



Subscriber
Content

Medicare



Medicare

Medicare decisions can get complicated in a hurry, and some of the timing is critical. For most of us, it doesn't help that we begin to be bombarded with Medicare Advantage plan promotions well in advance of our 65th birthday.

To help you to select the Medicare Plan option(s) best suited for you, we've collected the information you'll need to make an informed decision and the steps necessary to enroll.

BASIC PLANS

Medicare Part A

Everyone should sign up for Medicare Part A. The program is free (*pre-paid by your taxes during your working career*) and there are significant penalties for failing to sign up on time. Part A covers hospitalization, care in a skilled nursing facility, hospice care, and some home health care.

You must otherwise have qualified medical insurance once you turn 65 or you will be penalized. This can be private insurance (*for instance, a retiree health insurance program offered through your former employer, or standard insurance if you are still working*).

Medicare Part B

Medicare Part B requires a monthly premium. It averages around \$150 a month. Part B covers certain doctors' services, outpatient care, medical supplies, and preventive services. It is automatically deducted from your Social Security payments.

The law requires some people to pay a higher premium for Medicare Part B and Medicare Part D (Prescription Drug Plan) because they have higher income.

The premium increases are called the Income Related-Monthly Adjustment Amounts (IRMAA). Medicare uses information from the IRS to annually adjust the premium based on your income. There is a chart of sliding premium adjustments base on income tax filing status and income.

Medicare Part D

Medicare Part D (*see options on pages 9 and 10*) is a prescription drug plan that will pay for prescription drugs. These plans vary considerably and should be examined to see if the plan meets your needs. Additionally, Part D coverage is complex; each plan will have different premiums, different deductibles and different co-pays for each class of prescriptions.

Part D coverage also has a feature known as the "doughnut". If you take expensive prescriptions during the year, you will be charged a fixed dollar amount per prescription refill (once you meet any deductible), then pay a percentage of the retail cost for a number of refills and then switch back to a fixed cost. You may purchase this coverage separately or have it included in a Medicare Advantage Plan.



SUPPLEMENT PLANS

Medicare is a universal healthcare program for seniors. It is administered by the federal government through the Centers for Medicare and Medicaid (CMS) which is a federal agency.

Because Medicare is intended as a one-size-fits-all program, it isn't tailored to individual needs. Medicare does not cover all medical care costs. There are gaps, co-pays, and deductibles.

Medicare supplement insurance is intended to help pay for those out-of-pocket costs for services approved by Medicare. These insurance policies are sold by private insurers who are approved by Medicare and licensed by the state insurance commission. There are many levels and types of coverage. In fact, there is a policy that can meet most any individual need.

They do come at a cost. Fitting your individual needs to an affordable plan can be a challenge.

Medicare Advantage Plan

A lot of folks add a Medicare Advantage Plan (*see options on pages 7 and 8*), which is a private insurance program approved by Medicare to consolidate some benefits into one package. Medicare Advantage Plans generally will restrict your choice of care provider to an approved list.

Medigap

A Medigap plan (*see options on pages 11-14*) may be a better choice for you if it has an out-of-pocket maximum that protects you from huge bills. Original Medicare plus a Medigap insurance plan generally allows you more choice in where you receive your care, covers co-pays and deductibles.

If your private insurance costs less than \$300 a month, you may be better off staying with the private plan. If the cost is more, either a Medicare Advantage plan or a traditional Medicare Medigap Plan with Medicare and drug plan additions.

GETTING STARTED

The very first step for anyone, and a step that can be taken well before age 65, is to create an account at Medicare.gov. You can do this either online or in person at the Social Security offices.

The site for signing up is: www.medicare.gov

The page for sign up is: <https://account.mymedicare.gov/registration.aspx>

You will need your Medicare number to sign up. If you already have a Medicare card, you have the Medicare number there. If you don't already have a Medicare card, you can get your Medicare number by going to your Social Security account; the sign-up page includes a link to your Social Security page.



