



# ODI

Ohio Department  
of Insurance

John R. Kasich, Governor

Mary Taylor, Lt. Governor/Director

## **Medicare Supplement vs. Medicare Advantage**

# What is Medicare?

Federal health insurance program administered by the Centers for Medicare and Medicaid Services (CMS) for those who are:

1. 65 and older
2. any age and Disabled
3. diagnosed with End Stage Renal Disease (ESRD)

## Option 1

### Original Medicare

Part A and Part B

+

### Secondary Insurance

GHI, MedSup, or Medicaid

+

### Rx Coverage

Part D or GHI

# OR

## Option 2

### Medicare Advantage

(Part C)

1. Hospitalization,
2. Medical
3. Rx (MA-PD)



MEDICARE		HEALTH INSURANCE	
1-800-MEDICARE (1-800-633-4227)			
NAME OF BENEFICIARY			
<b>JANE DOE</b>			
MEDICARE CLAIM NUMBER		SEX	
<b>000-00-0000</b>			
IS ENTITLED TO		EFFECTIVE DATE	
<b>HOSPITAL</b>		<b>(PART A) 07-01-1986</b>	
<b>MEDICAL</b>		<b>(PART B) 07-01-1986</b>	
SIGN HERE → _____			

## Part A- Hospital

- Inpatient Hospitalization
- Skilled Nursing Facilities
- Home Health Care
- Hospice

## Part B- Medical

- Outpatient services
- Doctors/Providers
- Preventive Benefits
- Durable Medical Equipment

- ❖ Medicare was never intended to pay 100% of health care costs
- ❖ Medicare does not cover non-medically necessary services or care outside the USA in most cases
- ❖ Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) must be obtained from a contracted supplier



# 2016 Medicare Amounts

## Part A

- Monthly Premium \$0 for most
- Hospital Deductible  
\$1,288/benefit period
- Hospital Copays  
\$322/day, days 61-90  
\$644Lifetime Reserve Day
- Skilled Nursing Copay  
\$161/day, days 21-100

## Part B

- Monthly Premium \$121.80\*  
\*\$104.90 (enrolled before 2016 with SSA deduction)
  - Premium may be income based
  - Late enrollees may incur a 10% penalty for each year of delay
- Annual Deductible \$166
- Copayments generally 20% of Medicare Approved Amount

Use [MyMedicare.gov](http://MyMedicare.gov) to see all your Medicare claims!



# Secondary Insurance

**Original Medicare**

Part A and Part B

+

**Secondary Insurance**

GHI, MedSup, or Medicaid

- **Group Health Insurance (GHI)**
  - Insurance from a former employer or union that supplements Medicare
- **Medicaid**
  - Assistance for those with limited income and resources
  - Medicare Savings Programs
- **Medicare Supplemental Insurance**
  - Private insurance that coordinates with Original Medicare
  - Also called Medigap or MedSup



# Medicare Supplement Insurance

- Plans are standardized
  - All companies sell same plans (A,B,C,D,F,G,K,L,M,N)
  - Plan premiums vary between companies
- No Network
- Pay only after Original Medicare (Parts A & B)
  - Little or no out-of-pocket cost after monthly premium
- Guaranteed Issue
  - Open Enrollment- 6 months beginning with Part B effective date at age 65 or older
  - Special Circumstances- typically 63 days after loss of coverage

Check Out the Ohio Shopper's Guide To Medicare Supplement Insurance at [www.insurance.ohio.gov](http://www.insurance.ohio.gov)



# Who Can Buy Medigap?

- Generally must have Medicare Parts A and B
- May not be able to buy Medigap under 65
  - People with a disability
  - People with End-Stage Renal Disease
- Guaranteed right to buy a Medigap policy
  - In your Medigap open enrollment period
  - Covered under a guaranteed issue right

# When to Buy a Medigap Policy

- May be able to buy a Medigap policy any time
- 6-month Medigap open enrollment period
  - Begins when you
    - Are both age 65
    - and**
    - Enrolled in Part B
  - Can't be changed or repeated

# Open Enrollment Examples

- Mary is turning 65 in January. She plans to go on Part B at the same time. She would have January through June to get any Medicare Supplement plan with no health questions
- Fred is 70 but is still working, so he delayed Part B. He is retiring in July and picking up Part B then. He would have July through December to take advantage of his Medicare Supplement Open Enrollment period.

