



Understanding Medicare Advantage Plans

How To Select The Best Plan
For Your Health Needs

Understanding the Basics First

Before diving into Medicare Advantage Plans, it is first important to have a basic understanding of Medicare as a whole. Medicare is a federal health insurance program for those who are 65 and older and for some younger people with certain disabilities. Medicare is comprised of four main components.

A

PART A: (Hospital Insurance): Covers inpatient care in hospitals, skilled nursing facility care, hospice care, and home health care.

B

PART B: (Medical Insurance): Covers doctors' services, outpatient care, home health care, and some preventive services.

C

PART C: (Medicare Advantage Plans): Alternative plans run by a Medicare approved private insurance company. Part C includes all of the benefits of Part A and Part B and usually includes part D coverage.

D

PART D: (Medicare Prescription Drug Coverage): A prescription drug program run by a Medicare approved private insurance company. It is designed to help cover the cost of prescription medication.

Traditional Medicare

The combination of Part A and Part B is known as Traditional Medicare. With Traditional Medicare you may see any doctor or provider that accepts Medicare. Costs associated with Traditional Medicare include a yearly premium for Part B coverage, copayments for services used, and a yearly deductible.

If you have Traditional Medicare you may also sign up for Part D coverage, which helps cover the cost of prescription medication. Some people may also elect to purchase Medicare Supplement Insurance, more commonly known as Medigap. A Medigap policy helps pay for out-of-pocket costs that are not covered by Traditional Medicare.

Other people who wish to have a plan that is more aligned to their specific medical needs may forgo Traditional Medicare and instead choose a Part C plan, or Medicare Advantage Plan. These plans are the subject of this e-book and will be discussed in greater detail momentarily.



Signing Up For Medicare

It is important to note that you are not automatically signed up for Medicare at the time you turn 65. Rather, you must sign up for Part A and/or Part B during what is known as the initial enrollment period. This refers to the 7-month period surrounding the month of your 65th birthday and includes the three months before the month you turn 65, the month you turn 65, and the three months after the month you turn 65. If you do not sign up during the initial enrollment period you will likely be subjected to a late enrollment penalty, which you will continue to pay every year as long as you have Part B coverage.

What Are Medicare Advantage Plans?

A Medicare Advantage Plan, often called “Part C” or an “MA Plan,” is a plan offered by a private insurance company that has been approved by Medicare. If you sign up for a Medicare Advantage Plan, you will still have Medicare; however, your Part A and Part B coverage will be provided by the plan rather than Traditional Medicare. A Medicare Advantage Plan will cover all of the same things as Medicare Part A and B and may also cover additional costs not covered by Traditional Medicare such as vision, hearing, and dental. Most plans also include Medicare prescription drug (Part D) coverage.

What Restrictions do Medicare Advantage Plans Have?

There are certain rules outlined by Medicare that every Medicare Advantage Plan must follow. However, each plan has the freedom to determine how you receive services and what out-of-pocket costs you will pay.

Typically, with Medicare Advantage Plans, you are limited to using in-network providers. In-network providers are doctors, hospitals, drug stores, etc. that have existing contracts with your plan. If you use a provider outside of your network you may have to pay more, and in some cases, you may not receive any Medicare coverage at all.

Medicare Advantage Plans may also have differing rules about seeing a specialist. While some plans may require a referral before seeing a specialist, others may not.

A plan’s rules are subject to change from year to year. If rules will be changing, the plan must notify you about the changes before the start of the next enrollment year. It is important to read your plan’s rules carefully to fully understand your coverage.



Medicare Advantage Plan Costs

Costs can vary greatly depending on which plan you sign up for. However, understanding these variables will allow you to select a plan that is best for your needs and your budget.

Regardless of which plan you choose you will still pay the normal Part B premium. Some plans may help cover a portion of this Part B cost while others will not. In addition to Part B expenses, your plan may also charge additional premiums. Premiums can be wide ranging, but the average monthly premium in 2014 was \$32.60.

Further variables that can determine out-of-pocket costs include:



Whether the plan has an annual deductible or deductibles for specific services



Copayments for services



Seeing an out of network provider



Maximum out-of-pocket limits

It is important to read your plan's rules and regulations carefully to fully understand all costs that may be associated.

The Most Common Types of Medicare Advantage Plans:

There are four common types of Medicare Advantage Plans. The table below outlines each of these plans and addresses questions commonly associated with each one.

