



## **Understanding Medicare Advantage Plans and Medicare Supplemental (Medigap) Insurance Plans September 2025**

### **Overview**

The purpose of this document is to provide you with a better understanding of Medicare Advantage plans (MA plans), also known as Part C, and Medicare Supplemental plans also known as Medigap. Although lengthy, this document should provide you with a thorough understanding of these plans. The information has been reviewed for accuracy by our outside consultants and supports the NCRO's Insurance Committees' goal of keeping you informed.

### **Medicare**

Before getting into a choice of plan discussion, here is a brief overview regarding Medicare.

- At age 65, you should sign up for Medicare. There are two forms of (what the government considers) creditable coverage:
  1. Medicare Part A (Hospital Insurance) and Part B (Medical Insurance). These are 2 equal halves, you must be enrolled in both. OR
  2. Group coverage, with a medium to large employer (20 or more employees), as an active employee or piggy backing off an active employee. Generally, the spouse. There are no other acceptable options for creditable coverage. This includes but is not limited to: Cobra, retiree benefits, VA, TriCare, Market Place, etc.
- For those that continue working past 65 or have coverage under a spouse who is actively working, you are able to delay your Medicare Part B. You can choose to transition to Medicare at any point after turning 65, as long as you have maintained coverage and are able to provide proof of continuous creditable group coverage. A person who is 65 or older, that is losing or has lost their employer coverage, must enroll into Medicare within the allotted time frame: 63 days after loss of coverage or up to 8 months after official retirement. Penalties are incurred when Medicare Eligible Beneficiaries without employer sponsored group coverage choose not to enroll into Medicare.
- Turning 65 or "aging into Medicare" is the most convenient time to transition into Medicare. You have essentially 7 months:  
You have three months before age 65; you have the month you turn 65; and you have the 3 months after you are 65.
- You must enroll into Medicare through Social Security ([ssa.gov](https://www.ssa.gov)) at which time you are also given the option to sign up for social security benefits. This is not a requirement for Medicare enrollment, and it will not affect your requirement, eligibility, or pricing. Anyone drawing SS can automatically pay their Medicare premium as a monthly reduction of the SS payment. Otherwise, you will be billed quarterly for the Part B premium which is \$206.50 for 2026.

- For more information on Medicare and the timing, refer to the Social Security and Medicare Action Timeline presentation under the Health Insurances tab on the NCRO.org website.
- Also refer to the “Medicare and You” booklet to better understand what is or is not covered by Medicare. The booklet is normally mailed to your home but is also available online.
- **Medicare generally covers 80% of your medically necessary services at participating Medicare providers, leaving you to cover the remaining 20%.**
- To cover the remaining 20% there are Medicare Advantage Plans,(MA) known as Plan C and Supplemental Plans also referred to as Medigap Plans.
- Medicare Part A has a per occurrence deductible of \$1676 (going to \$1,716, 2026 est.) and Part B has an annual deductible of \$257 (going up to \$288 in 2026).
- These amounts are in addition to the Medicare monthly Part B premium of \$206.50 for 2026 deducted from Social Security payments or paid directly if you deferred taking Social Security. Higher income retirees also pay an income surcharge in addition to the \$206.50, it is an Income Related Monthly Adjustment Amount (IRMAA).
- Medicare also has no stop loss (no max out of pocket limit), which is why retirees get an Advantage Plan (MA) or Supplemental (Medigap) coverage.
- The type of plan (MA or Medigap) you choose determines the coverage for your Medicare’s deductibles and coinsurance.
- If Medicare covers a service, then an MA Plan can provide 100% coverage or a Medigap Plan can provide coverage for 20% with Original Medicare covering the remaining 80%.
- There are good reasons to periodically review your healthcare plans. Medicare Supplemental Plans, also known as Medigap Plans, have premium costs that generally increase every year, and you may be able to enroll in a less expensive plan by reviewing your options annually. Medicare Advantage Plans (MA), also known as Part C, are notorious for adjusting their plan benefits and the costs associated. Although insurers for many MA Plans now offer a zero-premium plan.
- You’ll also need to enroll for prescription drug coverage, known as Medicare Part D. If you choose a Medicare Advantage Plan it will generally include coverage for Medicare Part D RX drug. If you choose to have Original Medicare + Supplement ( Medigap)Plan, you will need to enroll in a standalone Medicare Part D RX Plan.
- Your Part D RX drug Plan coverage can change year to year. Big pharma announces their new formularies every October during the election period October 15<sup>th</sup> to December 7th. These adjustments are made to aid their profit. If you don’t pay attention to the changes you are more susceptible to overspending for your medicine or realizing too late that your drug is not covered. The savings by changing to a new insurer’s plan could be significant. Please refer to our separate document titled “Understanding Medicare Part D Rx” also on our site at NCRO.org. for more info.

