

## **Medicare Fully Informed Project:**

### **Providing Medicare Beneficiaries with Complete, Objective Information to Help Them Make the Best Enrollment Decisions**

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The Center for Medicare Advocacy and the National Committee to Preserve Social Security and Medicare have partnered to develop an education and outreach project to support Medicare beneficiaries and those who assist them enroll and re-enroll in Medicare. The **Medicare Fully Informed Project** provides a variety of unbiased, accurate and comprehensive information about the full range of Medicare coverage options, and includes an array of tools to assist in making the best individual enrollment choices.

Making Medicare coverage decisions is a complex task with multiple personal factors that must be taken into account. Beneficiaries need help in understanding all their complex options including all the pros and cons of traditional Medicare and private Medicare Advantage. They need to make fully informed choices given their likely health needs, personal and financial circumstances, and possible cost-sharing assistance. Our organizations and other beneficiary advocates have been concerned about the objectivity of some Centers for Medicare & Medicaid Services (CMS) enrollment materials. We hope to help fill some of the gaps.

In preparing for this project, we polled over 2,000 members of the National Committee to Preserve Social Security and Medicare in August 2018 in order to better understand Medicare beneficiaries, their unique needs, Medicare choices, and how we can better serve them. The responses helped us identify knowledge gaps and develop the suite of materials developed for this project. Key survey results that informed this project include:

- 61% of respondents are in traditional Medicare
- 54% of respondents make enrollment decisions through on-line research
- Half of all respondents said they want more information about their enrollment choices
- 77% receive the annual *Medicare & You* handbook from CMS
- Less than half of respondents comparison shop between Medicare Advantage and Part D prescription drug plans
- Only 13% changed their Medicare Advantage plan or Part D plans in the last year
- 57% have one or more pre-existing health condition
- 57% are not aware of Medicare's Extra-Help program
- Male respondents made up about 45%; female respondents comprised 54%
- 54% live in suburban areas while 25% live in rural areas and 20% in urban areas

The results of the poll confirm that Medicare beneficiaries need additional, objective tools and information to make informed decisions about their Medicare options. They are also a diverse group who often face significant barriers when switching between plans or navigating these complex programs.

The goal of the **Medicare Fully Informed Project** is to help by providing a variety of educational tools for beneficiaries, and those who help beneficiaries, make enrollment decisions. We hope these various formats will help beneficiaries make fully informed Medicare and related health care coverage decisions. Project materials include the following:

- [Medicare Advantage Brochure](#)
- [Self-help Document – Choosing Between MA and Traditional Medicare](#)
- [Decision Tree Infographic: Traditional Medicare or Medicare Advantage](#)
- [Medicare & You Handbook – Key page corrections](#)
- [Medigap – Supplemental Insurance to Help with Cost-Sharing in Traditional Medicare](#)
- [Q&A Medicare Part D](#)
- [Power Point Presentation: Choosing Between MA and Traditional Medicare](#)
  
- [Combined .pdf](#)

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**The Center for Medicare Advocacy** (<https://www.medicareadvocacy.org>), is a national nonprofit, nonpartisan law organization that provides education, advocacy and legal assistance to help older people and people with disabilities obtain access to Medicare and quality health care.

**The National Committee to Preserve Social Security and Medicare** (<https://www.ncpssm.org/>), is a membership organization with the mission to protect, preserve, promote, and ensure the financial security, health, and the well being of current and future generations of maturing Americans.

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## **MEDICARE ADVANTAGE**

*Se habla español*

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## **WHAT IS MEDICARE ADVANTAGE?**

In addition to the government's traditional Medicare program, Medicare offers individuals the option to receive services through a variety of private insurance plans. These private insurance options are part of Medicare Part C and are called Medicare Advantage (MA) plans. MA is a means of receiving health care and Medicare coverage. An individual who joins an MA plan is still in the Medicare program. In most cases, in order to participate in Medicare Advantage an individual must specifically opt to receive Medicare coverage through an MA plan. Once this choice is made, the individual must generally receive all of his or her care through the plan's providers in order to receive Medicare coverage. One of the main goals of MA plans is to manage health care in order to reduce costs while also providing necessary care.

With some exceptions, an MA plan must provide or pay for medically necessary Part A and Part B covered items and services. In addition to providing traditional Medicare benefits, the MA plan may also provide and pay for supplemental benefits (benefits not covered under Part A or Part B) and prescription drug benefits. Many MA plans also include Part D prescription drug coverage. These plans are known as Medicare Advantage Prescription Drug plans or MA-PDs.

MA plans differ with respect to what benefits they provide above and beyond the traditional Medicare benefits they are required to provide, out-of-pocket costs such as premiums, deductibles, and co-pays, doctor and hospital choice, and whether they provide prescription drug coverage. It is important to remember that individuals do not have to change the way they currently access their Medicare benefits, whether they are in traditional Medicare or an MA plan. An individual with coverage through their current or former employer should check to see how any changes might affect such coverage.

## **WHO IS ELIGIBLE FOR MEDICARE ADVANTAGE**

An individual entitled to benefits under Part A *and* enrolled in Part B is eligible for an MA plan. An individual is eligible to enroll in a particular MA plan if the plan serves the geographic area in which the individual resides. An MA plan may not deny enrollment to an eligible individual based upon health status or certain other factors. However, currently individuals with end-stage renal disease (ESRD) are excluded, except that an individual who develops ESRD while enrolled in an MA plan may continue to be enrolled in that plan. Such an individual may also enroll in another MA plan if the individual's original plan terminates its contract with CMS or reduces its service area. An individual with ESRD may, however, elect an MA special needs plan as long as that plan has opted to enroll ESRD individuals. There are also circumstances where an MA organization may accept enrollees with ESRD who are enrolling in an MA plan through an employer or union group. The 21<sup>st</sup> Century Cures Act removes the barrier for people with ESRD to enroll in MA plans beginning in 2021.

