

Medicare Advantage 101

*(Nearly) Everything you need to know
about Medicare Advantage*



Table of CONTENTS

- 3** What is Medicare Advantage?
- 4** What else does Medicare Advantage cover?
- 5** What does Medicare Advantage cost?
- 5** When can I enroll in Medicare Advantage?
- 6** How does Medicare Advantage work?
- 7** What are the Medicare Advantage plans?
- 9** How do I pick a Medicare Advantage plan?
- 10** How can I join a Medicare Advantage plan?
- 11** More information

Medicare—the government-funded healthcare system for older Americans—is confusing. Medicare Advantage is designed to make Medicare easier to understand and better at keeping you healthy.

What is Medicare Advantage?

Simply put, Medicare Advantage (MA) is a private alternative to Original Medicare. **It's been around since 1997** and is more popular than ever. 55% of seniors choose it **today**, according to Better Medicare Alliance.

To understand how MA works, you first have to understand how Original Medicare works. Original Medicare includes two parts:

- **Part A**, which mostly covers hospital services
- **Part B**, which mostly covers outpatient services

Neither Part A or Part B covers prescription drugs, which can get expensive. For that coverage, you have to buy a separate Part D prescription drug plan.

Finally, you may also want to purchase a Medicare supplement (“Medigap”) plan to

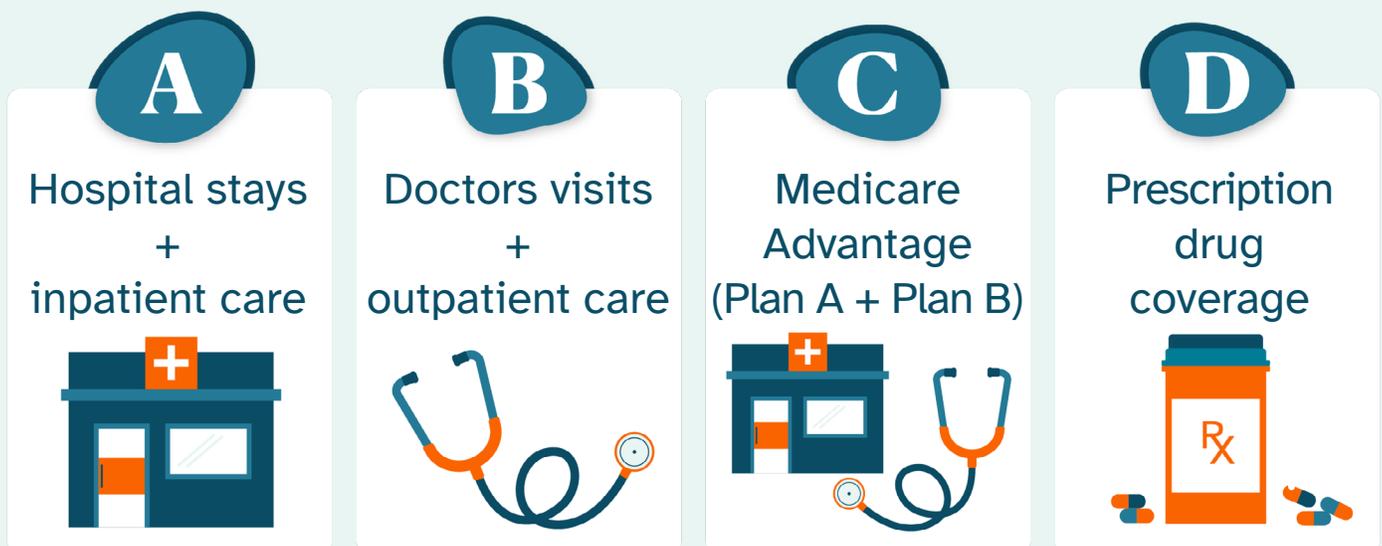
cover costs like deductibles and copays. This is important because Original Medicare has no cap on what you have to pay out of pocket each year.

Here's how much all of that may cost:

- **Part A** costs nothing for most people who've worked for at least 10 years.
- **Part B** costs \$185.00 per month for most people, as of 2025.
- **Part D** premiums vary based on the plan you choose.
- **Medigap** premiums vary based on the plan you choose.

