

**Medicare Supplements and Medicare Advantage Plans
A Side-by-side Comparison**

| Consumers' Questions | Medicare Advantage Plans | Medicare Supplements |
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| How are the plans funded? | <p>Medicare pays the Medicare Advantage Plan a fixed amount – based on the area’s usual and customary charges for medical services – per enrollee to manage each member’s care.</p> <p>Members also may be required to pay a Medicare Advantage Plan premium.</p> | Policyholder premiums. |
| Do I continue to pay my Medicare Part B premium? | Yes. | Yes. |
| How can there be little or no premium for Medicare Advantage plans? | <p>There may be a small premium initially, however there are costs and they can go up annually.*</p> <p>Medicare’s reimbursements to the Medicare Advantage Plans may not keep pace with medical inflation. This can lead to the plan raising premiums, increasing co-payments, decreasing benefits and dis-enrolling members every year.</p> | <p>No surprises. The benefit structure is locked in. You know what you’re getting year to year. As Medicare deductibles and co-payments increase, so do your Med supp benefits.</p> <p>Benefits don’t decrease if plan premiums increase.</p> |
| What does it cost me? | <ul style="list-style-type: none"> • Medicare Part B monthly premium • Monthly Medicare Advantage premium (possibly) • Monthly Medicare Advantage premium for the extra benefits chosen • Deductibles and co-payments | <ul style="list-style-type: none"> • Medicare Part B monthly premium • Monthly premium |

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| What does the plan cover? | At least what Medicare would cover plus some additional benefits not covered by Medicare. However, many services require you to cost share increasing your out-of-pocket costs. | Medicare pays its portion of eligible expenses. Your Med supp pays the eligible expenses not paid for by Medicare. |
| Can I budget for my monthly health care expenses? | It's tough. You typically must pay when you go to the hospital or doctor, plus you may have a monthly plan premium. | Yes. You have a monthly premium and little or no out-of-pocket expenses whenever you need care. |
| Can my plan be cancelled? | Yes. Contracts between the government and the Medicare Advantage Plan are reviewed annually. The plan may not be renewed and can terminate its members. | No. Only you can cancel your plan by not paying the premium. |
| May I choose my hospital and care providers? | Typically, you choose from a network of providers, which can fluctuate. | Yes. |
| Is pre-certification or qualification required? | Yes. The Plan usually requires pre-certification or qualification for some types of care. Penalties may apply if you don't follow the rules. | No. |
| Can I use hospitals and doctors everywhere? | Possibly not. Check the plan for details and termination provisions if you move out of the service area. | Yes. |

*Sixty-two percent of Medicare Advantage enrollees in basic plans pay a monthly premium in addition to the Medicare Part B premium. (Kaiser Family Foundation, 2003)