# Comparing Medicare Supplements Versus Advantage Plans

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When a person turns 65, they become eligible for Medicare. Their coverage is for Medicare Part A (inpatient, hospital and skilled nursing facility coverage), and Medicare Part B (outpatient coverage, durable medical equipment, lab work and Xrays, outpatient therapies, emergency room, and some medications). This is referred to as Original Medicare, which is the standard of default option for health coverage under Medicare.

People on Medicare have options as to how they want to receive their Medicare coverage and whether they want to buy supplemental coverage to fill in any gaps left behind after payment by Medicare Parts A and B. For example, there is a $1,408 deductible under Medicare Part A. And Medicare Part B only pays 80% of claims, leaving the person responsible for the remaining 20% of Part B claims.

There are several ways that people can supplement their coverage under Medicare. A person may have retiree health coverage from a former employer. Or a person may be eligible for Qualified Medicare Beneficiary (QMB) status or Medicaid. Each of these would pay secondary to Medicare, to reduce a person's out-of-pocket costs.

There are also options within the Medicare system to enhance coverage. One way to do this is to buy a Medicare supplement policy through a licensed insurance agent. A Medicare supplement will cover the 20% that Medicare Part B leaves behind, the Medicare Part A deductible, and the daily copays for hospital and skilled nursing facility coverage. Medicare supplements are sold by private insurance companies, but they do not have network restrictions—they go anywhere that Original Medicare is accepted within the United States. The monthly premium costs for a Medicare supplement vary by company and policy, but a general range is between $150 to $400 per month.

Generally speaking, a person will have little or not out-of-pocket costs for medical care if they buy a Medicare supplement. Another benefit of a Medicare supplement is the additional mandated benefits required under state of Wisconsin law. Any supplement purchased in the state of Wisconsin must offer an additional 30 days of skilled nursing facility care beyond that covered by Original Medicare, additional home health visit coverage, and several other additional coverage benefits.

Medicare Advantage plans are another option to limit a person's out of pocket costs with Medicare. Medicare Advantage plans combine a person's Medicare Parts A and B into a private HMO, PPO, or PFFS plan. (For this reason, Advantage plans are sometimes called "Medicare replacement plans" as they replace Original Medicare Parts A and B.) As with any other HMO, PPO, and PFFS coverage, these plans have network restrictions that typically require a person to stay in a plan's service area and network of providers. A person must go to doctors, specialists, clinics, hospitals, and skilled nursing facilities within the provider network. Some Advantage plans will pay 50% of out-of-network costs in certain circumstances, but generally Advantage plans do not cover out-of-network services absent an

emergency or referral from a primary health provider. Advantage plans typically refuse a person's annual maximum out-of-pocket costs to $3,600 or $6,700 per year.

Monthly premiums for an Advantage plan range from approximately $0 to $241. Medicare Advantage plans can come with or without drug coverage. If a person wants drug coverage under Medicare, they need to enroll in an Advantage plan that includes drug coverage. A person can compare Advantage plan options on the Medicare Plan Finder at medicare.gov .

When considering a Medicare supplement or Advantage plan, it is a good idea to talk to a knowledgeable professional who will provide neutral information to help you make the best decision for your situation. For additional information on Medicare supplement policies or Advantage plans, contact your local Aging and Disability Resource Center at 866-578-2373 or call the Medigap Helpline at (800) 242-1060.

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