

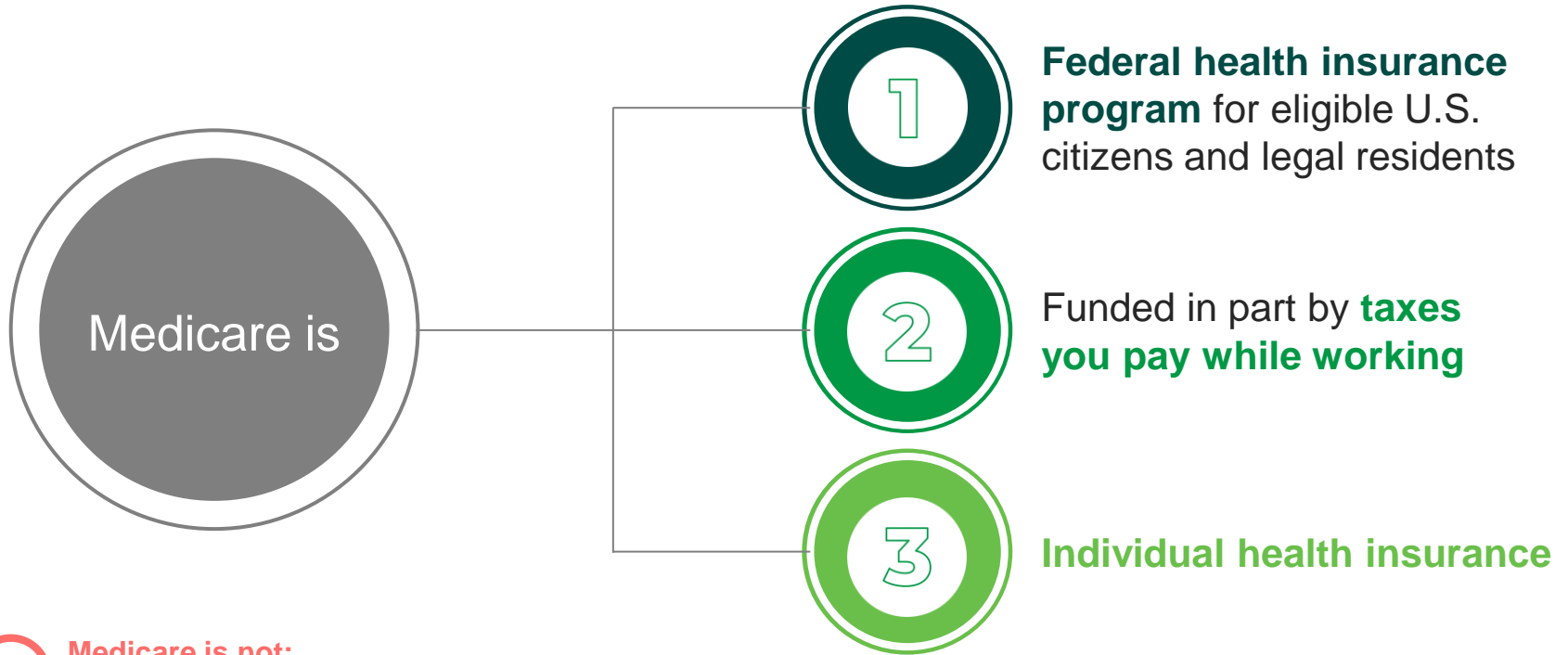


Medicare Medigap vs MAPD

Altruis, July 16, 2024

What is Medicare?

