



MASTERING MEDICARE

Medicare Advantage

Part C

COURSE 03

How It Works & Whom It May Fit

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What's Covered?

STEP 1 SIGN UP FOR ORIGINAL MEDICARE



Part A
Federal Government
Inpatient Hospital Care



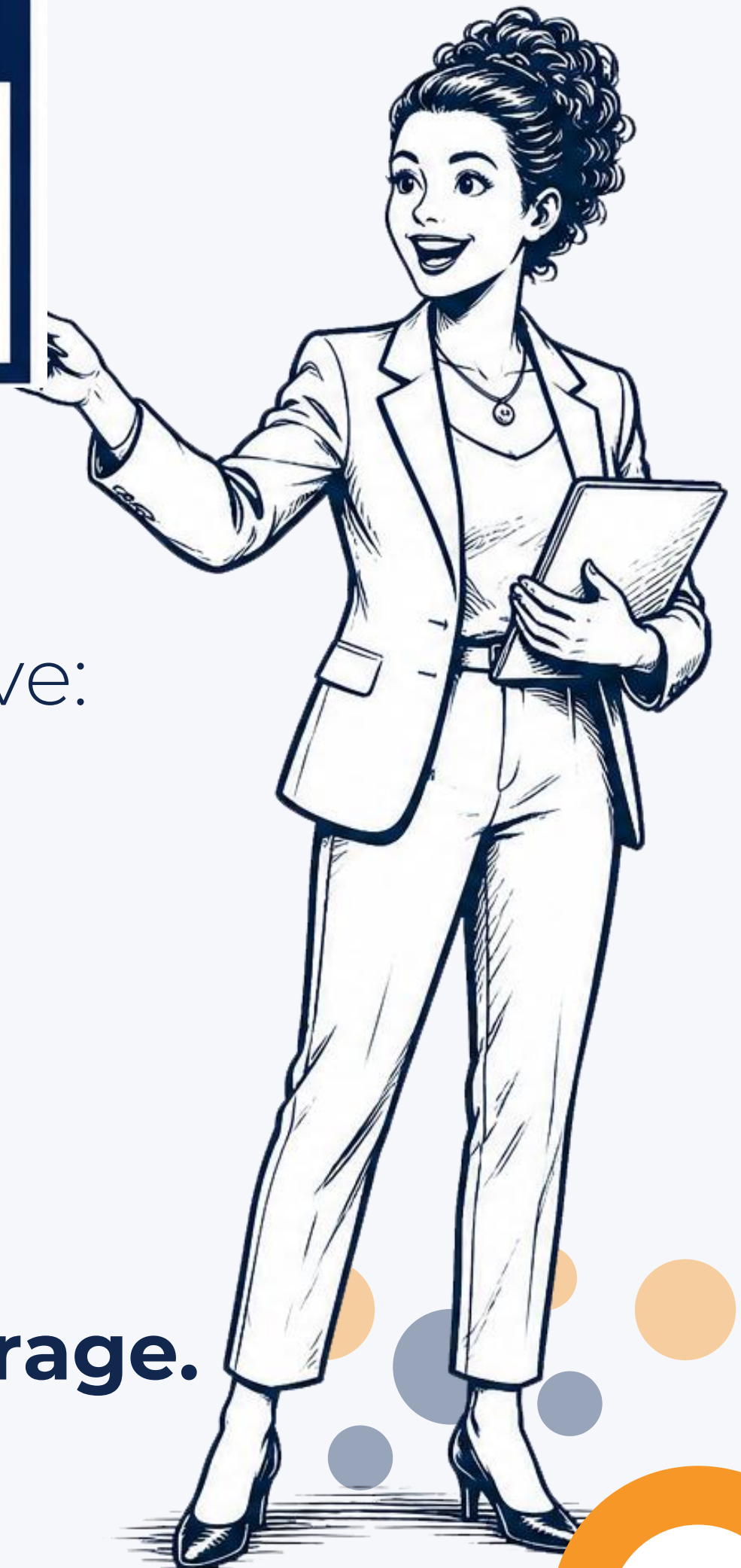
Part B
Federal Government
Outpatient Care & Doctor Visits

Original Medicare has beneficiary cost-sharing

Depending on the service, the beneficiary may have:

- Deductibles
- Coinsurance
- Copayments
- Part B coinsurance
- Other Medicare-approved cost-sharing

This creates the need for the next layer of coverage.



What's Covered?

STEP 1 SIGN UP FOR ORIGINAL MEDICARE



Part A
Federal Government
Inpatient Hospital Care



Part B
Federal Government
Outpatient Care & Doctor Visits

STEP 2 SELECT AN OPTION FOR ADDITIONAL COVERAGE

OPTION 1



MEDICARE SUPPLEMENT
Private Insurance Company
Secondary coverage for
Out-of-Pocket Medicare costs



MEDICARE PART D PLAN
Private Insurance Company
Prescription Drug Coverage

OR

OPTION 2

MEDICARE ADVANTAGE
Private Insurance Company



Part C
Combination of Part A
& Part B coverage



Part D
Some plans include
prescription drug coverage



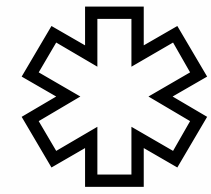
May offer benefits not
covered by Original Medicare



OPTION 2: Medicare Advantage



MEDICARE ADVANTAGE Private Insurance Company



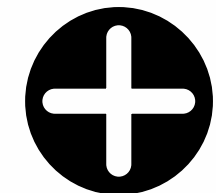
Part C

Combination of Part A
& Part B coverage



Part D

Some plans include
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May offer benefits not
covered by Original Medicare

- Explain what a Medicare Advantage plan is
- Understand how Medicare Advantage works with Medicare Parts A & B
- Identify common Medicare Advantage plan types
- Explain premiums, copays, deductibles & out-of-pocket limits
- Understand networks, referrals & prior authorization
- Identify common extra benefits
- Review enrollment opportunities
- Determine when Medicare Advantage may be a good fit for a client

Medicare Part C



Medicare Advantage 101

2027 plan development & CMS final policies

Medicare Advantage, also called Part C, is offered by Medicare-approved private insurance companies.

