



# SHIP ORIGINAL MEDICARE VS. MEDICARE ADVANTAGE

Alabama State Health Insurance Assistance Program

## ORIGINAL MEDICARE

Part A Hospital Insurance  
Part B Medical Insurance

Medigap Policy/  
Medicare Supplement

Part D Prescription Drug  
(PDP)

## MEDICARE ADVANTAGE PLAN

Hospital, Medical, and Prescription Drug

- ◇ Medicare Parts A and B are designed to take care of **Hospital** and **Medical** costs.
- ◇ A **Medigap** policy is an optional plan that may be purchased through a private insurance company. This policy is designed to cover Medicare A and B co-pays and deductibles.
- ◇ A **Medicare Part D plan (PDP)** is an optional plan that helps cover the costs of your prescriptions. You will have to pay a premium for this plan. *It is called a "prescription drug plan" because it covers prescription drug expenses only. (PDP)*
- ◇ Original Medicare pays equally to any doctor or hospital that accepts Medicare. You are not limited to any specific network of service providers as long as they accept Medicare.

- ◇ **Medicare Advantage Plans** are privately managed PPO (Preferred Provider Organization), HMO (Health Maintenance Organization), or PFFS (Private Fee For Service) plans that agree to provide all your health care services for a co-pay. If you are on a Medicare Advantage Plan, **Original Medicare will no longer pay on your medical or hospital charges while enrolled in Advantage Plans.**
- ◇ Plans may charge a premium, but you may find plans with \$0 premium. This is made possible because your Medicare Part B premium, as well as other Medicare funds are channeled to the Medicare Advantage Plans to cover your services.
- ◇ Many Medicare Advantage Plans now have a **Part D** Plan along with their other health benefits.
- ◇ You cannot link a PDP Part D plan to a Medicare Advantage Plan. If you want D coverage, you must accept what your Advantage Plan offers.
- ◇ Within a Medicare Advantage plan, you are required to receive services through a certain network, unless it's a **PFFS**. You may go outside of your network, but your expenses will be more.

### CAUTION:

- If you switch from traditional Medicare to a Medicare Advantage plan, you must drop any Medigap policy.
- If you remain in the Medicare Advantage plan longer than 1 year, you may not be able to get your Medigap policy back.
- If you are in a Medicare Advantage Plan with Drug Coverage, and you enroll in a PDP Part D policy, you will be **disenrolled** from your Medicare Advantage Plan.



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