Original Medicare vs. Medicare Advantage: New to Medicare Coverage Options Considerations Checklist

This checklist can be used to help guide the conversation with a newly eligible Medicare beneficiary on their Medicare options. This checklist of questions covers what an individual should consider before enrolling in a Medicare Advantage plan. For reasoning behind the questions and information to give the client, please review the "Original Medicare vs. Medicare Advantage: New to Medicare Coverage Options Considerations Guide".

- ☐ **Q1: Will the beneficiary have any other insurance besides Medicare?**
  - *A beneficiary's Medicare options may be affected if they are eligible for other types of coverage.*
- ☐ **Q2: Does the beneficiary prefer to have higher costs upfront monthly, or to have the bulk of the cost based on the types of services they use and how often?**
  - *Original Medicare and Medicare Advantage will have different costs in premiums, copays, and coinsurance. Reference the guide to review how costs may look like.*
- ☐ **Q3: Is the beneficiary interested in having an annual Maximum Out of Pocket (MOOP) limit?**
  - *Medicare Advantage plans offer a maximum amount a beneficiary will pay for Part A and Part B services in the calendar year.*
- ☐ **Q4: Does the beneficiary want to continue seeing their current medical provider or are they willing to change providers if necessary?**
  - *Medicare Advantage plans have different rules when it comes to the providers a person can see.*
- ☐ **Q5: Does the beneficiary see any specialists?**
  - *To see a specialist, a beneficiary may need a referral before the Medicare Advantage plan covers the visit.*
- ☐ **Q6: Does the beneficiary travel?**
  - *Medicare Advantage plans only work within their service area. Original Medicare can be used anywhere in the U.S. that accepts Medicare.*
- ☐ **Q7: What medical services does the beneficiary frequently access?**
  - *Review how Medicare Advantage plans cover Medicare services and prescription drugs.*
- ☐ **Q8: Is the beneficiary interested in additional benefits?**
  - *Medicare Advantage plans offer coverage for services that Original Medicare does not.*
- ☐ **Q9: What can the beneficiary do if they do not like the Medicare Advantage plan they choose?**
  - *There are different enrollment periods when a person can make changes in their Medicare Advantage enrollment.*
- ☐ **Q10: What can the beneficiary do if they do not like the Medigap plan they choose?**
  - *There are two different times a person can change their Medigap plan. Most people do not change their Medigap plan if they do not have guaranteed issue rights since they may be denied coverage or charged more for a Medigap plan.*

Original Medicare vs. Medicare Advantage: New to Medicare Coverage Options Considerations Guide

When a person is new to enrolling in Medicare Part A and/or Part B, one of the decisions they need to make is how they would like to receive their Medicare coverage and manage their Medicare costs. Medicare beneficiaries will need to choose to receive their benefits through either Original Medicare with a Medigap plan or a Medicare Advantage plan.

There are multiple factors to consider before making a final decision on what their Medicare coverage will look like. First individuals should understand what their Medicare options are and understand the differences between Original Medicare and Medicare Advantage when it comes to the 4 Cs:

- Current Coverage: Will a Medicare Advantage plan jeopardize their current coverage?
- Costs: How much is their healthcare coverage going to cost?
- Convenience: What does their access to providers look like?
- Coverage: What benefits and services will be covered?
- Changes: If and how can they change their health insurance?

In this document, you will find context and background information for the questions on the "Original Medicare vs. Medicare Advantage: New to Medicare Coverage Options Considerations Checklist".

NOTE: This guide focuses on the considerations an individual should take before deciding how to receive their Medicare benefits. This guide does not review how to enroll into Medicare and how it can be different due to age, disability, work history, employment/retirement, and marital status. If individuals have questions about enrollment, they can contact a Senior Health Insurance Program (SHIP) counselor: 800-252-8966 or Social Security: 800-772-1213

Before reviewing the questions with the beneficiary, please review how a person can receive Medicare coverage in Appendix A.

CONSIDER THIS! CURRENT COVERAGE

Q1: Will the beneficiary have any other insurance besides Medicare?

