

# Medicare Advantage plans

## What you need to know



Adam W. Hamm  
Insurance Commissioner

While Medicare Advantage plans can be a valuable insurance tool, it is important to make sure that you know all you can before making any purchasing decisions.

This guide is designed to provide a broad and comprehensive picture of what Medicare Advantage plans are and how they work.

If you have any questions regarding Medicare Advantage plans, Medigap plans or Medicare Part D, please call the State Health Insurance Counseling (SHIC) program at 1.888.575.6611.

A handwritten signature in black ink, appearing to be 'Adam W. Hamm', written in a cursive style.

## What is a Medicare Advantage plan?

Medicare Advantage plans are available from private companies that contract with the Centers for Medicare and Medicaid Services (CMS) to provide Medicare benefits to enrollees. The plans must provide all benefits provided by Medicare. They may also provide additional benefits.

Members pay the plan premium, if any. Plans may charge co-payments or co-insurance amounts for various services.

At the end of each year, companies offering plans may change the premium, the services offered, the service area or they may choose to leave the Medicare program entirely.

Study your choices and sales material carefully before enrolling in a Medicare Advantage plan. Compare each plan to others available in your area. If you already have insurance, do not cancel it before you receive notice the new plan has been issued and that it offers the promised benefits.

To enroll in a Medicare Advantage plan, you must:

- Have Medicare Parts A and B; and
- Pay a Part B premium; and
- Not have end-stage renal disease (kidney failure)

NORTH  
DAKOTA  
*a program of the  
North Dakota  
Insurance Department*

**SHIC**  
State Health  
Insurance Counseling

## Frequently-asked questions

---

**Q: What is Medigap?**

A: Medicare supplement or Medigap was created to cover costs excluded by Medicare and to coordinate with Medicare.

**Q: How can I find out if the agent or company selling the plan is licensed in North Dakota?**

A: To find out whether the agent or company is licensed in North Dakota, call 1.888.575.6611.

**Q: Will I have to pay any costs or charges for medical care if I enroll in a Medicare Advantage plan or will the plan pay all costs?**

A: Read plan documents carefully to fully understand what your payment responsibility may be. Each plan sets its charges that members must pay. The charges may include premiums, co-payments and/or co-insurance amounts. In addition, you must continue paying your monthly Medicare Part B premium amount.

**Q: Is there a limit to the amount I will have to pay out of my pocket each year?**

A: Most Medicare Advantage plans put a limit on how much you pay out of your own pocket each year. Read your plan documents carefully to learn what that amount is and which specific costs that you pay will count or will not count toward that limit. The maximum yearly out-of-pocket cost starts new at the beginning of each year. The amount can change each year.

**Q: Do Medicare Advantage plans pay for hospice?**

A: No. Hospice claims must be submitted for payment to Medicare. Inform the hospice provider that Medicare pays claims for hospice-specific services. All other claims must be sent to the Medicare Advantage plan.

**Q: What do I need to do to make sure my bills get paid?**

A: You must show your medical provider your health plan member card. Tell the clinic and hospital staff they must bill the health plan and not Medicare.

**Q: What should I do if I am having problems with my Medicare Advantage plan?**

A: First, call the plan and try to resolve issues with them. If you are not successful, call the State Health Insurance Counseling Program at the North Dakota Insurance Department at 1.888.575.6611.

**Q: Is a Medicare Advantage plan right for me?**

A: Only you can answer that question. To be sure a Medicare Advantage plan is right for you, you need to clearly understand the plan and feel comfortable with the out-of-pocket payments that are your responsibility. A Medicare Advantage plan is NOT a replacement for your Medigap policy.

**Before you enroll in a Medicare Advantage plan, answer the following questions:**

- Do my doctors and hospitals accept the plan's terms and conditions?
- Do I need a referral to see a specialist?
- Can I get care outside the plan's service area or network? If so, how?
- What costs are involved in the plan (premium, deductible, co-payments)?
- What are co-payment requirements for lab tests, diagnostic tests, X-rays, MRI or CT scans, physical therapy and other services?