Medicare Advantage plans (also known as Part C plans) replace Part A, Part B, and usually Part D. Premiums vary, as we'll discuss in a moment. (Note: you may see the abbreviation MA-PD; that's a Medicare Advantage plan that includes prescription drug coverage.)

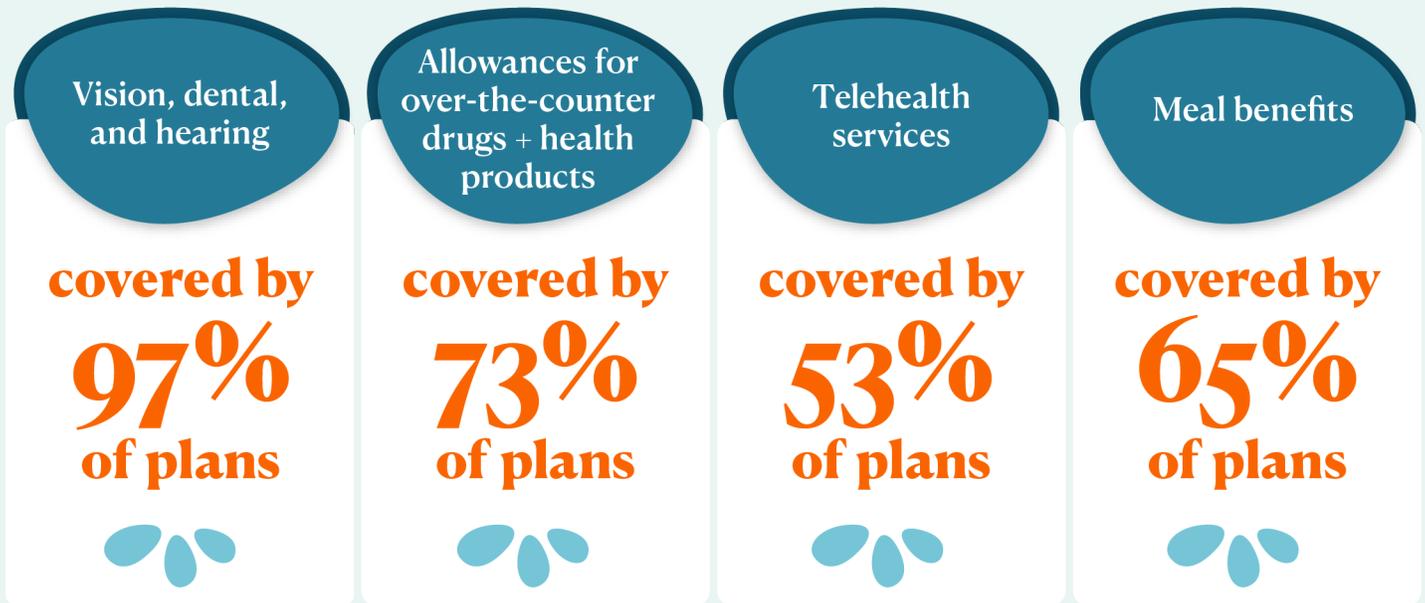
Medicare Advantage Breakdown



What else does Medicare Advantage cover?

MA plans eliminate the need for a Medigap plan. In fact, you can't have both Medicare Advantage and Medigap in most cases. Many also include **additional benefits**.

Here are some specifics for 2025:



Instead of piecing together your coverage, you have one plan that covers everything. A single Medicare Advantage card can replace your red, white, and blue Medicare card at the doctor's office, your Part D card at the pharmacy, and your dental insurance card at the dentist's office.

Extra-special benefits

In addition to the benefits you might expect, some plans offer surprising extras if you **qualify**:

- Supplemental Benefits for the Chronically Ill (SSBCI): non-medical services like meals, transportation for non-medical needs, and even home modifications like wheelchair ramps.
- Expanded Primarily Health-Related Benefits (EPHRB): health services like therapeutic massage, adult day care, and in-home support services.

How much does Medicare Advantage cost?