If an individual upon enrolling into Medicare will have other types of insurance such as retiree coverage or employer coverage their Medicare Options may be different and, they should contact a Senior Health Insurance Program (SHIP) Counselor. Despite the misconception, Medicaid beneficiaries can enroll in a Medicare Advantage.

CONSIDER THIS! COSTS

An individual should review the potential costs under a Medicare Advantage plan, Original Medicare, and Original Medicare with Medigap to determine what will be the best for them financially. The following questions will help the beneficiary understand what their healthcare coverage will potentially cost them. The costs of Medicare can be found in the Appendix B

Q2: Does the beneficiary prefer to have higher costs upfront monthly or to have the bulk of the cost based on the types of services they use and how often?

The costs under Medicare Advantage plans and Original Medicare are structured differently. Below is information on how Medicare Advantage costs differ from Original Medicare:

- *Monthly Premium:* A monthly premium is the amount a person must pay every month to receive their health insurance. A beneficiary's monthly premium responsibilities will vary and depend on how they choose to receive their Medicare benefits.
    - If someone is in a Medicare Advantage plan, they may pay a monthly plan premium in addition to the Part B Monthly Premium (Example: in 2024, the Part B premium is $174.70).
    - There are some Medicare Advantage plans that have a $0 monthly premium.
    - Beneficiaries enrolled in only Original Medicare pay a monthly premium for Part B and a Part D plan.
    - If someone is in Original Medicare and a Medigap plan they will have to pay a monthly premium for Part B, Part D, and for the Medigap plan. Medigap plans tend to have higher monthly premiums.
- *Deductible:* A deductible is the amount someone will have to pay out of pocket for services before Medicare or a health plan starts to cover services. A Medicare Advantage plan may not have a deductible for Part A and Part B services, but it may have a deductible for Part D services (prescription drug coverage), since most Medicare Advantage plans include Part A, Part B and Part D. Under Original Medicare, there is a Part A (hospital coverage) deductible every time a person has a new benefit period, which begins when they are inpatient at a hospital or skilled nursing facility and ends when they have spent 60 days at home. Please note, Medicare Advantage plans may structure their inpatient hospital coverage differently from a benefit period deductible, for more information look in Appendix B. Additionally, under Original Medicare, there is an annual Part B deductible. If a person is in Original Medicare and Medigap, they can choose to purchase a Medigap plan that includes coverage for the Part A and Part B deductible. There are a few Medigap plans that have a deductible
- *Copays/Coinsurances:* Copays and Coinsurances are the amount the Medicare enrollees must pay for each service they receive. This is also referred to as the cost sharing amount. A person with a Medicare Advantage plan will usually need to pay a copay or coinsurance for every medical service they use. Each Medicare Advantage plan will have different copays/coinsurance amounts for medical services and covered prescription drugs. Under Original Medicare there are cost sharing amounts under Part A, Part B, and Part D. If the person has Original Medicare and Medigap, they are most likely not paying any cost sharing amounts. There are a few Medigap plans that do require the individual to pay a cost sharing amount. **NOTE**: Extra Help does work with Medicare Advantage plans and Part D plans to assist with prescription drug costs.

PLEASE NOTE: A person may be eligible for the Medicare Savings Program (MSP) to assist with their Part B premiums. MSP does not assist with any Medicare Advantage premiums. If they qualify for Qualified Medicare Beneficiary (QMB) MSP, they should have no Part A or Part B copays or coinsurances. This includes those in a Medicare Advantage plan if they go to an in-network provider.

Generally, if someone has Original Medicare with a Medigap plan, they will pay higher premiums but have low out of pocket costs (the costs the beneficiary is responsible for) for services. If they have just Original Medicare, they will pay for monthly Part B and Part D premiums and copays/coinsurances for health services. See the Appendix for the specific cost sharing amounts. While someone who has a Medicare Advantage plan will have lower premiums, their out-of-pocket costs will depend on how often they access their health benefits (utilization of services).

Q3: Is the beneficiary interested in having an annual Maximum Out of Pocket (MOOP) cost?