The essential choices you'll make related to Medicare are:

- **Do you need to sign up for either a Medicare Advantage plan or Original Medicare plus a Medigap plan or do you have a good health insurance option for retirement health insurance such as employment-based health insurance?**
- **If you need to use Medicare for your health insurance post age 65, should you choose a Medicare Advantage plan or a plan based on Original Medicare? There are a number of lifestyle and budget issues that will all affect this choice.**

EMPLOYMENT-BASED HEALTH INSURANCE

Individuals may have a health insurance option past age 65 either because they are still working full time and they have health insurance through their employer, or they have other post-retirement health insurance options. In Alabama, several large groups of individuals may have post-retirement health insurance options. For example

- **Teachers and other public employees of either the State or federal employees**
- **Employees of large public companies, such as Alabama Power Company**

As general guidance, the two key considerations for staying with private insurance vs signing up for a Medicare options are 1) cost, with \$300 a month in premiums as a decision point on costs and 2) is the private insurance coverage reasonably complete.

SeniorSmart can help evaluate your private insurance options. Key questions are (a) how high is your deductible, (b) what is your responsibility for bills once you've met any deductible, and (c) what costs are not covered.

MEDICARE ADVANTAGE VS. ORIGINAL MEDICARE

Medicare Advantage

Medicare Advantage plans are the most heavily promoted plans in each market. Most do not have any monthly premiums in Alabama. Advantage plans have these key benefits and drawbacks:

BENEFITS

- No or low monthly premiums.
- One bill and a single plan that covers everything outside basic Medicare.
- Often includes some additional benefits, including some dental benefits and programs like Silver Sneakers.



DRAWBACKS

- If you need to use your coverage for hospitalization and or/outpatient care, you will usually have much higher out of pocket costs than traditional Medicare combined with a Medigap plan.
- Advantage Plans all always network based. You may not have any coverage outside a very specific local network. This may mean changing doctors to have coverage, not having coverage outside the state or having access to a limited list of hospitals.
- Network doctors and hospitals often receive less reimbursement through an Advantage plan than Original Medicare.

MEDICARE ADVANTAGE PLANS

Below is a list with all current Medicare Advantage plans available in Alabama, as well as Medigap and drug plan (Part D) options. Medicare has letter designations for each part of Medicare. The outline is:

MEDICARE PART A

This largely covers hospital costs and is free to Medicare beneficiaries. It does not cover drug costs, doctor visits and it has a large co-pay for beneficiaries.

MEDICARE PART B

Medicare Part B covers the cost of preventive and medically necessary care, which typically covers doctor visits, diagnostic services and other costs like ambulance service.

MEDICARE PART C / MEDICARE ADVANTAGE

Medicare Advantage is designed to cover costs outside Medicare Parts A and B; it will include prescription drug coverage.

MEDICARE PART D

This is a stand-alone policy to cover drug costs; it would typically be combined with Parts A, B and a Medigap policy. These policies are offered by private insurers approved by each state and Medicare.

MEDICARE PARTS A THROUGH N

These policies are all provided by private insurers, approved by the State and Medicare. Each plan will have the same coverage with each insurer; the plans have different coverage levels and costs.



Original Medicare

With the limits in Medicare Parts A and B, comprehensive health insurance coverage should include either a Medicare Advantage plan or a plan that includes Parts A and B, a prescription drug plan (Part D) and a Medigap plan. We look at Original Medicare as a program that includes all of these elements. The benefits and drawbacks of Original Medicare are:

BENEFITS

- **NETWORK** In general, Medicare will have the largest network of available hospitals and doctors, both in state and nationally.
- **PREDICTABLE COSTS** In general, a well-designed Original Medicare plan will cover most costs for outpatient or in-patient care.

DRAWBACKS

- **MONTHLY COSTS** With a Traditional plan, you'll have three monthly premiums: one for Part B (typically in the range of \$150 per month), Part D and a Medigap plan.
- **COMPLEXITY** Particularly with a prescription drug plan, any Medicare beneficiary needs to look at the actual costs for their drugs to choose the best plan. Fortunately, Medicare.gov has an excellent tool to enter your drugs and compare the combined costs (premiums and co-pays) between different plans.