A Medicare Advantage plan:

- Assumes responsibility for the beneficiary's Part A & Part B benefits
- Usually includes Part D prescription drug coverage
- Has its own cost-sharing structure
- May have provider network requirements
- May offer additional benefits

Think of it as an alternative to Original Medicare—not a supplement to it.

Key Point:

When a beneficiary enrolls in Medicare Advantage, they assign their Part A & Part B benefits to the plan, which becomes the primary way they receive their Medicare-covered health benefits.

Medicare Part C



Medicare Advantage Plans

- Medicare-approved managed care medical insurance plans organized by a private insurance company; that must follow the rules set by Medicare
- Set limit on what you'll have to pay out-of-pocket each year for covered services
- Will have networks and co-pays therefore feels similar to health plans you're used too
- May offer extra benefits — fitness programs, vision, hearing, dental, and transportation services

Think of it as an alternative to Original Medicare—not a supplement to it.

Who Can Join

- Must be Eligible and Enrolled in Part A AND Part B
- Live in the plan's service area
- Someone who meets the eligibility criteria for health or status for the specific plan

The Client Pays...



Medicare Advantage Costs

Look Beyond the Premium

A plan's \$0 premium does not mean \$0 in healthcare costs.

Evaluate:

- Part B premium*
- Plan monthly premium
- Deductibles
- Copays
- Coinsurance
- Maximum out-of-pocket (MOOP)
- Prescription drug costs (Deductible, co-pays/coinsurance, tiers, network)

Help the client understand what they could pay when they use the plan.

Network & Plan Rules **Rules**



Where Can Your Client Get Care

Look Beyond the Premium

A plan's \$0 premium does not mean \$0 in healthcare costs.

HMO

Primarily uses a network

Out-of-network care is generally limited

Referrals may apply

PPO

More provider flexibility

Out-of-network care may be covered

Costs are typically higher out of network

Always Verify

Doctors • Hospitals • Specialists • Pharmacies

Network & Plan Rules **Rules**

HMO Health Maintenance Organization

Advantages:

- You must choose a designated primary care physician
- You will have a network of providers available to you to coordinate your care
- Typically, it will have lower monthly premiums

PPO Preferred Provider Organization

Advantages:

- Do not have to select a primary care physician
- Can choose any doctor you want but get discounts to those within their preferred network
- No referral required to see a specialist*
- More flexibility than other plan options
- Greater control over your choices as long as you don't mind paying for them



Disadvantages:

- If you need specialized care, you may need a referral from your primary care physician to an in-network provider
- Must see in-network providers for care. Less flexibility than a PPO plan

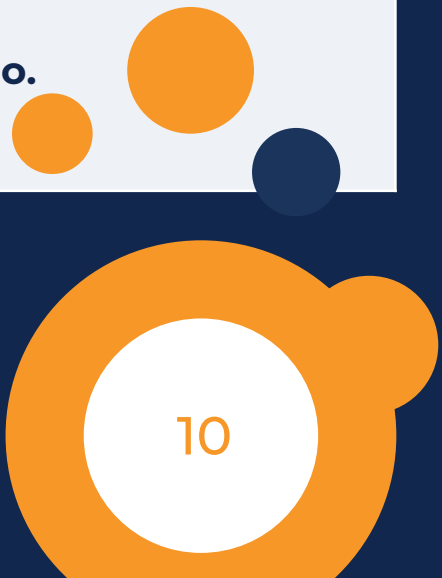
Disadvantages:

- Potentially higher monthly premiums (trend to \$0 premiums)
- Potentially higher out-of-pocket expenses**
- Must monitor in-network vs. out-of-network to control costs

Medicare Advantage Coverage Options

What's Available?

	HMO Health Maintenance Organizations	PPO Preferred Provider Organizations	PFFS Private Fee-for-Service Plans	SNP Special Needs Plans	MSA Medicare Medical Savings Accounts
Premium Do most plans charge a monthly premium?	Yes. Many charge a premium in addition to the monthly Part B premium.	Yes. Many charge a premium in addition to the monthly Part B premium.	Yes. Many charge a premium in addition to the monthly Part B premium.	Yes. Many charge a premium in addition to the monthly Part B premium.	No. You won't have to pay a separate monthly premium, but you'll continue to pay the monthly Part B premium.
Drugs Does the plan offer Medicare drug coverage (Part D)?	Usually. If you join an HMO Plan that doesn't offer drug coverage, you can't get a separate Medicare drug plan.	Usually. If you join a PPO Plan that doesn't offer drug coverage, you can't get a separate Medicare drug plan.	Usually. If you join a PFFS Plan that doesn't offer drug coverage, you can get a separate Medicare drug plan.	Yes. All SNPs must provide Medicare drug coverage (Part D).	No. You may join a separate Medicare drug plan.
Providers Can I use any doctor or hospital that accepts Medicare for covered services?	Sometimes. You generally must get your care and services from doctors, other providers, or hospitals in the plan's network (except emergency or urgent care or out-of-area dialysis). In an HMO Point-of-Service (HMOPOS) Plan, you may be able to get some services out of network for a higher copayment or coinsurance.	Yes. Each plan has a network of doctors, hospitals, and other providers that you may go to. You may also go out of the plan's provider network, but your costs may be higher.	Yes. You can go to any Medicare approved doctor, other health care provider, or hospital that accepts the plan's payment terms and agrees to treat you. If the plan has a network, you can use any of the network providers. (If you go to an out-of-network provider that accepts the plan's terms, you may pay more).	Sometimes. If your SNP is an HMO, you must get your care and services from doctors or hospitals in the SNP's network (except emergency or urgent care or out-of-area dialysis). However, if your SNP is a PPO, you can get Medicare covered services out of network.	Yes. MSA plans generally don't have network providers. You may go to any Medicare approved provider for services Original Medicare covers.
Primary Care Do I need to choose a primary care doctor?	Usually.	No.	No.	Varies by plan. Some SNPs require you to choose a primary care doctor and others don't.	No.
Referrals Do I need a referral from my doctor to use a specialist?	Yes.	No.	No.	Maybe.	No.



MORE THAN MEDICAL COVERAGE



Every Fall, the Medicare Market Resets

Depending on the plan, clients may have access to benefits such as:

Dental | Vision | Hearing | Fitness | OTC | Transportation

But don't sell the headline. Look at the details:

- What's covered?
- How much?
- How often?
- Who qualifies?
- What restrictions apply?