Medicare Advantage plans do have a Maximum Out of Pocket (MOOP) amount, which is the most a person will have to pay out of pocket for Part A and Part B services during a calendar year. Once the MOOP amount is met, Part A and Part B services will be covered for the rest of the calendar year. The MOOP amount does not include Part D costs or premiums. You may want to compare this number to what the individual could be paying with Original Medicare (either with or without a Medigap plan) to help make the decision. In addition to the MOOP, Medicare Advantage enrollees will also be paying prescription drug costs, which will have its own cost structure and out of pocket amounts. **REMINDER**: Original Medicare and most Medigap plans do not have a MOOP.

CONSIDER THIS! CONVIENCE

Provider access under Medicare Advantage plans is different than provider access under Original Medicare. Providers may need to be in the Medicare Advantage plan's network for it to provide coverage for medical services. Additionally, provider access will vary across Medicare Advantage plans. Below is information about how people in different types of Medicare Advantage plans can see providers. Under Original Medicare and Medigap, individuals can visit any provider that accepts Medicare.

Types of Medicare Advantage Plans: There are four different types of Medicare Advantage plans in Illinois that may suit a person's needs differently. Each has its own rules on whether someone can see out of network providers.

- *Health Maintenance Organization (HMO)*: Only covers in-network providers, except in emergency situations.
- *Preferred Provider Organization (PPO)*: Covers in-network providers and out of network providers. Most likely will be paying higher copays/coinsurances to see out of network providers.
- *Private Fee for Service (PFFS)*: Covers any provider, however providers can decide at each visit whether to accept the plan or not.

- *Special Needs Plan*: Only for those who have specific chronic conditions or reside in an institutionalized setting, such as a long-term care facility.

Q4: Does the beneficiary want to continue seeing their current medical providers or are they willing to change providers if necessary?

Providers: Medicare Advantage plans will generally only work with providers they contract with, i.e. 'in network'. There are some plans that do allow people to see providers out of network at a higher cost.

- *Example:* Medicare Advantage plans that are HMOs will usually only cover providers that are in network vs. Medicare Advantage plans that are PPOs will provide coverage to out of network providers at a higher cost. To have lower copays/coinsurances a person would want to go to in network providers. If they choose a Medicare Advantage plan, make sure their providers accept that plan or discuss if they are willing to change providers.

Q5: Does the beneficiary see any specialists?

Referrals: With some Medicare Advantage plans, the client may need a referral from their Primary Care Physician to see specialists and other providers.

- *Example*: Medicare Advantage plans that are HMOs will require referrals to see specialists vs. Medicare Advantage plans that are PPOs usually do not require a referral. Under Original Medicare, a person can see any provider that accepts Medicare without a referral.

Q6: Does the beneficiary travel?

Service Area: For the client to enroll in a Medicare Advantage plan, they must live in the plan's service area. If they travel for extensive periods and need non-emergency medical care, it may not be covered if the care happens outside of the plan's service area. Medicare Advantage plans will not cover services outside the United States.

REMINDER: Individuals with Original Medicare and Medigap can go to any provider in the United States that accepts Medicare.

CONSIDER THIS! COVERAGE

The health services covered and the access to those services varies from Medicare Advantage plan, Original Medicare, and Original Medicare with Medigap. The beneficiary should review these differences to ensure that the health services they need are easily accessible.

Q7: What medical services does the beneficiary frequently access?

Medicare Advantage plans will cover all Part A and Part B services, and most will include Part D (prescription drug coverage). If the person is in a Medicare Advantage plan that includes Part D, they will receive all Medicare benefits under one plan. If they are in a Medicare Advantage plan and it does not cover Part D, they will not have drug coverage through Medicare. If they choose to enroll in a Medicare

Advantage plan, make sure their drugs are covered by that plan. There may be additional services that Medicare Advantage plans cover that Original Medicare will not cover.

REMINDER: If the individual uses medical services frequently, they will most likely be paying coinsurance/copay for every service used if they are in a Medicare Advantage plan.

Prior Authorization: Medicare Advantage plans may have services with prior authorization, where the client's physician will have to get approval from the Medicare Advantage plan before the plan will cover a service. There is no prior authorization under Original Medicare and Medigap for most covered services.