## Things to Consider When Choosing a Plan

- Medicare Advantage (MA) plans, Medigap plans, and Part D Rx Plans are purchased from private insurers. MA and Drug Plans are governed and controlled primarily by insurance carriers. Medigap plans are 100% federally funded and regulated.
- MA plans are an “all in one” solution that replaces Original Medicare as your primary insurance provider. MA plans do not require any medical underwriting (you are guaranteed to get the coverage) but you are typically only able to enroll in this type of plan during the election season, every year from October 15th to December 7th. These plans are considered to be more affordable, many have zero monthly premiums and include Medicare Part D coverage. They also include some coverage for Dental, Vision and Hearing plus other perks discussed later.
- You have to maintain your Medicare Parts A and B (continue paying your part B premium from your SS check). These MA Plans also come with network, provider, and service restrictions. You are likely to have a copay, coinsurance, and deductibles billed to you until you reach the plans annual maximum out of pocket limit. The benefits and pricing on these plans frequently change year to year and insurers can drop plans, and hospitals and doctors can leave the network at any time.
- Some Medicare Advantage Plans may not include Part D. These plans are primarily designed for Veterans with VA benefits. This is because the VA provides creditable prescription coverage to Veterans.
- Medigap plans supplement Original Medicare covering the remaining 20%. When you get Medigap, Medicare is your primary insurance provider. Unlike an Advantage Plan, you are allowed to see any medical provider in the nation that accepts Medicare (about 98% of all doctors). You do not need referrals to see a specialist. Permission from your insurance carrier is not required for treatments or services recommended by your physician. Your coverage will never change, and you will have very little billed to you (Part D deductible \$288 for 2026) each year under the most popular plans. They do not offer a zero premium plan, so this option can be cost prohibitive to some people, especially for older recipients.
- The choice between an MA plan and a Medigap plan depends upon several factors. Some of these factors are your budget for healthcare, your current and anticipated health, family health history, type of services you need and what you expect your insurance premiums to cover.
- For example, how do you want the following items covered by your plan: medical deductibles, co pays, prescriptions, dental, vision and hearing?
- Neither MA plans nor Medigap plans provide coverage for Assisted Living or Long-Term Care except for limited skilled nursing home health care for Medicare approved services.
- You must have Medicare Part D Rx coverage unless you have Creditable Coverage (for example VA benefits) or face penalties. The penalty for not having coverage is 1% per month or 12% for every year you wait to enroll. This means your monthly premium will be higher when you finally do enroll, 12% of \$38.99 (National base premium for 2026) or \$4.67 per month times each year you wait. If you wait 10 years, you will pay an extra \$46.79 per month. You pay your premium plus this penalty amount.
- An option is to enroll in an inexpensive Part D Rx plan even if not on any drugs currently. There are currently \$0 premium Part D plans available in most areas.
- Please note when replacing a Part D prescription or MA plan during the Annual Election Period, CMS will automatically discontinue your prior coverage with the enrollment of the new plan on January 1st.
- **Never cancel any existing plan until you have written acceptance and confirmation of your new plan.**
- Coverage cost comparisons for MA Plans vs Medigap Plans are difficult to provide because of the variations in available coverage by insurers. However, there are two charts later in this document that try to provide a comparison.

