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PART

C

NAVIGATING MEDICARE:

CHOOSING BETWEEN

SUPPLEMENTS

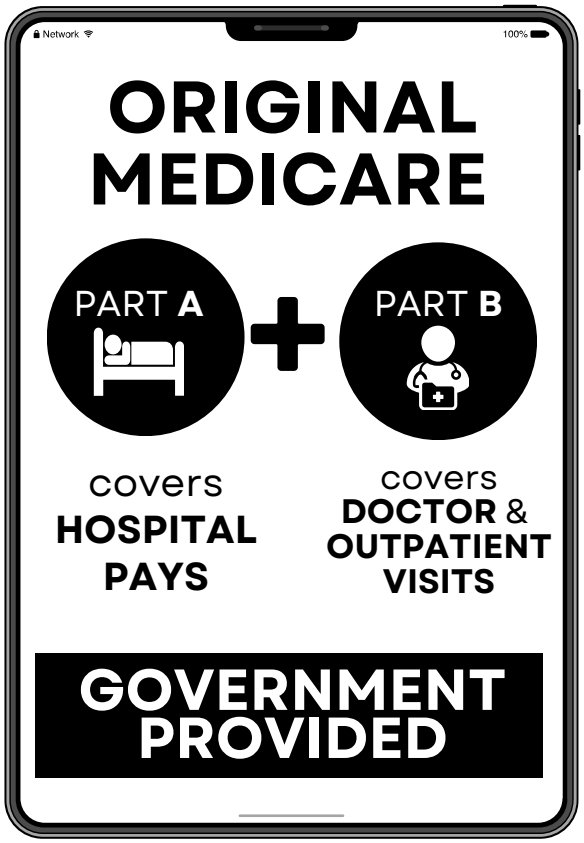
AND ADVANTAGE

WHAT IS MEDICARE?

Medicare is a national health insurance program in the United States that provides coverage to people aged 65 or older, certain younger people with disabilities, and people with End-Stage Renal Disease (ESRD) or Amyotrophic Lateral Sclerosis (ALS).

It is a federally-funded program, administered by the Centers for Medicare and Medicaid Services (CMS).

Medicare offers two main types of coverage: Original Medicare and Medicare Advantage. In this white paper, we will discuss the differences between Medicare supplements paired with Original Medicare and Medicare Advantage.



ORIGINAL MEDICARE

Original Medicare is a fee-for-service health insurance program that is administered directly by the federal government. It is made up of two parts: Part A and Part B.

Part A covers hospital insurance, including inpatient care in hospitals, skilled nursing facilities, hospice care, and home health care. Most people do not have to pay a premium for Part A because they paid Medicare taxes while working.

Part B covers medical insurance, including doctor visits, outpatient care, preventive services, and medical equipment. Beneficiaries have to pay a monthly premium for Part B, as well as a deductible and coinsurance for most services.

MEDICARE **SUPPLEMENTS**

Medicare Supplements, also known as Medigap policies, are private insurance plans that are designed to supplement Original Medicare. They are not stand-alone policies and cannot be purchased on their own. Instead, they are paired with Original Medicare to help cover some of the out-of-pocket costs that beneficiaries would otherwise have to pay.

There are ten different standardized Medigap plans available, each with different levels of coverage. Some plans cover more benefits than others, but all plans cover at least some of the costs for Part A and Part B services, including deductibles, copayments, and coinsurance.

MEDICARE **ADVANTAGE**

Medicare Advantage, also known as Part C, is a type of health plan that is offered by private insurance companies. These plans provide all the benefits of Original Medicare, but they also often include additional benefits such as dental, vision, and hearing services. Many Medicare Advantage plans also offer prescription drug coverage.

Medicare Advantage plans work differently than Original Medicare. Instead of paying for services as they are received, Medicare Advantage plans pay a fixed amount per enrollee to the insurance company. The insurance company is then responsible for providing all of the covered services.

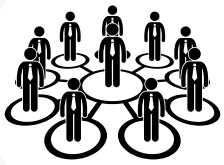
COMPARING SUPPLEMENTAL PLANS VS ADVANTAGE PLANS

One of the main differences between Medicare Supplements and Medicare Advantage is how they work with Original Medicare. Medicare Supplements are designed to work alongside Original Medicare, while Medicare Advantage **REPLACES** Original Medicare entirely.

Medicare Supplements provide more predictable costs because they cover most of the out-ofpocket costs that beneficiaries would otherwise have to pay. Medicare Advantage plans, on the other hand, often have lower monthly premiums, but they may also have higher out-of-pocket costs for some services.

Another difference between Medicare Supplements and Medicare Advantage is the provider network. Medicare Supplements do not have provider networks and can be used with any healthcare provider that accepts Medicare. Medicare Advantage plans, on the other hand, typically have a network of providers that beneficiaries must use in order to receive full coverage.

TOP 5 | DIFFERENCES SUMMARIZED



1. NETWORK LIMITATIONS

Medicare Advantage plans typically have a network of healthcare providers that beneficiaries must use in order to receive full coverage. If a beneficiary wants to see a doctor or specialist outside of the network, they may have to pay more out-of-pocket or may not be covered at all. This may include doctors or hospitals in other states!

2. PLAN CHANGES

Medicare Advantage plans can change their benefits and costs each year, which can be frustrating for beneficiaries who have to keep up with the changes and may have to switch plans if their current plan no longer meets their needs.

3.PRIOR AUTHORIZATION REQUIREMENTS

Medicare Advantage plans often require prior authorization for certain services, which means that beneficiaries have to get approval from the insurance company before receiving the service. This can be time-consuming and may delay necessary medical care.

4. COST-SHARING

Medicare Advantage plans often require prior authorization for certain services, which means that beneficiaries have to get approval from the insurance company before receiving the service. This can be time-consuming and may delay necessary medical care.

5. REGIONAL AVAILABILITY

Medicare Advantage plans are not available in all areas, and even in areas where they are available, the options may be limited. Beneficiaries who live in rural or remote areas may not have access to Medicare Advantage plans at all.

CONCLUSION

In summary, **Medicare Supplements and Medicare Advantage** are two different options for Medicare beneficiaries who want to supplement their coverage.

Medicare Supplements are paired with Original Medicare and provide more predictable costs and greater flexibility in choosing healthcare providers.

Medicare Advantage plans replace Original Medicare and often offer additional benefits such as dental, vision, and hearing services.

Ultimately, the decision between Medicare Supplements and Medicare Advantage depends on each individual's specific healthcare needs and preferences. It's important to research both options and consult with a licensed insurance agent before making a decision.