Q8: Is the beneficiary interested in additional benefits?

Below is a list of additional benefits Medicare Advantage plans may provide that Original Medicare does not cover. This is not an exhaustive list; the client can check the plan's website and Medicare.gov to learn what additional benefits the Medicare Advantage plan will provide.

- Limited dental, vision, and hearing benefits
- Special Supplemental Benefits for Chronically Ill: short term transportation, meals, and homemaker services.
- Gym memberships or Over the Counter Drug coverage

There are some Medigap plans that offer additional benefits beyond the standardized supplemental policy including vision and dental benefits. The individual would need to check the plan's website for more information.

CONSIDER THIS! CHANGES

Q9: What can the beneficiary do if they do not like the Medicare Advantage plan they choose?

There are times that a person can change their Medicare coverage. However, there are considerations that should be taken before making the decision to change.

Medicare Annual Open Enrollment Period: From October 15 – December 7, Medicare beneficiaries can change their coverage during this time with any plan changes taking effect January 1st of the following calendar year. They can either enroll or switch Medicare Advantage plans or Part D standalone prescription drug plans. If the beneficiary has a Medigap plan, they should be aware of certain rules when it comes to switching from Medigap to Medicare Advantage.

Medicare Advantage Open Enrollment Period: From January 1-March 31, those enrolled in a Medicare Advantage plan can switch Medicare Advantage plans or return to Original Medicare.

Trial Period: If the Individual either 1) enrolled in a Medicare Advantage or Program of All Inclusive Care for the Elderly (PACE) when they are first eligible for Medicare at age 65 OR 2) are 65 and older and dropped their Medigap plan to enroll in a Medicare Advantage plan for the first time; they can disenroll from the Medicare Advantage plan and return to Original Medicare within the first 12 months. They will get a 63-day period once their Medicare Advantage plan ends to enroll in a Medigap plan with

guaranteed issue rights. Guaranteed issue rights means the insurance company cannot refuse to sell them a policy, charge them more for a policy due to a health condition, or make them wait for coverage. They will also get a Special Enrollment Period to enroll in a Part D plan for their prescription drug coverage.

Special Enrollment Period: A person may qualify for a special enrollment period if they meet certain criteria. Some common examples are if the Medicare Advantage plan is discontinued or if they move out of the Medicare Advantage plan's service area.

Q10: What can the beneficiary do if they do not like the Medigap plan they choose?

Typically, once someone is enrolled in a Medigap plan, they do not change plans. Additionally, if your client enrolls in a Medigap plan, they do not need to review the plan every year like they would for a Medicare Advantage plan or/and Part D plan. There are a few times a person can change their Medigap plan.

30-Day Free Look Period: When a person purchases a Medigap plan, they get 30 days to decide if they want to keep it. If they do not like it, they can return the policy and get a refund of the monthly premium.

New Medicare Supplemental Annual Open Enrollment Period: This enrollment period is only available to those 65-75 years old. It begins on the person's birthday and lasts 45 days. (For example, if a person's birthday is January 3rd, the enrollment period would last 45 days from the date and end on February 17th.) During this period, the individual can purchase a new Medigap policy from the same company as their original Medigap plan, if it offers benefits equal to or lesser than their current Medigap policy. They cannot purchase a Medigap plan with more generous benefits.

Making Changes Outside of an Enrollment Period: A person can change their Medigap company outside of the Medicare Supplemental Annual Open Enrollment Period and the 30-Day Free Look Period, but below are some things that they should keep in mind.

1. If the client is above the age of 65, they can approach any company, however:
2. **For the most part, they will not have guaranteed issue rights.** This means the new Medigap plan can refuse to sell them a policy, charge the client more due to a preexisting health condition, or make them wait for coverage for a preexisting health condition.
    a. They will have guaranteed issue rights if they are using their Medicare Advantage trial period.
    b. There may be other times a person can have guaranteed issue rights. If you are unsure, have the Medicare beneficiary contact a SHIP Counselor.
3. Blue Cross Blue Shield of Illinois is one company in Illinois that said they will provide guaranteed issue rights and will sell a Medigap policy to anyone above the age of 65.
    a. Blue Cross Blue Shield of Illinois: 1-800-646-3000

NOTE: If your client is under the age of 65, they will get another 6-month Medigap Open Enrollment Period once they turn 65.

