

SAVVY SHOPPER GUIDE

Getting More from Medicare for Less



Mary Washington
Medicare Advantage

Shop and save.

It's true that when shopping for anything, we all want to get the most value for our money whether it's groceries or health benefits. As your Medicare enrollment window nears, doing a little shopping could help you save money and, better yet, get more for the money you do spend.

Yet it's easy to understand why many people avoid shopping. With all the information out there on Medicare plans, deciding which one to buy is like working a puzzle. And understanding how to compare plans can seem nearly impossible. It's easier to just take a friend's word for it and avoid the hassle.

However, it is so important to make sure you're getting the best benefits possible for your money. In fact, by doing a little shopping on your own and truly comparing your options, you may find a plan that could save you thousands a year on medical costs, get you access to better healthcare, and even protect your savings and retirement.

That's why we've created this Savvy Shopper Guide. We want you to get great coverage without feeling overwhelmed by the process. Armed with just this booklet, followed up by some basic research, you will have all the information you need to make a decision about the right coverage for you.

Before you pick a plan, read our guide to learn how to shop a little in order to save a lot.

Your 5 Healthcare Costs

To become a super savvy Medicare shopper, it's important to start off with some simple money-saving principles. As any financial planner would tell you, in order to save money, you have to first figure out where your money is going. Generally, healthcare costs fall into one of five categories: medical (doctor visits), hospital stays, prescription drugs, dental, and vision.



Your 3 Common Medicare Options

Now let's look more closely at your three common Medicare options and see what they offer, and what they don't, when we compare them to the five major healthcare costs.

1 Original Medicare + Part D Drug Plan

The first Medicare coverage option takes Original Medicare, or Part A and Part B, and adds a Part D plan.

To better understand this option, let's break down the individual parts and take a closer look.

Together, Parts A and B cover around 80 percent of your medical costs. While that sounds like a fair amount of coverage, this leaves you completely responsible for that remaining 20 percent. There's also no limit on what you have to pay out of your own pocket should a serious illness or injury occur.

Original Medicare Part A is hospital coverage. It helps pay for care that requires a stay in the hospital or a skilled nursing facility. Part A is free if you or your spouse have paid into Social Security for 10 or more years. However, and this is definitely worth noting, you will pay a deductible per hospital stay for each benefit period.

A benefit period starts when you are admitted to the hospital and ends when you have been out of the hospital for 60 days. If you are readmitted to the hospital after 60 days, it's a new benefit period, and you will have to pay that deductible again. Also, if you are in the hospital longer than 60 days, you will pay a copay for each day. After 150 days, you will have to pay all your hospital-related costs, with no limit to that amount.

Part B of Original Medicare helps pay for medical care including doctors' office visits, lab tests, screenings, some skilled nursing care at home, as well as the doctor services you receive in the hospital. Part B comes with a monthly premium of \$148.50. That premium can vary based on income, and you are still on the hook for the remaining 20 percent that Original Medicare doesn't cover.

Because Original Medicare offers no prescription drug coverage, you will need to sign up for Part D drug coverage through a private company. This means another premium of, on average, around \$37.29 a month in Virginia. Those premiums can change based on income, and you have to pay a deductible. If you want to avoid a late enrollment penalty, you must not have a period of 63 or more days without Part D or other creditable drug coverage. This rule only applies after you're eligible for Medicare.

Now that we have a good understanding of option one, let's take a closer look at what's included and what isn't if you buy this option. The chart below shows your monthly and yearly costs.

Option 1 [†]	
Part A	\$0.00
Part B Premium	\$148.50
Part D Premium	\$37.29
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MONTHLY TOTAL	\$185.79
YEARLY TOTAL	\$2,229.48

This includes Parts A and B with Part D drug coverage. Some pretty important healthcare coverages are not included in this option. You're not getting any coverage for dental or vision care, and you still have to pay for 20 percent of your medical expenses out of pocket with no limit to that amount.

Pros and Cons of Option 1

Pros

With just Original Medicare and a Part D plan, you can see any doctor who accepts Medicare.

There are no referrals required with this option.

Cons

You are still at financial risk for the 20 percent of your medical costs that Original Medicare does not cover.

Because there's no limit to what you pay out of your own pocket, this puts you at greater financial risk should you become seriously sick or injured.

