

# Still confused about Medicare Plans?

We get it. This guide clarifies your options, fast!

### Do you really *need* to supplement Medicare Parts A & B?

Supplemental coverage is a good idea, because without it, you expose yourself to great financial risk if hospitalized for more than 60 days. Other risks include skilled nursing beyond 20 days, chemotherapy, outpatient radiology, outpatient surgeries, etc.

**Bottom Line:** There is no out of pocket maximum spending limit for Original Medicare.

Both **Medicare Supplements (Medigap)** and **Medicare Advantage Plans** provide a **built-in cap** (out of pocket maximum) for expenses covered by Medicare.

### Most seniors choose **ONE** of the following options:

- 1.) **Keep Original Medicare** (Parts A & B), and add a Medigap Policy, plus stand-alone drug plan.
- 2.) **Enroll in a Medicare Advantage Plan** (another way to receive your Medicare benefits).

*Next up: an explanation of each, followed by a handy checklist to show you what qualities matter most to you.*

## Medigap Vs. Medicare Advantage

Possibly one of the most misunderstood facts about Medicare plans is that Medicare Supplements and Medicare Advantage are not the same thing. It can make *anyone* crazy.

The terms Medicare Supplement and Medigap are used interchangeably, which adds to the confusion.

A Medicare Supplement, or *Medigap Plan* is gap insurance that covers what Medicare doesn't. Medicare pays your doctor its portion of the claim, then the Medicare Supplement pays its portion.

### **What you should know about Medigap:**

- Monthly premium
- No network restrictions
- Standardized (every carrier offers the exact same benefits)
- Drug plan must be purchased separately

Medicare Advantage (aka Medicare Part C) is another way to receive your Medicare benefits. Hospital, doctor and sometimes Part D (drugs) are bundled together and administered through private insurance at Medicare's expense.

### **What you should know about Medicare Advantage:**

- Typically zero, or very low premium
- Usually an HMO (sometimes PPO) = possible network restrictions & referrals
- Often includes Medicare Part D (prescription drugs)
- Benefits and providers can change annually
- Sometimes includes benefits Medicare doesn't cover, such as dental

# How To Choose A Medicare Plan (Checklist)

*Instructions: Check-mark the boxes in each list that most resonate with you. The list with the most checks might be a fit. This gives you a starting point when you're ready to shop for plans.*

## List #1 Medicare Supplement (Medigap)

- It's worth it to pay more for the freedom to go to the doctors and specialists of my choice. I dislike the restriction of networks.
- It's important that I can go directly to a specialist without a referral.
- I like knowing I can go to any doctor or hospital in the country that accepts Medicare.
- I'd rather pay a higher premium each month, knowing I will have little, to no out-of-pocket expenses when I do get sick.
- I don't mind having a separate prescription plan, with additional premium.

## List #2 Medicare Advantage

- As long as my doctor is in-network, I wouldn't mind an HMO.
- I like the security of managed care, even though referrals are required. I feel I'm taken care of.
- As long as my favorite hospital is in my plan network, I'm happy.
- A zero, or low monthly premium is very important to me. I don't mind doctor or hospital copays, and can accept some financial risk.
- I like having all my benefits under one plan, including prescriptions.

# Still Not Sure?

## Important Points to Ponder:

- **Think in terms of securing your future:** Your acceptance into a Medigap policy is NOT guaranteed after the first 6 months on Medicare Part B. (Beyond that you will have to answer medical questions). The only way to guarantee you'll have a Medigap plan in the future is to enroll when first eligible.
- **Is plan stability important to you?** Medicare Advantage Plans are year-to-year contracts. Benefits and doctor networks may change every year.
- **To some, freedom is priceless:** Two main benefits of Medigap policies are freedom (no networks), and predictable monthly cost.
- **Weigh your risk:** Two risks involved with Medicare Advantage Plans are 1.) unknown cost of chemotherapy & 2.) skilled nursing costs beyond 20 days. (See Medicare.gov plan finder to view detailed plan benefits in your zip code).
- What next?** You may contact us, find a licensed agent, or directly shop individual carriers online to find the pricing for the plan type you chose. Compile a list of questions and qualities you prefer in a plan before speaking with a professional.
- Resources** - Medicare.gov is great for searching Medicare Advantage plans and stand alone drug plans, & includes plan premiums. Many state Dept of Insurance website will show pricing for Medicare Supplements (Medigap) plans.

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