HOW WE CAN HELP

Senior Smart can provide help to:

- **Sign up for Medicare**
- **Choosing between Medicare Advantage and Original Medicare depending on your circumstances**
- **Setting up your plans**

Medicare Advantage Plans, Part D, and Medigap coverage are managed by licensed insurance companies. You may purchase your coverage directly from these companies or use a broker. There are several competent independent brokers in the Birmingham market.



Advantage Plans (1 of 2)

	CARRIER	MEDICARE RATING	MONTHLY PREMIUM	ANNUAL DEDUCTIBLE	OUT OF POCKET
ADVANTAGE	Bright Health	NR	\$0.00	\$0.00	\$4,900.00
ADVANTAGE PLUS	Bright Health	NR	\$0.00	\$0.00	\$3,450.00
ADVANTAGE CHOICE PLUS	Bright Health	NR	\$0.00	\$0.00	\$3,450.00
HEALTHCARE GROWTH	Lasso	NR	\$0.00	\$3,000.00	None
HEALTHCARE GROWTH PLUS	Lasso	NR	\$0.00	\$5,000.00	None
ADVANTAGE	Blue Cross	4.0	\$0.00	\$0.00	\$5,100.00
ADVANTAGE PREMIER	Blue Cross	4.0	\$0.00	\$0.00	\$3,400.00
COMPLETE ST. VINCENT'S	Ascension	NR	\$0.00	\$0.00	\$5,000.00
COMPLETE ST. VINCENT'S PREMIERE	Ascension	NR	\$0.00	\$0.00	\$7,550.00
PREFERRED PLUS	Cigna	4.5	\$29.00	\$0.00	\$4,100.00
FUNDEMENTAL	Cigna	4.5	\$0.00	\$0.00	\$4,900.00
PREFERRED	Cigna	4.5	\$0.00	\$0.00	\$4,900.00
PREFERRED AL	Cigna	4.5	\$0.00	\$0.00	\$7,100.00
TRUE CHOICE	Cigna	NR	\$0.00	\$0.00	\$5,100.00
VIVA MEDICARE SELECT	Viva	4.5	\$0.00	\$0.00	\$5,900.00
VIVA MEDICARE ME	Viva	4.5	\$0.00	\$0.00	\$6,400.00
VIVA MEDICARE PLUS	Viva	4.5	\$0.00	\$0.00	\$6,700.00
VIVA MEDICARE PRIME	Viva	4.5	\$104.00	\$0.00	\$5,900.00
VIVA MEDICARE PRIMIER	Viva	4.5	\$54.00	\$0.00	\$5,500.00
ADVANTAGE 3	AARP	4.5	\$0.00	\$0.00	\$5,000.00
ADVANTAGE PATRIOT	AARP	3.5	\$0.00	\$0.00	\$5,000.00
ADVANTAGE WALGREENS	AARP	3.5	\$0.00	\$0.00	\$4,500.00



Advantage Plans (2 of 2)

	CARRIER	MEDICARE RATING	MONTHLY PREMIUM	ANNUAL DEDUCTIBLE	OUT OF POCKET
GOLD	Humana	4.0	\$0.00	\$0.00	\$5,000.00
CHOICE	Humana	4.0	\$0.00	\$250.00	\$4,500.00
CHOICE	Humana	3.5	\$71.00	\$250.00	\$6,300.00
CHOICE	Humana	3.5	\$0.00	\$250.00	\$3,400.00
CHOICE	Humana	4.0	\$22.00	\$250.00	\$6,700.00
CHOICE	Humana	4.0	\$30.00	\$205.00	\$6,700.00
AMERICAN EAGLE	Aetna	4.0	\$0.00	\$0.00	\$6,400.00
FREEDOM	Aetna	4.0	\$0.00	\$0.00	\$6,400.00

You will need to enter drugs to shop Advantage Plans through Medicare.gov with plans that include drugs.

