

## MEDICARE ADVANTAGE PLANS

Original Medicare contained four parts:

- Part A- Hospital Coverage
- Part B- Medical Coverage
- Part C Medicare Choice Plans
- Part D Prescription Drug Plans

Medicare Advantage (MA) programs, formerly Part C of Medicare, originated with (TEFRA), Tax Equity and Fiscal Responsibility Act, which authorized Medicare to contract with risk-based private health plans that would accept full responsibility for the cost (risk) of the enrollee's care in exchange for a prospective, monthly per-enrollee payment. Therefore, "Choice Plans" formally became "Advantage Plans" in 2003.

1997-	Medicare "Choice Plans" introduced
2003-	Renamed "Medicare Advantage Plans"
2005	5 Million people on "Advantage Plans"
2017	19 Million people on "Advantage Plans"
Now	More than 1/3 eligible folks on "Advantage Plans"

Unlike "Original Medicare", which is "government insurance", Medicare Advantage Plans are designed, sold, and administered by private insurance companies. They cover the same benefits as "Original Medicare" and usually include additional coverage such as:

- Out of pocket maximums
- Minimal dental and vision coverage
- Hearing test and hearing aid coverage
- Fitness benefits

Medicare Advantage Plans vary in benefit design, deductibles, copays and even provider networks. Some provide coverage through Health Maintenance Organizations (HMO), Private Fee for Service Plans (PFFS), Special Needs Plans (SNP), and the best of all Preferred Provider Organizations (PPO).

The RIPEA Advantage Plan is offered and administered by Anthem Blue Cross and Blue Shield. This Advantage Plan works through a national PPO provider group that will allow RIPEA members across the US to have access to a largest group of providers. In fact, the RIPEA Advantage Plan offers the very best provider availability, since insureds may receive services in or out of the network and the coverage is the same in and out of network. Consequently, network availability is no longer an issue, and you may keep all your current providers.

The biggest advantage of a Medicare Advantage plan is that you may be able to get coverage for benefits that “Original Medicare” doesn’t cover; such as prescription drugs, routine dental and vision benefits, hearing test and hearing aid coverage, as well as included memberships in fitness programs. Another advantage is that all these coverages are available in the Medicare Advantage Plan; you don’t have to purchase several different plans.

Also, you still have Medicare rights and protections. Out of pocket costs are typically lower, since medical provider cannot charge you more than “Original Medicare” for certain services like skilled nursing facility care and chemotherapy.

### **THINGS TO KNOW:**

**ELIGIBILITY:** To qualify for Medicare Advantage Plans, you need Medicare Parts A and B. Normally you would need to live in the plans service area; however, with the RIPEA plan the service area is the USA. People with End-Stage Renal Disease (permanent kidney failure) generally can’t join; there are SNP’s (Special Needs Providers) for them in certain areas.

### **ENROLLING AND UNENROLLING:**

- A) You can only join at certain time during the year unless you qualify for a Special Election Period (SEP). In most cases you are enrolled in the plan for one year.

- B) Starting in 2019, the return of the Medicare Open Enrollment Period allows beneficiaries to switch to another plan or return to Original Medicare and enroll in a Medicare Supplement plan, if they are unhappy with their Advantage Plan.
  
- C) If you enroll in the Medicare Advantage Plan and become unhappy with it, you are eligible during the first twelve months of coverage, to make a switch back to your original coverage.

KEY POINTS IN THE RIPEA ADVANTAGE PLAN:

- A) This benefit plan is based on an HMO network, that allows members to receive the same coverage in and out of network.
- B) This plan has no deductibles
- C) This plan does not require referrals for hospital care
- D) Everything is on a copay basis.
- E) There is an “Out of Pocket” maximum that limits the overall expenditures.
- F) There is no age rating; therefore, you will not receive an age increase each year at your birthday. Rates are based solely on claims utilization and medical industry inflation.

Please review the plan to understand how it differs from “Original Medicare”, and refer any questions to our “Senior Insurance Consultant” Jim Bengé CHC.