

Medicare Advantage vs Original Medicare

What's the difference?

Medicare Advantage (Plan C): Enrolling in Medicare Advantage or Plan C, disenrolls you from Original Medicare meaning Medicare is no longer your insurance provider. Instead, Medicare pays a private insurance company, the Medicare Advantage plan you choose, a fixed dollar amount based on your age, gender, health, and geographic location, whether you see them for services or not! In exchange, the Advantage plan assumes 100% responsibility for all costs of your care and cannot increase compensation from Medicare unless there is significant change in your health. As a result, all services are a direct cost to the plan and to manage these costs, most plans have network restrictions and require you see certain doctors and hospitals. In addition, **all plans have administrative oversight and require preauthorization for many services**. This can **cause delay for care on many services and in some cases care is even denied**. In addition, **all Advantage plans impose cost sharing requirements through co-pays and coinsurance and have out-of-pocket annual maximum costs ranging from \$2,550 to \$11,900 per year**.

The benefit of Medicare Advantage is typically a lower up-front cost but if major care is needed clients can experience limited and restricted care options as well as higher overall cost for care.

Original Medicare: on the contrary, allows you to go to go to any doctor, hospital, or provider that accepts Medicare in the USA. Medicare is your primary insurance provider and pays providers directly for services when rendered with **no preauthorization requirements** for Medicare approved services. When on Original Medicare we recommend a good Medicare Supplement policy (Medigap) to cover costs Medicare approves but does not pay to reduce overall out-of-pocket expenses per year for all Medicare approved services. **One of the more popular plans, Plan G, reduces out of pocket expense for 2023 to \$226 per year for all approved services!**

The cost of a good Medigap Policy at age 65 ranges from \$84-\$159 per month depending upon your zip code, gender, tobacco use, and the company you choose. But the modest cost for this coverage compared with the increased level of care and service it avails often far outweighs the upfront cost.

Some things to consider: If you enroll in Medicare Advantage and later want to move back to Original Medicare for better care, unless you move back in your first year or qualify for a special enrollment, there are only two times per year you can switch. However, if you have existing health issues, or later develop health issues that affect underwriting, when you may not be able to secure a Medigap policy. For this reason, we almost always recommend Original Medicare and Medigap when first enrolling or when you can pass underwriting to move. Because we are an independent agency, we represent several major carriers and work with clients to find coverage that passes underwriting and meets their needs and budget. Also as premiums increase with age, we work with clients through the years to help keep costs manageable.

Prescription Drug Coverage: – If you do not enroll in a drug plan when you first qualify, you face a **penalty of 1% per month for every month you didn't have coverage when you first qualify to enroll, unless you had credible coverage through another source**, like an employer or VA. To get drug coverage through a Medicare Advantage plan the coverage must be included with your plan. To get drug coverage on original Medicare and Medigap, you can enroll in a stand alone Part D prescription drug plan. We suggest shopping Part D coverage each year during Annual Enrollment (Oct 15 thru Dec 7th) to make sure you are on the most cost-effective plan based upon your prescription list. We can show you how to do this and will make it easy for you. **When you call us for help, we will review your current coverage and drug list and can shop all available plans to find you cost-effective drug coverage. This service alone will save you money!**

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