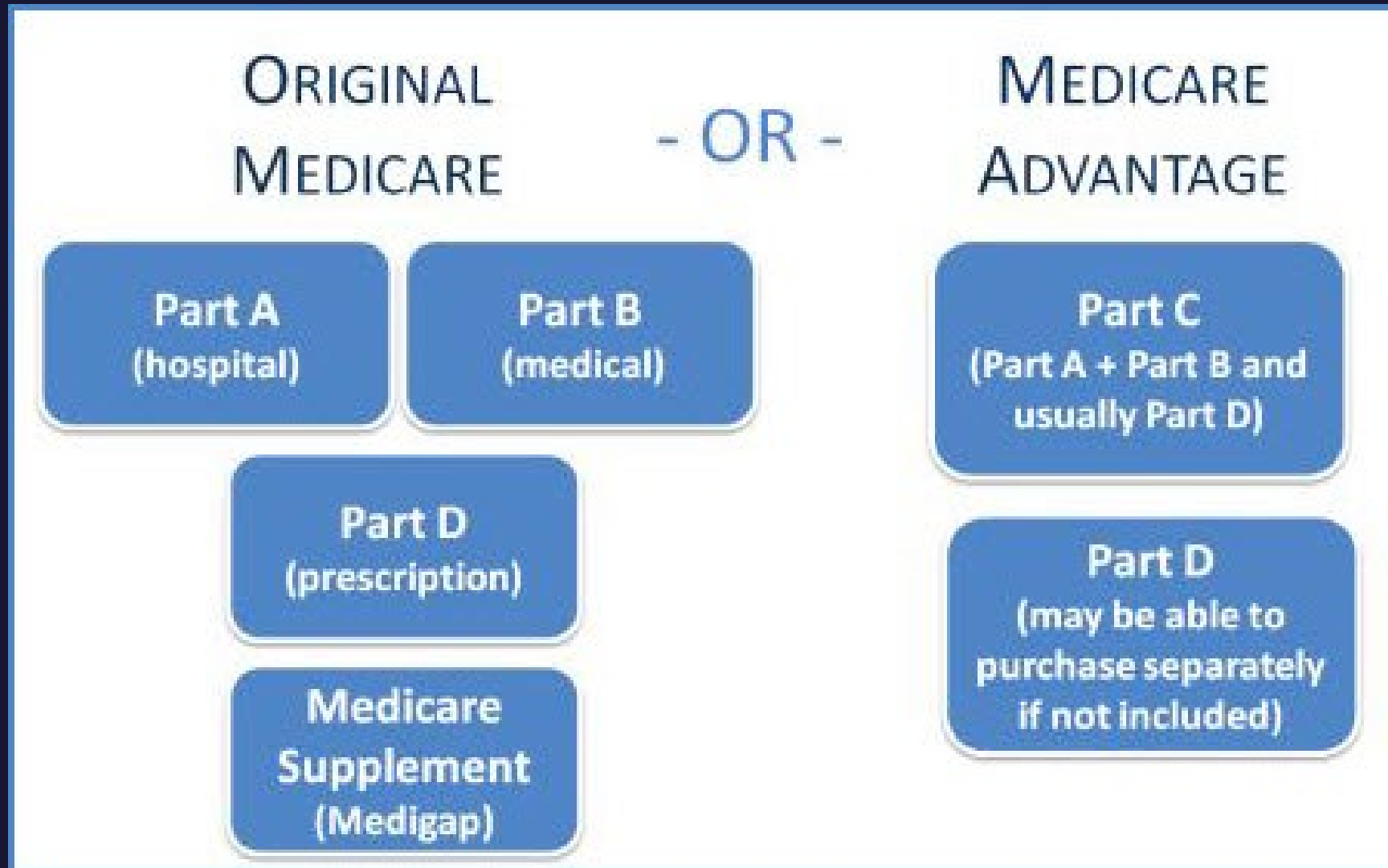


Medicare Advantage vs

Medicare Supplement



To compare Medicare Advantage versus Medicare Supplement we first must understand Original Medicare



Cost Sharing Basics

Key Concepts

- **Deductible** – The amount of money you would have to pay out-of-pocket before the plan would start covering certain services.
- **Out-of-Pocket Maximum** – The maximum amount of money you would have to pay in a plan year for all services combined, after which the insurance would cover all eligible expenses at 100% for the remainder of the year.
- **Co-insurance**- Percentage of the cost of the service you pay out of pocket.
- **Co-pay**- Set dollar amount you pay out of pocket for a service.