## **WHAT OPTIONS ARE AVAILABLE UNDER MEDICARE ADVANTAGE?**

There are three basic types of MA plans. Depending on where an individual lives, not every type of plan might be available to them.

- **Coordinated Care Plans** These plans include the following:
  - Health Maintenance Organizations (HMOs)
  - Preferred Provider Organizations (PPOs)
  - Special Needs Plans (SNPs) designed for people who live in certain institutions, are eligible for both Medicare and Medicaid, or have one or more specific chronic or disabling conditions.
- **Medical Savings Account Plans (MSAs)** combine the use of a health care savings account with a high deductible catastrophic health plan.
- **Private Fee-For-Service Plans (PFFSs)** allow an individual to use any doctor or hospital as long as that provider accepts the plan's terms and conditions. Based on other plans available in a given service area, some PFFS plans must establish provider networks.

## **WHAT YOU PAY**

Out-of-pocket costs in an MA plan depend on whether the plan charges a monthly premium, whether the plan has a yearly deductible, how much you pay for each visit or service (copayments or coinsurance), the type of health care services needed and how often and whether network providers are used. MA plans may charge cost-sharing for a service that is above or below the traditional Medicare cost-sharing for that service. However, MA plans cannot impose cost-sharing for chemotherapy administration services, renal dialysis services, and skilled nursing care services that exceed the cost-sharing for those services under traditional Medicare.

All MA plans must have a maximum allowable out-of-pocket (MOOP) limit on the amount of cost-sharing they can charge for all Part A and Part B services, with the amount to be set by CMS on a yearly basis. Currently the maximum allowable MOOP is \$6,700. MA plans can use a lower, voluntary MOOP of \$3,400 in exchange for greater flexibility in establishing cost-sharing amounts

## **HOW TO JOIN A MEDICARE ADVANTAGE PLAN**

To enroll in an MA plan, an individual must complete and sign an election form or complete another CMS approved election method offered by the MA organization. Individuals can contact their plan choice directly or call 1-800-MEDICARE to enroll. At a minimum, MA organizations must have a paper enrollment form process available for potential enrollees.

## **MEDICARE ADVANTAGE ENROLLMENT PERIODS**

An individual is only permitted to join or leave an MA plan at certain times during the year. There are five types of election periods during which an individual may make a Medicare Advantage enrollment request.

The **Initial Coverage Election Period (ICEP)**, the period during which a newly MA eligible individual may make their initial choice to enroll in an MA plan. This period begins three months immediately before the individual's first entitlement to both Medicare Part A and Part B and ends on the later of either the last day of the month preceding entitlement to both Part A and Part B, or, the last day of the individual's Part B initial enrollment period.

During the **Annual Coordinated Election Period (ACEP)** all MA eligible individuals may elect among all available options, whether traditional Medicare, MA plans, MA-PD plans, or Prescription Drug Plans (PDPs). The ACEP occurs from October 15 through December 7 of every year; coverage begins on the first day of the following calendar year. The Annual Enrollment Period for Part D mirrors that of the ACEP for MA. It is important to note that Medigap does not have an annual enrollment period and Medigap enrollment rights vary from state-to-state.

**Open Enrollment Period for Institutionalized Individuals (OEPI)**. MA eligible individuals, who move into, reside in, or move out of a nursing home or other institution, as defined by the Centers for Medicare & Medicaid Services (CMS), can make an unlimited number of MA elections.

**The Medicare Advantage Open Enrollment Period (MA OEP)** is only available to those enrolled in an MA plan. During this period those enrolled in an MA plan as of January 1 or new Medicare beneficiaries who are enrolled in an MA plan during their ICEP may enroll in another MA plan or disenroll from their MA plan and return to traditional Medicare. Individuals may also add or drop Part D coverage during the MA OEP. Only one election is allowed during this period and the effective date for election is the first of the month following receipt of the enrollment requests. The MA OEP occurs from January through March 31 for individuals enrolled in an MA plan. For new Medicare beneficiaries who are enrolled in an MA plan during their ICEP the MA OEP occurs the month of entitlement to Part A and Part B – the last day of the 3<sup>rd</sup> month of entitlement.

## **SPECIAL ENROLLMENT PERIODS**

During a **Special Enrollment Period (SEP)** an individual may elect a plan or change their current plan election. Certain qualifying events can trigger an SEP. There are many different SEPs, including: for changes in residence; for contract violations; for non-renewals or terminations of plans; for beneficiaries age 65; for significant change in provider network; for CMS and state-initiated enrollments; and for individuals who meet “exceptional circumstances” as the Medicare program may provide. At this time CMS has established roughly 18 SEPs for exceptional conditions. The Medicare Managed Care Manual, Chapter 2, Section 30.4 sets forth all 18 SEPs. [https://www.cms.gov/Medicare/Eligibility-and-Enrollment/MedicareMangCareEligEnrol/Downloads/CY\\_2019\\_MA\\_Enrollment\\_and\\_Disrollment\\_Guidance.pdf](https://www.cms.gov/Medicare/Eligibility-and-Enrollment/MedicareMangCareEligEnrol/Downloads/CY_2019_MA_Enrollment_and_Disrollment_Guidance.pdf)

## **HOW AND WHEN TO DISENROLL FROM A MEDICARE ADVANTAGE PLAN**

An individual may only disenroll from an MA plan during one of the election periods described in this brochure. A beneficiary may disenroll by enrolling in another plan, giving or faxing a signed written notice to the MA organization, by submitting a request via the Internet to the MA organization, or by calling 1-800-MEDICARE. Generally, the date coverage ends will be the first day of the month after an individual requests disenrollment. Retroactive disenrollment may be granted by CMS if there never was a legally valid enrollment, or a valid request for disenrollment was properly made but not processed or acted upon.



