

How to Choose Medicare Advantage Plans

With more than 2,500 Medicare Advantage Plans available in the United States, it's important for Medicare-eligible seniors to understand how to compare plans and choose one based on out-of-pocket costs and covered services. The following guide explains some of the most important comparison points to help you make sense of your options. It also includes a checklist to make it easier to do side-by-side plan comparisons and determine which plan is right for you.

Monthly Premium

The premium for your Medicare Advantage Plan doesn't take the place of your Part B premium. Instead, you'll pay a premium for both Part B and Medicare Advantage, increasing your monthly cost of coverage. As of 2022, the Part B premium is \$170.10 per month. Before choosing a plan, consider the following:

- How much can you afford to pay for your Medicare benefits each month?

- Do you qualify for any Medicare Savings Programs that could help reduce the cost of your Medicare Part B coverage?

- Will enrolling in a Medicare Advantage Plan with prescription coverage cost less than signing up for Original Medicare and paying a monthly premium for a prescription drug supplement?

Analyzing your monthly budget and eligibility for Medicare Savings Programs will help you narrow down your list of options. If you determined above that your finances are limited or you don't qualify for extra savings, then you should choose a low-cost or no-cost plan. Keep in mind that you'll still need to pay your monthly Medicare Part B premium as explained above.



Insurance Networks

Depending on the type of plan you choose, you may be required to use doctors, pharmacies and hospitals that have contracted with your Medicare Advantage provider and agreed to accept an approved amount for each service. If you see a provider or go to a health facility outside of that network, your Medicare Advantage provider may deny the claim or cover the service at a reduced rate, leaving you with higher out-of-pocket costs. As you compare plans, think about the following:

- Do you see any medical specialists that you'll want to continue seeing once you sign up for Medicare Advantage?
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- Do you require specialty care, such as infusions to treat an autoimmune disorder, that is only available at a specific hospital in your area?
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- Do you already have a primary care provider who coordinates your care?
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- Do you live in a rural community with a limited number of providers?
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If you have a chronic health condition, it's important to choose a Medicare Advantage Plan with a large network of providers. You may also want to select a plan that doesn't require referrals for specialty care. If you have a doctor you love, check with their office to find out if they're contracted with any of the plans you're comparing. This can help you avoid having to switch doctors once you're enrolled in Medicare Advantage. If you live in a rural area, you may want to choose a plan with a large network so that you can get care from doctors and hospitals in nearby cities.



Out-of-Pocket Limits

Each plan has an out-of-pocket maximum, or the maximum amount you'll spend on Medicare-covered services in a year. The out-of-pocket maximum doesn't include your monthly premium, the cost of your prescription drugs, or your annual deductible. If you receive care from an out-of-network provider, the cost of that service may not count toward your out-of-pocket maximum, so it's important to follow the plan's rules regarding in-network care. Before choosing a plan, ask yourself these questions about out-of-pocket limits:

- How much can you reasonably afford to pay for your health care each year?
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- Do you have a medical condition that would cause you to reach your out-of-pocket maximum quickly? If so, would you be able to afford to cover a high limit right at the beginning of the year?
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- Would you rather pay a low monthly premium for a plan with a high out-of-pocket maximum, or would you be willing to pay a little more each month for a plan with a lower out-of-pocket limit?
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Although the out-of-pocket limit doesn't include your annual deductible, it does include other health-related costs, such as copays and coinsurance. The limit is often higher for low-cost and no-cost plans, but you may be able to find a Medicare Advantage Plan with low premiums and a fairly low out-of-pocket maximum.



Cost-Sharing Obligations

Each plan typically has cost-sharing obligations, which are amounts you must pay any time you use your Medicare Advantage benefits. Some of the most common types of cost sharing are deductibles, insurance and copays. A deductible is the amount of money you must pay for health care before your insurance plan starts to cover any services. Coinsurance is the percentage of each charge you have to pay after you've met the annual deductible. A copay is a fixed amount of money that must be paid for each service after you've met your deductible for the year. As you compare plans, ask yourself the following:

- How often do you see a doctor each year?

- Are you planning to have surgery or seek some other type of care that would require you to pay a percentage of the cost?

- How much will it cost to see a primary care doctor versus a medical specialist?

If you need ongoing medical care, choosing a Medicare Advantage Plan with a higher premium and lower cost-sharing obligations can help you make your health care costs more manageable. If you only see a doctor a few times per year, however, you may save more money by choosing a low-cost or no-cost plan with higher cost-sharing amounts.



Prescription Drug Coverage

Most Medicare Advantage Plans include prescription drug coverage, but not all plans cover the same drugs or charge the same copays for each medication. Each insurance plan uses a formulary, or a list of covered drugs, to determine whether a drug is covered and how much you'll pay for it. Formularies are usually organized by tier, with drugs on lower tiers costing plan members less than drugs on higher tiers. Think about the following when you're preparing to choose a Medicare Advantage Plan:

- Do you take any prescription medications? If so, write them below.

- Do you take any medications that need to be compounded at a specialized pharmacy? This may include oral suspensions, injectable drugs, creams, ointments and gels. If you take any of these medications, write them in the space below.

- Has your doctor ever told you that you need to take the brand-name version of a medication instead of the generic version? If so, write the name of that medication below.

- Do you take over-the-counter medications, such as aspirin or iron supplements, on a daily basis? Write down your over-the-counter medications in the space below.

If you only take one or two prescription drugs, or if most of your medications are available without a prescription, you may benefit from choosing a plan with higher prescription copays and lower copays for necessary medical services. You may also benefit from choosing a Medicare Advantage Plan that includes coverage for over-the-counter drugs. If you take brand-name medications or need multiple prescriptions per month, however, look for a plan with lower copays for each drug tier.



Extra Benefits

Medicare Advantage providers are allowed to offer extra benefits that aren't covered by Original Medicare. This includes dental care, vision care, hearing aids, coverage for over-the-counter medications, transportation to medical appointments and other services. To determine which plan is most likely to meet your needs, answer the questions below before you choose a provider.

- Do you need dentures, dental implants or other expensive dental work?

- Has hearing loss had an impact on your life?

- Do you have contact lenses or eyeglasses that need to be replaced?

- Has your doctor recommended that you take aspirin or another over-the-counter medication each day?

- Would you benefit from enrolling in a plan that offers medical transportation, or are you able to drive yourself to appointments?

- Have you been putting off needed dental or vision care because you can't pay the full cost of each service?

Extra benefits can help you access additional care without a significant increase in your monthly premium. As you compare plans, it's important to think about your cost-sharing obligations for these services. If you need hearing aids or other expensive items, signing up for a Medicare Advantage Plan with extra benefits can help you reduce your out-of-pocket costs. In some cases, however, it makes more sense to pay for these services yourself instead of paying a higher Medicare Advantage premium.

