

Medicare Advantage Plans vs. Medicare Supplement Plans

Medicare Advantage and Medicare Supplement Plans provide additional benefits to your Original Medicare coverage. The benefits offered by each type of plan are similar, so if you are in a Medicare Advantage Plan, you likely do not need a Medicare Supplement (Medigap) policy. Both types of plans require you to be eligible for Medicare Part A and continue to pay your Medicare Part B premium each month in order to participate.

Medicare Advantage Plans

Medicare Advantage Plans are offered by private insurance carriers (such as Kaiser or PacifiCare) and can be Health Maintenance Organizations (HMOs), Preferred Provider Organization (PPO) plans, or Private Fee-for-Service and Specialty Plans. Generally, these plans provide all of the coverage of Original Medicare as well as extra benefits and services such as chiropractic, prescription drugs and hearing aids. Additionally, gym memberships, preventive care services, dental, vision and access to disease management programs may also be covered. You can purchase a Medicare Advantage Plan in addition to Original Medicare coverage (Parts A and B). Your monthly premium for a Medicare Advantage Plan will depend on the benefits offered and type of plan in which you enroll.

There are three VEBA-sponsored Medicare plans for retirees over age 65 who are Medicare eligible. The specific plan(s) available to you are determined by your district or bargaining unit.

PacifiCare Secure Horizons Medicare Advantage Plan	Kaiser Medicare Senior Advantage Plan options	PacifiCare Senior Supplement Plan
Members must sign over both Parts A and B of Medicare and live within the plan's service area	Members must sign over both Parts A and B of Medicare and live in a Kaiser-approved service area	Available to members living in any state who have Medicare Parts A and B This plan pays secondary coverage for services not covered as primary under Medicare
Services are provided through the member's primary care physician (PCP)	Services are provided at Kaiser facilities and prescribed or authorized by a Kaiser plan physician or health care professional	Members have the freedom to obtain medical care from any physician or hospital that accepts Medicare

In addition, you can purchase an individual Medicare Advantage Plan through organizations such as AARP.

Medicare Supplement Plans (Medigap)

Also known as a Medigap plan, a Medicare Supplement Plan is an insurance policy sold by private companies to help you pay health care costs that Medicare does not cover such as coinsurance, copayments and deductibles. Medicare Supplement Plans work in conjunction with Medicare Parts A and B to lower your out-of-pocket costs and provide more health insurance coverage.

It's important to compare Medigap policies, because costs can vary. There is no Medigap plan that is equivalent to a VEBA plan. VEBA plans offer richer drug benefits and are generally broader than most Medigap plans, which is why Medigap plans are less expensive.

You can choose from 12 standardized Medigap plans (Plans A through L). Each insurance company decides which Medigap policies they want to sell. You must be enrolled in Part A and Part B and pay the monthly Medicare Part B premium to buy a Medigap policy. You and your spouse must buy separate Medigap policies.

Evaluate Your Needs

Take a moment to evaluate your health needs before you decide on enrolling in either a Medicare Advantage or Medicare Supplement Plan. If you are in relatively good health and see a doctor only for routine care, an Advantage plan with a lower monthly premium and cost sharing may be a better choice. If you are in poor health or are regularly hospitalized, you can benefit greatly from a Medicare Supplement plan that offers 100% covered care at a higher monthly premium.

About VEBA

VEBA is a cooperative labor-management trust program that manages health care benefits for participating districts and associations by positively influencing the quality, affordability, and accessibility of care delivered by contracted health plans and their providers. Learn more about VEBA at www.vebaonline.com or call 619-278-0021.

This summary is merely a brief description of the major benefits of the plan(s) and is not intended to alter or expand benefits rights or liabilities as set forth in the official plan documents and contracts. Additionally, the plan options available to you are based on the plans bargained by your district or association.