

TYPICAL MEDICARE OPTIONS



Traditional Medicare

Monthly \$

Part A - Hospital

Part B - Doctors \$96.40

~ **80/20 Plan**

Plug Holes:

Part C - Medicare Advantage Plan =>

OR

Part D - Rx Coverage ~ \$35

Medicare Supplement ~ \$170
(Medigap)

Approximate Monthly: \$300

@ Age 65 ==> Increases

Annually

Total Cost: \$3,600 / Year

Pays Premium to Insur Co For

Medicare Advantage

Hospital
Doctors Part B \$96.40

Rx Coverage \$0

(Replaces Part D)

Dental

Vision

Hearing

Physical / Durable Equip

Preventive

(i.e., Mammograms, PSA, etc)

Total Cost: \$ 1,200 / Year

SAVE: \$2,400

NOTE: Above costs are illustrative and somewhat typical ... NOT exact estimates of any particular plan.

The above chart contrasts traditional Medicare containing a Medicare Supplement/Medigap and a Part D Prescription Plan with a Medicare Advantage Plan.

A **Medicare Supplement/Medigap policy** is a supplemental health insurance policy sold by private insurance companies to fill the "gaps" in Original Medicare plan coverage. This has been the traditional approach for many years. There are several standardized Medigap plans called "A" through "J." Each plan "A" through "J" has a different set of standardized benefits. Plan A offers the least amount of benefits while Plan J offers the most benefits. The plans "A" through "J" benefits are the same from insurance company to insurance company, but monthly premiums may vary.

Medicare Advantage Plans are the result of legislation that has recently been enacted. These plans are becoming tremendously popular due to the extra benefits that are offered. Extra days in the hospital, lower out of pocket costs for doctor visits, prescriptions are some of the extra benefits that are usually offered.

Medicare Advantage Plans are health plan options that are approved by Medicare and run by private insurers. They are part of the Medicare Program, and sometimes called "Part C." When you join a Medicare Advantage Plan, ***you are still in Medicare***. Some of these plans require referrals to see specialists. In many cases, the premiums and the costs of services (co-pays) can be lower in a Medicare Advantage Plan than they are in the Original Medicare Plan or the Original Medicare Plan with a Medigap policy. Part A and Part B of Medicare are required to join the plan and the Medicare part B premium must be paid by the Medicare recipient.

Medicare Advantage Plans provide all of your Part A (hospital) and Part B (medical) coverage and must cover medically-necessary services. They generally offer extra benefits, and many plans include Part D drug coverage. These plans often have networks, which means you may have to see doctors who belong to the plan or go to certain hospitals to get covered services. In many cases, your costs for services can be lower than in the Original Medicare Plan. Some of these plans coordinate your care, using networks and referrals, more than others. This can help manage your overall care and can also result in savings to you. Medicare pays an amount of money for your care every month to these private health plans, whether or not you use services. Medicare Advantage Plans also include options that provide specialized care for people who need a lot of health care services. Even if you are out of the service area of the plan, you are still covered for emergency or urgently needed care.

The Advantages of a Medicare Advantage Plan

- Medicare Advantage plans are available with little or no monthly premiums.
- Medicare Advantage plan holders are still in Medicare and retain the rights and protections of Medicare.
- A Medicare Advantage plan holder will continue to receive regular Medicare-covered services. In addition, a Medicare Advantage plan holder will also have access to additional services that neither Medicare Supplements nor the original Medicare provides.
- Prescription Drug plans often are included in the Medicare Advantage plan while Medicare supplemental policyholders must pay extra for the Part D plan.
- The Medicare Advantage plan is growing. The Medicare Advantage plans are now offered to 98% of the counties in the United States. In 1996 only 15% of American counties had a Medicare Advantage plan available.
- Medicare supplemental policyholders have out-of-pocket costs (monthly premiums) whether you get sick or not. Medicare Advantage plans have the policyholders make a small co-payment (as low as \$0) for doctor visits and a somewhat larger co-payment for hospital visits.
- The Medicare recipient should know that a Medicare Advantage plans guarantees that even in a time of poor health there is a maximum out of pocket expense. A Medicare supplement (Medigap) policy guarantees the Medicare recipient to spend \$1,600 to \$2,000 a year even if you never go to the doctor.
- If the you do not have End Stage Renal Disease (kidney failure) then you qualify for the advantages of a Medicare Advantage plan.