First of all, you have to keep paying your Part B premium (and your Part A premium if you owe one). Beyond that, your MA plan may have a separate premium, especially if it has generous benefits. However, **there are many Medicare advantage plans with \$0 monthly premiums.** In fact, two-thirds of plans with prescription drug coverage charged no extra premiums in 2025. And the average monthly premium in 2025 was roughly \$17.

When can I enroll in Medicare?

You can't sign up for Medicare Advantage whenever you want to. Instead, you have to wait until an enrollment period opens. There are several of them, and the names can be confusing.

Initial Enrollment Period	Annual Enrollment Period	Open Enrollment Period	Special Enrollment Period
You can join Original Medicare or a Medicare Advantage plan.	You can join, switch, or drop a Medicare or Medicare Advantage plan.	You can adjust your Medicare or Medicare Advantage plan during this time	If you have certain life events , you can join, switch, or drop a Medicare Advantage plan.*
When 3 months before you turn 65	When October 15 – December 7	When January 1 – March 31	When Timeframes vary

*What qualifies you for a special enrollment period? Examples include moving to a new community or a nursing home, joining Medicaid, and getting extra help to pay drug costs.



How Does Medicare Advantage Work?

MA plans work a lot like the plans employers offer. If you've had workplace insurance before, the information in this section should sound familiar.

Depending on the plan you choose, you may have to use an in-network provider and get a referral to see a specialist. You'll also have to pay a share of your healthcare costs in the form of a deductible, copay, or coinsurance:

- **Deductible:** The amount you have to pay each year for healthcare services or prescriptions before your MA policy kicks in.
- **Co-payment:** A fixed amount you have to pay for a service or prescription, like \$20 for a doctor visit or \$5 for a generic-drug prescription.
- **Coinsurance:** Your share of how much a service or prescription costs, like 20% for an urgent care visit.

NOTE: Original Medicare also includes deductibles and cost-sharing. (For Part B services, you usually pay 20% of the Medicare-approved cost.) There's no out-of-pocket maximum, however. **That's where Medigap plans may help.**

Your plan will come with an out-of-pocket maximum. This is the most you'll have to pay each year in deductibles, copays, and coinsurance.

As you're comparing plans, be sure to consider all these out-of-pocket costs, especially if you use a lot of healthcare services or take expensive medications. A zero-dollar plan isn't a good deal if it doesn't cover the services you need. In that case, even a plan with a fairly large premium might be a better option.



What are the Medicare Advantage plans?

You can choose from five types of Medicare Advantage plans:



We'll cover SNPs and MSA plans later. Here are the basics of the other types, which are more common:

- **With an HMO plan**, you can only use doctors, other healthcare providers, and hospitals within the plan's network (except for things like emergency care and out-of-area urgent care). You must also get a referral from your primary provider to see a specialist.
- **With a PPO plan**, you can use out-of-network (OON) providers and hospitals, but you'll pay more out of pocket if you do. You don't need a referral to see a specialist;

however, you may want to talk with your primary provider first to make sure a service is medically necessary.

- **With a PFFS plan**, you can use any provider or hospital that accepts your plan. If the plan has a network, you'll pay more to go OON. A provider can only bill you for the cost sharing amount the plan allows. (Note: some PFFS plans allow "balance billing," where the provider can charge you up to 15% above what Medicare pays.)

In general, HMO plans are the least expensive and PFFS plans are the most expensive.

Comparing Medicare Advantage plans

	HMO	PPO	PFFS	SNP	MSA
Are extra premiums required?	maybe	maybe	maybe	maybe	no
Is drug coverage included?	usually	usually	usually	yes	no
Can I use any provider?	sometimes	yes	yes	sometimes	yes
Are referrals required?	yes	no	no	maybe	no

What Are Special Needs Plans (SNPs)?

SNPs are MA plans that offer extra services for people in specific groups. For example, if you're on a SNP plan because of a chronic condition, it might cover extra days in the hospital. All SNP plans include prescription drug coverage.

