

MEDICARE ADVANTAGE

Plan Types



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Plans Available

There are five types of Medicare Advantage plans.

The main differences between them are:

- Cost sharing
- Provider network/access

The 5 Plan Types

Coordinated Care Plans (a.k.a. Managed Care Plans), contract with providers to provide cost-effective care to plan members.

- Health Maintenance Organization (HMO) plans
- Point of Service (POS) plans
- Preferred Provider (PPO) plans

Other plans potentially may offer a wider array of provider choice, but without the certainty of a contracted network.

- Private Fee-For-Service (PFFS) plans
- Medical Savings Account (MSA) plans

Health Maintenance Organization Plan:

- These plans typically will only pay for care clients receive from providers who are in the network.
- Clients choose a primary care physician (PCP), who will coordinate their care.
- The PCP may be required to give a referral for a client to see a specialist and/or other providers.
- If a client goes out of the network for care, they may have to pay the entire cost out-of-pocket in most cases.
- Prescription drug coverage may be included.

Point of Service Plan:

- This plan is a benefit option sometimes offered with some HMO plans.
- This option will allow clients to see either in-network or out-of network providers for care.
- Typically, clients will pay more for out-of-network care.
- Plans may limit out-of-network coverage to a specific dollar amount or specific services.

Preferred Provider Organization Plan:

- These plans offer consumers the ability to seek care outside the network, although clients will pay a higher rate of cost sharing.
- Plans allow clients to see specialists without having a referral.
- Prescription drug coverage may be included.

Private Fee-For-Service Plan:

These plans will cover approved services clients receive from any provider within the U.S., as long as the provider accepts the terms, conditions, and payment.

- Clients should be aware that this type of plan is run on a deeming basis, and will require them to get their services approved by their provider every time they receive a service.

Private Fee-For-Service Plan:

- If a provider charges more than the plan will pay, the client may have to pay the difference out-of-pocket.
- Some plans do offer drug coverage.
 - If plans do not come with drug coverage, clients can choose to get a stand alone PDP plan.
- Many plans offer extra services, like gym memberships, 24/7 nurse line, etc.

Medical Savings Account Plan:

- Provider model is the same as PFFS plans.
- These plans combine a high-deductible health plan with a bank savings account.
- A lump sum of money is deposited into a bank account, by Medicare, in the beginning of each year.
- The account balance can be used, tax free, to help pay for any qualified health service from any provider.

Medical Savings Account Plan:

- If the account runs out before the end of the year, clients will be subject to pay the difference out-of-pocket.
- If there are any unused funds left over, they will remain in the account and accumulate year to year.
- Plans do not include prescription drug coverage.
 - Clients will need to purchase a PDP plan to get drug coverage.