BENEFITS VARY BY PLAN.

DON'T FORGET THE DRUG BENEFIT



Prescription Drug Coverage

Medicare Advantage plans that include Part D, review:

- Formulary
- Drug tiers
- Deductible
- Copays/coinsurance
- Preferred pharmacies
- Prior authorization
- Quantity limits

One simple question:

“WHAT MEDICATIONS DO YOU TAKE—AND WHERE DO YOU FILL THEM?”

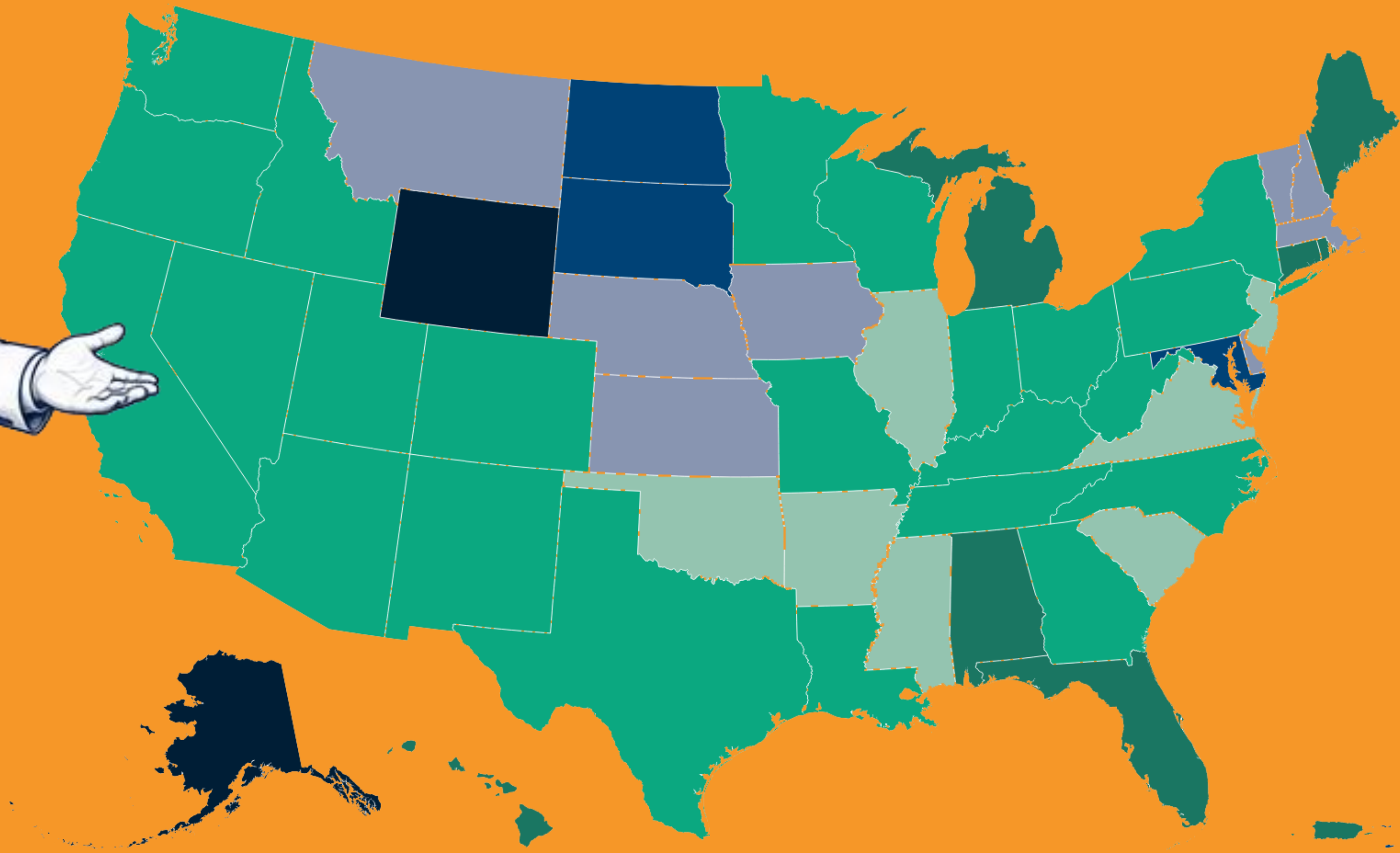
Note: For 2027 MOOP pf \$2400 for prescriptions on formulary

WHAT THIS MEANS FOR YOU?

Share of Beneficiaries Enrolled in Medicare Advantage in 2014, by State



■ < 20% ■ 20%–30% ■ 30%–40% ■ 40%–50% ■ 50%–60% ■ ≥ 60%



Note: Includes only Medicare beneficiaries with Part A and B coverage.

Source: KFF analysis of CMS Medicare Advantage Enrollment Files and March Medicare Enrollment Dashboard, 2014 and 2024.

