

MEDICARE SUPPLEMENT VS. ADVANTAGE PLAN

Quick Reference Guide

Updated
for 2023

WHAT WILL IT COST ME?

Supplement: You pay a monthly premium (approx. \$ 130/mo.) You will also have an annual deductible of approx \$250 before benefits start. After you meet the deductible, all Medicare-covered medical expenses are covered with no out of pocket. You will also need to enroll in a prescription drug plan that will average \$30/mo, depending on the prescriptions you need to cover.

Advantage: You pay little to no monthly premium, but you will have co-pays for each doctor's appointment and services rendered. Your prescription drug plan is combined with your advantage plan with no additional premium in most cases. Depending on your chosen advantage plan, you will have a maximum out-of-pocket, ranging from \$3,500 to \$10,000 per year.

You decide: Whether you chose a supplement or advantage plan, you must still pay your part B premium of 164.90/mo (2023 base premium). This is usually deducted from your Social Security check. If you don't have an extra \$150/mo. to put toward a supplement & drug plan then your default option is a zero premium advantage plan.



WHAT DOCTORS AND HOSPITALS CAN I GO TO?

Supplement: You can go to ANY doctor or hospital in the U.S.A that accepts Medicare. No networks to deal with.

Advantage: There are two types of Advantage plans, HMO & PPO. HMO plans have a strict network of doctors and hospitals that you must stay within. PPO plans have a network, but you can go to doctors and hospitals outside of that network. Higher co-pays will be incurred outside of the PPO network.

You decide: If you regularly travel, it is nice to know that no matter where you are in the U.S., you can go to the nearest doctor or hospital that accepts Medicare. This can give you the peace that your Medicare Supplement will pick up your cost share after Medicare pays its portion.

If you are okay with knowing that you might pay a little more when you are traveling if you land in an out-of-network doctor or hospital, then a PPO advantage plan might be suitable for you. If you do little to no traveling and are aware that you should know what doctors & hospitals are in your network when you do travel to another area, then an HMO could work for you.



HOW MUCH OF A HEADACHE IS IT TO HAVE CLAIMS PAID?

Supplement: If it is a Medicare-approved service, Medicare will pay first, and your supplement will pay the remaining balance minus any annual deductible due. Only the plan's deductible is subject to change from year to year.

Advantage: The Advantage plan will have set co-pays, deductibles, and co-insurance for certain Medicare-approved services. These set amounts can be found in the plan "summary of benefits" and can change from year to year. The Advantage plan pays for the Medicare-approved services rendered minus your portion.

You decide: When making a decision, please consider that Advantage plans have a little more complex billing since you are responsible for portions of different services. A Medicare supplement usually covers the amount that Medicare doesn't cover for Medicare-approved services after you have met your deductible. Therefore a supplement is a little more straightforward.



WHAT IF I HAVE PRE-EXISTING CONDITIONS?

Supplement: If you are turning 65 and going on Medicare, or over 65 and coming off a group plan, then pre-existing conditions are not considered.

Suppose you start with a Supplement and have never been on an Advantage plan. In that case, you can move to an Advantage plan (during Annual Enrollment) and then back to a supplement within the first 12 months without disclosing any pre-existing conditions. Or if you are within the first 12 months of your Part A effective date, you can move from an Advantage plan to a Supplement without disclosing pre-existing medical conditions.

Advantage: Pre-existing conditions are never considered with an Advantage plan.

You decide: Suppose you are interested in a Supplement, but have pre-existing conditions that may prevent you from qualifying. In that case, you want to consider that and apply for a Supplement when you first join Medicare, so your pre-existing conditions are not a factor.