- Medigap plan pricing is dependent upon zip code, age and sex. Some carriers only offer a “pass or fail” underwriting while others might accept a preexisting condition at a higher monthly premium. Always provide your zip code and county when checking rates. For example, Southeast Michigan is more expensive than Northern Michigan. Other states may be more costly in their metropolitan areas as well.
- Out of state, with Advantage plans generally means out of network which could add costs. Some newer plans have no out of network higher costs.
- Medicare coverage is on an individual basis. There are no more “group coverage” options. If you and your spouse both want coverage, you’ll each have to buy separate policies, although not necessarily from the same insurer or the same type of plan. Some Medigap insurers offer additional household discounts for enrolling with the same carrier or in some cases if you are not living alone.
- You must purchase your policy in the state where you are a legal resident. Some insurers may allow you to change your residence and continue the same policy.
- Your policy cannot be cancelled by an insurer for health reasons if you continue to pay your premiums.
- If you have an Advantage Plan and move out of the coverage area, you are eligible to enroll without penalty, if necessary, at a new location.
- If an insurer goes out of business and/ or drops your coverage for any reason other than non-payment, you have guaranteed issue which is the right to contract with a new Medigap plan with no medical underwriting requirements.

#### **Highly Recommend You Use a Consultant**

- Most retirees choose to use an insurance consultant or agent to help them understand and choose the right plan for their healthcare needs. Brokers are consultants who get licensed with multiple insurers and they are commissioned by the insurer at no cost to you. They are in the best position to understand your healthcare needs and explain all your options to you. **There is no good reason to not use them.** The NCRO site in the Health Insurances section has information on several consultants including their presentation of their services. We are confident in recommending them to you because of many years recommending them with no complaints. As you will note from reading this document, it can be confusing to try and understand the various choices available to you on your own.
- However, it is still important that you take the time to learn the basics of Medicare coverage to be able to ask questions and make the best decision for you and or your spouse when speaking to a representative.

***Next is a further explanation of Medicare Advantage and Medigap Plans by reviewing the differences and the rules for each of them.***

## Medicare Advantage Plans (MA Plans) also known as Medicare Part C

- With an MA Plan you are enrolling in a private insurance plan, the Medicare Part A and Medicare Part B coverage from the Medicare Advantage Plan insurer will take over the administration of benefits, replacing the governments federally administered Medicare plan. **When you sign up for an MA Plan, you are no longer covered under Medicare. The insurer is responsible for 100% of your coverage.** MA plans cover 80% same as Medicare, but have full control over the remaining 20% in terms of payment practices.
- The purpose of purchasing an Advantage Plan is to supplement your Medicare coverage. The Medicare Part A (hospital) deductible of \$1,716 (2026 est.) is not covered by the policy, this cost is incurred upon the first hospitalization and would apply again for any subsequent hospitalization within the year. The Part B (doctors) deductible of \$288 (2026) is covered on most MA policies. The plan may require a monthly premium, but some carriers now offering zero premium plans. Premiums, deductibles, copays, allowances and the maximum out-of-pocket for the year all depend upon the plan you choose. Once you have spent the out-of-pocket amount there are no further charges for the balance of the year. **Please note:** Prescription drug out of pocket maximums accumulate separately and do not apply towards the healthcare out of pocket maximum.
- **MA plans can never deny you coverage for pre-existing conditions whether when first enrolling or even later if changing MA Plans or insurers.** After age 65 or when first eligible, you can join or change MA Plans during the Annual Election Period (AEP) October 15<sup>th</sup> to December 7<sup>th</sup> of each year. You can change an MA plan during the Open Enrollment Period (OEP) period of January 1st to March 31<sup>st</sup> of each year and you can also dis-enroll from your MA plan if you want to move to a Medigap Plan (may be subject to medical underwriting discussed later) or you can change to no plan (dis-enroll). **However, you cannot move from a Medigap Plan to enroll in an MA Plan at this OEP time. You cannot be enrolling in an MA Plan for the first time unless newly eligible.**

### MA Plan Choices

- There are varying types of options within MA plans and that's where it can be very confusing, but it can make a difference in terms of coverage and costs. MA plans will vary in terms of where you can obtain coverage based on the type of plan – HMO, HMO-POS, PPO or PFFS Plans – you choose. There are also Medicare Advantage plans for specific medical conditions and Medicaid eligible beneficiaries, which are not discussed in this document.
- MA Plans are not priced based on age, sex or health status whether at initial enrollment or any time when enrolling or changing plans.
- Some plans offer foreign travel coverage in case of an emergency, but there may be a deductible. There is a cap of \$50,000.

