

# MEDICARE ADVANTAGE

## Benefit Structure



**Ready-Agent**<sup>™</sup>  
A PROGRAM BY NEISHLOSS AND FLEMING

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## Plans Available

Key:

Medicare Advantage plans have many different benefit areas.

**Question:**

When presenting a plan to a consumer, or trying to decide which plans are best in your market, which benefits are most important?

## The “Big Six”

Any plan discussion with a consumer will begin with the “Big Six.”

These are the benefits that consumers are most interested in, because they comprise much of their cost-sharing for a given year. Your consumers will focus on these benefits while trying to make a coverage decision.

- 1 Premium
- 2 PCP copay
- 3 Specialist copay
- 4 In-Patient Hospital copay
- 5 Out-Patient Hospital copay
- 6 Prescription Drug Formulary

## “Big Six” Benefits

### 1 Premium

Some consumers will only select a plan with a \$0 premium, regardless of benefits. Clients moving from a Med Supp plan want significant difference in premium in order to accept copays and provider networks.

### 2 PCP Copay

Consumers will generally visit their PCP more often than they use any other service.

## “Big Six” Benefits

### 3 Specialist copay

Many consumers have multiple specialists that they visit on a quarterly or monthly basis. This cost could be significant if there are many visits.

### 4 In-Patient Hospital copay

This is the “fear” item for most consumers. Even if a client has not had a recent hospital stay, they will review this benefit to determine what could happen.

## “Big Six” Benefits

### 5 Out-Patient Hospital copay

Many more surgical procedures are being conducted on an Outpatient basis. This benefit has become one of the most important on the list.

### 6 Prescription Drug Formulary

While copays matter, consumers will face a greater cost if they take drugs that are not on their selected plan’s formulary.

## Beyond the “Big Six”

Beyond the “Big Six,” which other benefits may play a big factor with certain consumers?

- Out of Pocket Maximum
- Diabetic Supplies
- Durable Medical Equipment
- Part B Drugs

## Beyond the “Big Six”

### 1 Out of Pocket Maximum

Most consumers won't even approach their Maximum Out-of-Pocket (MOoP). Additionally, many consumers are overly concerned with this benefit as their “stop-loss” amount.

- Example: A consumer has multiple chronic health conditions. They may prefer a plan with a MOOP of \$3400 as opposed to \$6700.

### 2 Diabetic Supplies

May be important to those with insulin-dependent diabetes.



## Beyond the “Big Six”

### 3 Durable Medical Equipment

Most important to those with specific medical conditions requiring the use of oxygen, wheelchairs, or prosthetics.

### 4 Part B Drugs

Consumers who are receiving injectable therapies or infusions at their doctor’s office

- Examples: Rheumatoid Arthritis treatments and Chemotherapy

## Importance

Currently, 34% of Medicare beneficiaries are enrolled in a Medicare Advantage plan.

With that many seniors choosing this type of plan, it is important to know how these benefits are structured.

Knowing the structure will help you and your clients when choosing which plan best suits their needs.

## Flexibility

Medicare Advantage plans:

- Must cover mandated Part A and Part B benefits
- Vary in cost-sharing (copays/coinsurance) from plan to plan
- Offer flexibility due to the Medicare Modernization Act of 2003
- Enable consumers to choose a plan that fits them best, rather than being forced into a “One Size Fits All” plan

## Out of Pocket Structure

All plans include a Maximum Out-of-Pocket (MOoP) for Part A and Part B services – a big advantage over Original Medicare

Maximum Out-of-pocket can vary from plan to plan

The highest allowable OOPM in 2020 is \$6,700

## Hospital Care Structure

### Inpatient Hospital

- Benefit handled much differently than Original Medicare
- Plans offer either per day or per admission copays for inpatient stays
- Most Medicare Advantage plans provide unlimited days of hospital care; in contrast to traditional Medicare, which has annual limits and “lifetime reserve” days

## Skilled Nursing Facilities (SNF)

Many plans begin cost-sharing earlier than Original Medicare, which starts on the 21st day of confinement.

- The cost sharing amounts are typically lower for Medicare Advantage plans

As a requirement for coverage of a SNF stay, Medicare requires beneficiaries to have a qualifying hospital stay

- Most Medicare Advantage plans waive this requirement, but some plans may require other management tools, such as a prior authorization

## PCP and Specialist Structure

Medicare Advantage plans use a fixed dollar copayment over coinsurance for office visits.

Traditional Medicare charges beneficiaries 20% coinsurance, for each office visit and most other Part B services, and that's after the Part B deductible.

## Preventative Care Structure

In Traditional Medicare, most preventive care is covered free of charge.

Starting in 2012, Medicare Advantage plans cannot charge for preventive care services that are free for people with Original Medicare, as long as beneficiaries see in-network providers.

If people see providers outside of their plan network, charges will typically apply.



## Extra Benefits Structure

Medicare does not cover benefits for non-medically necessary dental, vision, hearing, or podiatry. Medicare Advantage plans offer a few additional services.

- Preventative and Comprehensive Dental:

Over half of all Medicare Advantage plans cover some form of preventative dental care.

These benefits can include a specified number of exams, cleanings or x-rays per year

Some plans have coverage for extractions and fillings as well

- Vision:

All private insurers must offer at least the same or similar benefits as Original Medicare, but they may include routine vision

When routine vision benefits are offered by a Medicare Advantage plan, you may pay a higher premium than other Medicare Advantage plans that do not offer routine vision benefits

## Extra Benefits Structure

- Hearing and Hearing Aids:
  - Most Medicare Advantage plans cover hearing tests, but limit the number of tests and maximum benefit
  
- Other Supplemental Benefits:
  - Fitness
    - Some plans may offer fitness benefits, such as gym memberships and available home fitness programs.

## Advantages

Medicare Advantage enrollments have risen in recent years because of their structure of benefits. Low premiums, extra benefits, and restructured cost-sharing with fixed-dollar copayments appeal to beneficiaries looking for additional coverage.

Most Medicare Advantage plans also provide free preventive services and limit beneficiaries' out-of-pocket expenses.

These plans offer specific benefits tailored to your clients' needs – unlike the “One-Size-Fits-All” mentality of Traditional Medicare.