## **CONSIDERATIONS BEFORE JOINING A MEDICARE ADVANTAGE PLAN v. TRADITIONAL MEDICARE**

- Compare the coverage and costs available through the traditional Medicare program combined with an appropriate Medigap policy, versus the MA plans available in your geographic area.
- MA plans are not required to provide enrollees the same access to all Medicare providers that is available under traditional Medicare. In most plans enrollees must use providers and facilities in the plan's network. In other plans, enrollees must pay more to see "non-network" providers.
- MA plans can decide each year whether to offer an MA plan and may discontinue the plan after providing their enrollees with notice. MA plans can also change benefits, premiums, copays and their provider network from year to year.
- Many plans require enrollees to obtain the prior approval of their primary care physician in order to see a specialist.
- There may be a limited geographic area where enrollees can receive care.
- Plans only cover emergency and urgent care if an enrollee is out of the service area, but an enrollee must return to the area for follow up or routine care.
- It can take up to 30 days to disenroll, and an enrollee must continue to use the MA plan during this time.
- MA plans may not impose limitations, waiting periods or exclusions from coverage due to pre-existing conditions that are not present in traditional Medicare.

## **CONSIDERATIONS WHEN SELECTING A MEDICARE ADVANTAGE PLAN**

- Find out whether, and to what extent, you are required to receive services from medical providers who participate in the MA plan you are considering. If so, are the doctors and other health care providers, hospitals and other facilities from whom you would want to receive care available to you in the plan?
- Read each plan's literature to see what kind of plan it is and what it pays for. Review the Evidence of Coverage, Summary of Benefits, and the Annual Notice of Change that notifies enrollees of cost and benefit changes that will take effect starting January 1<sup>st</sup> of the following year.
- Does the plan include Part D prescription drug coverage? If not, do you want to join a separate Part D plan?
- Determine what plan services are provided at additional cost. All preventive services should be identified, as well as any limitations associated with visits or services. Determine where you would go for emergency, urgently needed, and regular care.
- Check into the plan's physicians to determine if your physicians are in the plan and find out how to change physicians if a satisfactory relationship with a plan physician cannot be established. In addition, ask which hospitals, skilled nursing facilities and home care agencies the plan contracts with to ensure that there are satisfactory choices.
- Learn how to use the plan's complaint system and how appeals and grievances are handled.
- Ask a plan representative if member satisfaction surveys are conducted and if the results are available for review.
- Contact Medicare's Regional Office to determine if a plan has always complied with Medicare regulations.
- While you can leave your Medicare Advantage plan and return to traditional Medicare on an annual basis, you might not have a right to purchase a Medigap policy, depending on the state you live in and how long you were in the Medicare Advantage plan.

Individuals throughout the country can obtain help and a list of MA plans in their area from their State Health Insurance Assistance Program (SHIP), the Medicare information line, 1(800)MEDICARE, (1-800-633-4227), or the Medicare website ([www.Medicare.gov](http://www.Medicare.gov)).

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In Connecticut contact CHOICES at 1-800-994-9422.

## **CENTER FOR MEDICARE ADVOCACY**

The Center for Medicare Advocacy, founded in 1986, is a national non-profit law organization that works to ensure fair access to Medicare and quality health care. The Center is based in Connecticut and Washington, DC, with offices around the country.

Based on our work with real people, the Center advocates for policies and systemic change that will benefit all those in need of health care coverage and services.

Staffed by attorneys, legal assistants, nurses, and information management experts, the organization represents thousands of individuals in appeals of Medicare denials. The work of the Center also includes responding to over 7,000 calls and emails annually from older adults, people with disabilities, and their families, and partnering with CHOICES, the Connecticut State health insurance program (SHIP).

Only through advocacy and education can older people and people with disabilities be assured that Medicare and health care are provided fairly:

- We offer education and consulting services to help others advance the rights of older and disabled people and to provide quality health care.
- We draw upon our direct experience with thousands of Medicare beneficiaries to educate policy-makers about how their decisions play out in the lives of real people.

The Center for Medicare Advocacy is the most experienced organization for Medicare beneficiaries and their families.

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Visit our website:  
**[MedicareAdvocacy.org](http://MedicareAdvocacy.org)**

## Choosing Between Traditional Medicare and Medicare Advantage

If you are eligible for Medicare you can choose between getting Medicare benefits through traditional Medicare (also known as original Medicare and traditional Medicare) or a Medicare Advantage (MA) plan. Making this choice is personal and requires individuals to consider their circumstances, including their health, need for flexibility, budget and tolerance for financial risk. Before deciding how to receive Medicare, it is important to understand the different parts of Medicare, how they work together, and the key differences between traditional Medicare and Medicare Advantage. It is also important to ask questions and gather information before deciding whether to enroll in a Medicare Advantage plan.

### A. Understanding the Parts of Medicare

Before discussing the differences between traditional Medicare and Medicare Advantage, it is important to understand the different parts of Medicare and how they work together. Medicare has four parts: Part A, Part B, Part C and Part D.