**Next a discussion of the types of Medicare Advantage Plan Available**

### **HMO Plan**

- An HMO plan can be the least premium cost plan; deductibles and copays and out of pocket costs could be higher and you are limited to only participating providers (exception in emergencies). Your preferred doctor may not be in the plan or could decide to leave the plan. You choose a preferred primary care physician in the carriers' network who works as your medical provider and coordinates your care.
- You may need to be referred by your primary care physician before you can be seen by a specialist. They refer you to trusted doctors and specialists, but you must verify those specialists also participate in the plans network. A specific doctor you prefer may not be available to you. Except for a specified emergency or urgent care, there are no benefits available when non-HMO network healthcare providers are used in your home service area. Varying arrangements are typically made for emergency and/or urgent care when members are out of state.

### **HMO POS Plan**

- An HMO-POS plan works like an HMO plan except you can be seen by doctors outside your network in some cases. Typically, you can use an HMO network or non-HMO network primary care physician for the same co-pay. However, if you use an HMO non-network specialist, hospital, or other provider it will cost you more than if you use an HMO in-network healthcare provider. The choice is up to the member. That's where the "POS," or "point of service" part comes in. A member makes a choice, whether to use an HMO network doctor and get full plan benefits or a non-network healthcare provider and receive lesser benefits at the point of service. Each insurance company implements this a little differently. This means you can get routine health care when you travel outside your plan's service area but still within the U.S. if your insurer has a national network of doctors. The insurer makes a difference with this plan.

### **PPO Plan**

- **PPO plans are the most popular MA plans.** They have more flexibility, but also can have higher costs than HMO plans or HMO-POS plans. You do not need a primary care physician and you can go directly to a specialist without a referral. You can see doctors inside or outside your network but, if you stay in network, you will pay less. With some plans, if you use non-network providers, you will pay more. However, some newer plans have no monthly premium and charge the same fees in and out of network. You have to investigate the plan's coverage details.
- PPO healthcare providers must bill you no more than PPO negotiated prices. These plans typically have a larger network of providers. The key here for you may be whether your preferred doctors accept your particular MA plan.

### **Insurer Plan Cancellation Rules**

- Recently some insurers have cancelled the MA plan that has issued to you the insured. Regulations require that you be provided with Guaranteed Issue for up to 63 days in order to select a new MA plan or a Medigap. If selecting a Medigap Plan, those born before January 1, 2020 must enroll in an F Plan. Those born after December 31, 2019, must enroll in a G Plan.

- Medicare Advantage (MA) plans have been reported to deny millions of requests for medical care each year and tens of thousands of those denials are for tests and treatments that should have been approved and paid for, according to the U.S. Department of Health and Human Service's Office of Inspector General.
- Denying requests that meet Medicare coverage rules may prevent or delay beneficiaries from receiving medically necessary care and can burden providers.

### **Which Medicare Advantage Plan is right for you?**

- The best recommendation is to use a consultant who can listen to your specific needs and health situation and be able to guide you to understand your options. We have consultants we recommend on our website, or you can use one of your choosing. Avoid a sales pitch from a single insurer unless you plan to call several and make the comparisons, but a consultant can save you time and trouble.
- Some good plans are available with no monthly premiums and many other benefits and are worth investigating. In the past few years MA plans have greatly expanded their benefits.
- **It is extremely important that you, or your insurance agent verify that your drugs are covered in the MA insurance company's formulary (drug list) and that you compute the cost of the drugs. You don't want to find out later that the MA Plan you chose for other coverage reasons does not cover your specific drugs or charges more than other insurers.** Some drug plans within an Advantage Plan may have no deductible, but their drug copays for brand drugs may be higher. **Also, you or your agent should verify that your doctor participates in your chosen MA plan.** This must be part of your decision when deciding between an MA plan and a Medigap plan.
- You can choose a plan based on the type of health care services you need and the frequency.
- Out of State or remote areas of a state for some plans can mean out of network and therefore higher costs for you.
- Generally, all MA plans include a drug plan. You won't need to separately enroll in a Part D Rx plan. MA plans follow the same rules as standalone Part D plans.
- The NCRO website under the Health Insurances tab includes a detailed slide presentation with video explaining Part D Rx plans.
- Some MA plans cover foreign travel medical costs in emergency situations.
- Premiums are less than a Medigap plan because you have deductibles and co pays, but also a cap on your out-of-pocket spending.
- With MA plans, you will receive only one billing from the insurer, none from Medicare except the monthly premium of \$206.50 (2026) generally from your Social Security payment.