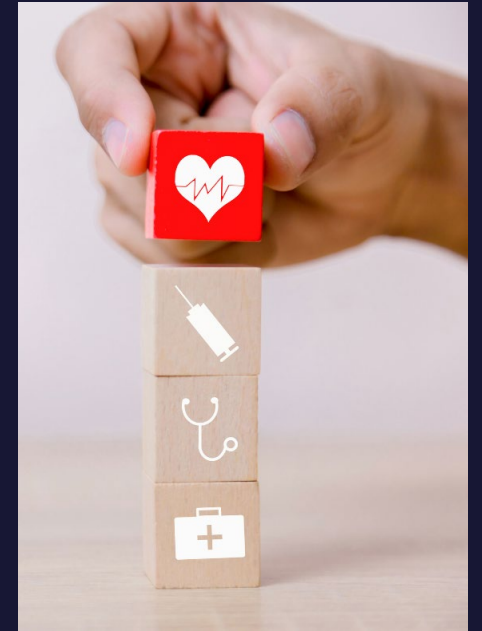
Medicare Part A Hospital Coverage

- Typically has no premium if the person has earned 40 work credits
- \$1,556 Deductible for days 0-60 per in-patient hospital stay
 - Renews every 60 days outside of the facility
- In-patient days 61-90 has \$389 copay per day
- In-patient days 91+ taps into “lifetime reserve days” which is \$778 copay per day



Medicare Part B Outpatient (Doctor) Coverage

- Part B premium for 2022 is \$170.10 per month
 - This premium is owed regardless if joining a Medicare Advantage or Medicare Supplement Plan
 - This comes directly out Social Security or is directly billed to a Medicare beneficiary if not receiving Social Security benefits
- Part B annual deductible is \$233 (2022)
- After the annual deductible is met Part B covers at 80% coinsurance
- **Services covered**
 - Doctor's office visit
 - Outpatient surgeries
 - Emergency Room visits
 - Urgent Care visits
 - Durable Medical Equipment and Supplies
 - Preventive Services
 - Most covered at 100% not subject to deductible



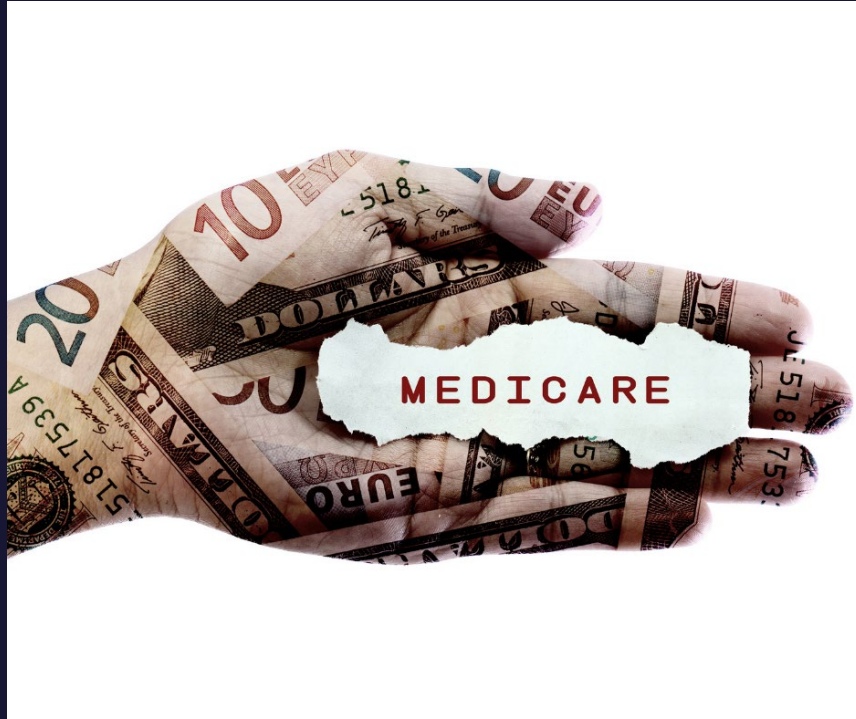
Medicare Part D Prescription Drug Coverage