There are three types of SNPs:

- **Chronic condition SNPs (C-SNPs)** for people with severe or disabling chronic conditions like cancer, chronic heart failure, dementia, and diabetes.
- **Institutional SNPs (I-SNPs)** for people who live at home but need extended care at a nursing home, skilled nursing facility, rehab center, or similar facility.
- **Dual eligible SNPs (D-SNPs)** for people who are eligible for both Medicare and Medicaid.

What Are Medical Savings Account (MSA) Plans?

MSA plans combine a high-deductible health plan with a medical savings account (MSA). When you have one of these plans, the plan deposits money for your care into a special bank account each year. You then use that money to pay for healthcare costs, including costs Medicare doesn't cover.

If you run out of money during the year, you'll have to pay out of pocket for additional services until you reach your plan's deductible. If you have money left over at the end of the year, you can use it the following year.

Note: If you use MSA funds, you must file IRS Form 8853 with your income tax return. A financial advisor can tell you more.



How do I pick a Medicare Advantage plan?

Depending on where you live, you may have dozens of plans to choose from. Picking the right one can be tricky. [Medicare.gov's Plan Finder](#) is a good place to start shopping. By entering your zip code, you can find all the plans in your area. For each, you'll find details on plan type, costs, benefits, and whether drug coverage is included. (Be sure to click "View More Information" to see some of these details.)

This is an example Medicare Advantage plan
Essence Healthcare | Plan ID: H6200-006-0
Star rating: ★★★★★☆

MONTHLY PREMIUM
\$0.00 Includes: Health & drug coverage
Doesn't include: \$185.00 Standard Part B premium

TOTAL DRUG & PREMIUM COST (for the rest of 2025)
\$0.00 Only includes premiums for the months left in this year when you don't enter any drugs

OTHER COSTS
\$0.00 Health deductible
\$295.00 Drug deductible
\$6,150 In and Out-of-network
\$4,150 In-network
Maximum you pay for health services

PLAN BENEFITS
✓ Vision
✓ Dental
✓ Hearing
✗ Transportation
✓ Fitness benefits
[See more benefits](#) ▼

COPAYS/COINSURANCE
Primary doctor: \$0 copay
Specialist: \$30 copay

DRUGS
[Add your prescription drugs](#)
Enter drugs you take regularly (if any) to see your estimated drug + premium cost

Add to compare

For even more information, [click Plan Details.](#)

Medicare Advantage Star Ratings

The Centers for Medicare & Medicaid Services (CMS) gives each MA plan a rating of 1-5 stars (with 5 being the highest score). Factors include **member experience, customer service, plan performance, helping members manage chronic conditions, and helping members stay healthy.**

From there, you can see more detailed costs and check whether your providers are in the plan's network.

How can I join a Medicare Advantage plan?

You have several options:

- Click the **Enroll button** for the plan at Medicare.gov's Plan Finder.
- **Call the plan** or **visit its website** to see if you can join online.
- Fill out a **paper enrollment form**. (Every plan has to offer this option.)
- **Call 1-800-Medicare** (1-800-633-4227). TTY users can call 1-877-486-2048.

You'll need to know your Medicare number and the date your Medicare coverage started. That information is on your red, white, and blue Medicare card.