WHERE TO FIND INFORMATION:

Below are resources that provide more detailed information about specific Medicare Advantage plans, Medigap plans, cost sharing amounts, enrollment information, and other programs that can assist Medicare beneficiaries.

Senior Health Insurance Program (SHIP): SHIP counselors are unbiased Medicare counselors that can help a beneficiary navigate their Medicare options.

To find a local SHIP Counselor: https://ilaging.illinois.gov/ship.html or call 800-252-8966

Medicare Plan Finder: Medicare.gov Plan Finder has information on plans' premiums, copays/coinsurances, MOOPs, additional benefits, prior approvals, and whether they let the client see out of network providers. Clients can also call the plan directly for detailed information. The Plan Finder will also allow them to compare plans.

Clients will have to contact their providers to see if they will accept a Medicare Advantage plan.

Original Medicare (Part A and Part B) Costs: https://www.medicare.gov/basics/costs/medicare-costs

Medigap Information: https://www.medicare.gov/health-drug-plans/medigap

Medicare Rights Center Medigap vs. Medicare Advantage Chart:
https://www.medicarerights.org/fliers/Medigaps/Medigaps-vs.-Medicare-Advantage.pdf?nrd=1

Medicare Savings Program: https://www.medicare.gov/medicare-savings-programs

Extra Help: https://www.medicare.gov/basics/costs/help/drug-costs

Medicare Special Enrollment Periods for MA and Part D plans:
https://www.medicareinteractive.org/pdf/SEP-Chart.pdf

Program of All-Inclusive Care for Elderly (PACE): Program of All-Inclusive Care for the Elderly (PACE) | HFS (illinois.gov)

Avisery by AgeOptions: Avisery by AgeOptions provides training and technical assistance to professionals working with older adults and people with disabilities on Medicare and Medicaid topics. Email Avisery at avisery@ageoptions.org or visit our website:
https://www.ageoptions.org/resources/avisery/

Appendix A

Below is a basic overview of the Medicare Coverage options, including information on coverage and benefits.

Original Medicare

Original Medicare includes Medicare Part A and Medicare Part B.

- Medicare Part A: Hospital insurance- covers hospital stays, skilled nursing facility stays, hospice, and home health care.
- Medicare Part B: Medical insurance- covers doctor's visits, lab tests, preventive care, durable medical equipment, some home health care, and outpatient appointments.

People enrolled in Original Medicare can add prescription drug coverage through a standalone Prescription Drug Plan (PDP) under Medicare Part D.

Medigap Plans

Medigap plans (also called Medicare Supplement plans) are private health insurance plans that cover Original Medicare gaps. Medigap plans are only available for those in Original Medicare (Part A and Part B). The plans will cover some, or all, of the costs not covered by Medicare Part A and Part B such as deductibles, coinsurance, and copayment amounts. There are 12 standardized types of plans. This means that Plan A from one company is going to offer the same benefits as Plan A from another company. Not all Medigap plans are available to everyone. Some plans are only available to Medicare beneficiaries if they turned 65 on or before January 1, 2020.

All Medigap plans cover a set of core benefits, while some plans may offer additional benefits. The core benefits are coverage for Medicare Part A coinsurance, coverage for an additional 365 days in the hospital, Medicare Part B coinsurance or copayment, the first three pints of a blood transfusion, and Part A hospice care coinsurance. Some plans may have additional benefits such as skilled nursing facility care coinsurance, Part A deductible, Part B deducible, emergency care outside of the U.S., and coverage for Part B excess charges.

Once someone has enrolled into Part B, they will receive a 6-month Medigap Open Enrollment Period. During this time the beneficiary will have guaranteed issue rights.

- *Guaranteed Issue Rights*: When a person has guaranteed issue rights insurance companies cannot refuse to sell them a policy, charge them more due to a preexisting health condition, or make them wait for coverage to begin when they purchase a Medigap plan.