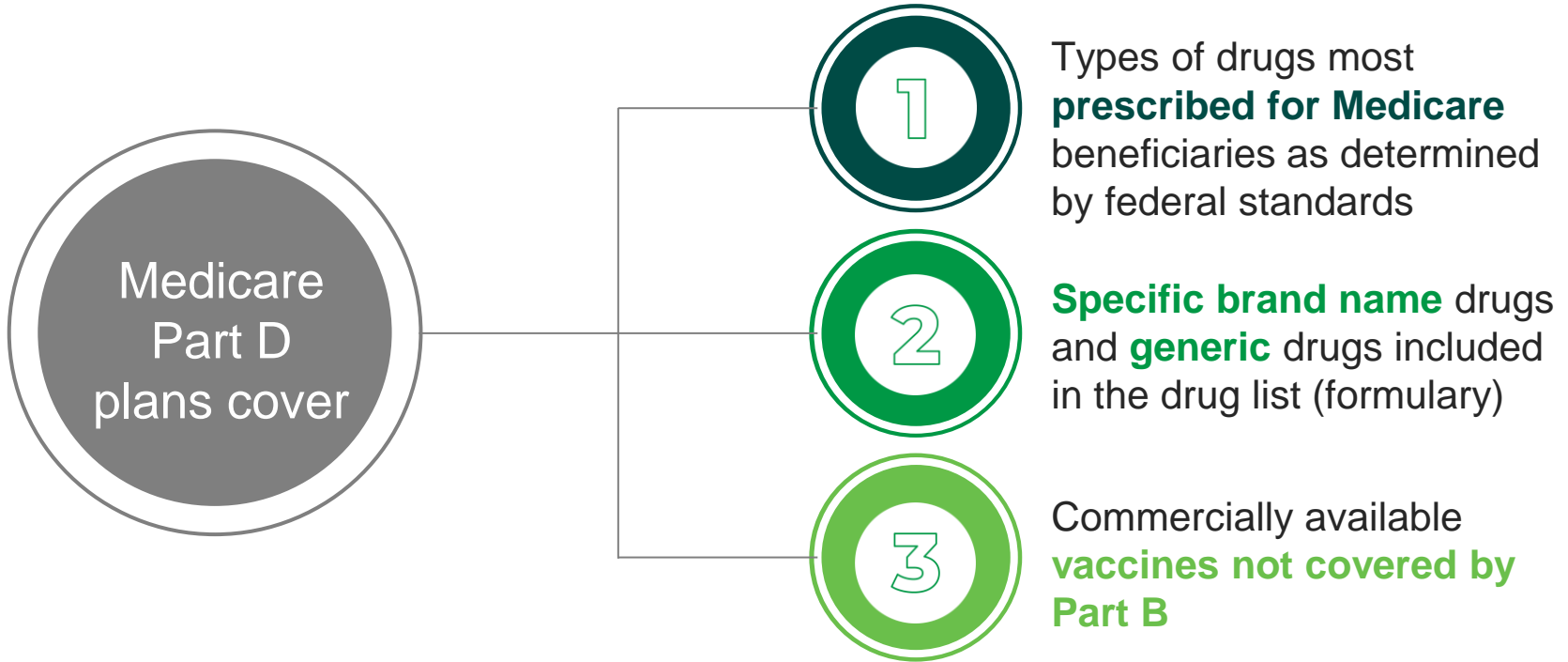
What is Medicare?



Medicare is not:

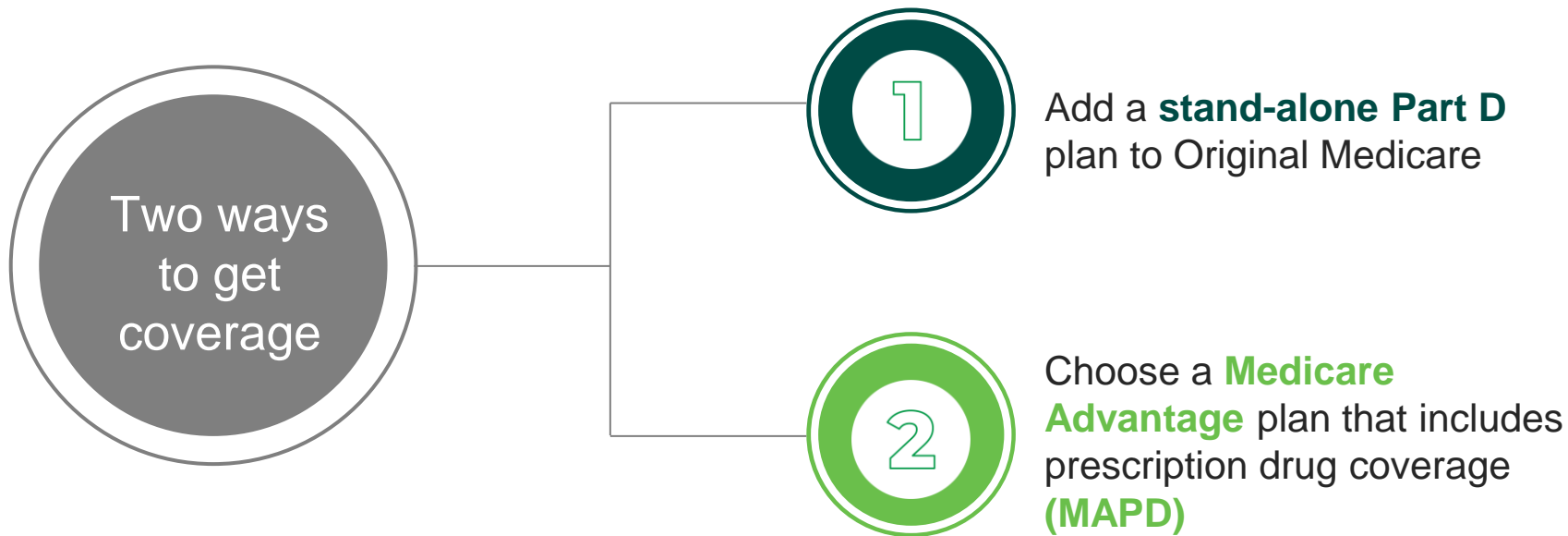
A family health plan, social security, Medicaid or free

Medicare prescription drug coverage



Medicare prescription drug coverage

Helps with the cost of prescription drugs



What does Medicare cover?

What does Medicare cover?

Parts A & B: Original Medicare

Provided by the federal government

Part

A



Hospital Insurance

- ✓ Hospital care
- ✓ Skilled nursing care
- ✓ Hospice care

Part

B



Medical Insurance

- ✓ Doctors' fees
- ✓ Outpatient hospital visits
- ✓ Other medical services/
supplies not included in Part A

Medicare covers just 80%

Original Medicare
(Parts A & B)
does not cover:

- **All of the cost of your care** – you have out-of-pocket costs, with no limit
- **Prescription drugs**
- Routine **dental, vision** or **hearing** care
- **Eyeglasses, contacts** or **hearing aids**
- **Long-term** or **custodial care** (help bathing, eating, dressing)
- Excess charges for **services by doctors** who **don't accept Medicare** assignment
- Care received **outside the U.S.**, except for certain circumstances

Medicare Part B cost example

Part B



Medical Insurance

- Debbie has heard about doctors accepting Medicare assignment and it has something to do with out-of-pocket costs.
- She asks what the difference in cost would be if the doctor accepts assignment or not.

Debbie's costs	Accepts assignment	Refuses assignment
Usual and customary doctor's fees	\$300	\$300
Medicare-approved amount	\$240	\$240
Reduced Medicare-approved amount		\$278
Medicare pays 80%	\$192	\$223
Ellen pays 20% coinsurance	\$48	\$56
Ellen pays doctor's excess charges (15%)		\$42
Total Debbie pays	\$48	\$98

Formulary: List of covered drugs

Tiered formulary

- Drugs are grouped into tiers **based on cost**
- In general, the **lower the tier, the lower the cost**
- **Deductibles** may be charged by tier

Fast facts

- Must be **enrolled in Par A, Part B or both**
- May be required to use **pharmacy network**
- Coverage and costs **vary** by plan and may **change** per year
- Part D premium **penalty for late enrollment**

Which plan is right for me?