# Buying a Medigap Policy Under Age 65

- People with Medicare under age 65
  - May not be able to buy Medigap
    - People with a disability
    - People with End-Stage Renal Disease
  - If available, may cost more
- New Medigap open enrollment period at age 65

# Switching Medigap Policies

- Usually no right under Federal law to switch
- When can you switch policies?
  - During your Medigap open enrollment period
  - If you have a guaranteed issue right
  - If your state has more generous requirements
  - You move from your Medigap SELECT service area
    - Can switch to plan with same or fewer benefits
- 30-day “free look” period

# Guaranteed Issue Opportunities

SITUATION	Protects you if...	MedSup Plan Choices
<b>Situation 1</b>	Your Medicare Advantage Plan or PACE program coverage ends because the plan is leaving the Medicare program.	A, B, C, F, K, L
<b>Situation 2</b>	Your coverage through your group health plan ends.	A, B, C, F, K, L
<b>Situation 3</b>	You have to end your health coverage because you move out of the plan's service area.	A, B, C, F, K, L
<b>Situation 4</b> (trial right)	You joined a Medicare Advantage Plan or PACE program when you were first eligible for Medicare at age 65. Within the first year of joining, you decided you want to leave.	A — N
<b>Situation 5</b> (trial right)	You dropped a MedSup policy to join a Medicare Advantage Plan, Medicare SELECT policy or PACE program for the first time and now you want to leave after less than a year in the plan.	A, B, C, F, K, L
<b>Situation 6</b>	You lose your MedSup coverage when your insurance company goes bankrupt or your MedSup coverage ends through no fault of your own.	A, B, C, F, K, L
<b>Situation 7</b>	You leave your plan because your Medicare Advantage Plan, Medicare SELECT policy, or MedSup company has misled you or hasn't followed the rules. For example, the marketing materials were not true or quality standards were not met.	A, B, C, F, K, L



# Medicare Options

## Option 1

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Part A and Part B

+

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+

**RX Coverage**  
Part D or GHI

**OR**

## Option 2

**Medicare Advantage  
(Part C)**

1. Hospitalization,
2. Medical
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# Medicare Advantage

- Available to those
  - enrolled in Part A & B
  - That live within the plan's service area (county)
  - No age or medical restrictions
    - Except ESRD
- Alternative to Original Medicare
  - Offered by private companies to replace Original Medicare
  - Plans types
    - HMO (Health Maintenance Organization)
    - PPO (Preferred Provider Organization)
  - Most plans include Part D benefit (MAPD)
  - Enrollees pay Part B premium and any other applicable costs
  - Networks, Premiums and Copays vary by plan



# Medicare Advantage

- Initial Enrollment Period
  - 7 Months surrounding Medicare eligibility
- Open Enrollment **October 15<sup>th</sup>- December 7<sup>th</sup>**
  - Coverage begins January 1
  - Other enrollment times based on circumstances
- MA Annual Disenrollment Period
  - January 1<sup>st</sup> - February 14<sup>th</sup> (first 45 calendar days of the year)
  - May disenroll from a MA plan and return to Original Medicare with a Part D Plan
  - Cannot use to enroll in a different MA plan



