



## Six Steps to Finding Your Medicare Supplement Insurance Plan

### 6-Step Medicare Getting Started Guide

Guide for beginners to learn about Medicare & Supplemental Insurance

Welcome to our one-stop "Getting Started Guide" designed to help you make the best decision when searching for your Medicare Supplement Insurance Plan. Read through the different sections of this guide to learn everything you will need to know about Medicare & Medicare Supplement Insurance in **six easy-to-digest steps**. As you read through the different sections, feel free to [contact us](#) to get started with your plan today! You can call us at (800) 351-6603 to talk to a Medicare Advisor (free of cost).

We have created **six** different steps to make your learning and purchasing experience as easy, and enjoyable as possible. Each step will explain what you need to know and understand in order to make an intelligent purchasing decision, based off of your individual and financial needs.

#### Six steps to a Medicare Supplement Plan:

- Step #1 - [Learn Medicare](#)
- Step #2 - [Understand MediGap](#)
- Step #3 - [Compare Supplement Plans](#)
- Step #4 - [Choose Your Supplement](#)
- Step #5 - [Compare Pricing](#)
- **Step #6** - [Sign Up Today!](#)

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"Your Medicare Supplement learning guide was so helpful to me when trying to pull all of my Medicare information together. I didn't know what plan would be best for me, and I had no idea the difference between all the options. You have simplified the whole process. Thank you so very much!"

- Amber Stousaker, GA



# Step #1 - Learn About Basic Medicare Coverage

When you are new to Medicare, learning about basic Medicare coverage and [Medicare Supplement Insurance](#) (also called Medigap) should be your first step. Understanding the basics will ensure you get the coverage you need, at a price you can afford.

**In this first step of this "Medicare Getting Started Guide" you will learn about:**

1. [Basic terminology & original Medicare coverage](#)
2. [Options available to people on Medicare](#)
3. [Medicare Supplemental Insurance](#)
4. [Medicare Part D Prescription Drug Plans](#)
5. [Medicare Advantage Plans](#)

### 1) Basic terminology & original Medicare coverage

One of the most confusing things about Medicare & [Medicare Supplemental Insurance](#) are all the confusing terms. Many of which sound completely differently, but mean the same exact thing.

"Basic Medicare" and "Original Medicare" mean the same thing. This refers to Medicare Part A & B (Basic Hospital and Medical Coverage). Most people are automatically enrolled into both Parts A & B upon reaching the age of 65. It is a good ideal to check with Medicare about 2-3 months before going on Medicare to ensure everything is going smoothly. Medicare can be reached by calling 1-800-MEDICARE. To learn more about this, you can visit our page on [enrolling in Medicare](#).

Another confusing term is "Medicare Supplemental Insurance". This type of insurance is NOT a drug plan, and it is also NOT a Medicare Advantage Plan. "Medicare Supplemental Insurance" is also called "[Medigap](#)". This specific type of insurance is a secondary insurance policy that compliments Medicare, and many senior citizens will purchase this to cover the "gaps" in original Medicare benefits. Remember, Medicare does not pay everything; or even close to it.

A "Medicare Advantage Plan" is also called "Medicare Part C" or a "Medicare Replacement Policy", all meaning the same exact thing. Many people confuse this coverage with "Medicare Supplement Insurance". They are NOT the same, and are actually two completely different types of insurance coverage. Medicare Advantage Plans are a direct **replacement** of Basic Medicare, and when you sign up for a Medicare Advantage Plan, you must follow the rules and regulations set forth by the Medicare Advantage Plan company that you signed up with. These types of policies have seen major regulation, which have had serious negative impacts within the past few years, both at the public and federal level. They are quickly becoming a less popular choice

every year. Insurance companies try to boast that these policies are so "cheap", however the coverage on this type of plan is significantly below most people's "comfort" zone.

## **2) Options available to people on Medicare**

Just about everyone that gets Medicare will have both Part A and Part B (Hospital & Medical). Most of the time, Medicare Part A is virtually free as long as you have worked 40 quarters (10 years). Medicare Part B is generally paid by you, and the monthly payment usually comes out of your Social Security check before you receive the payment.

Regardless of what type of "[Medicare Supplemental Insurance](#)" or "Medicare Advantage Plan" you purchase, either way you will have Medicare Parts A & B. This really makes your only two additional options either purchasing a Medicare Supplement Plan, or a Medicare Advantage Plan. Furthermore, most people will also purchase a separate "Medicare Part D Drug Plan" to help cover their medication costs.