Medicare supplemental insurance



Helps pay some
costs not paid
by Medicare

- **Supplements** Original Medicare (Part A & Part B)
- **Can't be used with Medicare Advantage**
- Insurance companies can offer up to **12 standardized Medigap Plans** (Plans A-N)
- You'll pay a **monthly premium** for a Medigap plan and you must continue to pay your Part B premium
- Medigap plans **do not include prescription** drug coverage
- Starting in 2025, plans must have unisex rates

Medicare supplemental insurance

Plans may help pay:

- Part A and Part B deductibles
- Copays, coinsurance and provider excess charges
- Cost for extra 365 days of hospital care after lifetime reserve days used
- Cost of blood transfusions, first three pints
- Cost of foreign travel emergency, up to plan limit - \$50,000 Lifetime

Plans do not help with:

- Prescription drugs
- Routine dental, vision or hearing care*
- Eyeglasses, contacts or hearing aids*
- Extra days in a skilled nursing facility after Part A benefit
- Custodial care (help bathing, eating, dressing) – Biggest misunderstanding
- Long-term care

Medicare supplemental insurance

Med Supp
= Medigap


Benefit	Plan A	Plan B	Plan C ¹	Plan D	Plan F ¹	Plan G	Plan K	Plan L	Plan M	Plan N
Part A hospital coinsurance and 365 extra hospital days	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Part A deductible		100%	100%	100%	100%	100%	50%	75%	50%	100%
Part B coinsurance or copays	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%*
Part B annual deductible			100%		100%					
Part B excess charges					100%	100%				
Cost of blood transfusion (first three pints)	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
Cost of foreign travel emergency (up to the plan limits)			80%	80%	80%	80%			80%	80%
Hospice care coinsurance costs	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
Part B preventive care coinsurance	100%	100%	100%	100%	100%	100%	100%		100%	100%
Skilled nursing facility care coinsurance			100%	100%	100%	100%	50%	75%	100%	100%
Yearly out-of-pocket limit before all benefits paid at 100% (2020)							\$5,880	\$2,940		

*except certain copays

¹Only available to beneficiaries who became eligible in 2019 or earlier, and who enrolled prior to Jan. 1, 2020

Medicare supplemental insurance

Med Supp
=
Medigap



Medigap plans might be right for you if:

- You are enrolled in both **Medicare Part A and Part B** and live in the state where the plan is offered
- You don't mind paying a **higher monthly premium in exchange for paying less**—or even nothing—when you get medical care
- You **travel outside of Michigan** for an extended period each year and want to seek routine health services when you're away
- You want the freedom to **use any provider** that accepts Medicare—no network to worry about
- You already have or don't mind having to **purchase a stand-alone Part D** prescription drug plan
- You're in the **open enrollment** period or **are losing your health insurance** coverage


Medicare Advantage



Health plans
offered by private
insurance
companies

- Offers **additional coverage** to Parts A and B
- Becomes an **MAPD plan if it includes Part D** prescription drug coverage
- Best way to get the **lowest cost plans** with Parts A, B and D together
- May also **include extras** like dental, vision and fitness memberships
- With MAPD, just **one card, one company** to use for your medical and pharmacy needs

