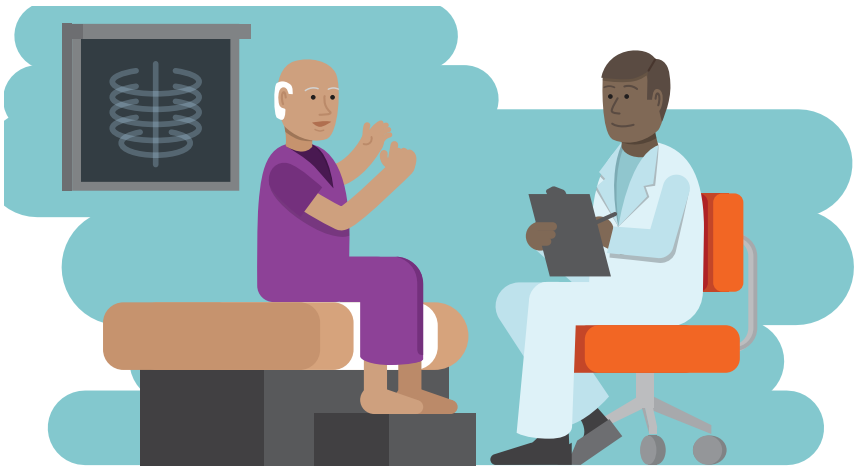
What is Medicare Advantage?

Medicare Part C plans are also referred to as Medicare Advantage plans. These plans are offered by private insurance companies and allow you to get all the coverage Original Medicare (Parts A and B) offers, plus additional benefits and services all in a single plan.

Many Medicare Advantage plans include prescription drug coverage (Part D), often for no additional premium.

Some plans also include extra benefits such as:

- Routine vision, hearing and dental care
- Wellness programs
- Nurse phone line



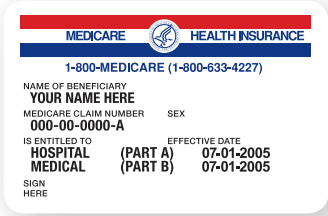
Medicare Choices

STEP 1 **Enroll in Original Medicare.**

Original Medicare. Provided by the government.

PART A **Part A** covers hospital stays

PART B **Part B** covers doctor and outpatient visits


MEDICARE HEALTH INSURANCE
1-800-MEDICARE (1-800-633-4227)
NAME OF BENEFICIARY
YOUR NAME HERE
MEDICARE CLAIM NUMBER SEX
000-00-0000-A
IS ENTITLED TO EFFECTIVE DATE
HOSPITAL (PART A) 07-01-2005
MEDICAL (PART B) 07-01-2005
SIGN HERE

STEP 2 **Decide if you need additional coverage. You have two ways to get it.**

OPTION 1 — OR — **OPTION 2**

Add one or both of the following to Original Medicare:

Choose a Medicare Advantage plan:

Medicare Supplement Insurance. Offered by private companies.

MED SUPP Covers some of the costs not paid by Original Medicare Parts A and B

Medicare Part D. Offered by private companies.

PART D **Part D** covers prescription drugs

Medicare Advantage (Part C). Offered by private companies.

PART C **Part C** combines Part A (hospital) and Part B (doctor)

Provides additional benefits

PART D Most plans cover prescription drugs

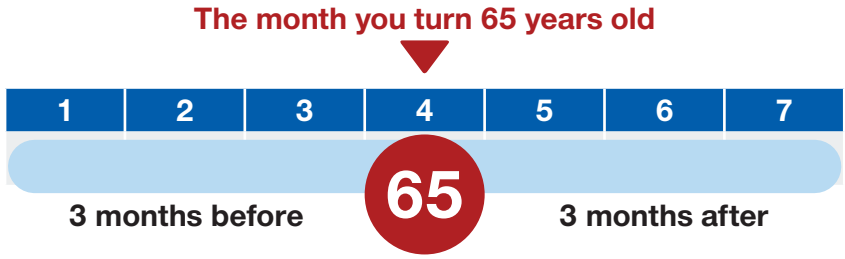
Enrolling in a Medicare Advantage plan.

When can I enroll in a Medicare Advantage plan?

Before you can enroll in a Medicare Advantage plan, you must sign up for Original Medicare (Parts A and B). You can first enroll in a Medicare Advantage plan during your Initial Enrollment Period, which is a seven-month time span that includes the three months before the month you turn 65, your birthday month and the three months after your birthday month.

If you don't enroll during your Initial Enrollment Period, you may have to wait to enroll during Medicare Open Enrollment, which is October 15 – December 7. If you enroll later, your premiums could be higher.

Medicare Initial Enrollment Period



How do I enroll in a Medicare Advantage plan?

Once you have enrolled in Original Medicare (Parts A and B), you can enroll in a Medicare Advantage plan. Each private insurance company that offers a Medicare Advantage plan handles its own enrollment. Most companies provide options to enroll over the phone, online or through a an agent.

Do I need to enroll each year?

Your plan renews automatically each year as long as you pay the premium and the plan is still available in your service area. You don't have to do anything to continue your coverage, but make sure that the plan is meeting your needs.

Key terms.

Co-insurance

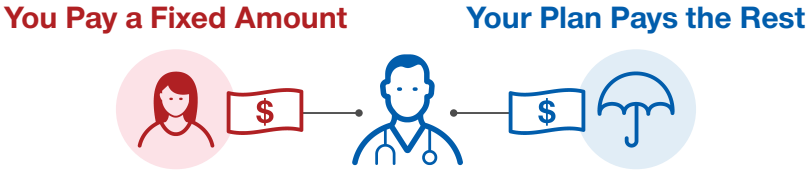
The costs that you and the health insurance plan pay are split on a percentage basis.

