

How to Know the Difference Between Medicare Advantage and Original Medicare

6 Things You Need to Know to Make the Most of Your Medicare

By Michael Clark, CEO, SGIA Medicare Consulting

Did you know that millions of Americans are choosing Medicare Advantage plans over the original Medicare? While there may be advantages to Medicare Advantage plans, you need to know the facts before you choose a plan.

This article will help you understand how to make the most of your Medicare by learning the key differences between the Original Medicare and Medicare Advantage plans.

Medicare Defined

Medicare is a government health insurance for people 65 years of age or older. It's regulated by the [Centers for Medicare and Medicaid Services](#) (CMS).

There are several parts of Medicare you need to know about:

- Part A, or hospital insurance, covers inpatient care, surgery, skilled nursing care facilities, some home health care services, and hospice care. *In most cases, you do not pay a monthly premium for coverage.*
- Part B covers necessary services and preventive services such as doctors' office visits, blood tests, X-rays, diabetic screenings and supplies, flu shots, and outpatient hospital care. You pay the cost for coverage in your monthly premium.
- Part C is known as Medicare Advantage. It's a Medicare benefits package including all the benefits of Parts A and B, excluding hospice care. Private insurance companies contract with CMS to offer an alternative to Original

- Medicare. There are [3,148 Medicare Advantage plans](#) available nationally for individual enrollment in 2020. You will choose between 28 plans, on average.
- Part D is a stand-alone prescription drug plan offered by private insurance plans.

How to Enroll In Medicare With Care

[Nearly 90 percent enrolled](#) in Medicare Advantage enroll in a plan with Part D coverage included. It's common for beneficiaries with Original Medicare to also enroll in a Part D plan and a [Medigap](#) plan. The Medigap plan provides supplemental coverage that pays for many out-of-pocket expenses.

SGIA makes it simple to choose the Medicare plan that is best for you. We do this by working with our partner companies and employer groups to help our clients make the right choices. Our team is standing by to answer your questions about choosing between Original Medicare and a Medicare Advantage plan.

For more information about making the most of your Medicare, download our free FAQ Fact Sheet by clicking [here](#).

The Benefits of Medicare Advantage Plans

Medicare Advantage plans offer several advantages that compel people to choose them over Original Medicare.

1. Medicare Advantage helps you limit out-of-pocket expenditures for services covered under Original Medicare.
2. Medicare Advantage caps your in-network services must cost out-of-pocket at \$6,700 annually which is up from \$5,187 in 2018.
3. Medicare Advantage plans often include services that are not traditional Medicare benefits such as dental care, fitness benefits, eye exams, and glasses.
4. Combine coverages and simplify your life. Medicare Advantage combines Parts A, B, and usually D into one integrated health insurance plan.
5. Reduce red tape by not having to submit claims.
6. Lower your premiums (monthly cost). Almost half of the enrollees pay no premium other than the Part B premium. This saves you money.

Potential Disadvantages of Medicare Advantage Plans

There are several disadvantages you need to know about Medicare Advantage plans when compared with Original Medicare:

1. Medicare Advantage plans require enrollees to use a defined network of hospitals and providers. This limits your network of providers. There are many differences in plans based on where you live.
2. Plans can drop providers from their networks at any time which can leave you without care.
3. Needing a referral to see a specialist makes it harder for you to get specialized care.
4. Most plans require prior authorization for services.
5. Plan changes in your annual contracts can increase your premium and reduce your benefits. You may have limited access to plans where you live.
6. You might have higher costs than with Original Medicare. For example, your prescription drug costs may exceed the out-of-pocket limits and you could pay more for out-of-network care.

How to Know What Is Best for You

Despite lower premiums, Medicare Advantage can be more volatile when it comes to healthcare coverage due to unpredictable national policy changes. Original Medicare with a supplement can be far more stable a choice despite higher potential premium costs and exposure.

There are many variables based on your professional and lifestyle that you need to consider. For example, frequent travelers find it difficult or expensive to get care away from home with Medicare Advantage plans. This could mean the Original Medicare would serve them better.

Where you live, timing and pre-existing conditions could limit your future ability to enroll in Medigap. One of the biggest potential risks with a Medicare Advantage plan is that you might not be able to get a [Medigap](#) plan if you later opt for Original Medicare.

Because the decision you make when you first sign up for Medicare affects your choices for years, it's in your best interest to get advice from a trusted Medicare consultant before the annual fall open enrollment and during special enrollment periods.

It is only during these times that you can enroll in plans or make changes to your coverage. For example, you can switch from Medicare Advantage back to traditional Medicare from January 1 to February 14 each year.

For more information about making the most of your Medicare, download our free FAQ Fact Sheet by clicking [here](#).

Contact us today at 888-284-3314 or info@sgiamedicare.com to learn more about the Medicare Advantage and Part D plans in your area.

If you would like to review your Medicare options, please contact us. We work with all major national and local insurance carriers to give you unbiased recommendations.

It is our privilege to continue assisting you with complex Medicare decisions. As always, there is no fee to use our services.

**Please contact us to review your Medicare options:
(888) 284-3314
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We always appreciate your referrals to family and friends who may benefit from our services.