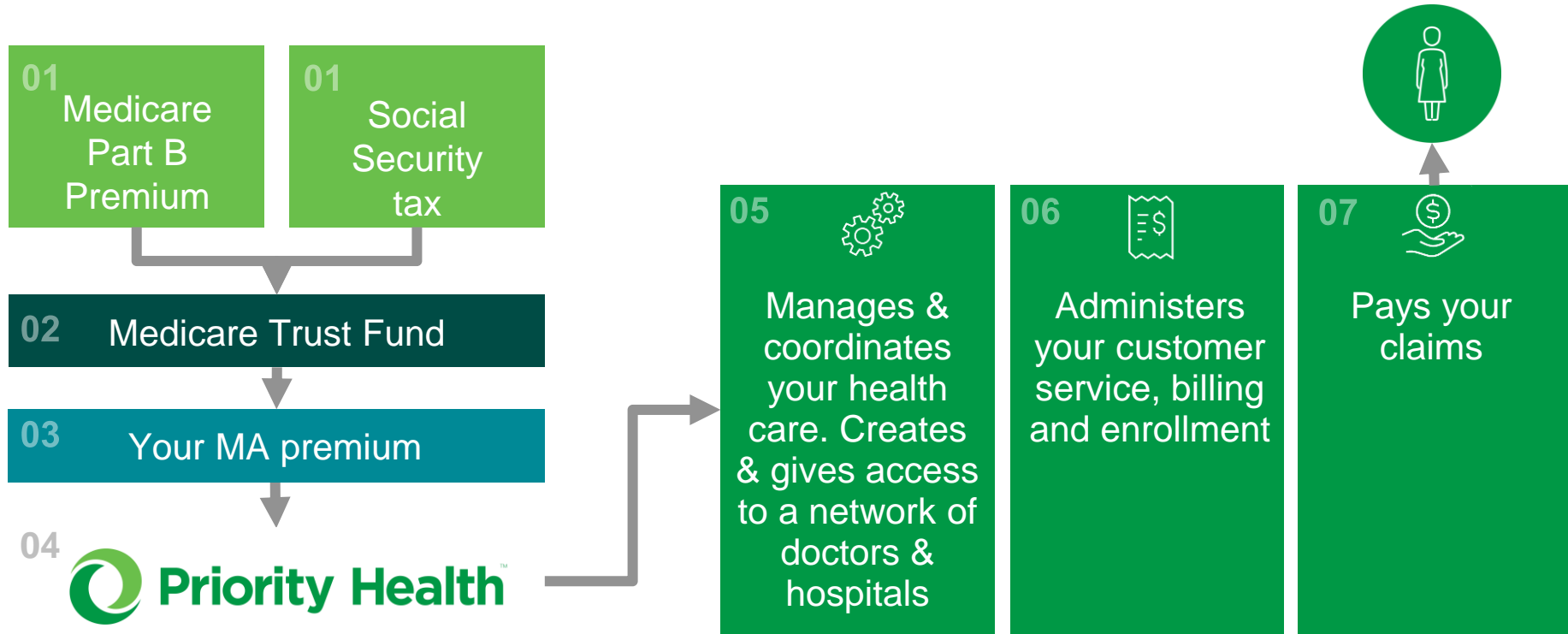
Medicare Advantage



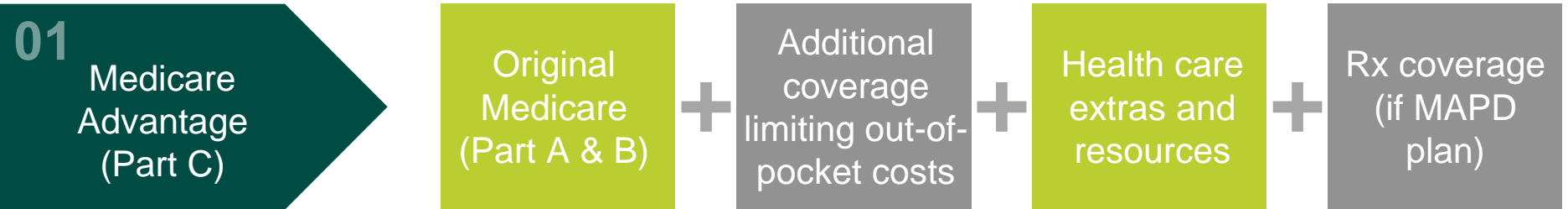
Medicare Advantage plans might be right for you if:

- Paying a **lower monthly payment** is important to you
- You want **more coverage** than Original Medicare (Parts A and B) offers, including things like:
 - Prescription drugs
 - Vision, dental, hearing, fitness membership and more
- You prefer **predictable copayments**
- You like the idea of having **just one plan, and one card**, for all your medical and pharmacy needs
- You want to know **there's a maximum you'll pay out-of-pocket** each year so you're protected financially
- You like the idea of using a **network of providers** to save money

How Medicare Advantage works



How do I decide which plan is right for me?



What are my options?

