

Medicare Plan Enrollment Options



There are two options for enrolling in Medicare to cover your medical, hospital, and prescription drug coverage.

› Option 1: Original Medicare + Prescription Drug Plan (with Medigap option)

You can choose to enroll in a standalone Medicare Prescription Drug Plan (PDP), in which case your hospital and medical insurance will be automatically covered through “Original Medicare”. You’ll then have the option to sign up for a supplement insurance plan (aka a “Medigap policy”). Medigap policies work alongside Original Medicare to provide additional coverage for medical deductibles and copays.

› Option 2: Medicare Advantage

Alternatively, you can enroll in a Medicare Advantage Plan (aka Medicare Part C). Medicare Advantage plans are “all-in-one” plans that provide coverage for hospital, medical, and drug expenses. Advantage plans frequently cover other benefits such as hearing, vision, and dental. In most cases, you would still pay your regular Medicare Part B monthly premium.

If you enroll in a Medicare Advantage Plan and you currently have a Medigap policy, that policy will automatically be dropped.

Which option is better for me?

There are pros and cons to both enrollment options. If you’re unsure which is right for you, discuss your options with your pharmacist to help determine what makes the most sense for you.

Original Medicare + PDP (with Medigap option)

Pros

- Can see any doctor or provider that accepts Medicare
- Doesn’t require prior approval or referral to see a specialist or have a procedure
- Often low copays or no copays for medical care IF a Medigap policy is purchased

Cons

If no Medigap policy is purchased:

- Expensive medical care: High deductibles, a 20% coinsurance for medical and hospital coverage, and no out-of-pocket cost limit.
- No vision, dental, or hearing coverage

If Medigap policy is purchased:

- An additional monthly premium (only if Medigap policy is purchased)

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Medicare Advantage

Pros

- Usually have set low copays
- Have an out-of-pocket limit for hospital and medical coverage
- Many plans offer dental, hearing, and vision benefits

Cons

- Limited doctor and hospital networks
- May require referral to see a specialist and prior approval for medical procedures or laboratory services

Generally, Medicare Advantage plans offer lower copays and lower monthly premiums, but much less flexibility when it comes to receiving specialized care. If you don't have any medical conditions, a Medicare Advantage plan is likely the best option for you. Original Medicare with a Medigap policy offers much more flexibility for specialized care. If you see several doctors and have chronic medical conditions, you will likely receive better overall coverage through Original Medicare with a Medigap policy, but will have to pay a more costly monthly premium.