<https://www.medicare.gov/sign-up-change-plans/types-of-medicare-health-plans/medicare-advantage-plans>



Plan D (1 of 2)

	MONTHLY PREMIUM	DEDUCTIBLE	CO-PAY	CO-INSURANCE	MEDICARE RATING
AARP PREFERRED	\$86.50	\$0.00	\$5-\$45	33-40%	3.5
AARP SAVER	\$28.60	\$445.00	\$1-\$36	25-40%	3.5
AARP WALGREENS	\$31.90	\$445.00	\$0-\$40	25-40%	3.5
BLUE ENHANCED	\$90.40	\$445.00	\$2-\$40	25-45%	3.5
BLUE ENHANCED PLUS	\$139.40	\$0.00	\$2-\$40	25-45%	3.5
BLUE ESSENTIAL	\$39.20	\$445.00	\$1-\$46	25-48%	3.5
CIGNA SECURE EXTRA	\$51.80	\$100.00	\$1-\$36	31-50%	3.5
CIGNA SECURE ESSENTIAL	\$24.00	\$445.00	\$0-\$2	18-47%	3.5
CIGNA SECURE PDP	\$29.70	\$445.00	\$2-\$35	25-50%	3.5
CLEARSPRING PREMIER	\$13.50	\$100.00	\$1-\$40	25%	NR
CLEARSPRING VALUE	\$27.10	\$445.00	\$1-\$42	25-33%	NR
ELIXIR RX PLUS	\$15.10	\$445.00	\$1-\$43	25%	3.5
ELIXIER RX SECURE	\$27.20	\$445.00	\$1-\$7	15-34%	3.5
EXPRESS CHOICE	\$68.80	\$100.00	\$2-\$42	31-50%	3.5
EXPRESS SAVER	\$25.30	\$285.00	\$2-\$35	25-50%	3.5
EXPRESS VALUE	\$25.70	\$445.00	\$1-\$34	25-50%	3.5
FARM BUREAU ESSENTIAL	\$68.70	\$445.00	\$3-\$40	25-44%	3.0
FARM BUREAU SELECT	\$105.20	\$0.00	\$1-\$35	25-37%	3.0
HUMANA BASIC	\$28.70	\$445.00	\$1	25-34%	3.5
HUMANA WALMART	\$17.20	\$445.00	\$1-4	16-32%	3.5
HUMANA PREMIER	\$65.60	\$445.00	\$1-\$45	25-49%	3.5



Plan D (2 of 2)

	MONTHLY PREMIUM	DEDUCTIBLE	CO-PAY	CO-INSURANCE	MEDICARE RATING
MUTUAL OF OMAHA PLUS	\$81.50	\$445.00	\$0-\$2	20-38%	2.5
MUTUAL OF OMAHA PREMIER	\$25.60	\$445.00	\$0-\$2	20-46%	2.5
SILVERSCRIPT SMART	\$7.30	\$445.00	\$0-\$46	25%	3.5
SILVERSCRIPT CHOICE PDP	\$26.70	\$290.00	\$0-\$35	25-40%	3.5
SILVERSCRIPT PLUS PDP	\$56.70	\$0.00	\$2-\$47	33-50%	3.5
WELLCARE RX VALUE	\$75.70	\$0.00	\$1-\$47	25-45%	3.5
WELLCARE WELLNESS RX	\$15.70	\$445.00	\$0-\$40	25%	3.5
WELLCARE WELLNESS PDP	\$34.00	\$445.00	\$0-\$35	25-40%	3.5
WELLCARE VALUE SCRIPT	\$17.80	\$445.00	\$0-\$43	25-47%	3.5
WELLCARE CLASSIC	\$27.20	\$445.00	\$0-\$30	25-34%	4.0
WELLCARE RX SELECT	\$23.90	\$445.00	\$0-\$47	25-42%	3.5

<https://www.medicare.gov/find-a-plan/results/planresults/plan-list.aspx>

Medigap Plans (1 of 3)

	A	B	C	D	G	G HIGH DEDUCTIBLE	K	L	M	N
AARP	●	●	●			●	●	●		●
ASSURED LIFE	●	●	●	●						●
ATLANTIC COAST	●		●							●
BANKERS FIDELITY	●				●	●	●			●
BLUE CROSS BLUE SHIELD OF ALABAMA	●									
CAPITAL LIFE	●				●					●
CENTRAL STATES	●		●		●					●
CIGNA HEALTH AND LIFE INSURANCE	●				●					●
COLONIAL PENN LIFE INSURANCE CO	●				●	●	●	●	●	●
COMBINED INSURANCE COMPANY OF AMERICA	●				●					●
CONTINENTAL LIFE	●	●			●	●				●
EVEREST REINSURANCE COMPANY	●		●	●	●					●
FEDERAL LIFE	●				●	●				●
GLOBE LIFE	●	●	●		●	●				●
GREAT SOUTHERN	●	●			●					●
GUARANTEE TRUST	●	●			●					●
HUMANA	●	●					●			●
IAC	●	●			●					●