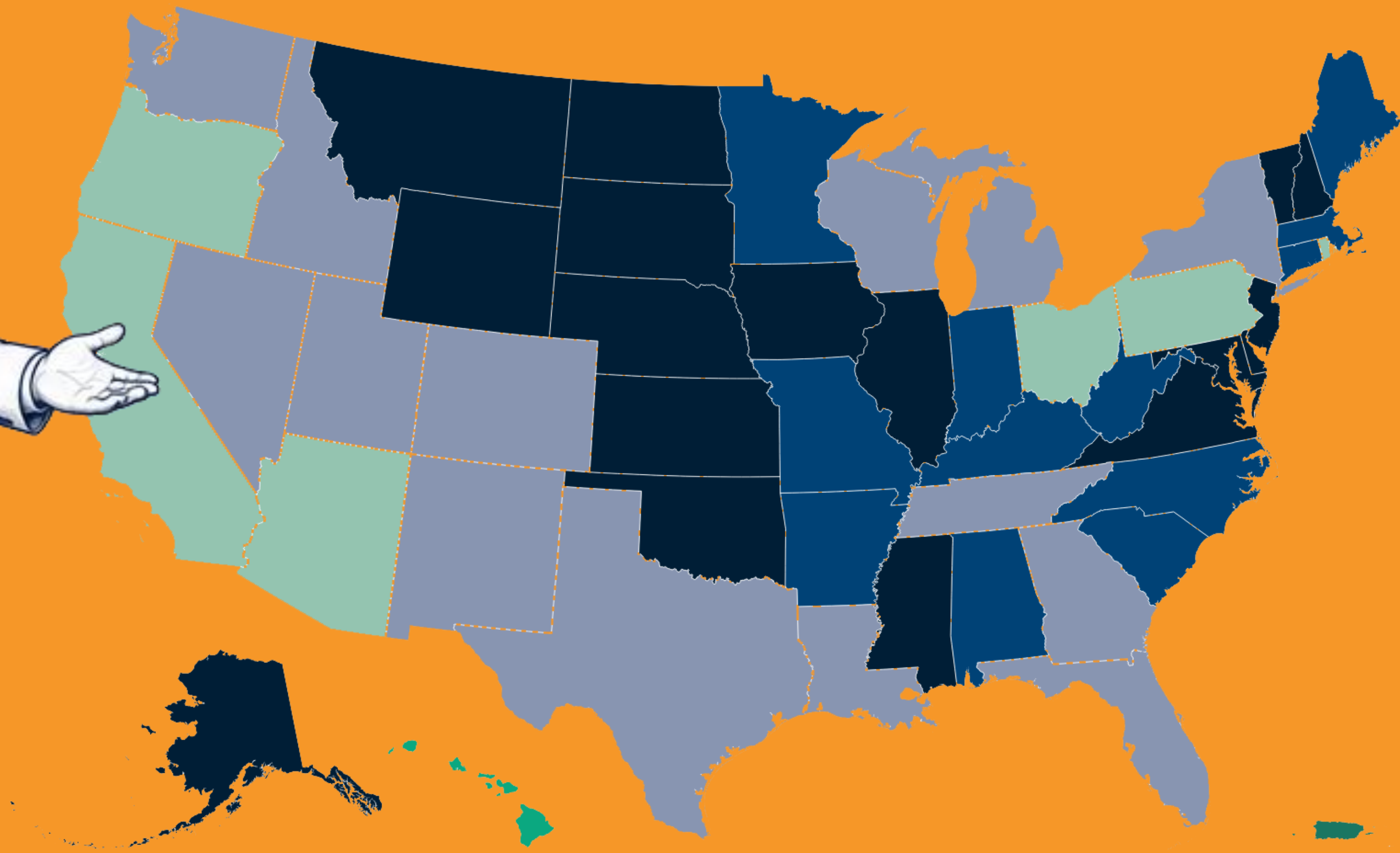
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WHAT THIS MEANS FOR YOU?

Share of Beneficiaries Enrolled in Medicare Advantage in 2024, by State



■ < 20% ■ 20%–30% ■ 30%–40% ■ 40%–50% ■ 50%–60% ■ ≥ 60%



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KFF

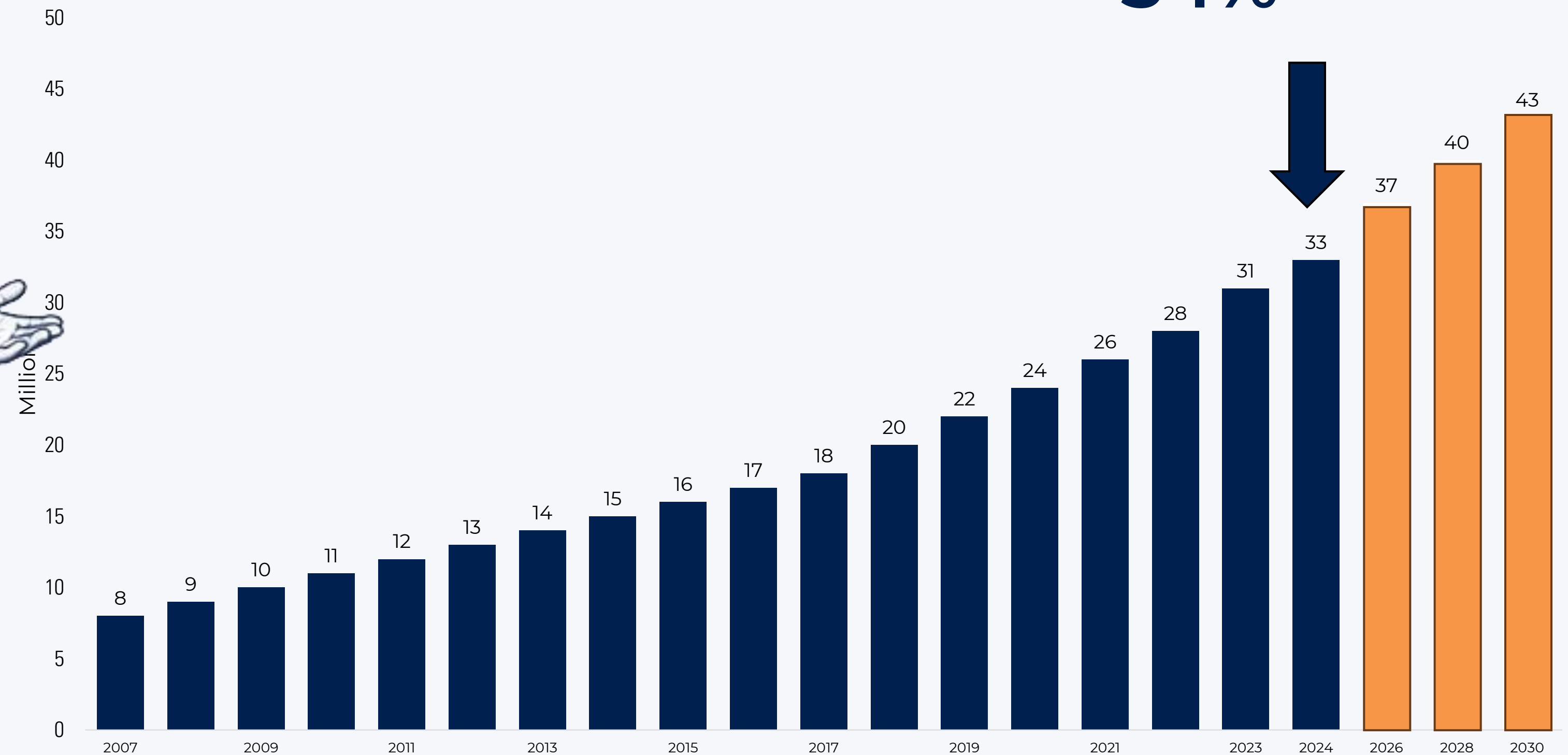
IT'S HERE TO STAY

2007-2024 Total Medicare Advantage Enrollees



54%

of eligible Medicare beneficiaries are enrolled in Medicare Advantage plans.