- Plans can include extra benefits including Dental, Vision and Hearing coverage at costs lower than purchasing separate standalone coverages. Please note that dental and vision plans offered by MA plans can be limited in terms of coverage and providers
- Many plans include free gym memberships which is advantageous, if you participate. Also, plans can include free in-home care and transportation, however you must meet certain requirements with a doctor's approval.
- Because of added benefits MA plans were being subscribed in 2024 at a rate of 54% of eligible Medicare recipients.
- MA popularity is being driven by the availability of zero premiums and added benefits as mentioned. The risk is that if you have serious medical expenses over an extended period (e.g., Cancer) you could be paying the out-of-pocket maximum every year. Your age and health status are a key determinate.
- Also, most recently the risk of cancelled policies and denied claims should be considered.
- **After 12 months from first being eligible you cannot move to a Medigap Plan without passing medical underwriting which is discussed under the next Medigap section.**

### **Medigap (Medicare Supplemental Plans)**

- Medigap, also known as a Medicare Supplemental Plan, is a private insurance plan to cover Original Medicare deductibles and co-pays depending upon your choice of plan. Medicare generally pays 80% of the approved amount for the service at participating hospitals and doctors. A Medigap Plan covers the 20% balance subject to the level of plan coverage you have chosen. If Medicare covers a service, then a Medigap policy will cover the remaining 20%
- Most Medigap Plans cover the Medicare Part A (hospital) deductible of \$1,716 for 2026 est.
- Current plans require you to pay the Medicare Part B (doctors) deductible of \$288 for 2026. Depending upon which Medigap Plan you choose for enrollment, there may be some small copays.
- Medigap Plans do not cover Dental, Vision, Hearing, Assisted Living or Long-Term Care. They do cover skilled nursing if you meet certain requirements.
- Medigap Plans do not cover Medicare Part D Rx, you will need a separate Medicare Part D drug policy.
- With Medigap plans, unless you enroll at age 65 or when you are first eligible to enroll under a Special Enrollment Period (SEP), the insurer may deny you coverage or charge a higher premium due to pre-existing conditions. For example, for certain health conditions e.g., smoking, high blood pressure, you can enroll at a potentially higher premium. But, depending upon other health conditions you may not be eligible to enroll. As mentioned earlier, most insurers offer a discount if both spouses enroll with the same insurer or live with someone.
- If you joined a Medigap Plan when first eligible, you have 6 months to switch to another Medigap plan with guaranteed issue (no Medical Underwriting). Those rules can vary by state.
- An exception to an insurance company's ability to deny coverage due to pre-existing conditions is if you joined an MA plan and you aren't satisfied with the plan, you have special trial rights to buy a Medigap policy (with no Medical Underwriting) if you return to Original Medicare within 12 months.