1. **Part A** covers hospital care (hospital care, skilled nursing facility care, home health care and hospice care)
2. **Part B** covers medical insurance (e.g. doctor visits, medical equipment, outpatient procedures, home health care, lab tests, x-rays, ambulance services and some preventive services).

**Part C**, also known as Medicare Advantage (MA) plans, are administered by private insurers that have contracts with the Medicare program. MA is a different way of getting Medicare Part A and Part B coverage and is The plans combine Part A and Part B, and often Part D, into one plan so the entire package of benefits comes from a private insurance company, regulated by the federal government

3. **Part D** provides outpatient prescription drug coverage. Part D is administered and run by private insurance companies that have contracts with the federal government. Individuals who have traditional Medicare, or a Medicare Advantage plan that does not include prescription drug coverage, who want Part D coverage, must purchase it separately. This is called a “stand-alone” Prescription Drug Plan (PDP). A Medicare Advantage plan that includes both health and drug coverage is referred to as a Medicare Advantage Prescription Drug (MA-PD) Plan.

### B. Medigap (Medicare Supplement Insurance)

Medigap plans (also known as Medicare Supplement Insurance), are private health insurance plans that help pay for the "gaps" in payment for Medicare-covered care left by traditional Medicare; these include copayments, coinsurance, and deductibles. In many cases, someone with traditional Medicare must purchase a separate Part D drug plan as well as a Medigap plan to supplement their Medicare benefits. Medigap policies do not work with MA plans and it is

illegal for anyone to sell an MA enrollee a Medigap policy unless they are switching to traditional Medicare.

Some beneficiaries have employer or union coverage that pays costs that traditional Medicare does not cover; those who do not may need to buy a Medigap plan. Other individuals may be eligible for Medicaid that can also cover such costs and may not need Medigap

### **C. Key Differences between Traditional Medicare and a Medicare Advantage Plan**

It is important to understand some of the key differences between traditional Medicare and Medicare Advantage including enrollment, access to services, costs, benefits, and the appeals process.

#### **1. Enrollment**

- **Traditional Medicare**

If you meet the requirement of at least 40 quarters of employment paying into Social Security, you automatically qualify for Medicare Part A, with no required monthly premium. You should contact Social Security on-line or in your community to enroll. When you enroll in Medicare for the first time you are automatically enrolled in **traditional** Medicare, but you can choose a private Medicare Advantage plan if you prefer.

Medicare Part B requires the payment of a monthly premium. You must elect to either accept or decline this coverage, but be aware that there may be penalties for not enrolling during your initial enrollment period. For more details, see our Eligibility and Enrollment page.

- **Medicare Advantage**

In general, you must specifically opt to receive your Medicare coverage through an MA plan; it does not happen without your authorization, except for certain individuals enrolled in certain Special Needs Plans, a type of MA plan. You must be enrolled in Medicare Parts A and B in order to be eligible to enroll in a MA plan. Note that if you choose to enroll in a Medicare Advantage plan you are still in the Medicare program and you still have Medicare rights and protections but you have chosen to have your Medicare benefit provided through a private plan.

#### **2. Access to Services**

- **Traditional Medicare**

If you are enrolled in traditional Medicare you can go to any doctor or hospital in the United States that accepts Medicare. Traditional Medicare does not have a “network.” Referrals are not needed to see specialists and there is no prior authorization required to obtain services.

- **Medicare Advantage**

If you are enrolled in a Medicare Advantage plan you may be limited by the MA plan to using a network of specific providers in order for the plan to cover your care. You may have to choose a primary care physician, obtain referrals to see specialists, and get prior authorization for certain services. Certain MA plans may cover care you get outside of the network, but you will likely have to pay more. Most plans may only cover emergency and urgent care if you are out of the service area; you must return to the service area for follow up or routine care. Network providers can join or leave a plan's provider network anytime during the year but, generally, you must wait until the next year's open enrollment period to opt to leave the plan. The MA plan can also change the providers in the network anytime during the year.

### **3. Costs**

- **Traditional Medicare**

In traditional Medicare, Part A is free if you have worked and paid Social Security taxes for at least 40 calendar quarters (10 years). If you are in traditional Medicare you owe a monthly premium for Part B coverage. You may also have to pay for deductibles, coinsurance and copays. Traditional Medicare has no out-of-pocket maximum or cap on what you may spend on health care. With traditional Medicare, you will have to purchase Part D drug coverage and a Medigap plan separately (if you choose to purchase one).

- **Medicare Advantage**

Costs in MA plans vary. You must pay the same monthly premium as those enrolled in traditional Medicare Part B. Additional out-of-pocket costs in an MA plan depend on what type of MA plan you choose and may include the following: whether the plan charges an extra monthly premium; whether the plan has a yearly deductible; how much you pay for each visit or service (copayments or coinsurance); the type of health care services needed and how often; and, whether network providers are used.

MA plans may charge cost-sharing for a service that is above or below the traditional Medicare cost-sharing for that service. However, MA plans cannot impose cost-sharing for chemotherapy administration services, renal dialysis services, and skilled nursing care services that exceed the cost-sharing for those services under traditional Medicare. All MA plans must have a maximum allowable out-of-pocket (MOOP) limit on the amount of cost-sharing they can charge for all Part A and Part B services, after which you will pay nothing for covered benefits for the rest of the year. MA plans may also change benefits, premiums, and copays every year.

#### **4. Benefits**

- **Traditional Medicare**

Traditional Medicare has a standard benefit package that covers medically necessary health care services. Traditional Medicare does not offer coverage for prescription drugs. In traditional Medicare you may have to buy a Medigap plan as well as a separate Part D prescription drug plan.

