

# Medicare Advantage Fact Sheet

## What is Medicare Advantage?

Medicare Advantage is a Medicare-approved plan from a private company that offers an alternative to Original Medicare for your health and drug coverage. Plans must cover all medically necessary services that Original Medicare covers. These “bundled” plans include Part A, Part B, and usually Part D. In most cases you’ll need to use doctors who are in the plan’s network and you may have to get a service or supply approved ahead of time for the plan to cover it. Plans may offer some extra benefits that Original Medicare doesn’t cover—like hearing, vision, and dental services.



## How much do Medicare Advantage Plans cost?

**Premium Cost:** All Medicare Advantage plan enrollees must continue to pay the Medicare Part B premium, \$174.70 in 2024. Medicare Advantage plans may also charge an additional premium which will vary based on the plan. In Nebraska, additional premiums range from \$0 - \$140 in 2024.

**Deductibles and Copays:** Out-of-pocket costs vary. Medicare Advantage plans can have a deductible up to \$450 per year. With a Medicare Advantage plan you will owe a copay for each service or item each time you receive it. For example:

- Primary doctor visit: \$10 per visit;
- Specialist visit: \$45 per visit;
- Outpatient hospital coverage: \$0 - 420 per visit;
- Emergency care: \$120 per visit.

**Out-of-Pocket Maximum:** All Medicare Advantage plans have an out-of-pocket limit. This is the maximum a person can spend on medical expenses for the year. Once the out-of-pocket amount is reached, the plan covers 100% of cost. Each plan determines its own specific out-of-pocket limit. Prescription drug costs never count towards this dollar amount. Plans in Nebraska have a yearly limit or out-of-pocket maximum, between \$2,500 - \$13,300 in 2024.

## Do the Extra Benefits Have Limitations?

Medicare Advantage plans may provide coverage for things Original Medicare doesn’t cover. Each plan will determine what these extra benefits are and what limitations will exist. For example, plans that offer a vision benefit in Nebraska will have an allowance between \$75 - \$360, in 2024. Cost beyond the limit is your responsibility. You can learn more by reading the plan’s Evidence of Coverage, which gives details about what the plan covers, how much you pay, and more.

|   |                                    |
|---|------------------------------------|
| <b>Provides Coverage of:</b>              | <b>Premium Cost Example:</b>       |
| Inpatient Hospital ( <i>Part A</i> )      | Medicare Part A \$0.00             |
| Outpatient Medical ( <i>Part B</i> )      | Medicare Part B \$174.70           |
| And may include                           | Medicare Advantage* \$36.00        |
| Prescription Medication ( <i>Part D</i> ) | Combined Monthly Premiums \$210.70 |
| Extra Benefits                            |                                    |

*\*Prices are an example in Nebraska. Actual cost will depend on individual needs and the chosen plan.*

# Medicare is individual insurance.



Medicare Advantage is another way to get your Medicare Part A and Part B coverage. Medicare Advantage plans are offered by Medicare-approved private companies that must follow rules set by Medicare. In most cases, you'll need to use health care providers who participate in the plan's network. Most plans will also provide Part D, prescription drug coverage.

## What is a Health Maintenance Organization (HMO) Plan?

### HMO

**Coverage:** In HMO plans, you generally must get your care and services from doctors, other health care providers, and hospitals in the plan's network. An exception can be made for temporary out-of-area dialysis. Emergency and urgent care is always covered. Most plans offer coverage of prescription drugs.

**Premium Cost:** Plans may offer a \$0 premium. Some HMO plans may require an additional premium. You are still responsible for the Part B premium, \$174.70 per month in 2024.

**Deductibles and Copays:** Some plans may have a health or prescription drug deductible. HMO Plans typically offer lower copays and out-of-pocket limit, \$3,600—\$8,850 in 2024.

## What is a Preferred Provider Organization (PPO) Plan?

### PPO

**Coverage:** A PPO plan will have a network of doctors, other health care providers, and hospitals. You pay less if you use providers that belong to the plan's network. You can also use out-of-network providers for covered services, usually for a higher cost, if the provider agrees to treat you. Emergency and urgent care is always covered. Most plans offer coverage of prescription drugs.

**Premium Cost:** Plans may offer a \$0 premium. Some PPO plans may require an additional premium. You are still responsible for the Part B premium, \$174.70 per month in 2024.

**Deductibles and Copays:** Some plans may have a health or prescription drug deductible. PPO plans typically offer lower copays and out-of-pocket limits if you use the plan's network, \$2,500—\$6,700 in 2024. Using providers outside of the plan's network may result in higher copays and out-of-pocket limit, up to \$13,300 in 2024.

