

Original Medicare vs. Medicare Advantage

A Medicare Scholar Presentation

Agenda

- Choices
- Enrollment
- Coverage
- Network
- Billing
- Extras
- Prescription Coverage
- Upcoming Changes

Choices

Original Medicare

Part A
Facility Insurance

Part B
Medical Insurance

+

Part D
Prescription Insurance

Medicare Advantage

Part A
Facility Insurance

+

Part B
Medical Insurance

+

Part D
Prescription Insurance

Enrollment – Original Medicare

- 65 or older or under-age 65 with certain disabilities, ALS or end-stage renal disease (ESRD)
- Initial Enrollment Period
 - 3 months before, the month of, and three months after 65th birthday month
- General Enrollment Period
 - January 1st to March 31st each year
 - Benefits begin on July 1st of that year

Enrollment – Original Medicare

- Delayed Enrollment

- Must be covered by employer or union group coverage based on your or your spouse's current employment
- 8-month Special Enrollment Period starts when employment or coverage ends, whichever happens first

Enrollment – Medicare Advantage

- Must have both Part A and Part B to join, continue to pay Part B premium
- Initial Enrollment Period
 - 3 months before, the month of, and three months after 65th birthday month and A & B entitlement
- Annual Enrollment period
 - October 15th thru December 7th
 - Benefits begin on January 1st

Enrollment – Medicare Advantage

- Open Enrollment Period
 - January 1st thru March 31st
 - Must be on a Medicare Advantage to make a change
 - Changes effective 1st of following month
- Special Enrollment Periods
 - Change in residence
 - Loss of group coverage
 - Gain, maintain, or lose Medicaid or Extra Help
 - Enter in, reside, or leave nursing facility
 - Many others...

Coverage – Original Medicare

Part A – Facility Coverage

- Deductible - \$1,600 per benefit period
- Days 1-60 - \$0 copay
- Days 61-90 - \$400 per day
- Days 91 and beyond: \$800 per each “lifetime reserve day”, up to 60 days per lifetime
- Beyond lifetime reserve days: all costs

Coverage – Original Medicare

Part B – Medical Coverage

- \$226 calendar year deductible
- 20% of the Medicare-approved amount
- No out-of-pocket limit

Coverage – Medicare Advantage

- Copays and coinsurance for services
 - Set by carrier
- Copay – set amount for specific services
 - Examples
 - \$10 for a doctor office visit
 - \$300 per day for inpatient services
- Coinsurance – percentage for specific services
 - Example – 20% for outpatient surgery
 - Based on carrier's contracted amounts for services

Coverage – Medicare Advantage

- Maximum Out-of-Pocket (MOOP)
 - Limit on out-of-pocket spending
 - All copay and coinsurance for A & B covered services apply
 - \$8,300 – highest allowed MOOP plans can offer
 - Plans can offer lower MOOP

Network – Original Medicare

- 93% of doctors accept Medicare¹
- Over 5,300 hospitals accept Medicare²
- Visit www.Medicare.gov to find all participating providers and facilities

Network – Medicare Advantage

- Health Maintenance Organization – HMO
 - Must see in-network providers and facilities
 - Responsible for 100% of costs for out-of-network providers
 - Except in emergency or urgent care situations
- Preferred Provider Organization – PPO
 - Lowest cost to see in-network providers and facilities
 - Can go outside of the network, but will pay higher copays and coinsurances
 - Out-of-network provider/facility must accept Medicare

Billing – Original Medicare

- Participating Provider – Accepts Medicare Assignment
 - Bills Medicare directly, Medicare pays provider directly
- Non-Participating Providers
 - Bills Medicare directly, Medicare pays beneficiary, beneficiary pays provider
- Excluded Providers
 - Bills patient directly, patient responsible for 100% of bill
 - Medicare will not reimburse for expenses incurred at excluded providers/facilities

Billing – Medicare Advantage

1. Provider bills Medicare Advantage
2. Medicare Advantage pays provider directly
3. Client pays provider any applicable copay/coinsurance

Extras – Original Medicare

- Welcome to Medicare Physical
 - Done within 12 months of Part B start date
- Annual Wellness Visit
- Preventive Services
 - Bone mass measurements
 - Cardiovascular disease screenings
 - Cancer screenings
 - Colonoscopies
 - Diabetes screenings
 - Mammograms
 - Many others...

Extras – Medicare Advantage

Original Medicare plus*:

- Dental
- Vision
- Hearing
- Fitness
- Transportation
- Chiropractic
- Acupuncture

- Annual Physical
- Post-discharge meals
- Telemedicine
- Over the counter supplies
- Many more

*Benefits vary by plan

Prescription Coverage

Original Medicare

- Must purchase separate Part D plan

Medicare Advantage

- Many plans include Part D coverage
- Can only purchase stand-alone Part D with PFFS plan that doesn't include drug coverage

Recent Changes

- As of the 2021 plan year, Medicare Advantage plans will started accepting beneficiaries diagnosed with End-Stage Renal Disease (ESRD)
- Individuals with ESRD have not been eligible for most Medicare Advantage plans historically

Thank you for
attending!

Sources

- 1 - <https://www.kff.org/medicare/issue-brief/primary-care-physicians-accepting-medicare-a-snapshot/>
- 2 - <https://data.medicare.gov/Hospital-Compare/Hospital-General-Information/xubh-q36u>
- <https://www.medicare.gov>
- https://www.bettermedicarealliance.org/sites/default/files/2020-01/BMA_WhitePaper_CaringForESRDBeneficiaries-FIN.pdf