

**Medicare Supplements and Medicare Advantage Plans
A Side-by-side Comparison**

Consumers' Questions	Medicare Advantage Plans	Medicare Supplements
How are the plans funded?	<p>Medicare pays the Medicare Advantage Plan a fixed amount – based on the area’s usual and customary charges for medical services – per enrollee to manage each member’s care.</p> <p>Members also may be required to pay a Medicare Advantage Plan premium.</p>	Policyholder premiums.
Do I continue to pay my Medicare Part B premium?	Yes.	Yes.
How can there be little or no premium for Medicare Advantage plans?	<p>There may be a small premium initially, however there are costs and they can go up annually.*</p> <p>Medicare’s reimbursements to the Medicare Advantage Plans may not keep pace with medical inflation. This can lead to the plan raising premiums, increasing co-payments, decreasing benefits and dis-enrolling members every year.</p>	<p>No surprises. The benefit structure is locked in. You know what you’re getting year to year. As Medicare deductibles and co-payments increase, so do your Med supp benefits.</p> <p>Benefits don’t decrease if plan premiums increase.</p>
What does it cost me?	<ul style="list-style-type: none"> • Medicare Part B monthly premium • Monthly Medicare Advantage premium (possibly) • Monthly Medicare Advantage premium for the extra benefits chosen • Deductibles and co-payments 	<ul style="list-style-type: none"> • Medicare Part B monthly premium • Monthly premium

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What does the plan cover?	At least what Medicare would cover plus some additional benefits not covered by Medicare. However, many services require you to cost share increasing your out-of-pocket costs.	Medicare pays its portion of eligible expenses. Your Med supp pays the eligible expenses not paid for by Medicare.
Can I budget for my monthly health care expenses?	It's tough. You typically must pay when you go to the hospital or doctor, plus you may have a monthly plan premium.	Yes. You have a monthly premium and little or no out-of-pocket expenses whenever you need care.
Can my plan be cancelled?	Yes. Contracts between the government and the Medicare Advantage Plan are reviewed annually. The plan may not be renewed and can terminate its members.	No. Only you can cancel your plan by not paying the premium.
May I choose my hospital and care providers?	Typically, you choose from a network of providers, which can fluctuate.	Yes.
Is pre-certification or qualification required?	Yes. The Plan usually requires pre-certification or qualification for some types of care. Penalties may apply if you don't follow the rules.	No.
Can I use hospitals and doctors everywhere?	Possibly not. Check the plan for details and termination provisions if you move out of the service area.	Yes.

*Sixty-two percent of Medicare Advantage enrollees in basic plans pay a monthly premium in addition to the Medicare Part B premium. (Kaiser Family Foundation, 2003)