# Think about your personal needs.

Medicare Advantage plans may offer coverage for things Original Medicare doesn't cover, like fitness programs and some hearing, vision, and dental services. Plans can also choose to cover even more benefits, like coverage for transportation to doctor visits, over-the-counter drugs, and services that promote your health and wellness. Check with the plan before you enroll to see what benefits are offered, if you might qualify, and if there are any limitations.

## What is a Private Fee-for-Service (PFFS) Plan?

**Coverage:** A Medicare PFFS plan is a type of Medicare Advantage plan offered by a private insurance company. The plan determines how much it will pay doctors, other health care providers, and hospitals, and how much you must pay when you get care. Some PFFS plans contract with a network of providers who agree to always treat you even if you've never seen them before. Plans may offer prescription drug coverage. If not, you can join a separate Part D, prescription drug plan.

A blue square containing the white text "PFFS".

**Premium Cost:** Plans may offer a \$0 premium. Some PFFS plans may require an additional premium. You are still responsible for the Part B premium, \$174.70 per month in 2024.

**Deductibles and Copays:** Some plans may have a health or prescription drug deductible. You may pay a copay for each service or item. Make sure your doctors, hospitals, and other providers agree to treat you under the plan, and accept the plan's payment terms. Plans in Nebraska have a \$6,700 out-of-pocket limit in 2024.

## What is a Cost Plan?

**Coverage:** Medicare Cost plans are a type of Medicare health plan with a network of doctors, other health care providers, and hospitals. Plans are available in certain, limited areas of the state. In general, you can join even if you only have Part B. If you have Part A and Part B and go to a non-network provider, Original Medicare covers the services. You'll pay the Part A and Part B coinsurance and deductibles. In Nebraska, Cost plans do not provide prescription drug coverage, so you may need to join a separate Medicare Part D, prescription drug plan.

A blue square containing the white text "COST".

**Premium Cost:** Cost plans may offer a \$0 premium. Some Cost plans may require an additional monthly premium. You are still responsible for the Part B premium, \$174.70 per month in 2024.

**Deductibles and Copays:** Cost plans may include a deductible and may require a copay for each service or item. Plans in Nebraska have an out-of-pocket limit of \$3,000–\$6,700, in 2024. If you get services outside of the plan's network, Original Medicare will cover the service and you will owe the Part A or Part B cost share.

## Who is eligible for a Medicare Advantage Plan?

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Medicare Advantage plans accept all Medicare beneficiaries, including those on Medicare due to disability and those with End-Stage Renal Disease (kidney failure). You must have Medicare Part A and Part B in order to join a Medicare Advantage plan. Your options will vary depending on where you live.

## When can I get a Medicare Advantage Plan?

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You can join a Medicare Advantage Plan when you first begin Medicare. If you work past age 65 and delay Medicare, you can choose a Medicare Advantage Plan when you retire.

Medicare Advantage plans are a one year commitment. Each year the plan can change costs and coverage. Since the plan can change its benefits you also get the chance to make changes. Every year, between October 15 and December 7, you get the opportunity to review Medicare Advantage Plan options. If you enroll in a new plan during this period, it will take effect January 1 of the following year. Additionally, you also have a second open enrollment period, available only to those currently enrolled in an Advantage Plan, beginning January 1 and ending March 31 of each year. Changes made during this period will be effective the first of the next month.

## Is there anything else to consider when choosing a Medicare Advantage Plan?

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**Provider Choice:** Medicare Advantage plans are sold by private insurance companies and are structured as a network. This means that you must see doctors and other healthcare providers that accept that particular insurance plan. Prior to enrolling, be sure to check with the Advantage Plan to ensure that your providers are in the plan's network.

**NOTE:** Supplements that work with Original Medicare, are an alternative option to Medicare Advantage. You should never have both a Medicare Supplement and a Medicare Advantage Plan. The two options do not work together. Choose the option that best meets your needs.

## How do I sign up for a Medicare Advantage Plan?

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Contact the Nebraska SHIP for a comparison of Medicare Advantage Plan options in your area. Once you have selected a plan, SHIP can assist you in enrolling.



Local help for Nebraskans  
with Medicare



Navigating Medicare

## For More Information and Assistance

### Nebraska SHIP

2717 S 8th Street, Suite 4, Lincoln, NE 68502

(800) 234-7119

[www.doi.nebraska.gov/ship](http://www.doi.nebraska.gov/ship)

[DOI.SHIP@nebraska.gov](mailto:DOI.SHIP@nebraska.gov)

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*Neither the SHIP nor the Nebraska Department of Insurance endorses any specific agent, company, product or plan of insurance.*