# Medicare with a Medigap vs. Medicare Advantage plans

## Traditional Medicare A and B plus Medigap policy

## Medicare Advantage Plan

---

**Who approves plans and policies?**

North Dakota Insurance Department

Centers for Medicare and Medicaid Services (CMS)

---

**What health care benefits are covered?**

All Medicare A and B benefits. Medigap policy benefits depend on the plan purchased. Refer to each policy for details.

All the Medicare A and B benefits and perhaps others, depending on the plan. Some plans may offer other coverage. Refer to plan for details.

---

**Are outpatient prescription drugs covered?**

No

It depends on the plan. See each plan for any drug coverage.

---

**Can I go to any doctor or hospital?**

You can go to any doctor, specialist or hospital that accepts Medicare.

You may go to any doctor, specialist or hospital that accepts the plan's payment.

---

**Does the plan let doctors or hospitals charge more than Medicare's deductibles, co-insurance and co-payments?**

Not for hospitals, but possibly for doctors. Doctors who do not accept Medicare may charge up to 15 percent more than Medicare's approved amount.

Possibly. Medicare Advantage reimburses facilities at different rates than Medicare.

---

**How are claims paid?**

The provider sends the claims to Medicare. Medicare approves the amount of the claim and pays its portion. Medicare forwards the claim to the Medigap policy which pays any remaining amount according to the policy requirements.

Prior to receiving care, the plan member pays a co-payment amount. The provider sends the claim to the Medicare Advantage plan. The plan approves the amount of the claim to be covered and pays its share. Any remaining share is paid by the member.

## Consumer tips

---

- It's okay to have someone with you when you meet with an agent. If an agent visits your home uninvited, make an appointment to meet them at a time and place that is convenient to you. Do not invite strangers into your home.
- Obtain the agent's business card so you can contact him or her later.
- If you are satisfied with your current coverage, you do not need to change.
- Medicare Advantage plans are not free. In addition to the monthly Medicare Part B premium amount, you will have the out-of-pocket costs listed in the Evidence of Coverage booklet.
- Be aware that you will have an out-of-pocket maximum every year that might be as high as \$5,000. Do you have savings to cover the yearly out-of-pocket costs?
- When you are enrolled in a Medicare Advantage plan, you can go to any Medicare-approved doctor or hospital that accepts your plan's payment. If the doctor or hospital does not accept your plan's payment, you will pay the balance. Be sure to ask specialists if they accept your plan, too.

### Medicare and Medigap

- When you turn 65 and are in your Medigap open enrollment period, you are guaranteed the right to buy a Medigap policy. After the open enrollment period, insurance companies can look at your current age and health condition to determine eligibility and monthly premiums.
- If you have dropped a Medigap policy to join a Medicare Advantage plan for the first time and you have been in the plan for less than one year, you can switch back to your former Medigap policy. You have 63 days from the time your Medicare Advantage plan ends to apply for your former Medigap policy and be guaranteed issue. If you have been in the Medicare Advantage plan for more than a year, you may not be able to go back to your former Medigap policy.

### To disenroll from a Medicare Advantage plan

- Send a letter or fax to the Medicare Advantage plan stating that you want to be disenrolled and the date of disenrollment.
- Make sure the disenrollment letter is signed by the beneficiary.
- If you previously had a Medigap policy, contact the Medigap company to reinstate your policy.
- Call the State Health Insurance Counseling (SHIC) program with questions at 1.888.575.6611.
- If you have a Medicare Advantage plan with prescription drug coverage and you are disenrolling from the plan, be sure to enroll in a standalone prescription drug plan.

North Dakota Insurance Department  
600 East Boulevard, Bismarck, ND 58505  
701.328.2440  
1.888.575.6611  
701.328.4880 (fax)  
insurance@nd.gov  
www.nd.gov/ndins