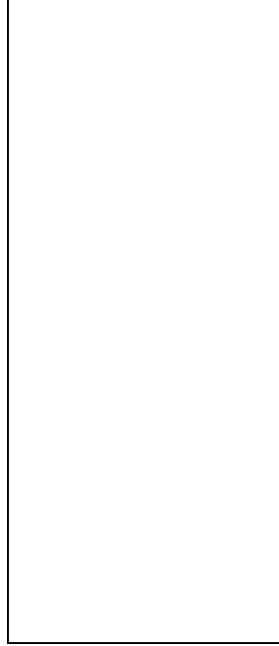


ADVANTAGES OF MEDICARE ADVANTAGE PLANS

- Medicare beneficiaries enrolled in a Medicare Advantage plan may pay a premium on top of their Medicare Part B premium and receive more benefits than are available under traditional Medicare alone.
- Medicare Advantage plans can cost less than traditional Medicare and a Medigap policy.
- **DISADVANTAGES OF MEDICARE ADVANTAGE PLANS**
- Beneficiaries cannot receive any Medigap coverage while enrolled in a Medicare Advantage plan. Also, after one year in a Medicare Advantage plan, if a beneficiary chooses to return to traditional Medicare coverage, they may lose the right to enroll in a Medigap policy.
- Beginning in 2006, beneficiaries will only be permitted to enroll in, disenroll from or switch Medicare Advantage plans during certain times of the year.
- Potential for plan cancellation if the private insurer is unable to secure profits.
- Medicare Advantage managed care plans limit beneficiaries to networks of providers. Services are not available everywhere in the country and physicians may choose not to accept Medicare Advantage fee-for-service plans.
- Medicare Advantage currently costs taxpayers more than traditional Medicare.

STILL HAVE QUESTIONS? HELP IS AVAILABLE.

Every Medicare Advantage plan is different. You need to carefully calculate how the benefits and the out-of-pocket costs of each option may affect you. These issues can be complex. For more information about your Medicare options, contact your county's Department on Aging and ask to speak to the Benefit Specialist.



MEDICARE:

Understanding Your Options



Coalition of Wisconsin Aging Groups
Advocacy Membership Elder Law

WHAT OPTIONS ARE AVAILABLE TO MEDICARE BENEFICIARIES?

The Medicare program currently allows beneficiaries to choose between several health care coverage options. Beneficiaries can retain traditional Medicare Parts A and B or opt into Medicare Part C. Medicare Part C offers a variety of health care options called Medicare Advantage plans. Medicare Advantage plans are administered by private insurance companies and must provide at least the same health care coverage as traditional Medicare Parts A and B; although many of these plans offer benefits in addition to those available under traditional Medicare. This brochure will explain the differences between traditional Medicare and Medicare Advantage.

OPTION#1: TRADITIONAL MEDICARE

Traditional Medicare was created by the federal government in 1965 and consists of Parts A and B. Part A offers coverage for care received in settings such as hospitals and nursing homes. Part B offers coverage for care provided in outpatient settings, such as physicians services and coverage for medical equipment. Most Medicare beneficiaries receive their health care coverage through traditional Medicare. Beneficiaries with Part A and B coverage generally pay monthly Part B premiums. Because coverage under traditional Medicare is not comprehensive, beneficiaries often purchase an insurance plan through a private company to supplement their Medicare benefits. These insurance plans are referred to as Medicare policies. There are also premiums associated with Medicare insurance.

ADVANTAGES OF TRADITIONAL MEDICARE

- Traditional Medicare is a proven system that has been providing health insurance to older Americans since 1965.
- A beneficiary with traditional Medicare can use any doctor, specialist or hospital in the country that accepts Medicare.
- When traditional Medicare is used in coordination with a Medicare insurance policy out-of-pocket costs are limited and predictable.
- Unlike Medicare Advantage plans, traditional Medicare is equally available in rural and urban areas of the country.
- Traditional Medicare easily coordinates with Medicaid coverage.

DISADVANTAGES OF TRADITIONAL MEDICARE

- Beneficiaries in traditional Medicare who do not have Medigap insurance or another type of supplemental insurance risk high out-of-pocket costs.
- Medigap policies that limit potential out-of-pocket costs under traditional Medicare can be costly.

OPTION #2: MEDICARE ADVANTAGE

The Medicare Advantage program was implemented in 1999. It allows Medicare beneficiaries to opt out of traditional Medicare in order to receive Medicare benefits through a private insurance plan. Several different companies offer Medicare Advantage plans in Wisconsin. Medicare Advantage plans fall into two general categories:

Managed Care Plans: There are several types of managed care plans available through Medicare Advantage. Managed care plans provide health insurance through providers such as Health Maintenance Organizations (HMO's) and Preferred Provider Organizations (PPO's). Under these types of plans beneficiaries agree to receive health care through a network of providers. There is no coverage for services received outside of an organization's network of providers.

Private Fee-For-Service Plans: This type of Medicare Advantage plan does not limit a beneficiary to a network of providers. Instead, a beneficiary can see any provider that accepts both Medicare and the private insurance company's fee-for-service plan conditions. This type of plan also allows providers to refuse service to a Medicare enrollee if the provider does not agree to the terms and conditions of the insurance company's plan.

There are several different companies that offer Medicare Advantage plans in Wisconsin. Plans are usually limited to a specific geographic area and not all plans or types of plans will be available where you live. To learn more about the Medicare Advantage plans available in your area, call the Wisconsin Medigap Hotline at 1-800-242-1060.