



Revised April 2015

## What's a Medicare Advantage Plan?

You can get your Medicare benefits through Original Medicare, or a Medicare Advantage Plan (like an HMO or PPO). If you have Original Medicare, the government pays for Medicare benefits when you get them. Medicare Advantage Plans, sometimes called “Part C” or “MA Plans,” are offered by private companies approved by Medicare. Medicare pays these companies to cover your Medicare benefits.

If you join a Medicare Advantage Plan, the plan will provide all of your Medicare Part A (Hospital Insurance) and Medicare Part B (Medical Insurance) coverage. This is different than a Medicare Supplement Insurance (Medigap) policy (discussed on page 3).

### What do I need to know about Medicare Advantage Plans?

#### There are the different types of Medicare Advantage Plans:

- **Health Maintenance Organization (HMO) plans**—In most HMOs, you can only go to doctors, other health care providers, or hospitals in the plan’s network, except in an urgent or emergency situation. You may also need to get a referral from your primary care doctor for tests or to see other doctors or specialists.
- **Preferred Provider Organization (PPO) plans**—In a PPO, you pay less if you use doctors, hospitals, and other health care providers that belong to the plan’s network. You usually pay more if you use doctors, hospitals, and providers outside of the network.
- **Private Fee-for-Service (PFFS) plans**—PFFS plans are similar to Original Medicare in that you can generally go to any doctor, other health care provider, or hospital as long as they accept the plan’s payment terms. The plan determines how much it will pay doctors, other health care providers, and hospitals, and how much you must pay when you get care.
- **Special Needs Plans (SNPs)**—SNPs provide focused and specialized health care for specific groups of people, like those who have both Medicare and Medicaid, live in a nursing home, or have certain chronic medical conditions.
- **HMO Point-of-Service (HMOPOS) plans**—These are HMO plans that may allow you to get some services out-of-network for a higher copayment or coinsurance.

## What do I need to know about Medicare Advantage Plans?

### **There are the different types of Medicare Advantage Plans: (continued)**

- **Medical Savings Account (MSA) plans**—These plans combine a high-deductible health plan with a bank account. Medicare deposits money into the account (usually less than the deductible). You can use the money to pay for your health care services during the year. MSA plans don't offer Medicare drug coverage. If you want drug coverage, you have to join a Medicare Prescription Drug Plan. For more information about MSAs, visit [Medicare.gov/publications](https://www.medicare.gov/publications) to view the booklet "Your Guide to Medicare Medical Savings Account Plans."

### **Who can join a Medicare Advantage Plan?**

You must have Medicare Parts A and B and live in the plan's service area to be eligible to join. People with End-Stage Renal Disease (permanent kidney failure) generally can't join a Medicare Advantage Plan.

### **How much do Medicare Advantage Plans cost?**

In addition to your Part B premium, you usually pay one monthly premium for the services included in a Medicare Advantage Plan. Each Medicare Advantage Plan has different premiums and costs for services, so it's important to compare plans in your area and understand plan costs and benefits before you join.

### **What do Medicare Advantage Plans cover?**

Medicare Advantage Plans must cover all of the services that Original Medicare covers except hospice care. Original Medicare covers hospice care even if you're in a Medicare Advantage Plan. In all types of Medicare Advantage Plans, you're always covered for emergency and urgent care. Medicare Advantage Plans must offer emergency coverage outside of the plan's service area (but not outside the U.S.). Many Medicare Advantage Plans also offer extra benefits such as dental care, eyeglasses, or wellness programs.

Most Medicare Advantage Plans include Medicare prescription drug coverage (Part D). In addition to your Part B premium, you usually pay one monthly premium for the plan's medical and prescription drug coverage.

Plan benefits can change from year to year. Make sure you understand how a plan works before you join.