Medicare Advantage (Part C)

Medicare Advantage plans are private health plans that contract with Medicare to provide Part A and Part B services to beneficiaries. Most Medicare Advantage plans also cover Part D services. To receive prescription drug coverage under Medicare Advantage, a person must enroll in a Medicare Advantage plan that includes drug coverage (called MA-PD plans).

Prescription Drug Coverage (Part D)

Medicare provides prescription drug coverage through a standalone Part D plan (PDP) if a person has Original Medicare. If a person is enrolled in a Medicare Advantage plan, they can receive drug coverage through a Medicare Advantage plan that has prescription drug coverage (MA-PD). Each plan will have a formulary, which is a list of drugs it will cover. To receive coverage for a prescription drug, it must be on the plan's formulary. Individuals can use Medicare.gov Plan Finder to check which plan covers all their prescription drugs. For assistance, they can also contact a SHIP Counselor.

Appendix B

Medicare Premiums

Most people will receive Part A premium free due to them having 40 work credits with Social Security (this is roughly 10 years of paying FICA taxes/employment). People can use their work credits or their spouse's record to qualify for Medicare Part A premium free. If they do not have the 40 work credits, they can choose to purchase Part A and pay a monthly premium based on the amount of work credits they have:

- 30 -39 work credits: $278 monthly Part A Premium in 2024
- 0 – 29 work credits: $505 monthly Part A Premium in 2024

The monthly Medicare Part B premium in 2024 is $174.70. Everyone enrolled in Medicare Part B will have to pay this premium. If your client makes more than $103,000 individually or $206,000 as a married couple annually in 2024, they will have to pay a higher premium.

Beneficiaries who choose to enroll in a Medigap will also have to pay a monthly premium for their Medigap policy, in addition to the monthly premium for a stand-alone Part D prescription drug plan since Original Medicare and Medigap plans do not include creditable drug coverage These premiums will vary across plans.

If the person is in Medicare Advantage plan, the plan may have a premium. There are plans with $0 monthly premium.

Medicare Deductibles

The Part A deductible is $1,632 per benefit period in 2024. The deductible needs to be paid every time they start a Part A Benefit Period. A Part A Benefit Period starts when a person has been admitted as an inpatient in the hospital and ends 60 days after they have been discharged and have not reentered a hospital or a skilled nursing facility. Depending on the person's health, they may have to pay the deductible multiple times a year, if they have more than one benefit period within a calendar year. Medicare Advantage plans structure their inpatient hospital coverage differently than Original Medicare and may charge a daily in-patient copay or coinsurance amount instead of the benefit period deductible.

The Part B annual deductible is $240. A person only must pay the Part B deductible once every year.

Most Medigap plans will not have a deductible. There are two Medigap plans that do have a deductible. The deductible amount will vary across plans.

Medicare Advantage plans may have a deductible for their Part D coverage.

If the person is in Original Medicare with Medigap they will also be responsible for their Part D standalone prescription drug plan deductible. The deductible for Part D plans will vary across plans.

Medicare Coinsurances/Copays

Under Part A, once the deductible is met there may be copays for days spent in the hospital and/or skilled nursing facility.

Copays for an inpatient hospital stay in 2024:

- Days 1-60: $0
- Days 61-90: $408 each day
- Days 91-150: $816 each day

Copays for a skilled nursing facility stay in 2024:

- Days 1-20: $0
- Days 21-100: $204 each day
- After 100 days: Beneficiary pays all the costs

Part B will have a 20% coinsurance that the beneficiary will have to pay for most services. Some services will have a set copay such as emergency room and ambulatory services. There are some services such as preventive care that will not have any cost sharing amounts.

If they are in a Medigap plan, the plan will cover Part A and Part B coinsurance amounts.

Under a Medicare Advantage plan, there will be a copay or coinsurance for every service. Each Medicare Advantage plan determines what the coinsurance/copay will be for the service. This may be lower or higher than the cost sharing amounts under Original Medicare.

Maximum Out of Pocket (MOOP)

The MOOP for Medicare Advantage plans in 2024 is no more than $8,850. Plans may set a lower MOOP amount.