- **Medicare Advantage**

MA plans must offer a benefit package that is at least equal to traditional Medicare's and covers everything traditional Medicare covers. Some MA plans may cover services which are not covered by traditional Medicare such as dental, hearing and vision care, and health club memberships. Many MA plans have prescription drug coverage built into the benefit package.

#### **5. Appealing Denied Claims:**

Regardless of how you receive your Medicare benefits you always have the right to appeal unfavorable decisions regarding coverage of your services. However, timeframes and deadlines differ depending on whether you have traditional Medicare or a Medicare Advantage plan.

### **D. What to Do and What to Ask Before Choosing Between Traditional Medicare and a Medicare Advantage Plan**

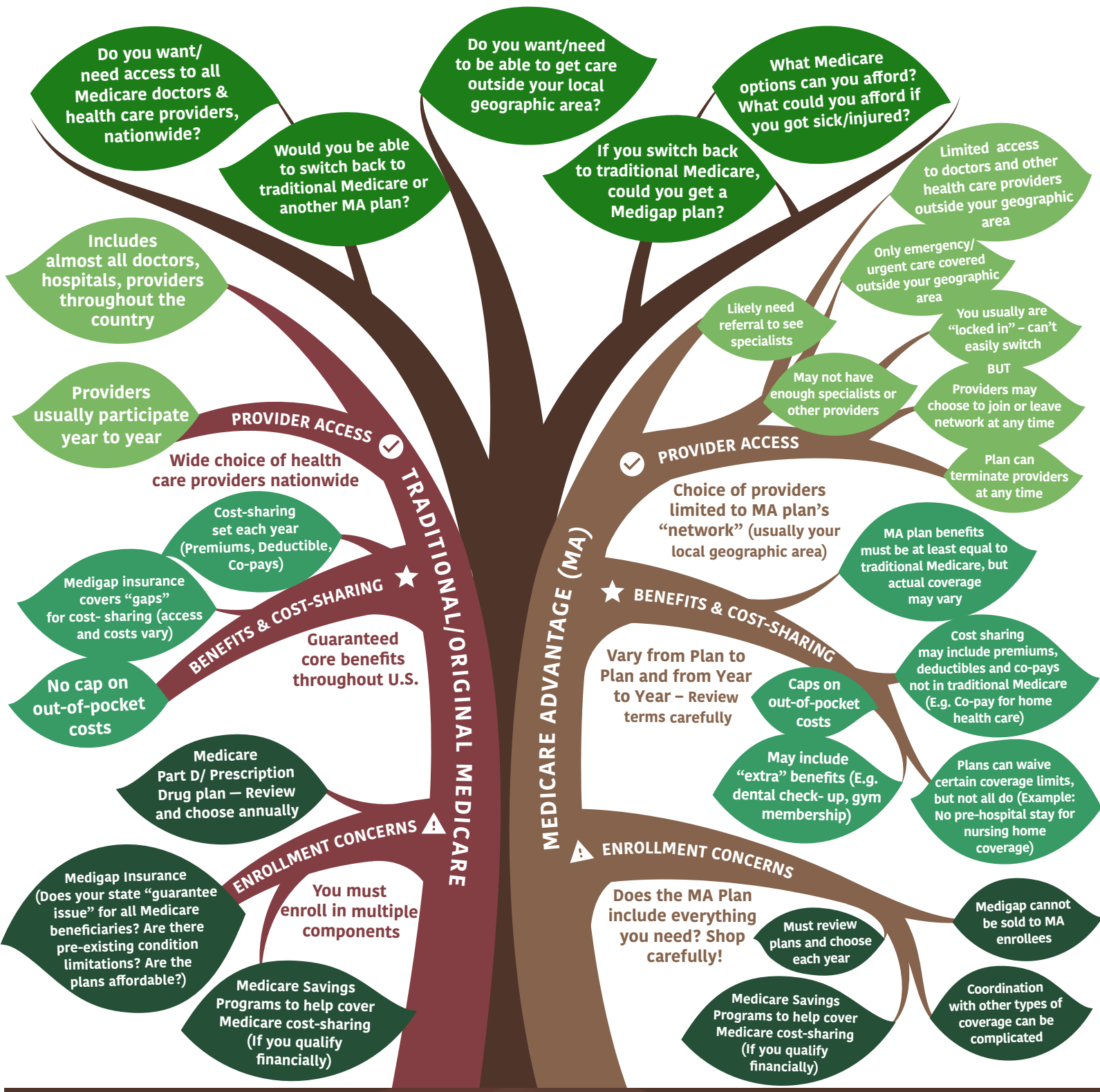
- Understand how the MA plan you are considering works with any current coverage you may have. If you have retiree or employer health coverage you may lose this coverage if you join a MA plan; alternatively, your former employer may offer you retiree coverage through one or more MA plans.
- Compare the coverage and costs available through the traditional Medicare program combined with an appropriate Medigap policy and prescription drug plan, versus the available MA plans including any monthly premium, deductible, copayments, and yearly out-of-pocket maximum.
- Inquire with MA plans as to whether and to what extent you are required to receive services from medical providers who participate in the MA plan you are considering.
- Be sure the physicians and health care providers you are likely to want to use contract with the MA plan.
- Ask the MA plans whether there is coverage if you travel outside of the service area.
- Read each MA plan's literature to see what kind of plan it is and what it pays for. Not all MA plans, even if the plans are the same type, and from the same insurer, work the same way.
- Check to see whether the medications you need are included on the Medicare Advantage plan's formulary.
- Determine what MA plan services are provided at what additional cost. All preventive services and extra benefits should be identified, as well as any limitations associated with visits or services. Determine where you are required to go for regular, non-urgent care.
- Check into the MA plan's physicians to determine if your physicians are in the plan's network. If your doctor is in the network then ask your doctor what their experience has



been dealing with that plan and whether they would recommend joining the plan. In addition, ask which hospitals, skilled nursing facilities and home care agencies the plan contracts with to ensure that there are satisfactory choices.

