



# MEDICARE SUPPLEMENT VS MEDICARE ADVANTAGE

Which one is the better fit for your client?



## 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

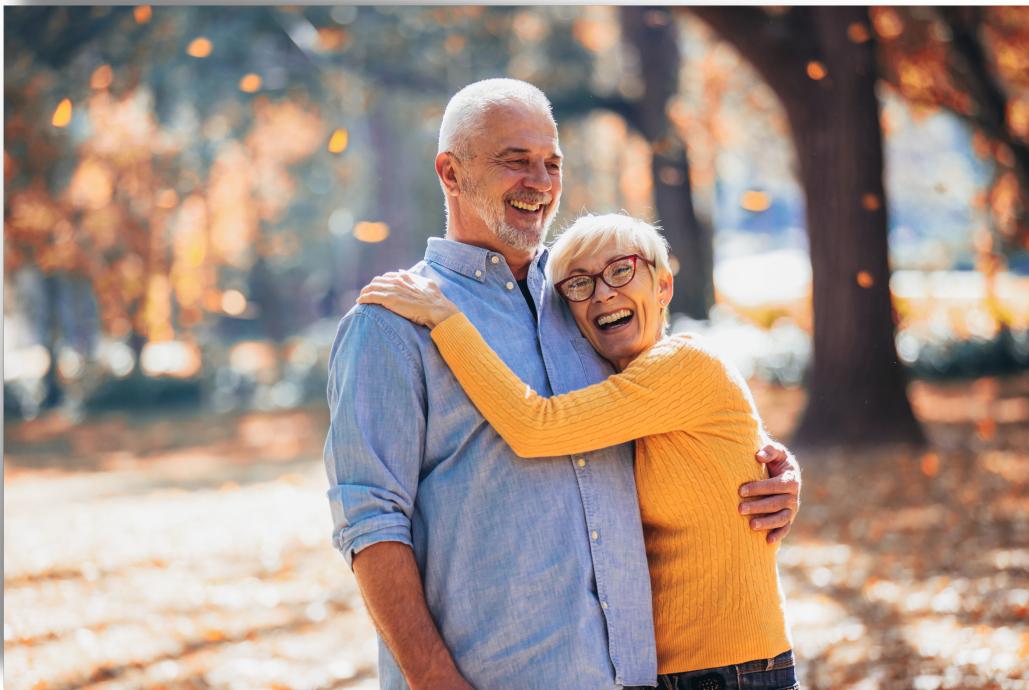
Plans do not include any extra benefits. If Medicare does not pay, neither will the supplement.

### 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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