



GUIDE TO MEDICARE ADVANTAGE



It is important to familiarize with yourself the different parts of Medicare before enrolling

Table of Contents

- Introduction _____ 3
- Different Types of Medicare Advantage _____ 4
 - Medicare Part A _____ 5
 - Medicare Part B _____ 7
 - Medicare Part C _____ 8
 - Medicare Part D _____ 10
- When Can I Enroll in Medicare Part A, B, C and D? _____ 11
- Summary of the different Medicare Parts _____ 12
- Which Part is Right for Me? _____ 13
- Final Thoughts _____ 15



Introduction

As an American citizen, when you reach the age of 65, you are required to have Medicare. However, some seniors may require specific plans and benefits that are not offered by the traditional Medicare program commonly known as Medicare Part A/B.

This is where most insurance agencies come in and sell Medicare Part C/D, also known as Medicare Prescription Drug Plans(C/D) or Medicare Advantage, which will enable seniors to assess medical products on their own terms.

Private health insurance companies provide Medicare Part C to patients. They are targeted to those looking for specific features like the ones listed below. The companies can also create value-based plans for them and provide easy-to-access, unique content and options for the grandparent, parent or the lay person to choose from.

Also known as the Federal Health Insurance program, Medicare is not only available for American citizens above the age of 65, but also to people with disabilities who are below the age of 65.

Founded in 1965, Medicare has been a key health insurance provider for senior citizens in the US. However, you do not have to wait until the age of 65 to enroll into the Medicare benefit program. In this guide, we're going to go through the various need-to-know bullet points that can help you learn more and understand Medicare and all your options.

This article will give you information on the different types of Medicare, including Parts A, B, C and D, which can then help you plan for your healthcare in times of retirement or for your tomorrow.



Different Types of Medicare Advantage

When planning for your retirement, healthcare expenses can be unpredictable and costly, this can put a patient in major debt when not backed by healthcare insurance or a trusted provider. However, investing in a program is not always so easy—the programs and the benefits within Medicare can also be difficult for seniors to understand.

Therefore, the first step in understanding the health care program is for seniors to familiarize themselves with the different parts of Medicare, which are explained below.



Medicare Part A

Also known as the hospital insurance, Medicare Part A covers hospital expenses including skilled nursing facility care, in-patient hospice, home healthcare, hospice care, and other medical services such as surgeries and lab tests.

It is the most known Medicare program where Retirees, who are above the age of 65, and their spouses do not need to pay any premiums. This is an attractive point for most. However, patients and prospects should know that they need to meet a certain criteria—such as having paid their medical taxes into the Medicare system. If they do not qualify for the premium-free coverage, the seniors will need to pay premiums up to \$458 per month, starting 2020.

Generally, both Medicare Parts A and B are available to individuals who are 65 years and above, have End-stage Renal Disease or have a disability. You will automatically be enrolled to Medicare Parts A and B if, for at least four months before you reach the age of 65, you have been receiving Railroad Retirement Board or Social Security benefits.



However, if you have not been receiving these benefits, you will be enrolled with Social Security to Parts A and B.

It is important to note that Part A represents the bare minimum when it comes to health insurance coverage, which is why it is considered as an emergency coverage. This means that you can choose to delay Part B.

Most seniors opt for having Part B as an additional coverage even though having Medicare Part A is better than having no insurance at all.

Just like all the other Medicare Parts, Part A has deductibles that you need to pay before the services are paid for by the insurance company in addition to the monthly premiums.

Medicare pays for all the hospital services when you are admitted in the hospital for the first 60 days. However, it does not pay for a private room.



Medicare Part B

Also known as medical insurance, Medicare Part B is an extension of the medical and hospital equipment/supply insurance offered by Part A. Medicare Part B covers services that are medically necessary to treat a condition and also in preventative care to prevent illness.

In general, Medicare Part B covers costs such as outpatient services like physical therapy, doctor visits, mental health services, ambulance services, durable medical equipment like walkers and wheelchairs, as well as some prescription drugs.

What makes Part B important is that it covers not just the medical necessities that Part A covers but also the preventative care.

Individuals can enroll for Part B if you are eligible for free premiums in Part A. However, you must pay a monthly premium to receive Part B coverage which is \$144.60 as of 2020. This amount changes depending on your income level or if you earn more in your retirement, you will pay a higher premium for Medicare Part B. You will also have to pay 20% of the bills for outpatient services and doctor visits.

You may not be able to fully cover your health care services with Medicare Part A and Part B. This is because services such as annual eye examination, most dental care, hearing aid services, and long-term care are not covered by Part A or Part B.

Medicare Part C



Known as Medicare Advantage, Medicare Part C offers an alternative to Parts A and B. However, private companies provide this part and contract with Medicare to provide the benefits for Part A and Part B. This means that the conventional Medicare Program won't pay your medical services.

The main benefit of having Medicare Advantage Plans is the possibility to get more comprehensive coverage of prescription drugs as well as the choice of organization to provide the services such as PPO (preferred provider organizations), HMO (health maintenance organizations) or Medical Savings Account Plan.

