

Medicare Advantage Pros and Cons

During Medicare open enrollment which ends December 7th, Medicare eligible persons can sign up or change from traditional Medicare to Medicare and a Supplement or to a Medicare Advantage Program. If you watch television, all you will see are advertisements for Medicare Advantage programs. These ads make Medicare Advantage programs look like “the second coming” including all sorts of benefits (vision, dental, hearing) that aren't covered by traditional Medicare for "little or no premium."

All, however, is not as simple as increased benefits with no costs - as the for-profit insurance companies would like you to believe.

If a New York City Retiree signs up for a plan that is not offered by NYC, you lose reimbursement for Part B premiums and, in some cases, you would not be eligible for some benefits offered by the Management Benefits Fund.

Medicare Supplement vs. Medicare Advantage

Original Medicare + Medigap Supplement 1	Medicare Advantage Plan
<ul style="list-style-type: none">Higher premiums but no co-pays	<ul style="list-style-type: none">Generally lower premiums but has co-pays
<ul style="list-style-type: none">Freedom to choose doctors	<ul style="list-style-type: none">May be restricted to network
<ul style="list-style-type: none">No referrals necessary	<ul style="list-style-type: none">May need referrals for specialists
<ul style="list-style-type: none">Some routine services not covered (annual physical, vision, hearing)	<ul style="list-style-type: none">May include extra benefits (annual physical, vision, hearing, fitness, no hospital stay for SNF coverage)
<ul style="list-style-type: none">Covered anywhere in US	<ul style="list-style-type: none">Emergency services ONLY outside service area

MEDICARE ADVANTAGE



Pros

No or low premiums. Because your Part B premium, along with your original entitled Part A coverage (additional funds from the government) is applied to the Medicare Advantage plan, the premium can be as low as \$0.00 to \$50 per month on average.

Because the monthly premiums are generally much lower, if you don't go to the doctor much, or do not have any major medical concerns during the year, a Medicare Advantage plan could save you money.

Cons



Doctors can choose not to accept any or all of the MA plans. Even if they accept Medicare, they do not have to accept MA plans. These plans operate on "health care networks" and you may have to be referred to a network provider for medical services.

Even if your primary care physician may accept the plan but a referred specialist may not.

Medicare Advantage has co-pays and deductibles, in which the exact amount may not be known until months later when all the paperwork has been completed and processed. Most MA plans have co-pays for almost every visit.

In addition to the above, you still pay a Part B premium that goes to the insurance company; the drug formulary may be limited; and medical coverage for procedures may require pre-approval and may not be approved. Remember, the coverage is provided from an insurance company, and many of the issues that you may have had with for-profit health insurance before Medicare are repeated. Additionally, the insurance companies can change plan rules, co-pays and co-insurance at any time. Also, by signing up for Medicare Advantage, traditional Medicare is weakened. So, be careful that you consider doctors, drugs, co-pays, and, insurance, as well as covered procedures. You may be much better off considering a Medicare Supplement in addition to traditional Medicare as a lower total cost alternative.