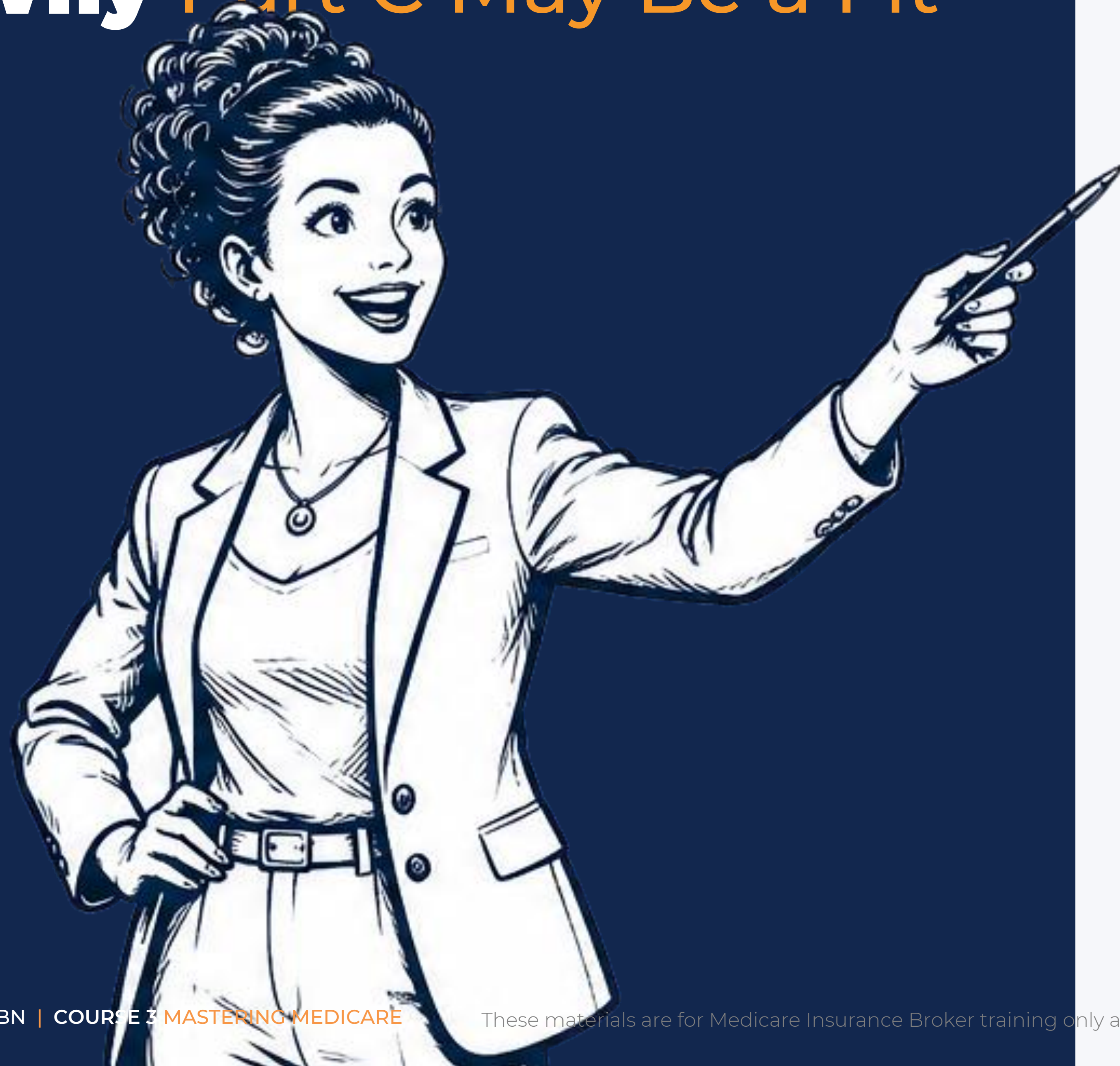


Medicare Advantage enrollment as a share of the eligible Medicare population has jumped from 19% in 2007 to 54% in 2024.

NOTE: Enrollment data are from March of each year. Includes Medicare Advantage plans: HMOs, PPOs (local and regional), PFFS, and MSAs. About 60.0 million people are enrolled in Medicare Parts A and B plans in 2023. SOURCE: KFF analysis of CMS Medicare Advantage Enrollment Files, 2010-2023; Medicare Chronic Conditions (CCW) Data Warehouse from 5 percent of beneficiaries, 2010-2016; CCW data from 20 percent of beneficiaries, 2017-2020; and Medicare Enrollment Dashboard 2021-2023. Data: Centers for Medicare and Medicaid Services, Medicare Advantage State/County Penetration File, Mar. 2021. Projected enrollment rates are calculated from CBO projections of Medicare Advantage enrollment and Part A eligibility (July 2021). 2021 Edition of Centers of Medicare and Medicaid Services Statistical Supplement for 1990-2009 data. Source: Steven Findlay, Gretchen Jacobson, and Aimee Cicchiello, "Medicare Advantage: A Policy Primer," explainer, Commonwealth Fund, May 2022.

Sources: <https://www.kff.org/medicare/issue-brief/medicare-advantage-in-2023-enrollment-update-and-key-trends/> <https://www.commonwealthfund.org/publications/explainer/2024/jan/medicare-advantage-policy-primer> Date pulled: 2/14/24

Why Part C May Be a Fit



Start with the Client

Medicare Advantage may appeal to clients who value:

- Potentially lower premiums
- Predictable copays
- An annual out-of-pocket limit
- All-in-one coverage (Medical, Prescription Drug, DVH)
- Additional benefits
- Coordinated care

EVERY CLIENT IS DIFFERENT.

