



Medicare Supplement (aka Medigap) or Medicare Advantage

Which is right for you?

There is no out-of-pocket limit with Original Medicare, so it is important to protect yourself with additional coverage. There are two options: Medigap or Medicare Advantage. Both plan types will protect you against unlimited cost exposure, but they do it in different ways. Both plans must cover all services that Medicare covers. Here is a list of pros and cons of each.

	Medicare Supplement (Medigap)	Medicare Advantage (MA/MAPD)
Pros	Predictable Costs: You pay very little out-of-pocket for Medicare-covered services. Flexibility in Provider Choice: You can see any provider that accepts Medicare, without the need for referrals. Nationwide Coverage: Coverage across the United States. Ideal choice for those who travel frequently or live in different states during the year. No Need for Prior Authorization: No requirement for prior authorization for tests and medical procedures.	Low or No Monthly Premiums: Affordable monthly. Additional Benefits: Many plans offer extra benefits such as dental, vision, hearing, chiropractic, acupuncture, naturopathic, fitness programs, over-the-counter benefits. Integrated Prescription Drug Coverage: Most plans include Part D coverage, often with lower deductible than stand-alone Part D plans. Out-of-Pocket Maximums: Plans have an annual out-of-pocket maximum, which limits the amount you will spend on covered services each year.
Cons	Higher Monthly Premiums: Medigap plans typically have higher monthly premiums compared to Medicare Advantage plans. No Prescription Drug Coverage: Most Medigap plans do not cover prescription drugs, so you may need to purchase a separate Part D plan for this purpose. No Additional Benefits: Only cover Medicare-covered services. Generally, do not offer additional benefits such as dental, vision, or hearing coverage.	Network Restrictions: Most plans require you to use a network of doctors and hospitals, which can limit your choices. Out-of-network care can be more expensive or may not be covered at all, except in emergencies. Need for Referrals: Some plans require referrals to see specialists, adding an extra step in accessing care. Prior Authorization Requirements: Certain services or procedures may require prior authorization. Higher Out-of-Pocket Costs: You may pay copays for hospital and outpatient services.

Choosing between Medicare Supplements and Medicare Advantage plans depends on your individual healthcare needs, financial situation, and lifestyle preferences. Medicare Supplements offer more flexibility and predictable costs but come with higher premiums and fewer additional benefits. On the other hand, Medicare Advantage plans provide comprehensive coverage with additional benefits and lower premiums but may come with network restrictions and require more managed care.

Enrollment Rules

The rules for enrollment into each of the plan types can be complex. These are the basic rules that apply to most people:

- You can choose any plan when you first become eligible for Medicare.
- The first time you enroll in an Advantage plan, you have 12 months to change your mind and go back to Original Medicare and get a Medigap and/or Part D prescription plan without any health questions.
- If you don't enroll in a Medigap plan during your initial six-month Open Enrollment period – or if you keep your Advantage plan for more than 12 months, you must qualify for a Medigap plan with health questions. The Medigap plan can then decline your application if you have pre-existing health conditions.