

Medicare Minute Script – April 2020

Choosing between Original Medicare and Medicare Advantage

Point 1: Understand the basics of Original Medicare

Original Medicare is the traditional fee-for-services program offered directly through the federal government. It is sometimes called traditional Medicare or fee-for-service (FFS) Medicare. Unless you choose otherwise, you will have Original Medicare when you first enroll in Medicare. Under Original Medicare, the government pays directly for the health care services you receive. You can go to any doctor and hospital that takes Medicare, anywhere in the country.

In Original Medicare:

- You go directly to the doctor or hospital when you need care. You do not need to get authorization from Medicare or a referral from your primary care doctor for most services.
- You are responsible for a monthly premium for Part B. Some people also pay a premium for Part A.
- You typically pay a coinsurance charge, or a percentage of the amount of Medicare's approved payment amount, for each service you receive.
- There are limits on the amounts that doctors and hospitals can charge for your care.

If you want prescription drug coverage with Original Medicare, in most cases you will need to actively choose and join a stand-alone Medicare private drug plan, also called a Part D plan. If you have Original Medicare, you may choose to purchase supplemental insurance to help pay out-of-pocket costs, commonly called a "Medigap plan."

Point 2: Understand the basics of Medicare Advantage

Medicare Advantage plans, also known as Medicare private health plans or Part C, are plans that contract with the federal government and are paid a fixed amount per person to provide Medicare benefits. Remember, you still have Medicare if you enroll in a Medicare Advantage plan. This means that you likely pay a monthly premium for Part B (and a Part A premium, if you have one). You may also need to pay a monthly premium to your Medicare Advantage plan in addition to your Part A and/or B premium. Medicare Advantage plans must cover all the same services as Original Medicare, and they usually include prescription drug coverage. In Medicare Advantage plans:

- You generally need to see providers who are in your plan's network and service area to pay the lowest cost for services. In many plans, you must get prior authorization or a referral from your primary care provider for specialty services, procedures, and durable medical equipment.
- You will often pay fixed copayments per service or item you receive. These costs vary from plan to plan. Plans cannot charge higher copayments or coinsurances than Original Medicare for certain services, like chemotherapy and dialysis, but they can charge higher cost-sharing for other services.
- Your out-of-pocket expenses for Part A and B services are limited. For example, the maximum out-of-pocket cost for many plans in 2020 is \$6,700. A plan may offer certain benefits that Medicare does not cover, such as dental and vision care, caregiver counseling and training, and certain in-home support like housekeeping. Not all plans cover additional benefits, so check with a plan directly to learn what benefits it covers.
- You cannot purchase a Medigap plan. They are designed to work with Original Medicare.

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SMP National Resource Center: 877-808-2468 | www.smpresource.org | info@smpresource.org

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You can join a Medicare Advantage plan if you have Medicare Parts A and B, you live in the plan’s service area, and you do not have End-Stage Renal Disease, except in limited circumstances.

Point 3: Know what to consider when you are deciding between Original Medicare and Medicare Advantage

It is important to understand your Medicare coverage choices and to pick your coverage carefully. Some of the important factors to consider when you are deciding between Original Medicare and Medicare Advantage are:

- **Costs:** What premiums and out-of-pocket costs will I be responsible for?
- **Supplemental insurance:** Will I be able to purchase an affordable Medigap policy to go with Original Medicare? If I have retiree coverage, how will it work with the Medicare coverage I choose?
- **Provider access:** What kind of providers can I see? Do I need to use a network of providers or get referrals to see specialists? Are the providers that I can see conveniently located?
- **Drug coverage:** Is prescription drug coverage included in my Medicare Advantage plan, or will I need to purchase a separate stand-alone prescription plan?
- **Additional supplemental benefits:** Are additional services, like vision, hearing, or dental covered?
- **Out-of-pocket limit:** Is there an annual limit on out-of-pocket costs for medical services? Can I purchase supplemental coverage that will limit the amount I spend out of pocket?

Take action:

1. Contact your State Health Insurance Assistance Program (SHIP) for help evaluating your Medicare coverage options and to learn about what Medicare Advantage plans, Part D prescription drug plans, and Medigap supplemental insurance plans are available in your area.
2. If you would like to change your coverage, call 1-800-MEDICARE to make these changes.
3. Contact your Senior Medicare Patrol (SMP) if you believe that you have experienced Medicare fraud, abuse, or errors, or if you experience suspicious plan marketing, such as sales techniques that pressure you with time limits.

Local SHIP Contact Information	Local SMP Contact Information
SHIP toll-free: SHIP email: SHIP website: To find a SHIP in another state: Call 877-839-2675 or visit www.shiptacenter.org .	SMP toll-free: SMP email: SMP website: To find an SMP in another state: Call 877-808-2468 or visit www.smpresource.org .
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