



MEDICARE SUPPLEMENT VS MEDICARE ADVANTAGE

Which one is the better fit for your client?



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WHICH WAY TO GO?

Your clients have a big decision to make: Medicare Advantage vs a Medicare Supplement.

There is no "one-size-fits-all" when it comes to health insurance coverage. There are numerous factors to consider when deciding what type of coverage will work with Medicare.

This guide provides a brief overview of Medicare Advantage vs. Medicare Supplement plans.

MEDICARE ADVANTAGE

THE PROS:

Low Monthly Premium

The premium is funded in part or entirely by Medicare through the insurance carrier.

Extra Benefits

Many plans come with coverage not afforded by traditional Medicare, such as dental, vision, and other various value added services. This will vary by plan and area.

Specialized Plans

Some markets may have Special Needs Plans (SNP) for certain chronic conditions, veterans, or dual eligible beneficiaries.

Drug Coverage Included

Most plans offer drug coverage so there is no need for an additional policy.

MEDICARE ADVANTAGE

THE CONS:

Network Restrictions

Plans are based around networks that may limit your clients' services.

Co-Payments

Your client will have co-payments for services used, which can add up quickly. This leads directly to the maximum out of pocket...

Max-Out-Of-Pocket

The maximum out of pocket may be too high for a client who will have high utilization of the plan.

Change

Plans may change annually, which may cause the client to shop more often for coverage.



MEDICARE ADVANTAGE

SAMPLE CLIENT

- All providers are in-network
- Does not travel often other than to see family and friends
- No high utilization pre-existing conditions
- Wants extra benefits
- Premium is a concern

Brand Loyalty

Don't underestimate brand loyalty. If a client had a specific carrier for numerous years through multiple claims, they may be more likely to stay with that carrier even if the costs are higher.



MEDICARE SUPPLEMENT

+ THE PROS:

Works Where Ever Medicare Does

There are no networks to follow other than Medicare's - great for clients who want to travel or live in multiple locations throughout the year.

Change Plans Anytime

There are no special election periods to follow for enrollment allowing for switching plans anytime during the year. Clients may be subject to carrier underwriting.

Predictable Costs

With most plans clients will have a premium, some minor costs, and otherwise limited out of pocket.

MEDICARE SUPPLEMENT

THE CONS:

Premiums

Premiums will typically be higher than Medicare Advantage plans and rates can rise as the client ages.

No Extra Benefits

Plans do not include any extra benefits. If Medicare does not pay, neither will the supplement.

Underwriting

Poor health conditions may prevent clients from enrolling into a new or different plan if they already have a policy.

No Drug Coverage

Clients will need a separate drug (Part D) plan to cover prescription drugs.



MEDICARE SUPPLEMENT SAMPLE CLIENT

- Does not want to pay co-payments as they use services
- Travels for extended periods of time
- May have high utilization of plan
- Wants an unrestricted provider network



Carrier Perks

Some carriers may have additional benefits provided to clients through the carrier branding such as vision benefits, discounts on claims, and/or more.



OTHER CONSIDERATIONS

Couples

Don't assume what works for one spouse will work for the other. They may have very different needs, which could lead to one having a Medicare Supplement and the other having a Medicare Advantage plan.

MA Trial Right

If a client is first enrolling into a Medicare Advantage plan, they may (depending on their circumstance) have a 12 month trial right where they can leave the plan within the first 12 months to go back to their Medicare Supplement plan.

SEPs

Special Election Periods (SEP) may be available to clients wanting to enroll into a Medicare Advantage plan outside of AEP.



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