There are not necessarily "all sorts of options" like many people think, and get overwhelmed about. There are really only 3 considerations you should have. The options below might help to make more sense. Keep in mind that most people will have both Medicare Part A & B (hospital & medical). You cannot purchase a Medicare Supplement Plan or a Medicare Advantage Plan without having **both** Part A & B of Medicare...

### **Option #1**

1. Basic Medicare Parts A & B Only
2. \*Optionally - Medicare Part D Prescription Drug Coverage

### **Option #2**

1. Basic Medicare Parts A & B
2. A Medicare Supplement Policy (Pays After Medicare)
3. \*Optionally - Medicare Part D Prescription Drug Coverage

### **Option #3**

1. Basic Medicare Parts A & B
2. A Medicare Advantage Plan (Replaces Medicare Parts A & B)
3. \*Optionally - Medicare Part D Prescription Drug Coverage

## **3) Medicare Supplemental Insurance (Most Popular Choice)**

Most people who are on Medicare will purchase Medicare Supplemental Insurance. This type of insurance is designed by the centers for Medicare & Medicaid Services (CMS). Currently, there are 10 plans on the market. To make it easy, these plans are set up in a letter system ranging from Plan A to Plan N (there are Plans A, B, C, D, F, G, K, L, M, and N). That might seem like a lot of different plans, but most of them are very, very similar. So much so, that over 90% of the plans that people purchase are either the [Plan F](#), [Plan G](#), or [Plan N](#). This type of coverage is sold by private insurance companies (like Mutual of Omaha and Gerber Life Insurance). However,

with these plans, since they are designed by CMS, the coverage is identical from company to company. The only difference is price, so it is a good idea to [compare rates](#) before you make your final decision. "Plan F" covers 100% of the gaps left by Medicare, and has no co-pays, no deductibles, and no out-of-pocket expenses. On [Step #3](#) of this guide you will be learning more about these types of policies.

#### **4) Medicare Part D Prescription Drug Plans**

"Medicare Part D" is also called a "Medicare Prescription Drug Plan". As the name suggests, Medicare Part D provides coverage for prescription Medications. [Medicare Part D](#) is the fourth "part" to Medicare. Medicare Part D is simply a drug plan. This type of coverage is not provided directly by Medicare. If you need prescription drug coverage, you can call Medicare (1-800-MEDICARE) and they will assist you with price & plan comparisons to help you find a drug plan that works for you. The prescription drug plans are sold by private insurance companies that are contracted with Medicare to provide the "Medicare Drug Plans". Each company might cover different medications for a different cost, some medications may not even be covered at all. You can view our page on [Medicare prescription drug plans](#) to learn more.

#### **5) Medicare Advantage Plans (An Increasingly Unstable Option)**

Medicare Advantage Plans are also called "Medicare Part C", or a "Medicare Replacement Policy". This type of coverage was introduced not too long ago and started off strong, however in recent times, the Medicare Advantage system has seen some serious negative problems. These types of policies can come in different forms, and can include either a **HMO** (Health Maintenance Organization), a **PPO** (Preferred Provider Organization), or a **PFFS** (Private Fee For Service). If you sign up for this type of coverage, you will be replacing your "Original Medicare" coverage, and will be locked into the rules and regulations set fourth by the Medicare Advantage Plan company you sign up with. Medicare Advantage Plans require you to only use certain doctors and certain hospitals (in network). They generally also require you to pay significant deductibles for hospitalizations. It is not uncommon for people to have to pay a \$200 - \$250 deductible **per night** for hospital stays.

Medicare Advantage Plans are also not guaranteed renewable like [Medicare Supplement Plans](#) are. The way Medicare Advantage Plans are funded is by subsidies (financial assistance) from the government. Medicare will pay on average \$600 - \$800 per month to the Medicare Advantage company if you decide to take the Medicare Advantage option as opposed to keeping your basic original Medicare. If you enroll in a Medicare Advantage Plan, you will replace your original Medicare coverage (Parts A & B). If you do this, Medicare will no longer pay any of your claims. Some Medicare Advantage Plans can include a [Part D Drug Plan](#). Some plans even have very low premiums. However, most seniors want quality coverage, and an insurance plan that will be there to pay all of their claims if or when they have health problems. Many seniors do not feel that a Medicare Advantage Plan will provide adequate coverage, and often prefer [Medicare Supplement Policies](#). Medicare Advantage Plans usually have significant co-pays, deductibles, co-insurance, and out-of-pocket expenses, making it extremely difficult to budget, and often too expensive for people on a fixed income to afford.