- Learn how to use the plan's complaint system and how appeals and grievances are handled.
- Ask an MA plan representative if member satisfaction surveys are conducted and if the results are available for review.
- Contact the CMS Regional Office to determine if a plan has failed to comply with CMS regulations.
- Individuals can obtain help and a list of MA plans in their area from their State Health Insurance Assistance Program (SHIP), the Medicare helpline (1-800-633-4227), or the Medicare website ([www.Medicare.gov](http://www.Medicare.gov)).

# DECISION TREE: TRADITIONAL MEDICARE OR MEDICARE ADVANTAGE



## THE ROOT OF THE DECISION:

If you want access to almost all health care providers, anywhere in the country, and don't want to have to get permission from an insurance company to see specialists, look to traditional Medicare. If you are willing to give up access to a full choice of providers for possible lower cost-sharing and some additional benefits, look at Medicare Advantage.

# What are the parts of Medicare?



## Part A (Hospital Insurance)

Helps cover:

- Inpatient care in hospitals
- Skilled nursing facility care
- Hospice care
- Home health care

**See pages 25–28.**



## Part B (Medical Insurance)

Helps cover:

- Services from doctors and other health care providers
- Outpatient care
- Home health care
- Durable medical equipment (like wheelchairs, walkers, hospital beds, and other equipment and supplies)
- Many preventive services (like screenings, shots, and yearly “Wellness” visits)

**See pages 29–49.**



## Part D (Prescription drug coverage)

Helps cover:

- Cost of prescription drugs

Part D plans are run by private insurance companies that follow rules set by Medicare.

**See pages 73–82.**

## Part C (Medicare Advantage)

- Private insurance plans that offer Medicare coverage
- Coverage is generally limited to providers in your local geographic area.

**See pages 55–68.**

# Your Medicare options

When you first enroll in Medicare and during certain times of the year, you can choose how you get your Medicare coverage. There are 2 main ways to get Medicare:

## Original Medicare

- Original Medicare includes Medicare Part A (Hospital Insurance) and Part B (Medical Insurance). *Covers care from all providers that participate in Medicare nationwide.*
- If you want drug coverage, you can join a separate Part D plan.
- To help pay your out-of-pocket costs in Original Medicare (like your deductible and 20% coinsurance), you can also shop for and buy supplemental coverage.

**Part A**



**Part B**



**You can add:**

**Part D**



**You can also add:**

**Supplemental coverage to help lower out-of-pocket costs**



(Some examples include coverage from a Medicare Supplement Insurance (Medigap) policy, or coverage from a former employer or union.) *or from a Medicare savings program for lower income people.*

## Medicare Advantage (also known as Part C)

- Medicare Advantage is ~~an~~ *“all-in-one” is the name for private plans that are an alternative to Original Medicare and covers these “bundled” plans include* Part A, Part B, and usually Part D. *Coverage is usually limited to providers in your local geographic area.*
- Some plans may have lower out-of-pocket costs than Original Medicare.
- Some plans offer ~~extra~~ benefits that Original Medicare doesn't cover— like *some* vision, hearing, or dental.

**Part A**



**Part B**



**Most plans usually include:**

**Part D**



**Some plans also include:**

**Lower out-of-pocket costs**

~~Extra~~ **Some other benefits**

*Supplemental coverage from a Medicare savings program for lower income people may be available.*

AT A GLANCE

# Original Medicare vs. Medicare Advantage




## Doctor and hospital choice

Original Medicare	Medicare Advantage
You can go to <b>any doctor provider that accepts Medicare nationwide.</b>	In most cases, you'll need to use <b>doctors providers in your local geographical area who are in the plan's network</b> (for non-emergency or non-urgent care). Ask your <b>doctor provider</b> if they participate in any Medicare Advantage Plans.
In most cases you <b>don't need</b> a referral to see a specialist.	You <b>may need</b> to get a referral to see a specialist.



## Cost

Original Medicare	Medicare Advantage
For Part B-covered services, <b>you usually pay owe 20% of the Medicare approved amount</b> after you meet your deductible.	<b>Out-of-pocket costs vary</b> —some plans have low or no out-of-pocket costs.
You <b>pay a premium (monthly payment) for Part B</b> . If you choose to buy prescription drug coverage, you'll pay that premium separately.	You may <b>pay a premium for the plan</b> (most include prescription drug coverage) <b>and a premium for Part B</b> . Some plans have a \$0 premium or will help pay all or part of your Part B premium.
There's <b>no yearly limit</b> on what you pay out-of-pocket, <b>but . . .</b> 	Plans have a <b>yearly limit</b> on what you pay out-of-pocket for Medicare Part A and B covered services. Once you reach your plan's limit, you'll pay nothing for Part A- and Part B- covered services for the rest of the year.
You <b>can buy</b> supplemental coverage to help pay your out-of-pocket costs (like your deductible and 20% coinsurance).	You <b>can't buy or use</b> separate supplemental coverage—but <b>some</b> plans have lower out-of-pocket costs than Original Medicare.