Medicare coverage combinations

with Original Medicare

Option
Parts
A, B D +
Medigap

PROS:

- Predictable Part A and Part B cost share
- Limited maximum out-of-pocket
- Stops/prevents Part D penalty
- No network – member can seek care from any provider who accepts Original Medicare
- Coverage is standardized making it easier to compare plans

CONS:

- Highest cost option under Original Medicare*
- Only covers what Original Medicare allows
- Coverage doesn't extend outside the U.S. or its territories – except for emergencies (limited coverage)
- May be underwritten for medical conditions

Medicare coverage combinations

with Medicare Advantage

Option:
Parts C+D
(MAPD)

PROS:

- Predictable premium and copays, most times lower than Medigap
- Predictable drug copays
- Can offer benefits Original Medicare doesn't cover (dental, vision, OTC)
- Emergent and urgent coverage outside of the U.S.
- Stops/prevents Part D drug penalty

CONS:

- May be required to use a provider in the plan's network
- May pay higher copays if non-network provider used
- Coverage changes January 1st of every year (must be as good as Original Medicare)
- All plans have a MOOP (Maximum Out of Pocket)

Medicare Supplement or Medicare Advantage?

Considerations	Medicare Supplement	Medicare Advantage
Coverage	<ul style="list-style-type: none">• Pays some costs not paid by Original Medicare• Does not help with drug costs• Nationwide coverage	<ul style="list-style-type: none">• Provides benefits of Original Medicare and beyond• Often includes drug coverage• May have provider network
Cost	<ul style="list-style-type: none">• Monthly plan premium• Drug plan premium and other costs if coverage added• Out-of-pocket costs depend on plan chosen	<ul style="list-style-type: none">• May charge plan premium• Often no additional premium for drug coverage• Copays or coinsurance for most covered services• Annual out-of-pocket maximum
Convenience	<ul style="list-style-type: none">• Multiple plans (when added to Original Medicare along with a Part D plan)	<ul style="list-style-type: none">• All-in-one plan

When can I enroll?

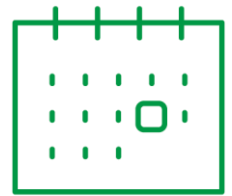
Initial enrollment period

You have a seven-month window to join—from three months before the month you turn 65, through your birthday month and three months after the month you turn 65. If you don't sign up during this window, you must wait until the **General Enrollment Period**.



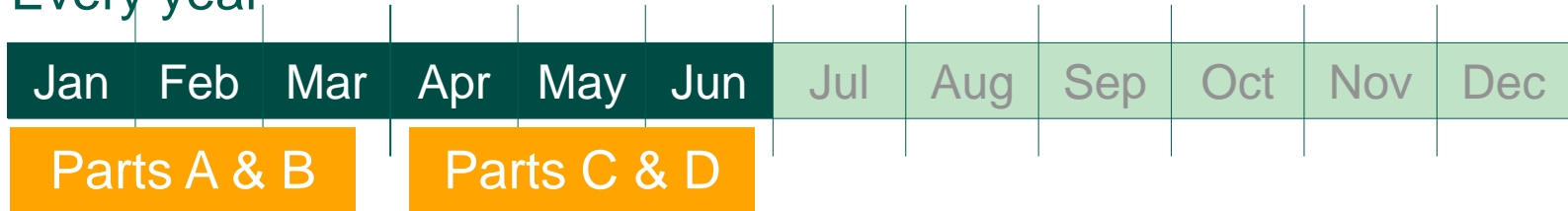
Month you turn 65	Coverage starts 1 month after you sign up
1 month after you turn 65	Coverage starts 2 months after you sign up
2 months after you turn 65	Coverage starts 3 months after you sign up
3 months after you turn 65	Coverage starts 4 months after you sign up

General enrollment period



Jan 1 – Mar 31
each year

Every year



For those who miss their Initial Enrollment Period

May enroll in Part A, Part B or both

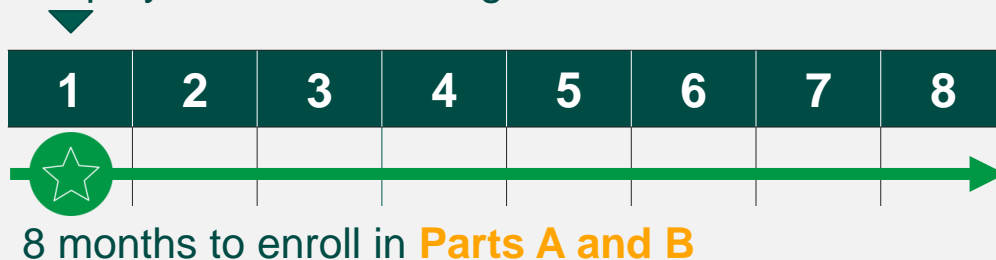
May choose to enroll in a Medicare Advantage plan (Part C) or a Rx plan (Part D)

