Two Options for Supplementing Medicare

Updated: March 2026

<u>Required</u> with Both Options

Medicare

Enrolled in Part A & Part B and continue to pay monthly premiums

Option #1
Medigap Policy

- Covers "gaps" in Medicare
- 3 different types of Medigap plans
    1. **Core**
       Covers 20% Part B coinsurance
    2. **Supplement 1A**
       Covers Part A deductible + 20% coinsurance
    3. **Supplement 1*** (only if Medicare eligible prior to 2020)
       Covers all gaps
- Free to choose any doctor or hospital that accepts Medicare
- No referrals needed to see specialists
- Does NOT include drug coverage

When changing Medigap plans, need to call plan to disenroll

Part D Optional*
Stand Alone Prescription Drug Plan

- Multiple plans to choose from
- Automatic disenrollment from Prescription Drug Plan when changing Part D plans

*Will incur a late enrollment penalty if you do not have creditable coverage and enroll later

Option #2
Medicare Advantage Plan (Part C)

- Replacement to Original Medicare
- Must maintain Part A & Part B and must pay Part B premium
- 4 types of MA plans in Massachusetts
    1. **HMO (Health Maintenance Organization)-** may use network providers only
    2. **HMO-POS (HMO with Point of Service)-** HMO with limited out of network coverage
    3. **PPO (Preferred Provider Organization)-** can go out of network for extra $$
    4. **SNP (Special Needs Plans)-** HMOs for institutionalized individuals or those who are dually eligible
- Usually includes prescription drug coverage
- Cannot have separate Part D plan
- Cannot live outside service area for more than 6 consecutive months
- Covers some extra benefits
- Usually need referrals to see specialists
- May have co-pays and deductible
- Plans can include prescription drug coverage
- Automatic disenrollment when changing Medicare Advantage Plans

Doctor & network coverage should be the key deciding factor

Quick Reference Counselor Tips:

Pros of Medicare Advantage & Medigap Plans

Medigap

Medigap plans tend to be bought by people with a high utilization of medical services such as doctors and hospital services. These plans are also popular amongst individuals who travel in foreign countries and who like to be able to choose which doctor they see without a referral. Medigap plans DO NOT include prescription drug coverage.

Pro's:

- Can see any provider that accepts Medicare (no networks)
- No referrals or PCP is needed
- Continuous open enrollment periods (in Massachusetts)
- Low to no co-pays or deductible
- Many plans offer travel coverage
- All plans are standard and with only 3 types of plans available, choosing a plan is easier
- ESRD 65+ can join a Medigap plan

Medicare Advantage

Medicare Advantage plans tend to attract people who are not high utilizers of medical services. They also attract people who want a lower premium plan.

Pro's:

- Convenience of having only one plan (drug plan can be included)
- More choices available (HMO's, PPO's…)
- Lower premiums than Medigap plans
- Potential for better coordination of care (HMO's provide this)
- Additional benefits such as hearing, dental, vision, and annual exams
- No hospital stay required for SNF coverage benefit