

Medicare Supplement vs Medicare Advantage

Key factors in the decision process for choosing between (a) Original Medicare, plus a Medicare Supplement, plus a Stand-Alone Prescription Drug plan and (b) Medicare Advantage with Prescription Drugs

Original Medicare / Med Supp / Part D	Medicare Advantage with Prescription Drugs
Monthly Premiums	
The Medicare Part B monthly premium (\$148.40) is common to both alternatives	
Higher Monthly Premium – Two monthly premiums; one for a Med Supp, and one for Prescription Drug coverage (Part D). The Med Supp premium will change over time (age and general state-wide changes).	Lower Monthly Premium – Typically only one monthly premium. The Medicare Advantage with Prescription Drug (MAPD) plan premium will normally change annually.
Annual Out-of-Pocket Cost Exposure for Medical Services	
There will be charges for prescription drugs at the pharmacy or mail order for both alternatives	
The total annual out-of-pocket cost exposure for medical services with a Medicare Supplement Plan G is \$198.00. Once that deductible is met, there will be no charges for any Medicare approved and medically necessary procedure.	Annual out-of-pocket charges for medical services are capped by each particular plan. Typically, a plan with a low monthly premium can have an annual maximum out-of-pocket exposure of \$5,000 to \$6,500. Also, the typical MAPD plan will have a \$20.00 primary care office visit charge and a higher charge for a specialist office visit.
Provider Networks	
It is important that the doctors and hospitals you want to use will be available to you	
Any doctor or hospital that takes Medicare patients is required to accept whatever Medicare Supplement coverage that patient has – anywhere in the US.	Provider networks are typically geographically limited. In general, the lower the monthly premium, the smaller the provider network.
Stability	
It is important for you to know when and how you can change your coverage	
The only way you can lose your Med Supp coverage is if you fail to pay your premium. You can change Med Supp plans at any time. But, after your one-time Open Enrollment Period, you can be subject to underwriting. If you move out of Illinois, your Med Supp will go with you, and you will have 63 days to enroll in a new prescription drug plan.	You can change Medicare Advantage plans annually, without any underwriting questions. Plan changes occur annually. Doctors and hospitals can leave the network at any time. If you move out of the MAPD coverage area (which can be as small as just a few counties), you will have 63 days to find a new plan.
Prescription Drugs Flexibility	
There are no medical questions associated with changing Prescription Drug or Medicare Advantage plans.	
There are over two dozen Prescription Drug (Part D) plans in Illinois. Each year there is an opportunity to switch plans to get the most economical alternative. Changing your prescription drug coverage each year has no impact on your Medicare Supplement coverage.	There are a few Medicare Advantage plans that do not include prescription drugs. Enrolling in one of those plans will typically allow a person to enroll in a Stand-Alone prescription drug plan. More commonly, prescription coverage is tied to the MAPD. Getting more cost effective prescriptions can mean changing MAPD plans (with the complications of geographic and network provider limitations).

The choice between the 3-card option (Original Medicare, plus a Medicare Supplement, plus a Stand-Alone Part D plan) and the 1-card option (Medicare Advantage with Prescription Drugs) boils down to risk tolerance, where “risk” is defined in terms of cost exposure and network availability. Higher monthly premiums mean lower risk.