- There are a variety of Part D plans available
- Most plans have \$480 yearly deductible that needs to be met before Tier 3-5 medications will be covered by the insurance
- The average Part D premium is \$33 per month
- When the total cost of prescription drugs reaches \$4,430 the Medicare beneficiary falls in to the “donut hole” or coverage gap where they must pay 25% for all medications until reaching catastrophic coverage.
 - Catastrophic coverage occurs once your total with Part D coverage reaches \$7,050

What is Part C?

Medicare Advantage Plans



Note: Medicare Advantage Plans can be set up to only cover Part A and B services and a standalone Part D can be added on.

- Medicare Advantage Plans combines Part A, Part B, and at times Part D which then REPLACES Medicare coverage
- Medicare Advantage Plans then have set copays or coinsurances for services
- Medicare Advantage Plans benefits are contingent on provider networks
 - Unlike Original Medicare that has a national network
- Medicare Advantage plans must cover as well as or better than Original Medicare benefits

Medicare Advantage



- Eligibility
 - Must have Part A and B of Medicare
 - Must Live in Service Area
 - Plans can vary County to County
 - Networks Apply
 - Locally and Nationally
 - Having matching in and out of network benefits can decrease out of network subscriber expenses.
- Benefits/Costs
 - Replaces Original Medicare
 - Covers at least what Medicare does
 - Fixed Co-pays for most services
 - Example: \$250 copay per day for days 1-5 for in-patient hospital stay- replaces the \$1,556 Medicare Part A deductible
 - Up to Yearly Maximum Out of Pocket (MOOP)
 - Additional/Optional Benefits
 - Hearing Aids/ Dental/Vision
 - OTC (Over the Counter) Cards
 - May be Subject to Part D Prescription Coverage Gap
 - (Donut Hole)

What is the Part D Coverage Gap (Donut Hole)?

WHO PAYS WHAT UNDER PART D IN 2022



BENEFICIARY



PLAN



DRUG MANUFACTURERS



GOVERNMENT

DEDUCTIBLE

Up to \$480

INITIAL COVERAGE
(Up to \$4,430 spent in total)

25% of drug costs

75% of drug costs

FORMER COVERAGE
GAP ("Donut Hole")
(Up to \$5,582.50 spent during this period)

GENERICS

25%

75%

BRAND-NAME DRUGS

25%

5%

70%

CATASTROPHIC BENEFIT
PERIOD (beneficiary's
total out-of-pocket costs
hit \$7,050 for year)

