



# Medicare's Annual Enrollment is coming soon!

Advantage OR Medigap/Supplement Plan

??? CONFUSED ???

In June my article was about Medicare Supplements and whether you were paying too much for yours; if you have one. I noticed there was a bit of confusion. The feedback I received showed me that many seniors were not sure of the difference between the two. I must admit it can be confusing... Let me try and quickly explain in everyday terms.

To begin with you cannot be sold and use a Medicare Supplement/Medigap plan if you enroll in a Medicare Advantage plan. Both types of plans, Advantage AND Medigap, are administered by private companies; HOWEVER, in different ways.

**MEDICARE ADVANTAGE 'MA' PLANS**, for the most part, completely take over your health care from the Federal Government. These are private companies that take on your health care risk. It is my understanding that those companies actually receive a monthly payment, like a premium, from the Federal Government to take over your risk. I would assume that payment makes the government no longer liable for your health care. These private companies, i.e. Blue Cross, Pacific Source, Humana etc. set up different health plans within their organization with different types and levels of care i.e., PPO, HMO, Private Fee for Service, Special Needs, different networks of hospitals and doctors etc. They charge you different monthly premiums depending on their; and your, risk to how they set up their plans, from Zero '\$0' to \$150.00 a month. They include Deductibles, Co Pays, 'OOP' Out of Pocket and 'MOOP' Maximum Out of Pocket and TrOOP True Out of Pocket. The TrOOP relates to the donut hole and 'Rx' Prescriptions. Most Advantage plans include an 'Rx' Prescription Plan but **some do not**. If you have to use your Advantage policy you can count on having a personal responsibility for some of the charges until you reach your MOOP, which can get up to and over \$6000 a year. BTW, if you happen to meet your MOOP toward the end of the year you will have to start your out of pocket ride all over again beginning January 1<sup>st</sup> for the New Year even if you are in the middle of the same illness. The Advantage plan must meet the Original Medicare limits by covering Part A and B, as well as take all applicants other than those with end-stage renal disease, except in certain circumstances. They also, in some cases, offer extra benefits Original Medicare does not offer, i.e. health club benefits, limited vision etc. They are not all the same by any stretch of the imagination.

**Medicare Supplement/Medigap plans** as I have said in the past are government controlled as far as coverage. There are many plans; however, most companies that offer Medigap plans do not offer all of the plans available. Medigap plans cover what Medicare does not cover or 20% after the annual Original Medicare Part A deductible of \$1260.00 for 2015 and the Part B deductible of \$147.00. Some plans cover the deductible and copays. (There is also a monthly premium for Part B that comes out of our Social Security income. Everyone pays this, Medigap and Advantage.) FYI, you have to have Part B in order to have a Medigap or Advantage plan. Companies that offer Medigap plans charge different rates for the same plan. The premiums, for a 65 year old, goes from about \$128.00 a month to over \$200.00 a month for a Plan F. **Suggestion;** shop around when looking for a Medigap plan. The different

Medigap plans A, B, C, D, F, G, K, L, M, and N cover different versions of the same thing. The Plan F covers everything Medicare doesn't and the different plans go down from there. The monthly rates vary according to the amount of coverage. It all depends on your needs. BTW, a Medigap Plan is considered Original Medicare.

My wife and I have a Plan F and it costs us more than most Advantage and Medigap plans but we know where we stand and that is all we will pay for our health care. However, we are looking at a Plan G because it should save us some money monthly. You can change your Supplement/Medigap plan anytime during the year however, most of the time; you must go through the health questions to do so. Pre-existing conditions come into play here.

**Advantage plans** are a different animal and in most cases you can only change plans during the Annual Enrollment Period from October 15<sup>th</sup> to December 7<sup>th</sup> with effective dates of January 1<sup>st</sup>. There is also a disenrollment period that goes from January 1<sup>st</sup> to February 14<sup>th</sup>. If you joined an Advantage plan and want to go back to Original Medicare and a Medigap & Rx plan you can do so in this time period.

This is just the basics. You can always go to **medicare.gov** for information on everything. It is surprisingly easy to navigate & search the website. FYI, You can actually punch in your Medicare number and personal prescription information and find out which stand alone Part D Rx Prescription Drug plan is right for you. It even saves your information for future searches.

As always, call me, Bob, at 208 570 8390, or your own Agent for specific information.

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