

Medicare Insurance Enrollment Center™

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Blog Post: Medicare Supplement Plans vs. Medicare Advantage Plans

Original Medicare Part A and Part B gives you coverage for hospital and medical services. With your Part A (hospital) and Part B (doctors and services) comes deductibles, coinsurance, and copays, giving you no cap on what you could spend on certain services each year. Also keep in mind, Original Medicare does not include drug coverage.

Once you have your Part A and Part B, there are two avenues you can choose from to ensure you are receiving coverage that will help fit your needs while limiting your out-of-pocket costs. This leads to these questions, “What is the difference between a Medicare Supplement Plan and a Medicare Advantage Plan and how do I know which one is right for me?”

The easiest way to explain this is, it’s “pay now” or “pay later”. When I say this I mean, would you rather pay a higher premium amount upfront whether you get services done or not but then when you go to the doctors you will have limited to no copays, coinsurance, or deductibles. Or would you rather pay for your services as you go, meaning you would have a lower premium amount but then you would pay copays as you get services done. I will explain this more throughout the blog post.

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Medicare Supplement Plans – “Pay Now”

Medicare Supplement Plans also called Medigap plans, help fill in the gaps of Original Medicare. It may help cover deductibles, copays, and coinsurance for hospitalization and medical coverage that Original Medicare may not pick up. Therefore, this avenue would be considered “pay now”, simply because you would pay a higher premium up front, then as you get services done there would be limited deductibles, copays, and coinsurance you would have to pay out.

With a Medicare Supplement Plan, Original Medicare would pay first then your supplement will pick up their share.

Medicare Supplement Plans allow you to visit any hospital or doctor in the U.S, as long as they accept Original Medicare. This makes it easy to travel with this type of plan. Supplements typically do not come with extra benefits (dental, vision, hearing, etc.), nor does it come with a drug plan. A Part D stand-alone drug plan can be purchased separately.

Medicare Advantage Plans – “Pay Later”

Medicare Advantage Plans also known as Part C, are sold by private insurance companies. This type of plan will take your Part A, your Part B, and usually your Part D and wrap it all into one plan. These plans can also offer you extra benefits (dental, vision, hearing, etc.) that you typically wouldn't get with Original Medicare or a Medicare Supplement Plan.

Medicare Advantage Plans are considered “pay later”, simply because you can have a lower premium, but you would then pay copays or coinsurance as you receive services.

Advantage plans are going to be your HMO and PPO type of plans. These types of plans have a network of hospitals, doctors, and pharmacies. In most cases, you will have to use the providers who are in the plan's network.

Since Medicare Advantage Plans can offer Part D coverage, you would not need to purchase a separate stand-alone drug plan.

Medicare Advantage Plans can also help lower your out-of-pocket costs.

How do I know which plan is right for me?

There is no right or wrong way to go. It ultimately comes down to which plan makes you feel more comfortable and which plan will fit your specific needs.

To help you determine which plan is right for you it is always good to ask yourself these questions,

1. What monthly premium can I afford?
2. Does the plan cover the services I need?
3. Can I see the doctors I want?
4. Will my prescriptions be covered?
5. What will my out-of-pocket costs be?

By answering these questions, you can help determine which type of plan will fit your needs.

For further questions and information, please do not hesitate to contact us.