5% co-insurance

15%

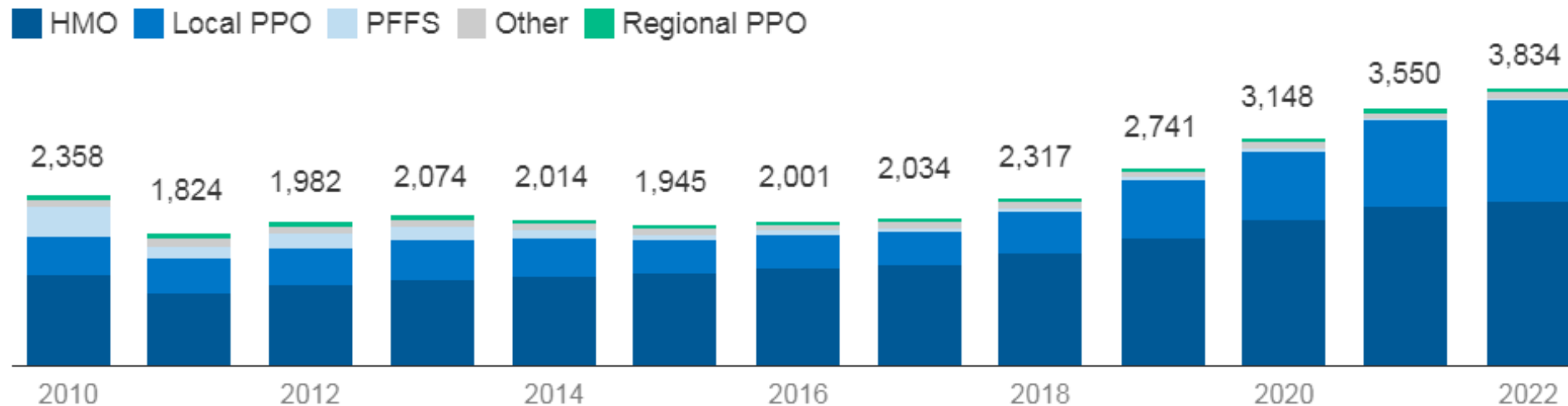
80%

Growth of Medicare Advantage Plans is evident by the increase in enrollment for 2022

Figure 2

More Medicare Advantage plans are available in 2022 than in any other year

Number of Medicare Advantage plans generally available by plan type, 2010-2022



NOTE: Excludes SNPs, EGHPs, HCPPs, PACE, and MMPs. Other category includes cost plans and Medicare MSAs. Numbers may differ from previous publications in cases where the Landscape File for the year was updated after initial publication.

SOURCE: KFF analysis of CMS Landscape files for 2010-2022. • [PNG](#)



How does a Medicare Supplement work?

- Eligibility
 - Must be enrolled in Part A and B of Medicare
- Supplements Original Medicare
 - Does not replace like a Medicare Advantage
- Benefits/Cost
 - National Medicare Network (not just Excellus network)
 - Follows Medicare guidelines for coverage
 - Picks up Medicare copays, coinsurances, and deductibles
 - Leaving the subscriber with little to no out-of-pocket expenses if it is a Medicare covered benefit.



GTCMHIC

Medicare Supplement Plans



- The Consortium MS3 and MS4 Medicare Supplement Plans Coverage:
 - Medical coverage picks up all deductibles, co-insurances and co-pays after Part A and B.
 - Prescription Drug Coverage
 - No “donut hole” or coverage gap
 - MS3- Prescription Copay Rates
 - Retail Tier 1 \$10/ Tier 2 \$25/ Tier 3 \$40
 - Mail Order Tier 1 \$20/ Tier 2 \$50/ Tier 3 \$80
 - MS4- Prescription Copay Rates
 - Retail Tier 1 \$15/ Tier 2 \$30/ Tier 3 \$45
 - Mail Order Tier 1 \$30/ Tier 2 \$60/ Tier 3 \$90
 - 90-day supply can be obtained at a Retail (30-day copay x 3) or Mail Order Pharmacy (30-day copay x 2)
 - Hearing Rider Benefit
 - covers exam and hearing aid
 - Vision Rider Benefit
 - Routine Eye Exam with a \$20 copay for in network providers
 - \$100 eyewear allowance

Let's look at the big picture...



Medicare Advantage vs. Medicare Supplement

Medicare Advantage

- Typically, lower monthly premium
 - Plan premiums can vary greatly from year to year
- Has set copays for most services
- Out-of-network benefits vary depending on the contract and insurance carrier.
- Emergency Care is national coverage and is commonly considered at an in-network rate.
- Prescription coverage may include a donut hole
- Includes ancillary benefits such as:
 - Hearing
 - Vision
 - OTC
 - Home Delivered Meals

Medicare Supplement

- Typically ,higher monthly premiums
 - Consortium controls premium
- Covers balances after Original Medicare
- If the doctor's office, hospital, lab, etc. are in-network with Original Medicare then the Supplement plan is in-network
 - This is a huge national network
- Prescription coverage has no donut hole
- Includes Hearing and Vision Riders
 - These are not a standard benefit to a Medicare Supplement plan and Excellus networks would apply

Reference Page– these links can provide additional information if desired.

- www.medicare.gov
- www.medicareinteractive.gov
- www.ssa.gov
- <https://www.cayugamed.org/about-us/participating-payers/>
- www.excellusbcb.com
- www.healthconsortium.net
- “Medicare Advantage 2022 Spotlight: First Look.” <https://www.kff.org/medicare/issue-brief/medicare-advantage-2022-spotlight-first-look/>

Questions?