# At a Glance

	Medicare Supplement	Medicare Advantage
Cost	<ul style="list-style-type: none"> <li>Part B Premium</li> <li>Higher Plan premium (\$150-\$200 or more/month)</li> <li>Little or no out of pocket costs when using services</li> </ul>	<ul style="list-style-type: none"> <li>Part B Premium (\$121.80)</li> <li>Lower plan premium</li> <li>\$0-\$100/month</li> <li>Charged copays as plan is used</li> </ul>
Coverage?	<ul style="list-style-type: none"> <li>Will only pay after Part A &amp; B Processes the claim</li> </ul>	<ul style="list-style-type: none"> <li>Replaces Part A &amp; B (usually include part D)</li> <li>Must cover at minimum services provided by Original Medicare</li> </ul>
Drug Coverage Included?	<ul style="list-style-type: none"> <li>No</li> <li>Need to purchase separate Part D Plan if desired</li> </ul>	<ul style="list-style-type: none"> <li>Most have drug coverage included</li> <li>Must take Part D from the Medicare Advantage Plan</li> <li>Some plans available without drug coverage</li> </ul>
Provider Choice	<ul style="list-style-type: none"> <li>Any provider that accepts Medicare</li> </ul>	<ul style="list-style-type: none"> <li>Plan will have a provider network</li> <li>Cost will be higher if out of network</li> </ul>



# At a Glance

	Medicare Supplement	Medicare Advantage
Cards in your Wallet?	<ul style="list-style-type: none"> <li>• Three</li> <li>• 1)Original Medicare</li> <li>• 2)Medicare Supplement</li> <li>• 3)Part D</li> </ul>	<ul style="list-style-type: none"> <li>• One</li> <li>• Medicare Advantage</li> <li>• Do not need Medicare card—put it somewhere safe</li> </ul>
Is this Right for Me?	<ul style="list-style-type: none"> <li>• Frequent traveler</li> <li>• Important to use any doctor</li> <li>• Use many health services</li> <li>• Can afford premiums</li> </ul>	<ul style="list-style-type: none"> <li>• Infrequent traveler</li> <li>• Comfortable with narrower provider choice</li> <li>• Looking for lower premium but pay copays as needed</li> <li>• Willingness to compare plans annually</li> </ul>
When can I purchase?	<ul style="list-style-type: none"> <li>• MedSup Open Enrollment Period</li> <li>• Guaranteed Issue Situations</li> <li>• Anytime—but can be underwritten if not in a guaranteed issue situation</li> <li>• No Annual Open Enrollment Period</li> </ul>	<ul style="list-style-type: none"> <li>• Initial (7 month) Enrollment Period</li> <li>• Annual Open Enrollment (Oct 15-Dec 7)</li> <li>• Special Enrollment Periods</li> <li>• Plans will not underwrite based on health</li> </ul>
How to enroll:	<ul style="list-style-type: none"> <li>• Through insurance company/agent</li> <li>• OSHIIP volunteers should <b>NEVER</b> refer clients to a specific agent or company</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="http://www.medicare.gov">www.medicare.gov</a> to enroll</li> <li>• OSHIIP volunteers can compare and enroll on <a href="http://www.medicare.gov">www.medicare.gov</a></li> <li>• Can enroll through company/agent if desired</li> </ul>

# Moving Between Options

- Supplement to Medicare Advantage
  - Guaranteed Issue anytime enrollment is open
- Supplement to Supplement
  - Not guaranteed Issue
  - Can try anytime
    - no annual open enrollment period
- Medicare Advantage to Medicare Advantage
  - Guaranteed Issue anytime enrollment is open
- Medicare Advantage to Supplement
  - Not Guaranteed Issue
  - Unless in other Special Enrollment Period



# Counseling Tips

- If someone is unsure of their coverage, ask to see their insurance card. It will usually say Medicare Supplement or the name of a Medicare Advantage plan on it
  - Or run personalized report at [www.medicare.gov](http://www.medicare.gov)
- Never refer clients to a specific company or agent. The client has to make that choice
- Med Sup monthly premiums v. Med Advantage out-of-pocket max
  - Look at what you definitely pay for the year vs what you could potentially pay for that year



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