PLAN A \$74-\$362 **PLAN C** \$140-\$378 **PLAN G** \$114-\$149 **PLAN K** \$43-\$120 **PLAN M** \$74-\$362
PLAN B \$120-\$325 **PLAN D** \$120-\$264 **PLAN G HIGH** \$31-\$78 **PLAN L** \$78-\$214 **PLAN N** \$93-\$312



Medigap Plans (2 of 3)

	A	B	C	D	G	HIGH DEDUCTIBLE	K	L	M	N
INDEPENDENCE AMERICA	●				●					●
LUMICO LIFE	●				●					●
MANHATTAN LIFE INSURANCE COMPANY	●				●					●
NASSAU LIFE	●				●					●
NATIONAL GUARDIAN	●				●					●
NEW ERA LIFE	●	●			●	●				●
OMAHA INSURANCE	●				●	●				●
PAN AMERICAN LIFE	●				●					●
PEKIN LIFE	●				●					●
PHYSICIANS LIFE	●				●	●				
PROSPERITY LIFE	●				●					
RESERVE NATIONAL	●	●			●					●
RESOURCE LIFE	●				●					
SHENENDOAH LIFE	●				●					●
SOUTHERN GUARANTEE	●				●					●
STATE FARM MUTUAL AUTO INSURANCE CO	●		●	●	●					●
THRIVENT FINANCIAL	●				●					●
TRANSAMERICA	●	●	●	●	●		●	●	●	●

PLAN A \$74-\$362 **PLAN C** \$140-\$378 **PLAN G** \$114-\$149 **PLAN K** \$43-\$120 **PLAN M** \$74-\$362
PLAN B \$120-\$325 **PLAN D** \$120-\$264 **PLAN G HIGH** \$31-\$78 **PLAN L** \$78-\$214 **PLAN N** \$93-\$312



Medigap Plans (3 of 3)

	A	B	C	D	G	HIGH DEDUCTIBLE	K	L	M	N
USAA	●				●				●	●
UNION SECURITY	●				●				●	●
UNITED AMERICAN	●	●	●	●	●	●	●	●	●	●
UNITED COMMERCIAL	●	●	●	●	●				●	●
UNITED INSURANCE COMPANY	●			●	●	●			●	●
UNITED STATES FIRE	●	●			●	●	●	●	●	●

PLAN A \$74-\$362 **PLAN C** \$140-\$378 **PLAN G** \$114-\$149 **PLAN K** \$43-\$120 **PLAN M** \$74-\$362
PLAN B \$120-\$325 **PLAN D** \$120-\$264 **PLAN G HIGH** \$31-\$78 **PLAN L** \$78-\$214 **PLAN N** \$93-\$312



Medigap Coverage

A Handy Reference

	A	B	C	D	G	G HIGH DEDUCTIBLE	K	L	M	N
PART A CO-INSURANCE AND HOSPITAL COSTS	●	●	●	●	●	●	●	●	●	●
PART B CO-INSURANCE AND CO-PAYS	●	●	●	●	●	●	◐	◐	●	●
BLOOD	●	●	●	●	●	●	◐	◐	●	●
PART A HOSPICE	●	●	●	●	●	●	◐	◐	●	●
SKILLED NURSING	○	○	●	●	●	●	◐	◐	●	●
PART A DEDUCTIBLE	○	●	●	●	●	●	◐	◐	◐	●
PART B DEDUCTIBLE	○	○	●	○	○	○	○	○	○	○
PART B EXCESS CHARGES	○	○	○	○	●	○	○	○	○	○
FOREIGN TRAVEL EMERGENCY	●	●	◐	◐	◐	●	●	●	◐	◐

INDEX

- YES
- ◐ 50%
- ◑ 80%
- NO
- ◒ 75%

