

## **Medicare Advantage vs. Medicare Supplement Plans**

### **How do they differ? Which is right for you?**

When first exploring health care coverage options, many new Medicare beneficiaries ask: “Which is better, Medicare Advantage (MA) or Medicare supplement insurance?” What you really need to know is which is better for **you**. The answer depends on your circumstances and needs.

Here’s a brief overview of the key differences:

### **Medicare Advantage (MA)**

Medicare Advantage plans are partially funded by Medicare but offered by private insurance companies. Horizon Healthcare of New Jersey, Inc. has Medicare Advantage plans with low monthly premiums starting at \$0. These plans provide all of the hospitalization (Part A) and medical coverage (Part B) of Medicare, plus additional benefits that are not part of Original Medicare. Some Medicare Advantage plans include prescription drug coverage (often for an additional monthly cost), so that you get all of your health coverage under one plan. Typically, a Medicare Advantage plan requires you to use network providers, though you may have options regarding out-of-network care.

### **Medicare Supplement Insurance (Medicare Supplement)**

A Medicare supplement plan is designed to pay for certain healthcare expenses not covered by Medicare Part A and Part B. There are 10 standardized Medicare Supplement plans (Plans A through N), each with a different combination of benefits. (Horizon Blue Cross and Blue Shield of New Jersey offers Contemporary Medigap Plans A, C, F, G, K and N.) While Medicare supplement plans are designed to cover what Medicare doesn’t, they do NOT provide prescription drug coverage. Prescription drug coverage can be added with a stand-alone prescription drug (Part D) plan. With Medicare supplement coverage, you are free to choose your doctor and hospital as long as they accept [Original Medicare](#).

### **It’s important to compare**

When choosing between a Medicare supplement plan and a Medicare Advantage plan, a little research goes a long way. You’ll want to consider monthly premiums ... deductibles and copayments ... doctor and hospital restrictions ... and, of course, benefits. The chart below gives you a side-by-side comparison of the key features of Medicare Advantage coverage versus Medicare Supplement insurance:

<b>FEATURE</b>	<b>Medicare Advantage (MA)</b>	<b>Medicare Supplement</b>
<b>Who provides the coverage?</b>	Private insurance company.	Private insurance company.
<b>Do I have to pay my <i>Part B</i> premium?</b>	Yes	Yes
<b>What does the plan cover?</b>	All of the benefits of Medicare Parts A and B, plus additional benefits not covered by <a href="#">Original Medicare</a> . Some plans include dental and vision benefits.	Helps fill Original Medicare's "gaps" by paying eligible expenses not paid by Medicare — such as deductibles and coinsurance.
<b>What about prescription drugs?</b>	Yes, if you choose an option that includes prescription drug benefits (MAPD).	No. If you want prescription coverage, you must purchase a separate plan.
<b>Does the coverage offer options?</b>	Typically, you will have a choice of plan options, with varying costs and copayments. Horizon Healthcare of New Jersey, Inc. offers plans with and without prescription drug coverage.	You have a choice of standardized plan options. Horizon Blue Cross and Blue Shield of New Jersey offers plans A, C, F, G, K and N, with Plan A offering basic coverage and Plan F offering 100% coverage of the deductibles and copayments that Medicare leaves you to pay.
<b>Can I use my doctors and hospitals?</b>	You are required to use providers who are within your plan's network (except in an emergency).	Yes, as long as they accept Original Medicare.
<b>How much does it cost?</b>	Monthly premiums for Horizon Healthcare of New Jersey, Inc.'s Medicare Advantage plans range from \$0 to \$149.50 for 2012.	Monthly premiums from Horizon Blue Cross Blue Shield of New Jersey's Medicare supplement coverage range from \$76.15 to \$185.20 in 2012 for those turning 65.

### **The Bottom Line?**

Medicare Advantage plans **may be your best choice if you prefer a low monthly premium and the simplicity of a single plan to cover your medical, hospital and prescription costs.**

Medicare supplement plans **may be your best choice if you want the most freedom to travel and see any doctor or hospital that accepts Medicare. If you choose Plan F, for example, you pay your premium and Plan F covers costs in excess of Medicare-approved amounts.**