# What's a Medigap Policy?

Original Medicare pays for many, but not all, health care services and supplies. A Medigap policy is private insurance that helps supplement Original Medicare. This means it helps pay some of the health care costs that Original Medicare doesn't cover (like copayments, coinsurance, and deductibles). These are "gaps" in Medicare coverage. If you have Original Medicare and a Medigap policy, Medicare will pay its share of the Medicare-approved amounts for covered health care costs. Then your Medigap policy pays its share. A Medigap policy is different from a Medicare Advantage Plan (like an HMO or PPO) because those plans are ways to get Medicare benefits, while a Medigap policy only supplements the costs of your Original Medicare benefits. **Note:** Medicare doesn't pay any of your costs for a Medigap policy.

All Medigap policies must follow Federal and state laws designed to protect you, and policies must be clearly identified as "Medicare Supplement Insurance." Medigap insurance companies in most states can only sell you a "standardized" Medigap policy. Each standardized Medigap policy must offer the same basic benefits, no matter which insurance company sells it. All plans offer the same basic benefits but some offer additional benefits. You can choose which plan meets your needs.

**Note:** In most states, standardized policies, or plans, are identified by the letters A, B, C, D, F, G, K, L, M, and N, and each type of plan generally contains the same benefits in all states. In Massachusetts, Minnesota, and Wisconsin, benefits will be labeled differently, but the policies are still standardized within each state.

## Other things to know about Medigap policies

### Who can buy a Medigap policy?

Generally, you must have Medicare Parts A and B to be able to buy a Medigap policy. The best time to buy a Medigap policy is on the first day of the month in which you're 65 or older and enrolled in Part B. This time period, called your Medigap Open Enrollment Period, ends 6 months later. During this period, an insurance company can't refuse to sell you a policy or charge you more because of your health. If you're under 65, you won't have this Open Enrollment Period until you turn 65, but state law might give you a right to buy a policy before then. **Note:** A Medigap policy covers only one person. Spouses must each have their own policy.

## Other things to know about Medigap policies (continued)

### **How much do Medigap policies cost?**

You pay a monthly premium to the private health insurance company that sells you the policy. The premiums will be different for plans with different benefits (for example, Plan A compared to a Plan F), but will also differ among insurance companies selling the **same** plan. Therefore, it's very important to compare policies and their costs. **Note:** If you buy Plan K, L, or N, you'll pay part of the Part B coinsurance and copayments, which may result in lower premiums for some Medigap Plans. Also, plans called "Medicare SELECT" may cost less because they'll only provide benefits if you use specific hospitals or doctors.

### **Where can Medigap policies be used?**

Unless the policy is a "Medicare SELECT" policy, a Medigap policy can be used in any U.S. state or territory, so you don't need to buy a new one if you move.

### **Do Medigap policies cover prescription drugs?**

New Medigap policies don't offer prescription drug coverage. If you want prescription drug coverage, you must get a stand-alone Medicare Prescription Drug Plan that works with Original Medicare, or you can leave Original Medicare and join a Medicare Advantage Plan that offers drug coverage.

### **How do Medigap claims work?**

You get a Medicare Summary Notice (MSN) every 3 months from Medicare that lists your health insurance claims information. It'll tell you if Medicare paid the claim and if it's been sent to your Medigap insurance company. You should compare your MSN to any statement you get from the Medigap insurance company and any bill you get from a provider.

### **Can my Medigap policy be cancelled?**

Any Medigap policy is guaranteed renewable even if you have health problems. This means the insurance company can't cancel your Medigap policy as long as you pay the premium.



## **What do I need to know about Medicare Advantage Plans & Medigap policies?**

If you already have a Medicare Advantage Plan, it's illegal for anyone to sell you a Medigap policy unless you're disenrolling from your Medicare Advantage Plan to go back to Original Medicare.

If you have a Medigap policy and you're switching from Original Medicare to a Medicare Advantage Plan, you don't need and can't use the Medigap policy. You may choose to drop your Medigap policy, but you should talk to your State Health Insurance Assistance Program and your current Medigap insurance company first, because you may not be able to get your Medigap policy back.

### **Where can I get more information?**

- Visit [Medicare.gov](https://www.Medicare.gov) for more information on plan types and to find plans that are available in your area.
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.