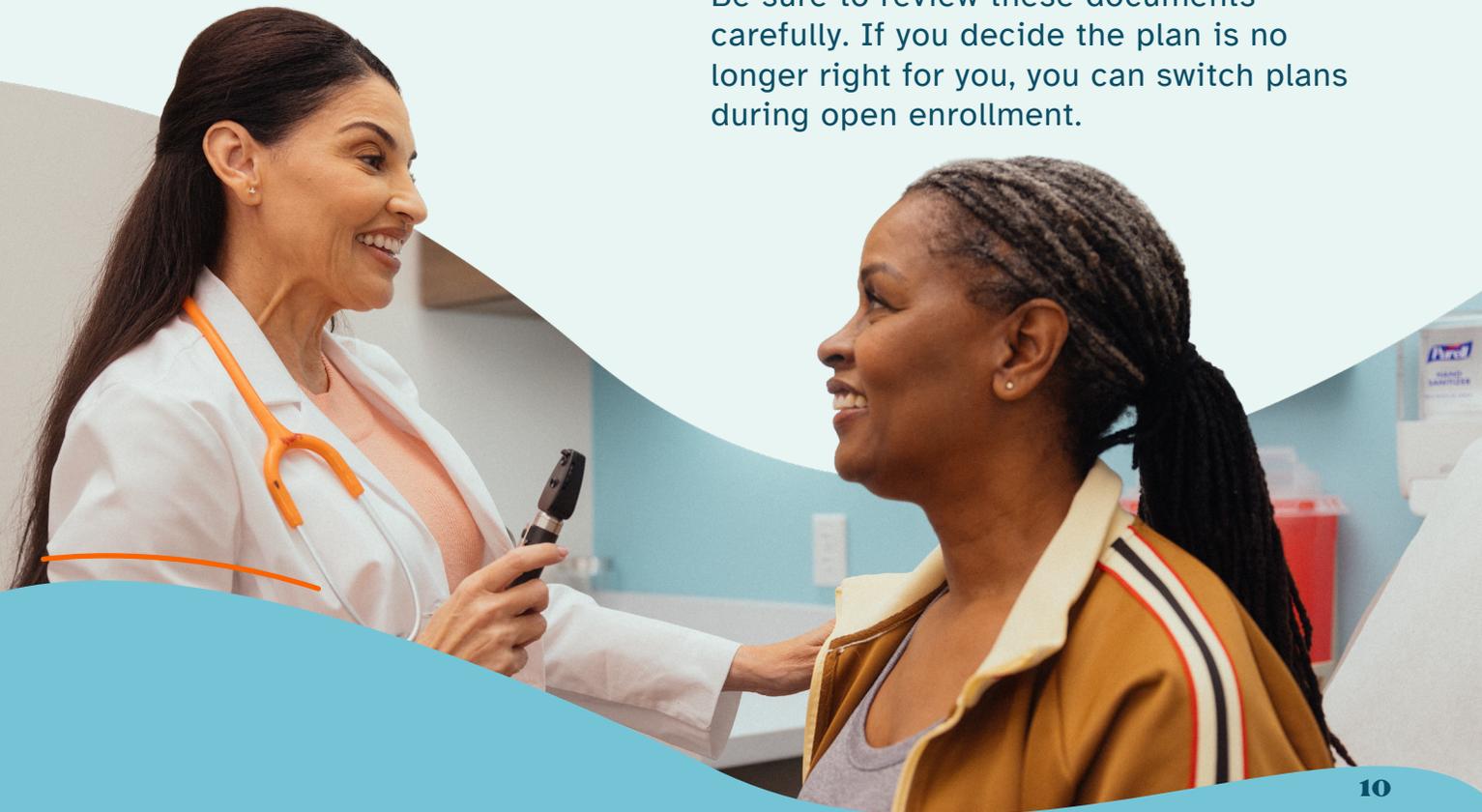
Once your plan starts, you'll use your new Medicare Advantage card instead of this card (in most cases). However, you should still keep the older card handy.

Looking Ahead to Next Year

Medicare Advantage plans change every year. Some changes are big, like when a plan leaves a market or drops a bunch of providers. Some are small, like when a plan tweaks copay amounts or increases the OTC allowance. When it's time to renew your coverage next year, two documents will come in handy. Every year, by September 30, your plan will send you a document called an **Annual Notice of Change**. This document will list any changes that will be effective starting in January.

The other important document is your plan's **Evidence of Coverage**, which explains what the plan covers and how much you'll pay during the new plan year. You'll receive a notice or a printed copy by **October 15**.

Be sure to review these documents carefully. If you decide the plan is no longer right for you, you can switch plans during open enrollment.



Where can I get more information?

Call 1-800-Medicare (1-800-633-4227).
TTY users can call 1-877-486-2048.

Call the MA plan you're interested in.

Contact your **State Health Insurance Assistance Program** (SHIP). These programs offer local health insurance counseling at no cost. And since they aren't connected with a specific insurance company or health plan, you know you'll get unbiased information.



ArchWell[™]
HEALTH

For all other questions, visit
archwellhealth.com
or call (866) 272-4935.