- **Medical Underwriting** is essentially a review of your medical history. You are required to answer a series of medical questions including a discussion of the prescription drugs you take and the reason for them. Certain conditions related to heart disease, cancers, etc. and pending or recent surgeries can disqualify you from changing to a Medigap Plan from an MA Plan or from your current Medigap plan to a new Medigap Plan your after initial enrollment eligibility. That is why it is so important to make the best choice for yourself when first eligible to enroll. Some states have different rules regarding underwriting and may not require it under some circumstances. It is best to check with a free healthcare consultant. Many seniors find themselves incurring higher premiums each year, but cannot change plans due to their inability to pass medical underwriting.
- Most brokers/consultants can give you a general idea as to whether you will be able to pass medical underwriting by asking you some or all the questions you will need to answer if you decide to apply.
- Most states allow you to enroll or change Medigap Plans at any time, however if you are in an MA Plan switching to a Medigap Plan you can only dis-enroll from an MA plan during the time periods mentioned previously. **Therefore, if you have an MA plan, make sure you can leave the MA Plan before you sign up for a Medigap policy.**
- Medigap plans (e.g., Plan G) are available where you incur only the Part B deductible of \$288 (2026) and then no co pays or other deductibles. You choose the letter plan which then dictates the premium and the deductibles or copays. Premiums are generally higher than MA plans. Insurer's premiums are based on age and female vs male (higher rate), tobacco use, your health status (after initial enrollment), zip code and county. Several cap their rates at a given older age.
- With a Medigap Plan you will receive up to three billings/statements for medical services as follows: 1) One from Medicare showing the amount they allowed for the service.  
2) One from your Medigap insurers showing their coverage for the 20% they cover. In some cases, you may receive a single statement combining 1 and 2.  
3) One from the service provider if there is a payment required because the Part B deductible of \$288 (2026) Medicare deductible has not yet been met or your plan has a copay.

### **Medigap Plan Codes**

- Medigap Plan coverage is determined by a plan letter code (e.g., A, B, C, D, G, K, L & N) which is standardized among insurers and therefore less confusing when choosing an insurer or specific coverage. This means every insurer's specific plan code has the exact same coverage, but the premium will vary. Refer to the chart that follows later for more detail on the coverage provided by each plan code.
- In 2020, Medicare discontinued plans C, D and F for anyone newly eligible after January 1, 2020. If you have Medicare Part A with an effective date prior to January 1, 2020, you would still be eligible to enroll in plans F or C which covered the Part B \$288 deductible. Those already in plan F and C can continue with their plan (grandfathered) but given that these C and D plans are not available for new younger aged enrollees, the aging population of these plans has driven higher usage and therefore much higher premium increases.

- Those in Plan F and C that would like to move to a different plan would need to be able to pass medical underwriting which can be an issue for many older retirees. There is also a high deductible Plan F that would be available.
- As a result of plans F and C being discontinued, insurers are offering a less expensive Plan G as well as a Plan G High Deductible Plan. Plan G requires you to pay the Medicare Part B deductible before coverage of the 20% begins. Plans F and C covered the Part B deductible, but Plan G is less expensive even when factoring in paying the annual up front \$288 deductible (2026). You should be aware that the Medicare Part B upfront deductible will generally continue to rise annually.
- You can also consider Plans K and N if available, they have copays but lower premiums. For example, Plan N has a lower premium than Plan G, but has the same coverage as the G Plan except you pay a flat \$20 copay for a doctor visit and a flat \$50 copay for an emergency room visit. Your choice really depends on your anticipated usage. You need to work with a consultant to fully understand your choices.
- Several of these plans offer foreign travel coverage in emergency situations. After a \$250 deductible, the plan pays 80% of your medical costs, but with a \$50,000 lifetime cap.
- Several insurers will offer a household discount when both spouses are with same insurer and some offer a discount as long as you are not living alone.

### Comparing a Medicare Advantage Plan to a Medigap Plan

The following two charts compare an MA AARP/United Healthcare PPO1 plan to a Medigap Plan G. While it's difficult to calculate the dollar difference because of the variables involved, you will see the differences in coverages in the charts.

The MA plan has no premium costs and the max out of pocket cost in this example is \$4,500. It includes many benefits not in the Medigap G plan.

However, there are several concerns that need to be acknowledged. The Medigap G plan has no costs beyond the \$288 (2026) upfront deductible and is accepted by any doctor/hospital nationwide accepting Medicare. While the MA plan may have a broad network of participating doctors and you can be in and out of network at no added cost with some plans, **you need ensure that your choice of doctors are participating in your plan. You also need to ensure that the MA included Part D drug plan covers your drugs.**

If you have a serious illness (e.g., Cancer) you could potentially be at the out-of-pocket maximum of \$6,700 every year. It is possible that you will have to get permission from the plan for certain services recommended by your doctor.