The goal isn't to sell Medicare Advantage.
The goal is to determine whether it fits.

Why MA May NOT Be a Fit



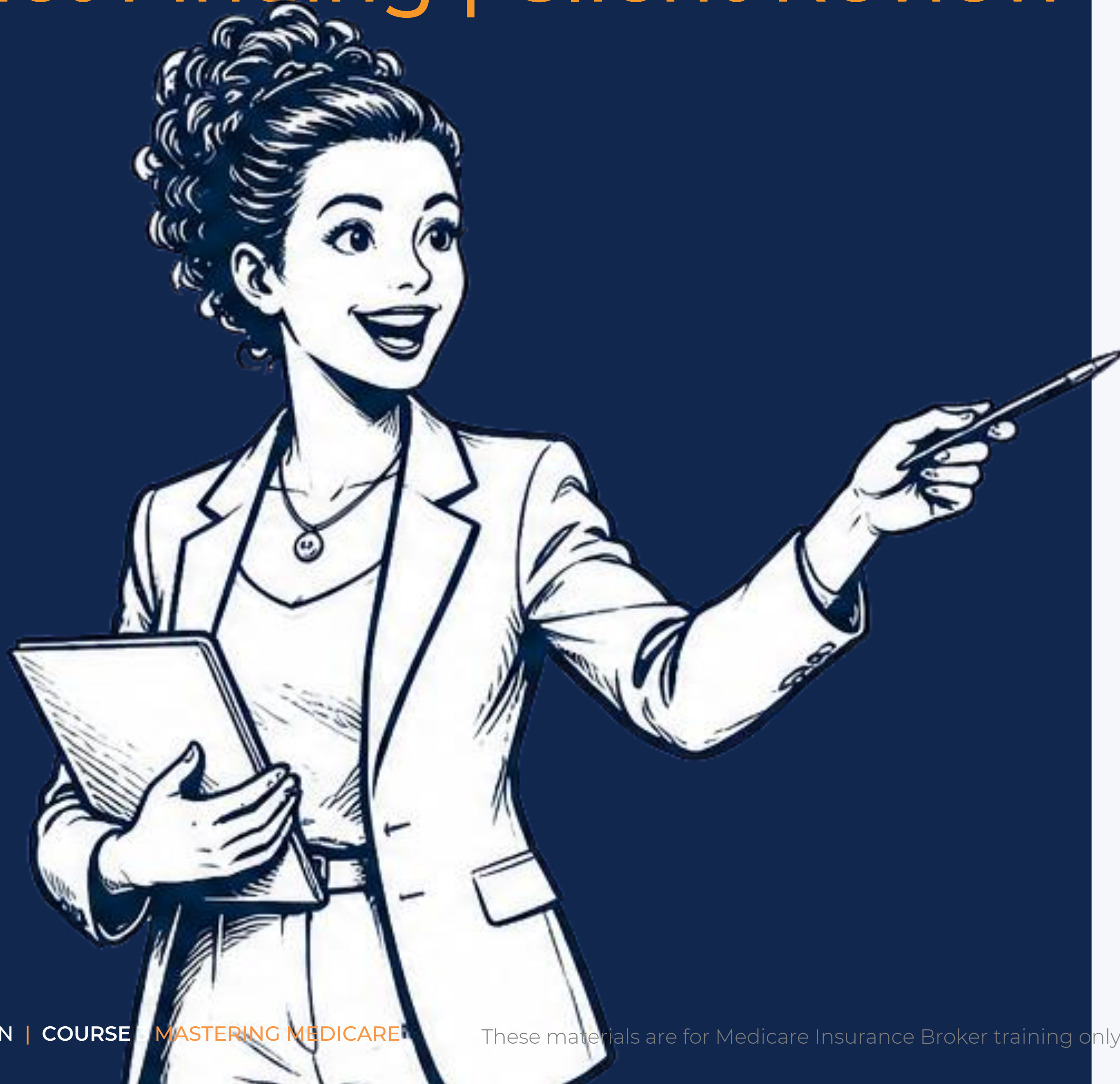
Know the Trade-Offs

A client may need to think carefully about:

- Keeping specific providers
- Out-of-network access
- Prior authorization
- Referral requirements
- Prescription coverage
- Travel or living in multiple locations
- How they prefer to manage healthcare costs

The best recommendation is an informed decision.

