

# Are Medicare supplements and Medicare Advantage plans the same?

## Toni Says

Toni King



Dear Toni:

What is the difference between a “Medicare Supplement” and a “Medicare Advantage PPO”

plan? I am turning 65 and I am being bombarded with marketing material.

Friends have told me that a Medicare Advantage PPO plan is the same as a Medicare Supplement because both have a network of doctors to pick from. My retiree employer medical plan now has a Medicare Advantage PPO plan, and I am concerned. If a medically catastrophic incident happens,

will the medical providers I am now seeing accept this Medicare Advantage PPO plan? Thanks.

Stephen from Denver, Colo.

Stephen:

Your friends have given you wrong information regarding Medicare, which could lead you to choose the wrong Medicare plan for your medical situation. Medicare Supplements and Medicare Advantage Plans are completely different types of Medicare policies.

With a Medicare Supplement, there is not a network of any kind; you have the freedom to use any health care provider/facility that will bill Medicare. The Medicare Supplement will pay for your Medicare out-of-pocket costs that Medicare Parts A and B will not pay.

With a Medicare Advantage PPO plan, there are lower-cost, in-network

providers and facilities as well as out-of-network benefits that will cost you more. In 2022, one popular Medicare Advantage PPO plan has a maximum out-of-pocket ranging from \$5,400 to \$7,550 in-network while the out-of-network maximum range is \$7,550 to \$11,300. Some Medicare Advantage Plans also include Part D (MAPD) prescription drug coverage.

Most people never consider they could have an out-of-network provider/facility for their medical claim, but nowadays many health care providers/facilities are out-of-network with a Medicare Advantage PPO plan.

Below is a summary of the plans’ differences:

--Medicare Supplement

1. A Medicare Supplement works directly with “Original Medicare.” Medicare

pays its share of the Medicare-approved amount for “medically necessary” covered health care costs.

2. Your Medicare supplement will then pay its share. So with a Medicare Supplement, you choose the doctor, hospital, home health agency, skilled nursing facility, etc. (that accepts Medicare assignment) for your health care. You and your health care providers are in control of your health care.

3. The downside to a Medicare Supplement is that you have a monthly premium, and the premium rate may increase each year.

4. Medicare prescription drug plans (Part D) are not included, so you may want to enroll in, and will have to pay separately for, a “stand alone” Part D prescription drug plan.

--Medicare Advantage

PPO Plan

1. To qualify for any Medicare Advantage plan, you must be enrolled in both Medicare Parts A and B; and you must live in the service area 6 months of the year.

2. If you choose a Medicare Advantage Plan, Medicare pays the insurance company a certain amount of money each month for your care for the plan you are enrolled in. Your Part A and Part B must always remain in effect. You will pay your Part B premium and may or may not pay a premium for your Advantage plan, depending upon the plan you choose.

3. When you go to the doctor, hospital or visit your pharmacist, you must only use your Medicare Advantage Plan insurance card, not your Medicare (red, white, and blue) card.

and you should verify that your specific medical provider is accepting the Advantage plan you’re enrolled in.

4. A Medicare Advantage Plan must provide all your Part A and Part B benefits, and some Medicare Advantage Plans have Part D (called MAPD) prescription drug plans included. Advantage plans may also have extra benefits such as gym membership, dental and vision coverage.

*Toni King is an author and columnist on Medicare and health insurance issues. She spent more than 27 years as a top sales leader in the fields. For answers to Medicare questions, email: info@tonisays.com or call 832-519-8664. You can now visit [www.seniorresource.com/medicare-moments](http://www.seniorresource.com/medicare-moments) to listen to her Medicare Moments podcasts.*