For example, you might pay 20% of the total allowed cost of a service and the plan would pay the remaining 80%.

Co-pay

The fixed amount you pay at the time you receive a covered service.

For example, you might pay $20 when you visit the doctor or $12 when you fill a prescription.



Deductible

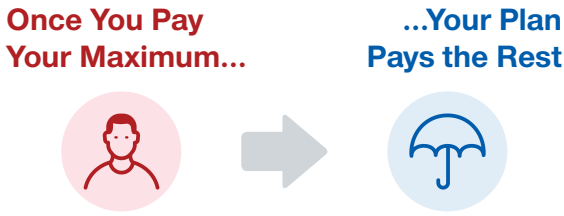
A set amount you pay out of pocket for covered services each year before your plan begins to pay.

Key terms. (continued)

Out-of-Pocket Maximum

The maximum amount you pay during a policy period (usually a year). This amount does not include your premium or the cost of any services that are not covered by your plan.

After you reach your out-of-pocket maximum, your plan pays 100% of the allowed amount of covered services for the rest of the policy period.



Premium

The fixed amount you pay your health insurance or plan for Medicare coverage. You may pay your premium to Medicare, to a private insurance company or both, depending on your coverage. Most premiums are charged monthly.

Your share of Medicare Advantage costs.

With Medicare Advantage plans, the company that offers the plan sets the monthly premium and decides on the cost-sharing amounts. Look at the details of each plan you're considering to see what your share of the cost (cost sharing) could be.

How does cost sharing work with Medicare Advantage plans?

Most Medicare Advantage plans use a combination of deductibles, co-insurance and co-pays to share the costs of your care with you. These cost-sharing arrangements will usually apply to all of the services the plan covers — hospital stays, doctor visits, drug coverage if you have it and so on. Before you choose a plan, make sure it's a good fit for your budget.

Is there a limit to what I can be asked to pay out-of-pocket?

Yes. Limits on your cost sharing is another way that Medicare Advantage plans differ from Original Medicare (Part A and Part B). Many Medicare Advantage plans offer a feature that caps your out-of-pocket spending (out-of-pocket maximum) for cost-sharing expenses like co-pays and deductibles in any given year. This provides financial protection in case of catastrophe or medical emergency.

Is there a deductible for prescription drug coverage?

Some Medicare Advantage plans have a deductible for prescription drug coverage, while others don't. Look at the specific plan for details.

Tip: Your costs will vary from plan to plan. Shop around for a plan that is a good fit for your needs.

Your choice of providers depends on your Medicare Advantage plan.

Most Medicare Advantage plans have service areas, limiting your care to a geographic boundary. All Medicare Advantage plans offer nationwide coverage for ER, urgent care and renal dialysis.

With some Medicare Advantage plans you must choose your doctor from a network. This primary care provider (PCP) will manage your care, including if you need to see a specialist or go to the hospital. This is often called coordinated care.

Other Fee-For-Service Medicare Advantage plans allow you to get care from any Medicare-eligible provider who accepts the terms, conditions and payment rates of the plan. These plans do not offer coordinated care.

Coordinated care plans

Coordinated care plans are built on the idea of a network of doctors and hospitals working together to provide care. Each plan creates its own network. In most cases, you will pay most or all costs if you see a provider outside of the network.

Health Maintenance Organization (HMO) plans

HMO plans require you to seek care from providers in your network. Many require you to get a referral from your primary care physician to see a specialist.

Point of Service (POS) plans

A type of HMO plan that allows you to see doctors and hospitals outside the network for some covered services, usually for a higher co-pay or co-insurance.

Preferred Provider Organization (PPO) plans

PPO plans typically don't require a referral to see a specialist and allow you to see providers outside the network without having to pay the entire cost yourself.

Special Needs Plans (SNPs)

SNPs are designed for people with a range of special needs, including those with chronic diseases, nursing home residents, and people who are eligible for both Medicare and Medicaid.

Medicare Advantage plans without coordinated care

Private Fee-For-Service (PFFS) plans

PFFS plans allow enrollees to see any providers in the U.S. who accept Medicare's payment terms and conditions.

Medical Savings Account (MSA) plans

MSA plans combine Medicare Advantage plan coverage with a special savings account you can use to pay for covered expenses tax-free.

How do I get started choosing a plan?

1. Contact your agent, Joe Fracchia, at (901) 488-8150
email joe@jpfins.com - Website: www.jpfins.com

2. **Compare costs.** Look at the premium amount (if any) you'll pay each month. Then estimate your total cost sharing for services.

3. **Look at the network.** If the plan has a network of care providers, make sure it gives you access to the doctors you want to see.

4. **Decide if you want prescription drug coverage.** Many Medicare Advantage plans include prescription drug coverage.

Resources.

Where can I get more information?

- The Medicare Helpline can answer your Medicare questions. Call **1-800-MEDICARE (1-800-633-4227),** 24 hours a day, 7 days a week. TTY users call **1-877-486-2048**
- For help with questions about buying insurance, choosing a health plan, buying a stand-alone prescription drug plan or a Medicare supplement insurance plan, and your rights and protection under Medicare, call your State Health Insurance Assistance Program (SHIP). Find your local resource at **shiptacenter.org**
  - This program offers free counseling for decisions about Medicare coverage
  - Your local office can also help you locate detailed information about the Medicare Advantage plans, drug plans and Medicare supplement policies available in your area
  - In some states, this program is called the Health Insurance Counseling and Advocacy Program (HICAP)