverage. In most cases, you can only use doctors and other providers who are in the plan's network and service area. Additionally, you may need to get a referral or prior approval for a service or item before the plan will cover it. Plans may offer extra benefits that Original Medicare doesn't cover, like vision and dental services.

Premium: All Medicare Advantage plan enrollees must continue to pay the Medicare Part B premium. Medicare Advantage plans may also charge an additional premium which will vary based on the plan. In Nebraska, additional premiums range from $0 - $189 per month in 2026.

Deductible and Other Costs: Out-of-pocket costs vary. Medicare Advantage Plans can have a deductible up to $500 per year. With a Medicare Advantage plan, you may owe a copay or coinsurance amount for each service or item, each time you receive it. For example:

- Primary doctor visit: $5 per visit, in-network, or $15 per visit, out-of-network
- Specialist visit: $35 per visit, in-network, or 50% per visit, out-of-network
- Outpatient hospital coverage: $0 - 350 per visit, in or out-of-network
- Emergency care: $110 per visit (always covered).

Plans have a yearly limit or out-of-pocket maximum, between $2,500 - $13,900 per year, in 2026.

NEBRASKA
SHIP | SMP
Navigating Medicare | Preventing Medicare Fraud
Local help for Nebraskans with Medicare

SHIP State Health Insurance Assistance Program
SMP Senior Medicare Patrol

For More Information and Assistance

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