What Is Medicare?

Medicare Supplement vs Medicare Advantage
What Is Medicare

• A health plan managed by the federal government
• You pay a portion of your healthcare costs through premiums, deductibles and coinsurance

Who Qualifies?

• People 65 or older who paid (or spouse paid) into Medicare for 40 total quarters via payroll deduction.
• People under 65 who are disabled and receive Social Security disability benefits for 24 straight months.
### Original Medicare

Original Medicare is made of Parts A and B. It pays for about 80 percent of your healthcare costs, but it doesn’t cover everything.

<table>
<thead>
<tr>
<th>Part A covers</th>
<th>Part B covers</th>
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<tbody>
<tr>
<td>• Care if you’re in a hospital</td>
<td>• Doctor visits</td>
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<tr>
<td>• Care if you’re in a skilled nursing facility</td>
<td>• Ambulance service</td>
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<td>• Some medical care at home</td>
<td>• Physical Therapy</td>
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<td>• Outpatient care and preventive services</td>
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- Most people don’t pay a premium for Part A because they or their spouse already paid for it through payroll taxes.
- Most people pay a monthly premium for Part B unless they qualify for extra help based on their income.
- Original Medicare pays for about 80 percent of your medical expenses.
- Original Medicare does not provide prescription drug coverage.
Part D plans are available through private insurance and are not sold by Medicare.

Original Medicare (Parts A and B) and Medicare Supplement plans do not include prescription drug coverage.

Medicare Advantage plans can include prescription coverage, and you don’t need a separate Part D plan.
Know Your Options

What is Medicare Supplement?
• A Medicare Supplement Insurance (Medigap) policy, sold by private companies, can help pay some of the health care costs that Original Medicare doesn’t cover, like copayments, coinsurance and deductibles.

• Original Medicare primarily only pays for your health care bills.

• Medicare Supplement plans work with Original Medicare. (Parts A and B)

• Medicare Supplement plans don’t provide stand-alone coverage; you need to remain enrolled in Part A and B for your hospital and medical coverage.

• When you purchase a Medicare Supplement plan, you are still enrolled in Original Medicare.
Some supplement plans may help with other costs that Original Medicare doesn’t cover, such as:

– Medicare Part B excess charges.
– Emergency medical coverage when you’re traveling outside of the country.

Prescription drug coverage

– Not offered with Medicare Supplement plans, you will need to purchase a separate policy
– There is a different between a drug discount card (non-credible coverage) and an actual Part D prescription drug plan (credible coverage)
Medicare Supplement

- Keep in mind that Medicare Supplement plans can only be used to pay for Original Medicare costs; they can’t be used with Medicare Advantage plans.
- You cannot be enrolled in a standalone supplement or standalone drug plan and a Medicare Advantage plan at the same time.
There are 10 Supplement plans available in most states, and each plan type is designed by a different letter (for example, Plan F or Plan K). Coverage is standardized across each plan letter, which means you’ll get the exact same benefits for Medicare Supplement coverage within the same letter category, no matter which insurance company you purchase from.

Even if benefits are the same across plans of the same letter category, premium costs may vary by insurance company and location.

– Note: The higher the premium, the more coverage you get.
Medicare Supplement Benefits

• Medicare Supplement plans generally don’t offer extra benefits like routine dental, vision or hearing coverage beyond what’s already covered by Medicare.
• Medicare does not cover your routine dental, vision and hearing exams and expensive, Medicare supplement won’t cover these services either.
Covers the gaps in Medicare so your out of pocket costs are lowered

- Some plans, like Plan F, cover all the gaps in Medicare so your out of pocket is usually $0

- All other plans usually have a manageable out of pocket cost

Usually more expensive than a Medicare Advantage plan.

- Doesn’t cover Part D, so you will still need to get a separate plan.

- In some states*, Medigap plans are more expensive as you get older.

*Does not apply to Washington State
What is Medicare Advantage?

Medicare Advantage

• Medicare Advantage plans are an alternative to Original Medicare.

• If you enroll in a Medicare Advantage plan, you’re still in the Medicare Program.
  – The difference is that you will get your Medicare benefits through the Medicare Advantage plan you purchase through a private company, instead of through the federally administered program.
To enroll in a Medicare Advantage plan, you must:
- Have Original Medicare Part A and B.
- Live in the service area of the Medicare Advantage plan.
- Not have end-stage renal disease.

Medicare Advantage plans must provide the same level of coverage as Original Medicare.

Some plans may also cover additional perks and protections that Original Medicare doesn’t cover, like routine vision and/or dental, health wellness programs and prescription drugs.*

Medicare Advantage plans can come with either:
- Just medical coverage
- Medical coverage AND Part D Prescription drug coverage
Medicare Advantage: The Benefits

Med Advantage Benefits

- Private insurance companies have more flexibility in designing Medicare Advantage plans, so you’ll have more variety to choose from.
Med Advantage Benefits

• Medicare Advantage plans can include Medicare Part D prescription drug coverage as part of the plan coverage.
• These plans give you the convenience of having all of your Medicare benefits administered through a single plan.

Medicare Advantage: Pros & Cons
• Parts A, B and D are packaged together. This means you don’t need a separate policy for Rx coverage.
• Medicare Advantage usually comes with a fitness benefit.
• Premiums are often less expensive than a supplement.
• Know ahead of time what you will be billed with co-pays.

• Some plans may have a high maximum out of pocket. – The max is $6,700

Sources

• https://www.ehealthinsurance.com/medicare/advantage-vs-supplement
• https://boomerbenefits.com/medicare-supplemental-insurance/medicare-supplement-plan-f/
Questions?

Contact us at HealthAllianceMedicare.org

OR

Visit Medicare online at Medicare.gov

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