## Coverage

Original Medicare	Medicare Advantage
Original Medicare covers medical services and supplies in hospitals, doctors' offices, and other health care settings.	Plans must cover all of the services that Original Medicare covers. Some plans <b>offer extra benefits that Original Medicare doesn't cover</b> — like <i>some</i> vision, hearing, or dental.
You can join a <b>separate Medicare Prescription Drug Plan</b> to get drug coverage.	<b>Prescription drug coverage is usually included</b> in most plans.
In most cases, you <b>don't</b> have to get a service or supply approved ahead of time for it to be covered.	In some cases, you <b>have to get</b> a service or supply approved ahead of time for it to be covered by the plan.



## Travel

Original Medicare	Medicare Advantage
Original Medicare <i>covers care from all participating providers nationwide</i> , but generally <b>doesn't cover care outside the U.S.</b> You may be able to buy supplemental coverage that covers care outside the U.S.	Plans usually <i>only cover care from providers in your local geographic area</i> <b>and don't cover care outside the U.S.</b> Also, plans usually don't cover non-emergency care you get outside of your plan's network.

These topics are explained in more detail throughout this book.

- **Original Medicare:** See Section 3 (starting on page 51).
- **Medicare Advantage:** See Section 4 (starting on page 55).

## Considerations When Choosing Between Traditional Medicare with a Medigap Plan vs. Medicare Advantage

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Medicare Supplemental Insurance plans, also known as "Medigaps", are private health insurance plans that help pay for the "gaps" in coverage in traditional Medicare including copayments, coinsurance, and deductibles. Medigap policies do not work with Medicare Advantage (MA) plans and it is illegal for anyone to sell an MA enrollee a Medigap policy unless they are switching to traditional Medicare.

While it is relatively easy for a Medicare beneficiary to enroll into and disenroll from a Medicare Advantage plan on an annual basis, **there are limitations regarding when an individual can enroll in a Medigap plan.** There are only certain times when companies offering Medigap plans ("issuers") are required to sell plans to individuals, and the rules vary by state. Federal law provides for open enrollment rights when someone is 65 or over and first enrolls in Part B of Medicare, and additional "[guarantee issue rights](#)" when certain triggering events occur.

State laws can go further than the minimum federal enrollment standards to provide additional enrollment rights, but only four states – Connecticut, Massachusetts, Maine and New York - require either continuous or annual guaranteed issue protections for Medigap for all beneficiaries in traditional Medicare ages 65 and older, regardless of their medical history. As noted in a Kaiser Family Foundation [report](#), "[i]n all other states and D.C., people who switch from a Medicare Advantage plan to traditional Medicare may be denied a Medigap policy due to a pre-existing condition, with few exceptions, such as if they move to a new area or are in a Medicare Advantage trial period."

In addition, as discussed in a Center for Medicare Advocacy [CMA Alert](#), state law varies considerably with respect to extending Medigap rights to individuals under 65.

**Medigap enrollment rights are considerably more limited than the annual opportunities beneficiaries have to get in and out of private Medicare Advantage and Part D plans, and individuals who want to change from a Medicare Advantage plan to traditional Medicare with Medigap may be disadvantaged.** As noted in the Kaiser report, Medicare beneficiaries who miss the limited "windows of opportunity" to enroll in a Medigap plan "may unwittingly forgo the chance to purchase a Medigap policy later in life if their needs or priorities change. This constraint potentially affects the nearly 9 million beneficiaries in traditional Medicare with no supplemental coverage. It may also affect millions of Medicare Advantage plan enrollees who may incorrectly assume they will be able to purchase supplemental coverage if they choose to switch to traditional Medicare at some point during their many years on Medicare."

In other words, **look before you leap.** An individual weighing whether to enroll in a Medicare Advantage plan vs. traditional Medicare should **keep in the mind the limited opportunities to purchase a Medigap plan to supplement the gaps in traditional Medicare.**

**Tips to Assist Beneficiaries  
Choose Between  
Traditional Medicare  
and Medicare Advantage**

August 2018

**Overview of Medicare  
Benefits Coverage**



# MEDICARE

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- **Part A** – Hospital Insurance
  - Hospital, SNF, HH, Hospice Traditional/Original Medicare
- **Part B** – Medical Insurance
  - Physician, Outpatient, Preventive, HH
- **Part C** – Medicare Advantage program (Private plans)
  - MA – Medicare Advantage plans without Part D drug coverage
  - MA-PDs – Medicare Advantage plans with Part D drug coverage
- **Part D** – Prescription Drug Benefit
  - PDP – Stand-Alone Prescription Drug Plans

# TRADITIONAL MEDICARE

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- **Parts A and B**
  - Access to all Medicare-participating providers nationwide
  - No limits on pre-existing conditions
  - But –
    - No cap on out-of-pocket costs
    - Cost-sharing can be a problem
      - Supplemental help with costs (Medigap, MSP, Retirement)
      - Help with Rx costs (PDP, VA, Retirement)
    - No routine vision, dental or hearing aid coverage

## MEDICARE ADVANTAGE (MA)

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### ▪ Part C

- Private insurance plans that contract with Centers for Medicare & Medicaid Services (CMS) to provide Medicare coverage
- MA plans combine Part A and Part B, and sometimes Part D (prescription drug coverage)
- MA plans have limited provider networks
- Plans can terminate provider contracts / reduce providers in network

## MEDICARE ADVANTAGE (MA) (Cont.)

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- MA plans must provide at least as much coverage as traditional Medicare, and may provide additional coverage
- MA plans are not “in addition to”/ “on top of ” traditional Medicare
- Deductibles, copayments or coinsurance are generally paid out-of-pocket or reduced as an “extra benefit” by the MA plan
- Medigap policies can’t be sold to individuals in MA

## **TRADITIONAL MEDICARE VS. MA Overview**

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**Choosing Between Traditional Medicare and an MA Plan is an important decision and requires consideration of:**

- Need for an open network /choice of providers;
- Need for access to care outside one's own geographic area;
- Individual's financial circumstances;
- Could you switch back to traditional Medicare if MA does not serve you well?
  - Could you wait for the next enrollment period?
  - Could you get a Medigap plan?
    - Differs from state to state



## **Considerations in Choosing Between Traditional Medicare and Medicare Advantage**

## **TRADITIONAL MEDICARE VS. MA PLANS A ROADMAP – NARROWING THE OPTIONS**

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1. Which providers/facilities do you use?
  - How important is it to you to continue with them?
  - Do they accept Medicare?
  - Which Medicare Advantage Plan networks do they participate in?
2. What medications do you take?
  - What MA plan formularies are your medications on?
  - Can you take generics?