PPOs have networks of facilities that you can use and doctors that you can see without needing a referral. On the other hand, with HMOs, you will choose a doctor for primary care who will direct and refer you to a specialist.

Private companies that provide Medicare Part C plans are required by the federal government to cover all the services covered by the original medical cover as well as some of the services not covered such as vision and dental care.

Centers for Medicaid and Medicare services have allowed Medicare Advantage Plans to cover other expenses such as shower grips for your home, wheelchair ramps, transportation to and from the doctor and meal delivery.

You are eligible to join one of these Medicare Advantage Plan if you have Medicare Parts A and B, reside in the area where the plan is provided and do not have the End-Stage Renal Disease. Since Medicare Part C is provided by private companies, you will need to use the Medicare's Plan Finder to find a plan and sign up through the company website for Medicare Advantage.

Depending on the plan provider, Medicare Part C premium costs vary but the average costs are around \$36 monthly in 2020 for the Medicare Advantage Plan. Having Medicare Part C removes the need to have Medigap Insurance which covers some of the services that Part A and Part B does not cover.





Medicare Part D

Established in 2003, Medicare Part D covers prescription drugs for individuals who want to buy it. It is the biggest coverage gaps in Medicare parts. Medicare Part D is provided by private companies just like Medicare Part C. these companies have contracted with Medicare to cover the purchase of prescription drugs.

If you have Medicare, you can find a Medicare plan provider through the Medicare's Plan Finder and enroll for Part D by filling a form with the provider of your choice. However, if you are enrolled in a Medicare Advantage Plan that covers prescription drugs, you will be dis-enrolled from the plan to join the Medicare Part D. This means you will be returned to your initial Medicare program.

You pay monthly premiums for Medicare Part D and just like Part C, the amount of premiums varies from one provider to another. However, the average amount of prescription drug coverage ranges from \$13 to \$83 for the year 2020.



When Can I Enroll in Medicare Part A, B, C and D?

The following is the enrollment period for the different Medicare Parts:

Initial Enrollment Period (IEP)

This is the first time you sign up for Medicare and you can enrol to the different Medicare Parts 3 months before your 65th birthdays, the month of your birthday or 3 months after your 65th birthday.

General Enrollment Period (GEP)

This allows retirees to enrol to Part A and Part B. Penalties and increase in premiums may apply to late enrollment. The General Enrollment Period is between 1st January and 31st March. The coverage begins on 1st July.

Open Enrollment Period

This is the time when individuals can change their Medicare Part D plans and/or Medicare Advantage. This is also the time that you can switch from Medicare Advantage to Original Medicare and vice versa. The Open Enrollment Period is between 15th October and 7th December. The coverage begins on 1st January



Summary of the different Medicare Parts

Part A

Hospital Insurance

- Skilled nursing facility care
- Home health care
- Hospice care
- Inpatient care

Part B

Medical Insurance

- Outpatient care
- Lab tests
- Visits to the doctor
- Medical equipment
- Ambulance services

Part C

Medicare Advantage

- Medical insurance
- Hospital insurance
- Dental (not all of them)
- Vision (not all plans)
- Prescription Drugs (not all plans)

Part D

Prescription Drugs



Which Part is Right for Me?

Before deciding on which Medicare Part is right for you, ask yourself the following questions:

- What type of prescription do I have?
- Am I keeping my current Medicare provider?
- Can I pay for my out-of-pocket medical expenses?
- Do I need to cover my medical expenses when I travel?
- Which doctors or hospitals are closer to me?

After you have answered the above questions, do your research and find a Medicare provider that is suitable for your needs. The following is a quick difference between Medicare Advantage and Original Medicare:



Original Medicare

With original Medicare, you will be covered throughout the US and you do not need to be referred to your specialist. With this Medicare, the premiums are set by the federal governments. For all your medical needs to be covered, you need to sign up for the different plans separately.

For your prescription drugs, you will have to consider a Part D plan and to cover your out-of-pocket expenses such as 20% coinsurance of doctor visits, hospital deductibles and other outpatient services, you will need to get a Medigap plan.

Medicare Advantage

This plan offers one-stop coverage and other extra services provided by the original Medicare. This plan has an annual cap on the out-of-pocket expenses that are not available with the original Medicare and the expenses are much lower.

With Medicare Advantage, you have a network of doctors to select from and your expenses will be covered by a private insurer.



Final Thoughts

It can be confusing for a senior to navigate health care insurance. The good thing is Medicare has introduced a structure for healthcare through its different Medicare parts as discussed above.

In general, Part A covers services provided at the hospital, Part B covers preventative care and necessary care. Alternatively, you can purchase Part C also known as the Medicare Advantage using a private company. You can supplement the cover for prescription drugs in Part A, B or C by getting an optional drug coverage from Part D.

It is important to familiarize with yourself the different parts of Medicare before enrolling. If, after reading this guide, you still need to familiarize yourself, you can get more information through the Medicare website as each part has different premium amounts, different ways to sign up and they cover different services.