

MEDICARE

Building Coverage



Ready-Agent™
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 NEISHLOSS &
FLEMING, INC.

Medicare: Building Coverage

As we know, Medicare does not cover all of the medical expenses a consumer could have during the course of the year.

Some Examples:

- Part A deductible, Skilled Nursing Facility coinsurance, Part B deductible, Part B coinsurance.
- These amounts, which are uncapped under Original Medicare, could present consumers with an unmanageable amount of cost sharing in a given year.

Options

That begs the question:

How can consumers go about covering the amounts that Medicare doesn't cover?

There are a couple of options, and each has its positives and negatives.



Option 1 - "Self-Insure"

- While an option, this is actually the consumer choosing not to address the gaps in coverage with Medicare.
- This option does not cost the consumer any premium dollars, nor does it potentially limit their access to physicians.
- This choice, however, leaves the consumer open to limitless cost sharing beyond what Medicare will provide for covered services.

Option 2 - Medicare Supplement

- Medicare Supplement, or *MediGap*, works hand in hand with Original Medicare, to specifically target the cost sharing holes where consumers have exposure.
- While there are a number of different plan options, this route generally gives a consumer cost certainty, paying a higher monthly premium in exchange for limited (or no) additional cost sharing.
- This option still enables consumers to utilize any doctor or hospital that accepts Original Medicare.

Option 3 - Medicare Advantage

- Medicare Advantage, or Medicare part C, takes the place of Original Medicare to offer cost containment while utilizing projectable copays for services.
- These plans operate on a cost sharing model, requiring copays for most medical services with smaller, or in some cases, NO monthly plan premium.
- Depending on the plan selected, one potential trade off may be a limited doctor, and/or hospital choice, through a provider network.

Summary

To summarize what choices a consumer may have in regards to building coverage off of Original Medicare:

Do nothing:

- Take the risk of exposure for significant-uncapped expenses, but have no additional premium or limit to provider options.

Medicare Supplement:

- Pay a higher monthly premium, but significantly reduce out of pocket exposure, with no affect to provider access.

Medicare Advantage:

- Pay a low, or no, monthly premium and have capped out-of-pocket exposure, in exchange for a provider network.