## **TRADITIONAL MEDICARE VS. MA PLANS A ROADMAP – NARROWING THE OPTIONS**

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3. Do you want your care choices directed?
  - By going through a primary care physician?
  - By obtaining referrals to see specialists?
  - By having to get prior authorization for some services?
4. Do you travel outside your general home area?
  - How often?
  - How do you feel about having care access limited to emergency coverage and urgent care if you are outside your general home area?

## **TRADITIONAL MEDICARE VS. MA PLANS A ROADMAP – NARROWING THE OPTIONS**

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5. How important is a cap on out-of-pocket costs (known as annual maximum out-of-pocket [MOOP] )?
6. What value are other possible benefits to you? (Examples: some dental, hearing, vision, health clubs, grab bars, transportation – check the details)
7. How do you weigh the convenience of “one-stop shopping” up-front Vs. continual annual checking to make sure providers and coverage requirements are not changing?

## **TRADITIONAL MEDICARE VS. MA PLANS A ROADMAP – NARROWING THE OPTIONS**

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8. How do you feel about a Medical Director of a health plan potentially having the ability to challenge your doctor’s determination that your care is reasonable and necessary?
9. Will you be more likely to seek needed care if it is:
  - Convenient (larger number of providers/suppliers)?
  - Lower Cost?
  - Simpler to access? (Example: referral not required)

## **TRADITIONAL MEDICARE VS. MA PLANS A ROADMAP – NARROWING THE OPTIONS**

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10. Do you qualify for payment assistance or have access to other coverage?

- Medicare Savings Program
- Part D Low Income Subsidy
- Medigap
- Employer/Military/Other Insurance

## **TRADITIONAL MEDICARE VS. MA PLANS OTHER CONSIDERATIONS - TRADITIONAL**

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- Flexibility
  - Provider/ facility/ supplier networks are vast
  - Coverage is available throughout U.S. and territories.
- Medigap Plan questions to ask:
  - Are there guaranteed issue rights in your state?
  - What are the pre-existing condition limitations?
  - Are the premiums prohibitively high?
  - Do you have other options for cost-sharing?
  - Are you willing/able to go without a supplement?

## **TRADITIONAL MEDICARE VS. MA PLANS OTHER CONSIDERATIONS – MA PLANS**

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- Medigap policies can't be sold to MA enrollees.
- Coordination with other types of coverage can be complicated.
  - May have to pay some/all cost-sharing out of pocket.
- MA plan networks are generally limited to enrollees geographic area
  - Do not always have adequate specialists or other providers to serve patient needs.
  - Online provider/hospital/supplier network directories are not always updated.

## **TRADITIONAL MEDICARE VS. MA PLANS OTHER CONSIDERATIONS – MA PLANS**

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- Network providers may choose to join or leave a network at any time; plan can also terminate providers at any time, whereas most enrollees are locked in for year (after March 31 of the year).
  - Limited Special Enrollment Period (SEP) for network terminations
- There are additional SEPs for people who are dually eligible, MSP, and LIS
  - Now limited to one change of plan every 3 months for the first 9 months of the year

## **TRADITIONAL MEDICARE VS. MA PLANS OTHER CONSIDERATIONS – MA PLANS**

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- HMOs usually have no out-of-network coverage
- PPOs usually have out-of-network coverage at a higher cost to the beneficiary
- MA Plans have discretion to charge cost-sharing above traditional Medicare (except chemotherapy, renal dialysis, SNF services)
- MOOPs only apply to Part A and B services, not to Part D and not “extra” services

## **TRADITIONAL MEDICARE VS. MA PLANS OTHER CONSIDERATIONS – MA PLANS**

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- MA plans must offer benefits that are at least equal to traditional Medicare and cover everything traditional Medicare covers.
- May offer coverage for additional services.
- MA plans can waive certain restrictions on coverage (Example: 95% of MA Plans don't require 3-day prior hospital stay for SNF coverage).



## **TRADITIONAL MEDICARE VS. MA PLANS OTHER CONSIDERATIONS – MA PLANS**

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- Plan benefits and cost sharing can change every year – enrollees should review annually.
- Cost-sharing may be more than in traditional (Example: HH co-pay in MA, none in traditional).
- MA plans do not provide hospice coverage
- MA plans do not cover services related to people in clinical trials.

## **TRADITIONAL MEDICARE VS. MA PLANS SUMMARY**

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- Enrolling in Medicare and continuing to obtain coverage, whether through traditional Medicare or an MA plan, is a personal choice and requires each individual to consider the following:
  - Need/desire for flexibility in obtaining health care
  - Health, medical history
  - Overall life circumstances including location of family and friends
  - Budget
  - Tolerance for financial risk



For further information, to receive the Center's free weekly electronic newsletter, *CMA Alert*, update emails and webinar announcements, contact:  
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