The out-of-pocket cost comparison between a Medigap Plan G vs Medicare Advantage Plan is difficult to calculate accurately because costs vary per individual retiree. Medigap Plan G has an annual \$288 Part B deductible in 2026 for health services plus monthly premiums where some Advantage Plans offer \$0 premium options, include Part D drugs at a zero premium, offer limited Dental, Vision and Hearing coverage and several other "perks" with a \$6,700 (or more) out of pocket exposure as you utilize services.

Someone in good health and at a young age may decide that an MA plan suits them because of all the benefits and the dollar savings. Or someone much older already spending close to \$6,700 per year because they have a high Medigap premium plus other costs not covered e.g., dental, may decide to switch from Medigap to MA. They would have 12 months to change back to Original Medicare with no underwriting required. This only applies if you have always had Medicare and have never previously enrolled in MA. The decision has also become more difficult because the issues mentioned surrounding Medicare Advantage Plans..

**It is a difficult decision, and can be confusing, that's why we strongly recommend you use a consultant.**

## Cost Comparison Medicare Advantage Plans vs Medigap Plans



<u>Medicare Advantage Plan</u>		<u>Medigap Plans</u>	
Using AARP Advantage Open Plan 1 PPO ( Est for 2026)		Using Plan G	
<u>Annual Premium</u>	Zero	Age 65 \$120/Month	\$1,440
		Age 88 \$288/Month	\$3,456
Part A Medicare Deductible for Hospitalization	\$385/ days 1-7, Pay each repeat hospitalization		unlimited coverage
Part B Medicare Deductible	Included in copays	Up Front	\$288
Part D Drug Premium	Zero	Annual \$38.99/Mo.	Average \$468
Part D Deductible (Tier 3-5)	\$615		\$615
Part D Drug Costs	Based on Drug Tier		Based on Drug Tier
Network	Participating doctor can be out of network		Any Doctor Accepting Medicare No Networks
Annual Max Out of Pocket Cost	\$6,700		No out of pocket required

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**Cost Comparing Medicare Advantage Plans  
to Medigap Plans (Cont'd)**

	<b><u>Medicare Advantage Plan</u></b>	<b><u>Medigap Plans</u></b>
<b>CO PAYS</b>	Yes	None
Primary Care Doctor	Covered	Covered
Specialist	\$35	Covered
Prior Authorization Some Services	Yes	Not Required
Diagnostic Tests	\$50 to \$225	Covered
Outpatient Xrays	\$20	Covered
Therapeutic xrays	20%	Covered
Foot Care	\$35	Covered
Urgent Care	\$55	Covered
Physical Therapy	\$25 Co-pay	Covered
Mental Health	\$385 days 1-6	Covered
Outpatient Surgery	\$385	Covered
Emergency Room Visit	\$125	Covered
Ambulance Service	\$275	Covered
Foreign Travel Coverage	Emergency only \$1750 Benefit/\$0	Yes, \$250 deductible
Dental in Network	Cleaning	Not Covered
Vision in Network	\$300 Allowance	Not Covered
Hearing Aids in Network	\$99 to \$1249 Allowance	Not Covered
Gym Membership	Included	Some Insurers
OTC Spending Allowance	\$25/each quarter, \$100/yr.	No Payment

The following chart displays the various Medigap Plans and their letter codes:

Comparisons of Medicare Supplement Plans										
PLAN LETTER	A	B	C	D	F	G	K	L	M	N
Basic Benefits	+	+	+	+	+	+	+	+	+	\$20 Office Visit \$50 ER Visit
Part A Deductible		+	+	+	+	+	50%	75%	50%	+
Skilled Nursing Coinsurance			+	+	+	+	50%	75%	+	+
Part B Deductible			+		+					
Part B Excess					+	+				
Foreign Travel Emergency			+	+	+	+			+	+
Out-of-Pocket Limit Ask Your Agent										

As mentioned Plan F has been discontinued for those under age 65 as January 1, 2020.

#### Disclaimer

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