You will have to pay an additional premium for your Part D drug plan on top of your Part B premium.

There are no extra benefits to help cover other important healthcare costs.

2 Original Medicare + Part D Drug Plan + Medicare Supplement

To help fill in some of the gaps in coverage and eliminate the risk that comes with having only Original Medicare, some people choose to add a Medicare supplement through a private plan.

When you add a Medicare supplement, it covers the 20 percent that Original Medicare does not. However, you still have to add a Part D

plan since neither Original Medicare nor a supplement offers drug coverage. Because supplements come with premiums of their own, you will be paying three separate premiums to three separate companies. And the premiums vary a lot depending on the supplement plan. As a general rule of thumb, the better the coverage, the higher the premium.

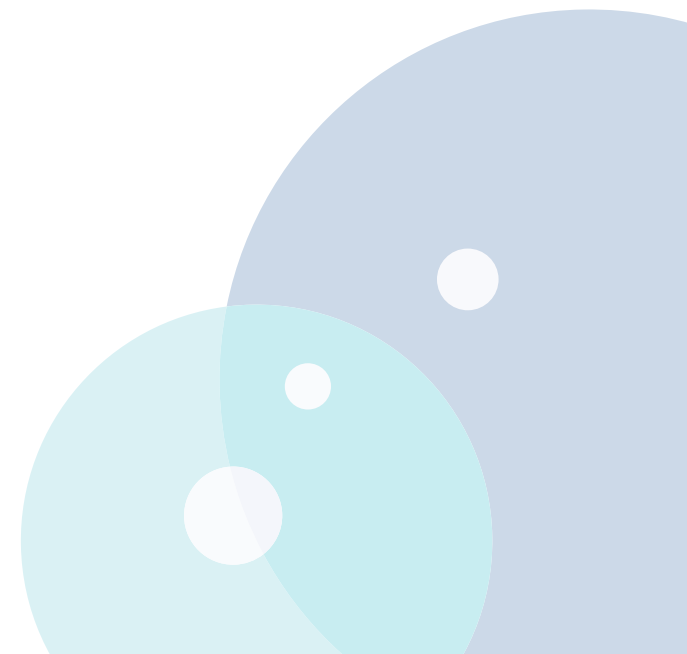
On average, premiums for a supplement run around \$180[†] a month, but can be higher, based on things like your age when you enroll, pre-existing health conditions, or tobacco use. In

Option 2[†]

Part A	\$0.00
Part B Premium	\$148.50
Part D Premium	\$37.29
Supplement Premium	\$180.00

MONTHLY TOTAL	\$365.79
YEARLY TOTAL	\$4,389.48

addition to your supplement premium, you will pay your Part B monthly premium of \$148.50 and your Part D premium of \$37.29 per month. So, you can expect to pay more than \$360 a month with option two.



Pros and Cons of Option 2

Pros

You can see any doctor who accepts Medicare.

You will not need referrals.

You are covered for the 20 percent Original Medicare does not cover.

Cons

Premiums for supplements are expensive.

You pay a separate Part D premium.

Paying multiple premiums to multiple companies can be hard to manage.

There are no extra benefits. If you'd like to add those, you will pay additional premiums to additional companies.

You will pay high monthly premiums whether or not you seek medical care.

3 Medicare Advantage Plan (Part C)

Medicare Advantage (MA) plans are a popular option among Medicare beneficiaries who want comprehensive coverage with lower out-of-pocket costs. Many MA plans have a \$0 premium option where you only pay for the care you use in small copays instead of upfront monthly premiums.

One of the most appealing things about MA plans is that, with most plans, drug coverage is included as well as extras like dental and vision coverage.

Option 3⁺

Part A	\$0.00
Part B Premium	\$148.50
Part D	\$0.00
Dental	\$0.00

MONTHLY TOTAL	\$148.50
YEARLY TOTAL	\$1,782

Another great feature of MA plans is a "safety net" provided through a maximum out-of-pocket (MOOP) protection guarantee. Costs will never get out of hand should you have a serious illness or injury because you will never pay more than a set amount for your medical care each year.

The only premium you pay is your Medicare Part B premium of \$148.50.

Pros and Cons of Option 3

Pros

All of your coverage, including dental, vision, and Part D, is provided through one plan from one company.

