



What is a Medicare Advantage Plan?

A Medicare Advantage Plan (like an HMO or PPO) is a way to get your Medicare benefits. Unlike “Original Medicare,” in which the government pays for Medicare benefits when you receive them, Medicare Advantage Plans, sometimes called “Part C” or “MA Plans,” are offered by private companies approved by Medicare, and 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 Medigap (Medicare Supplement Insurance) policy (discussed below), which just pays for costs that Medicare does not cover. In all types of Medicare Advantage Plans, you are always covered for emergency and urgent care.

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. Make sure you understand how a plan works before you join.

Other important information about Medicare Advantage Plans:

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

Cost—In addition to your Part B premium, you usually pay one monthly premium for the services included in a Medicare Advantage Plan. The total cost of the premiums, copayments and deductibles you pay under an MA plan is often lower than the total costs for coinsurance, copayments and deductibles in Original Medicare. Each Medicare Advantage Plan charges different premiums and has different costs for services, so it’s important to check with the plan before you join.



Other important information about Medicare Advantage Plans: (continued)

Medical Coverage—In an HMO, you generally must get your care and services from doctors or hospitals in the plan’s network, and you may need a referral to see a specialist. In a PPO you will pay less if you get your care and services in the plan’s network, although you can still get coverage outside the network. This can help you manage your overall care and can also result in savings to you. Medicare Advantage Plans must offer emergency coverage outside of the plan’s service area (but not outside the U.S.). Some Medicare Advantage Plans offer extra benefits such as dental, vision, hearing, and/or health and wellness programs. Plan benefits can change from year to year.

Prescription Drug Coverage—Most MA plans include Medicare prescription drug coverage (Part D). In addition to your Part B premium, you usually pay one monthly premium for the medical coverage and prescription drug coverage that the plan provides.

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Medicare Advantage Plans and 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 to cover deductibles, copayments, coinsurance, or premiums under the Medicare Advantage Plan. 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.



What is a Medigap Policy?

Original Medicare pays for many, but not all, health care services and supplies. Private insurance companies sell Medicare Supplement (“Medigap”) policies to help pay for some of the out-of-pocket costs (“gaps”) that Original Medicare doesn’t cover. Medigap policies don’t pay your Medicare premiums (such as the Part B premium), but they may cover the Original Medicare coinsurance, copayments, and deductibles. Some Medigap policies also offer coverage for services that Original Medicare doesn’t cover, like medical care when you travel outside the U.S. If you have Original Medicare and you buy a Medigap policy, first Medicare will pay its share of the Medicare-approved amount for covered health care costs. Then your Medigap policy pays its share. A Medigap policy is not part of Medicare. Medicare doesn’t pay any of the premiums for a Medigap policy.

Every Medigap policy must follow Federal and state laws designed to protect you and must be clearly identified as “Medicare Supplement Insurance.” Medigap insurance companies 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, so you can choose which one 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 important information about Medigap policies:

Eligibility—Generally you must have Medicare Part A and Part B to be able to buy a Medigap policy. The best time to buy a Medigap policy begins on the first day of the month in which you’re age 65 or older and enrolled in Medicare Part B—this period, called your 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 important information about Medigap policies: (continued)

Cost—You pay a monthly premium to the private health insurance company that sells you the policy. The premiums will not only be different for plans with different benefits (for example, an A plan compared to an F plan), but will also differ among insurance companies selling the **same** plan. Therefore it's very important to compare policies. **Note:** If you buy Plan K, L, or N, you will 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 will only provide benefits if you use specific hospitals or doctors.

Medical Coverage—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.

Prescription Drug Coverage—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.

Claims—You receive a quarterly Medicare Summary Notice (MSN) from Medicare that lists your health insurance claims information. It will tell you whether the claim has been paid by Medicare, and whether it has been sent to your Medigap insurer. You should compare the MSN to any statement you get from the insurance company.

Disenrollment or Leaving a Policy—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.



Medigap Policies and Medicare Advantage Plans

- 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 to cover deductibles, copayments, coinsurance, or premiums under the Medicare Advantage Plan. You may choose to drop your Medigap policy, but you may not be able to get your Medigap policy back if you change your mind later. There are certain situations in which you will have a guaranteed right to buy a new Medigap policy after you try an MA plan. For more details, see the publications listed below, or talk to your State Health Insurance Assistance Program and your current Medigap insurance company.
- 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.

Want More Information?

- Visit <http://go.usa.gov/lot> to view the booklet, "Choosing a Medigap Policy: A Guide to Health Insurance for People with Medicare."
- Visit <http://go.usa.gov/iDJ> to view the Medicare & You handbook, or call 1-800 MEDICARE (1-800-633-4227) to get a copy. TTY users should call 1-877-486-2048.
- Visit www.medicare.gov/MPPF for information on plans that are available in your area.