Fact Finding | Client Review

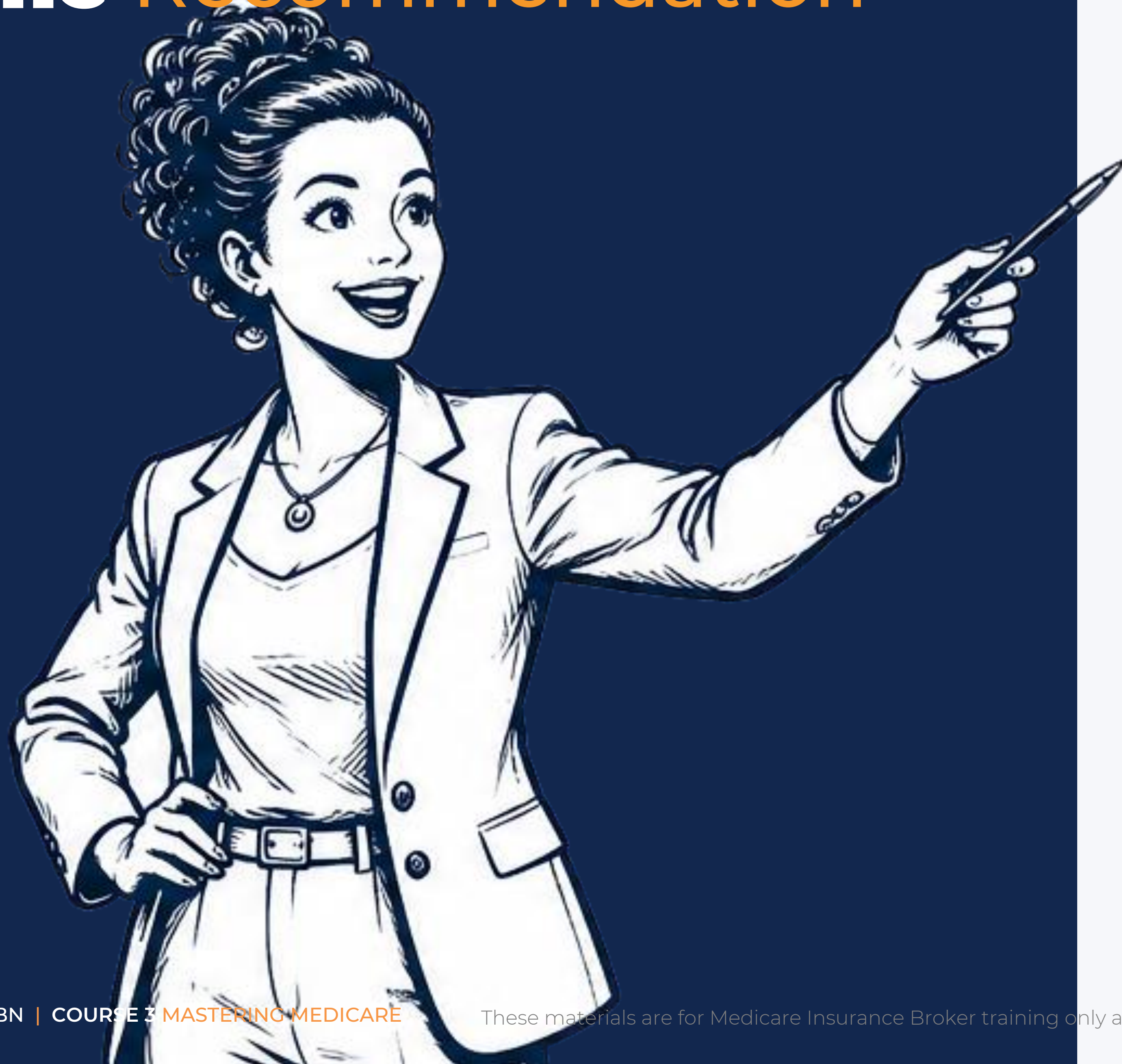


At a Minimum...

Six Things to Uncover

1. **DOCTORS:** Who do they want to keep?
2. **DRUGS:** What do they take?
3. **HOSPITALS:** Where do they receive care?
4. **COSTS:** What can they comfortably afford?
5. **BENEFITS:** What extras matter to them?
6. **LIFESTYLE:** Where do they live, travel and receive care?

The Recommendation



Connect the Dots

CLIENT NEED

"I want to keep my doctor."

↓

INVESTIGATE

Is the provider in network?

↓

CLIENT NEED

"I take several prescriptions."

↓

INVESTIGATE

Are the drugs covered and what will they cost?

↓

CLIENT NEED

"I worry about unexpected expenses."

↓

INVESTIGATE

What is the plan's cost-sharing and MOOP?

Don't start with the plan. Start with the need.

Know Your Election Periods



Know the Trade-Offs

Initial Enrollment Period

When someone first becomes eligible for Medicare.

Annual Enrollment Period

October 15 – December 7

Medicare Advantage Open Enrollment

January 1 – March 31

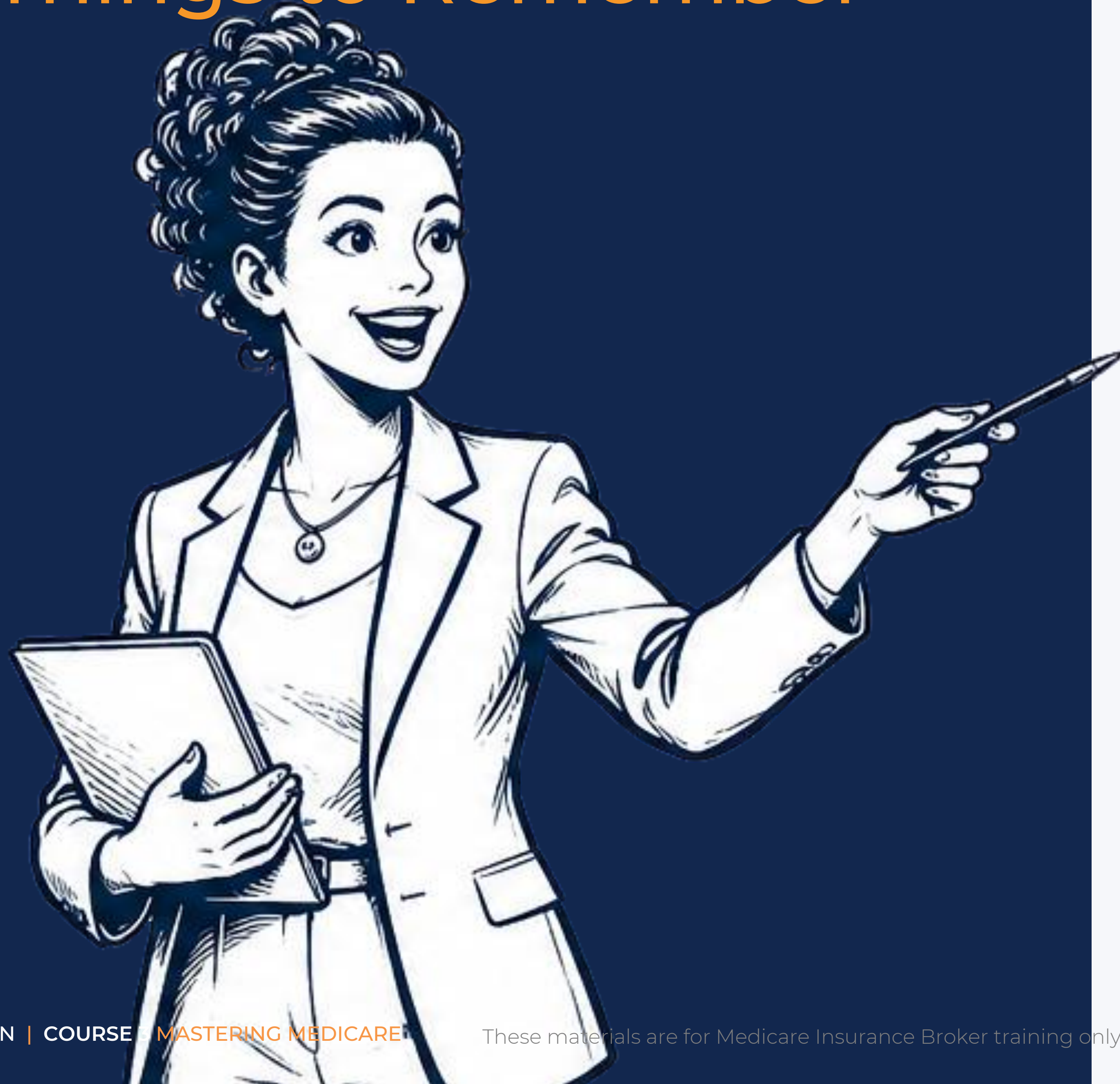
Special Enrollment Periods

May apply when a beneficiary experiences a qualifying event.

