



Original Medicare with a Medigap vs. Medicare Advantage

If you have **Original Medicare**, the traditional health insurance program run by the federal government, it pays for most of your health care. However, it doesn't pay for everything. The out-of-pocket costs can get expensive for people who need a lot of health care.

There are two ways you may be able to lower your costs. One way is to keep Original Medicare and buy supplemental insurance to help pay your out-of-pocket costs. **Medigap plans** are supplemental insurance you can buy. Medigaps work only with Original Medicare, not with Medicare Advantage Plans. Private insurance companies sell Medigaps.

Another way you may be able to save money is to get your Medicare benefits through a **Medicare Advantage Plan** instead of Original Medicare. Medicare Advantage Plans, or Medicare private health plans, are also sold by insurance companies. They're usually HMOs or PPOs. Medicare Advantage Plans must cover the same benefits as Original Medicare, but your costs may be different. When you're in a Medicare Advantage Plan, you pay more for some types of health care and you pay less for other types of care.

If you have insurance from a job, **never join a Medicare Advantage Plan without checking with your employer insurance first**. Find out how joining a Medicare Advantage Plan will affect your benefits. This is important whether you're retired or still working.

If you're choosing between Original Medicare with a Medigap or a Medicare Advantage Plan, look at your needs and what you can afford. Here are some facts about both to help you decide.

Medigaps

- Let you keep Original Medicare. You can go to any doctor or hospital in the country that accepts Medicare. The Medigap will help cover your Medicare out-of-pocket costs.
- Are standardized by law. Plans sold between July 31, 1992 and May 31, 2010 cover a certain set of benefits. Plans sold on or after June 1, 2010 cover a slightly different set of benefits.
- Are labeled by letter. All Medigaps of the same letter cover the same benefits no matter which insurance company sells them.
- Are sold by different companies. These companies can charge different prices for the same coverage. It pays to shop around. Medigap prices vary based on where you live and your age.
- Only let you enroll at certain times. Each state has its own rules about when you can buy a Medigap. A few states let you to enroll any time.

Medicare Advantage Plans (HMOs or PPOs)

- Must cover all benefits Original Medicare covers. They may also cover extra benefits that Original Medicare doesn't cover, such dental or vision care.
- Have different rules and costs than Original Medicare. May restrict when and how you get care.
- Have yearly out-of-pocket spending limits. These limits can be high but protect you if you need a lot of care.
- May have networks of doctors and hospitals you must use if you want to pay the lowest price.
- Only let you enroll in or switch plans at certain times. Once you buy a Medicare Advantage Plan, you must usually stay in that plan until the next enrollment period.

Medigaps vs. Medicare Advantage Plans

Benefit	Medigaps	Medicare Advantage Plans
Lowers costs for services?	Yes. Pays part or all of your costs when you go to the doctor or hospital.	Depends. Your costs for health care (copayments or coinsurances) may be more or less than what you pay in Original Medicare. You may pay the full cost if you don't follow your Medicare Advantage Plan's rules.
Protects you from unexpected costs?	Yes. Pays your full hospital coinsurance and pays for 365 extra days in the hospital beyond what Original Medicare covers.	No. Some types of care can be more expensive than under Original Medicare. You can't buy supplemental insurance to pay your out-of-pocket costs. Medicare Advantage Plans must have an annual out-of-pocket limit. These limits can be high but will protect you if you need expensive health care.
Covers extra services?	Very little. Medigaps usually don't cover anything Original Medicare doesn't cover. However, some do extend Medicare coverage, for example by covering emergency care outside of the United States.	Maybe. May cover some services Original Medicare doesn't cover. Some cover routine eye, hearing and dental care. Those benefits may be limited, so check carefully.
Lets you go to doctors and hospitals of your choice?	Yes. You can go to any doctor or hospital in America that accepts Medicare. (Unless you have a Medicare SELECT plan. Medicare SELECT is a type of Medigap plan that only pays for care you get in its network.)	No. Most have a network of doctors and hospitals that you must use for the plan to cover your care. You may pay much more if you go out of the plan's network.
Requires referral to see a specialist?	No. You don't need a referral.	Maybe. You often need to get a referral from your primary care physician if you want to see a specialist.
Has high monthly fees?	Yes. The premium, which is the monthly fee you pay to be in the plan, can be several hundred dollars per month. Premiums vary based on where you live and which plan you want. You also pay the Original Medicare premium each month. If you want drug coverage, you can buy a separate Medicare drug plan. Medigaps don't cover drugs.	Generally, no. Many plans don't charge more than what you pay for Original Medicare. But some plans do. Plans that include drug coverage often cost more.
Limits when you can enroll?	Depends. In many states, you can only enroll at certain times of the year and if you are age 65 or older. Check with your state insurance department. New York has Continuous Open Enrollment for Medigaps. People in New York with Medicare can buy a Medigap at any time.	Yes. You can usually only enroll in a Medicare Advantage Plan or switch plans during the Fall Open Enrollment period from Oct. 15 through Dec. 7.