Late enrollment premium penalties may apply

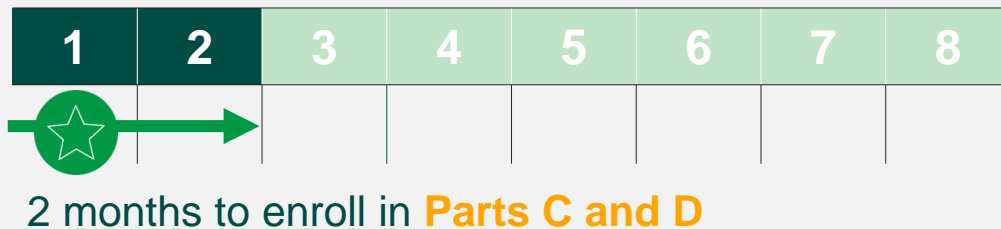
Special enrollment period: Working past 65

- For those who **delayed enrollment**
- May enroll in **Part A, Part B or both**
- Part B enrollment **triggers Medicare Supplement Open Enrollment**

Month after the last month of employment or employee health coverage

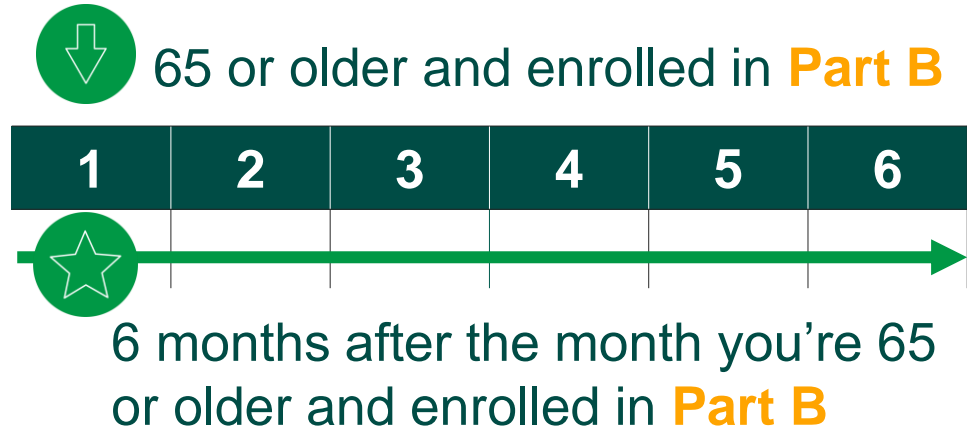


- May choose a **Part C or Part D plan**
- **Enroll in Part D early to avoid penalty**



Medicare Supplement Open Enrollment

- **No medical underwriting** if you enroll in this time
- **May enroll in a plan later** but could be denied or charged more based on health history



Late enrollment premium penalties

Part

A

- No penalties, if qualified for **premium-free coverage**
- **Otherwise, 10%**

Part

B

- No penalties, if qualified for **SEP**
- **Otherwise, 10%** for each full 12-month period