MA plans cover the 20 percent that Original Medicare does not.

Extra financial protection is offered by limiting what you pay out of your own pocket each year for covered expenses.

With \$0 premium plans, you only pay for the care you use.

With most MA plans, you will cover all of the five most costly healthcare needs, including dental and vision.

Cons

You typically must see doctors within a plan's network for routine care, but urgent and emergency care are an exception.

Most MA plans do require referrals to specialists.

Know the trade-offs.

Each of the three common Medicare options comes with at least one big trade-off. That doesn't mean you can't find an option that's right for you. In fact, that one trade-off can shed light on what's most important to you in a health plan. So, if you're still on the fence, as you read this section, ask yourself, "Which trade-off seems the least scary to me?" When you answer that question, your decision should become pretty clear.

Here's a closer look at the big trade-off that comes with each option.

Original Medicare + Part D Drug Plan *(Choice—but with Risk)*

If you're a person who values security, this option can get tricky. While you have the freedom to go to any doctor who accepts Medicare, you have to pay for that freedom with a 20 percent co-insurance, and there is absolutely no cap on what you would have to pay out of pocket should you have a serious illness or injury.

Original Medicare + Part D Drug Plan + Medicare Supplement *(Choice—but with a Higher Price Tag)*

If budget is most important to you, this option tends to come with a higher price tag. Like Original Medicare, supplements give you the option to see any doctor who accepts Medicare. They also eliminate financial risk by covering the remaining 20 percent that Original Medicare doesn't cover. The cost of that choice comes in high monthly premiums that you pay whether or not you seek medical care.

Medicare Advantage Plan (Part C) *(More Benefits at a Lower Cost with More Protection—but Fewer Doctor Choices)*

With Medicare Advantage, your doctor choice is more limited. However, financial risk is eliminated by covering that 20 percent, and more security is offered through maximum out-of-pocket protection. Also, because many plans offer \$0 premiums, you only pay for care when you use it—through small copays.

Know when to sign up.

When you first become eligible for Medicare, you have a seven-month window to enroll, starting three months before your 65th birthday and ending three months after. This is called your Initial Enrollment Period (IEP). If you do not enroll in Medicare during your IEP, you may be subject to a late enrollment penalty—unless you have health insurance coverage through your employer or your spouse's employer.

If you have a Medicare Advantage Plan: In September, you'll receive your Annual Notice of Change (ANOC). It's easy to overlook this, but it's important to read it and see if your benefits are changing in the next year. Compare your current plan's premium, MOOP, and copays to other plans in your area. For an easy way to do that, we recommend visiting [medicare.gov](https://www.medicare.gov) to view current plans. While on the website, take a look at each plan's estimated annual total cost for care and the extra benefits they offer. These are important indicators of the quality of the plan.

Go forth ... and shop!

Medicare is confusing; that's for sure. But don't let it overwhelm you. Everyone is in the same boat. The good news is you've read this guide and you now have a good understanding of the five biggest healthcare expenses and your options to cover them. All that's left is to find a plan that offers you the best coverage option.

If you have questions or would like to learn more about Mary Washington Medicare Advantage, please call us at 855.921.0402 (TTY: 711).* Our licensed healthcare advisors are ready to help you.

You can also learn more at [MWmedicareadvantage.org](https://www.mwmedicareadvantage.org).



Mary Washington

Medicare Advantage

Mary Washington Medicare Advantage is an HMO plan with a Medicare contract. Enrollment in Mary Washington Medicare Advantage depends on contract renewal. All Mary Washington Medicare Advantage plans include Part D drug coverage. To enroll, you must have both Medicare Parts A and B and reside in the City of Fredericksburg or the Virginia Counties of Caroline, King George, Orange, Spotsylvania, or Stafford. Mary Washington Medicare Advantage complies with applicable Federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability, or sex.

†The numbers used in these charts are based on average amounts found on [medicare.gov](https://www.medicare.gov), [cms.gov](https://www.cms.gov), and [q1medicare.com](https://www.q1medicare.com). Medicare supplement premiums may vary based on age, location, health status, and many other factors.

*You may reach a messaging service on weekends from April 1 through September 30 and holidays. Please leave a message, and your call will be returned the next business day.