Always determine the client's election period before submitting an enrollment.

We'll spend more time on election periods in a future session.

5 Things to Remember



Medicare Advantage Plans

Six Things to Uncover

1. Medicare Advantage is an alternative way to receive Medicare benefits.
2. Premium is only part of the cost.
3. Networks and plan rules matter.
4. Extra benefits can add value—but vary by plan.
5. The client's needs should drive the recommendation.

Know the Client. Know the Plan. Make the Connection.

HOW TO SELL A MEDICARE ADVANTAGE PLAN

ACT WITH INTEGRITY



1. Our job is to **educate** consumers and make the information more easily understandable
2. Tell people about **OPTION 1** and **OPTION 2**
 - i. Cover the Pros and Cons of each
 - ii. Ask which option feels more right for your client
 - iii. Remain agnostic. Not our place to judge what your client values.
 - iv. Let the customer decide what's right for them

What type of person may prefer Medicare Advantage plans.

- Low to medium income
- Price shoppers drawn to \$0 or low premium policies
- Like Part D Prescription Drug plan inclusion
- Like a known annual out-of-pocket limit
- Like reduced cost-sharing, dental coverage, gym memberships, and debit cards for over-the-counter medical supplies, not covered by Original Medicare
- Simplicity and convenience in one plan

THE PROS & CONS

OPTION 1 MEDICARE SUPPLEMENT + MEDICARE PART D

Pros:

1. Controls Costs associated with Original Medicare — Predictable Out-of-Pocket Costs
2. No Network
3. Set It and Forget It

Cons:

1. Price | Expensive and increases over time
2. Does Not Cover Prescription Drugs (Requires 3-pieces of insurance: Original Medicare + MedSupp + Part D)
3. No Dental, Vision, Hearing, or Other “Extras” Included



OPTION 2 MEDICARE ADVANTAGE

Pros:

1. Price - \$0 or low premium policies
2. One-piece of Insurance - May cover Prescription Drugs (MAPD)
3. Includes “Extras” like Dental, Vision, Hearing, OTC, or other benefits

Cons:

1. Unpredictable usage costs – co-pays | co-insurance, and deductible expenses; does have annual maximum out-of-pocket limit
2. Must use the Network!
3. Annual Program Review due to updated formularies, networks, & benefits

Original Medicare + MedSupp + Part D or Medicare Advantage



STEP 1 SIGN UP FOR ORIGINAL MEDICARE



Part A
Federal Government
Inpatient Hospital Care



Part B
Federal Government
Outpatient Care & Doctor Visits

STEP 2 SELECT AN OPTION FOR ADDITIONAL COVERAGE

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Part C
Combination of Part A
& Part B coverage



Part D
Some plans include
prescription drug coverage



May offer benefits not
covered by Original Medicare



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WAIT
there's **MORE....**
THE APPENDIX



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INDEPENDENT COMMUNITY BROKER NETWORK

Original Medicare vs. Medicare Advantage

What’s the Difference?

Original Medicare	Medicare Advantage Plans
Any doctor or hospital that takes Medicare anywhere in the U.S.	In many cases, you can only use doctors and other providers that are in-network and service area (for non-emergency care).
Most cases, no referral required.	May need a referral to use a specialist.
Part A- deductible Part B – Monthly premium + annual deductible + 20% of Medicare Approved amount (co-insurance).	Out-of-pocket costs vary — plans may have lower or higher out-of-pocket costs for certain services You pay the monthly Part B premium + pay the plan’s premium. Some plans may have \$0 premium. May include Medicare drug coverage (Part D).
No yearly limit on out-of-pocket payments unless you have Medicare Supplemental coverage (Medigap).	Plans have a yearly limit on what you pay out of pocket for services Medicare Part A and Part B cover. Once you reach the plan’s limit, you’ll pay nothing for services Part A and Part B cover for the remainder of the year.
Can choose to buy Medigap/Supplemental insurance	You CANNOT buy Medigap/ Medicare Supplemental plans.
Covers most medically necessary services & supplies in hospitals, doctor’s offices, & other health care facilities	Plans must cover all medically necessary services that Original Medicare covers. Plans may also offer some extra benefits like certain vision, hearing, and dental services.
Separate Medicare Drug Plan (Part D)	Medicare drug coverage (Part D) is included in most plans. In most MA plans, you can’t join a separate Medicare Drug Plan.
In most cases, you don’t need approval for Original Medicare to cover your services or supplies	In many cases, you may need to get approval from your plan before it covers certain services or supplies.
Generally, does not cover medical care outside the U.S. (May purchase Med Supp plan that covers emergency care outside the U.S.)	Plans generally don’t cover medical care outside the U.S. Some plans may offer a supplemental benefit that covers emergency and urgently needed services when travelling outside the U.S.

Impact on the Pharmacy

MAPD vs. Standalone Part D

PROs

- MAPD and Standalone Part D plans typically share the same PBM networks & contract rates
- Medicare Pay for Performance opportunities in 2026 for pharmacies are focused in MAPD plans
 - Humana = up to 11% rebate on MAPD business
 - Aetna = Incremental payments that can be earned in addition to drug reimbursement
- Many MAPD plans offer OTC Benefit Cards pharmacies can be set up to capture
- Provider & Specialist networks have significantly improved in past 10 years
- ICBN helps provide free plan comparison software that includes Provider validation

CONs

- Vaccines billed through PBM vs Part B resulting in loss of admin fee
- Pharmacies can still be set up to capture the admin fee, but requires some upfront cost and set-up