Part

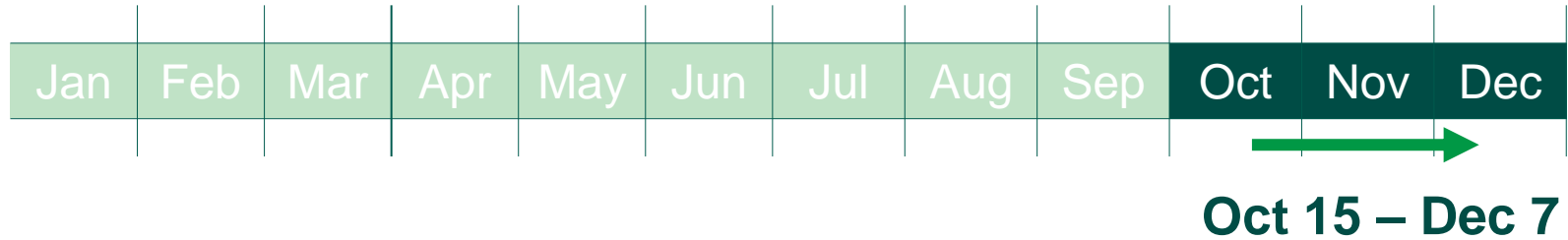
D

- No penalties, if less than **63 days without coverage**
- **Otherwise, 1%** of current monthly premium for each month eligible and did not have it

When can I change my
coverage?

Medicare Annual Enrollment Period (AEP)

Every year



Not an opportunity to enroll in Part A or Part B

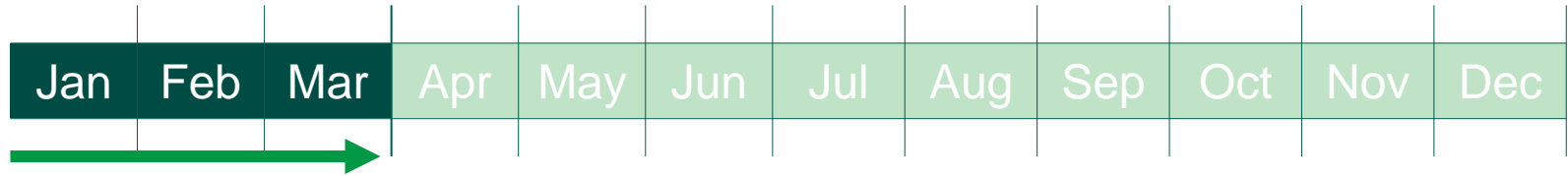
Switch from Original Medicare (Parts A & B) to a Medicare Advantage plan (Part C), or vice versa

Switch from one Medicare Advantage plan to another

Join, switch or drop a Medicare prescription drug plan (Part D)

Medicare Open Enrollment Period (MA-OEP)

Every year



Jan 1 – Mar 31

Available to Medicare Advantage plan members only

Switch to a different Medicare Advantage plan or return to Original Medicare

Enroll in Part D plan if returning to Original Medicare

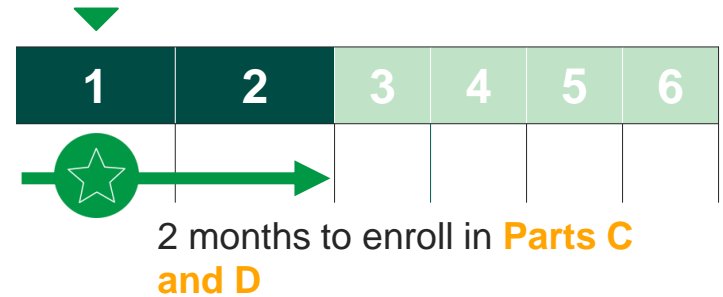
Beneficiaries may make only one election change during MA OEP

Effective date of disenrollment is first of the month following receipt of the disenrollment request

Special Enrollment Period: Qualifying events

- **Move out** of plan service **area**
- **Move within** plan service **area** and have new plan options
- **Leave or lose** other health care **coverage**
- Qualify for a **Special Needs Plan**
- **Move into or out of an institution**, such as a nursing home
- **Get or lose financial help** with Medicare
- **Move back to U.S.** after living outside the country
- Enrolling in a **5-Star plan**, once per year

Month after you move or the month after you notify your plan



How can I keep my plan
affordable?

Your benefits drive your savings



Benefits
that save
on costs

- Get your annual **preventive exams/services**
- Use plan's **provider network – if applicable**
- Save on **prescriptions** with generic alternatives and preferred pharmacies
- Use **virtual visits** as your plan allows



Priority HealthTM