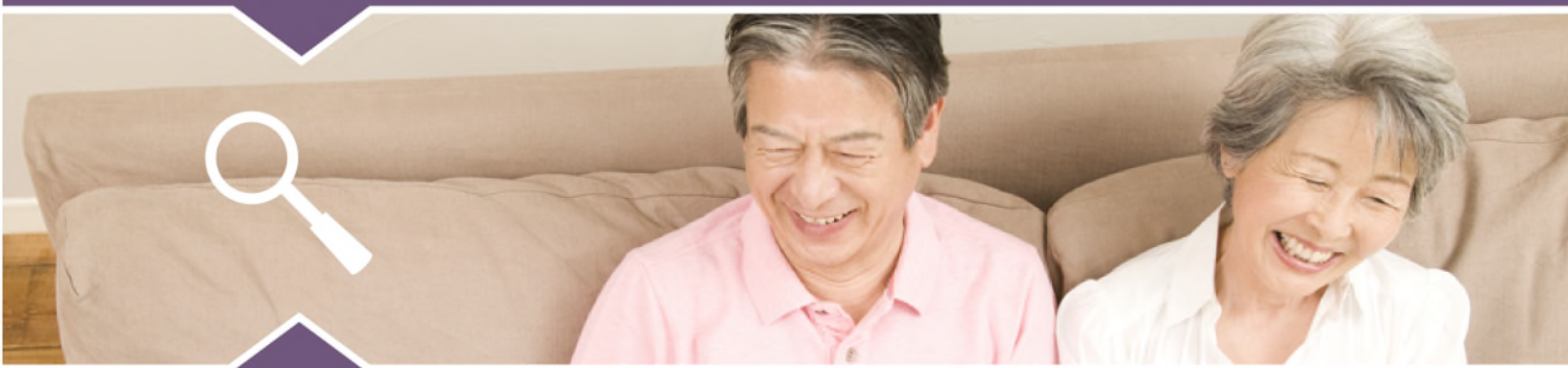
Type of Plan	Can I Use Any Provider?	Are Prescription Drugs Covered?	Do I Need to Choose A Primary Care Doctor?	Do I Need a Referral to See a Specialist?	What Else Should I Know?
Health Maintenance Organization (HMO)	No. In almost all non-emergency cases you must use an in-network provider.	For most plans, yes.	In most cases, yes.	In most cases, yes.	-If you use an out-of-network provider you may have to pay full cost for those services. -Some services may require prior approval.
Preferred Provider Organization (PPO)	In most cases yes, but you will likely pay a higher cost to use out-of-network providers.	For most plans, yes.	No.	In most cases, no.	-PPO plans offer more benefits than Traditional Medicare but you may have to pay extra for them.
Private Fee-For-Service (PFFS)	In most cases yes, you can use any provider that accepts Medicare and agrees to the plan's terms.	In some plans.	No.	No.	-Providers must agree to the plan's terms and may decide on a case-by-case whether or not to see you.
Special Needs Plan (SNP)	No. In almost all non-emergency cases you must use an in-network provider.	Yes.	In most cases, yes.	In most cases, yes.	-These plans are limited to those who have specific chronic conditions, people who have both Medicare and Medicaid, or those who live in a nursing home or need at home care.

Table complied with information from Medicare & You.

How Do I Join A Medicare Advantage Plan?

In order to join a Medicare Advantage Plan you must have Part A and B coverage, whether through Traditional Medicare or another plan, and you must live in the plan's service area. If you are just becoming eligible for Medicare, you have a 7-month period to join a Medicare Advantage Plan. This period includes the three months before the month you turn 65, the month you turn 65, and the three months after the month you turn 65.

If you do not join during this 7-month period, you will have another opportunity to join during an annual open enrollment period. From October 15th to December 7th anyone with Medicare can join, change, or drop a Medicare Advantage Plan. If you choose to join a plan or make changes to your plan during the open enrollment period your new coverage will go into effect on January 1st. If you are switching to a new plan, you will be automatically unenrolled from your previous plan once your new coverage starts.



Using Existing Insurance Coverage With A Medicare Advantage Plan

If you have existing coverage it is important to talk to your employer or coverage provider before signing up for a Medicare Advantage Plan. In some cases, if you join a Medicare Advantage Plan, you may lose your existing employer coverage as well as any coverage your dependents may have through your employer or coverage provider. There are some cases when you may be able to maintain your current coverage, but it is important to verify first with your existing coverage provider.

If you currently have Medicare Supplement Insurance, commonly known as Medigap, you will not be able to use this policy if you join a Medicare Advantage Plan. If you do not have a Medigap policy you may not be sold one as long as you are part of a Medicare Advantage Plan.

Do Your Research

Before signing up for a Medicare Advantage Plan for the first time or before changing plans, it is important to do your research. The number of plans available may seem daunting, but picking the right plan will ensure you get the coverage you need without overpaying. Having a good understanding of what Medicare Advantage Plans are and what to expect when signing up will allow to pick the plan that is best for your needs.

For additional information about Medicare and Medicare Advantage Plans check out the following resources:

Medicare & You: The Official US Government Medicare Handbook
[Medicare.gov](https://www.medicare.gov)
[mymedicarematters.org](https://www.mymedicarematters.org)

Make your golden years the best years. Contact PPG today to see how we can help you live the happiest and healthiest life possible.

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