

Medicare Supplement or Medicare Advantage Coverage

Which is best for you?



The short answer: it depends. It is important to know how the two kinds of plans differ, helping you make an informed choice.

Medicare Supplement

- **Contract:** Between you and an insurance company. The contract does not change from year-to-year.
- **Plan changes:** An insurance company cannot unilaterally change the benefits in a Traditional Medicare Supplement policy contract. If any change were to occur, the change to the contract is made as a result of a change in the law.
- **Cost:** Average of \$125 - \$150/month for a 65-year-old. Premiums typically increase as you age.
- **Choose this plan if:** You do not want your coverage to change from year-to-year, and portability is important to you. Medigap coverage will work wherever Medicare works.

Medicare Advantage

- **Contract:** Between the Insurance Company offering the health plan and the Center for Medicare and Medicaid Services (CMS). CMS approves the coverage and service area of the plans. In other words, the company you sign up with manages your Medicare Part A, Part B, and Part D if offered within the plan.
- **Also known as:** Part C, Medicare Health Plans, and sometimes referred to as a “replacement plan” because, in essence, this replaces your federal Medicare Part A and B coverage.
- **Plan changes:** Medicare Advantage plans are one year contracts with CMS to provide you health coverage. Plan costs and coverage are subject to change annually, which is why you will need to compare plans offered in your service area each year to determine the best plan for your health needs. Some plans choose to offer coverage beyond what is covered by original Medicare, such as dental, vision, and hearing.
- **Cost:** Some plans do not charge a premium but do have copayments/coinsurances for each medical care service. Medicare Advantage plans are required to have a yearly out-of-pocket limit and cannot exceed the limits set by CMS.
- **Choose this plan if:** You do not mind your coverage changing annually and you can manage a “pay as you use” benefit plan.

Contact the Medigap Hotline for further assistance (800) 242-1060. For local assistance with Medicare or other benefit questions, contact ADRC at (920) 448-4300.

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ADRC of Brown County

300 S. Adams St. Green Bay, WI 54301
(920) 448-4300

www.adrcofbrowncounty.org

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