# Step #2 - Understand Medicare Supplemental Insurance

## Understanding The Basics

Understanding [Medicare Supplemental Insurance](#) is an important step so that you both understand what coverage you do and don't have, as well as it will help you to save money when purchasing a policy.

"Medicare Supplement Insurance" is also called "Medigap" to alleviate any confusion. Medicare Supplement Plans/Policies are designed by the Centers for Medicare & Medicaid Services (CMS), although Medicare Supplement Insurance is sold by private insurance companies.

Each insurance company that offers Medicare Supplement Insurance must offer the same exact plans and benefits, as all plans are designed by CMS. Medicare Supplement Plans are not designed by the insurance companies offering them. All Medicare Supplement Plans work the same exact way. The only difference in plans between insurance companies is simply the price each charges.

## Plans & Offerings

Currently, there are 10 plans available on the market. The 10 plans are designed in a letter system ranging from Plan A to Plan N. The ten policies that are specifically offered are: [Plan A](#), [Plan B](#), [Plan C](#), [Plan D](#), [Plan F](#), [Plan G](#), [Plan K](#), [Plan L](#), [Plan M](#), and [Plan N](#). Plan F, G, & N are by far the three most popular options among senior citizens today. Plan F alone has about 46% of the total supplement plan enrollment at this time.

Each of these ten policies (A-N) has a different level of coverage. Plan A has the most basic coverage, and Plan F has the most comprehensive coverage. Just because the plan "letter" increases (from Plan B to Plan C for example), does **not** mean that coverage will increase or decrease. Plans are simply lettered to make it easy to compare the same plan with multiple insurance companies, and know you are comparing apples to apples.

## Coverage & Benefits

[Medicare Supplement Plan F](#) is most comprehensive and covers 100% of the major "gaps" in coverage left by Medicare. Supplement Plan F covers the Medicare Part A hospital co-insurance, Medicare Part B co-insurance (Medicare pays 80%, this policy pays the additional 20%), hospice care, skilled nursing facility co-insurance, Medicare Part A hospital deductible (\$1,132 in 2011), Medicare Part B deductible (\$162 per year in 2011), Part B excess charges, and foreign travel emergency. As you can tell, this a very comprehensive policy.

With Plan F being the most comprehensive, all other plans will have less benefits and less coverage. In addition with Plan F being the most comprehensive, it is also the most expensive. People looking for a less costly plan with comparable benefits to the "Plan F" will consider the [Medicare Supplement Plan G](#).

Medicare Supplement Plans do **not** provide coverage for prescription medications. If you need coverage, you should purchase a separate [Medicare Part D Drug Plan](#) which costs on average about \$30 per month.

### **Summary**

There are 10 Medicare Supplement Plans (plans lettered A-N) all designed by Medicare. these plans are sold by private insurance companies (like Mutual of Omaha). Each company has to offer the exact same plans and benefits, but each can charge a different price. If a doctor accepts Medicare assignment, they will automatically accept payment from your Medicare Supplement company. All supplement insurance companies pay claims the same way, and most pay them electronically so you do not have to file any claims yourself.

The next step (Step #3) will help you compare and contrast the different Medicare Supplement Plans that are available so you can see what each individual plan has to offer. If you have any questions during this process, you can also call and speak with one of our Medicare Advisors at (800) 351-6603 who will provide free assistance in Medicare & Medicare Supplement education.

# Step 3 | Compare



## Step #3 - Compare Medicare Supplement Plans

Comparison chart of all 10 plans side-by-side:

| Benefits                              | A    | B    | C    | D    | F    | G    | K      | L      | M    | N        |
|---------------------------------------|------|------|------|------|------|------|--------|--------|------|----------|
| Part A Hospital Coinsurance           | ✓    | ✓    | ✓    | ✓    | ✓    | ✓    | ✓      | ✓      | ✓    | ✓        |
| 365 Additional Hospital Reserve Days  | ✓    | ✓    | ✓    | ✓    | ✓    | ✓    | ✓      | ✓      | ✓    | ✓        |
| Benefit For Blood                     | ✓    | ✓    | ✓    | ✓    | ✓    | ✓    | 50%    | 75%    | ✓    | ✓        |
| Part B Co-Insurance                   | ✓    | ✓    | ✓    | ✓    | ✓    | ✓    | 50%    | 75%    | ✓    | *Co-Pays |
| Hospice Co-Insurance                  | ✓    | ✓    | ✓    | ✓    | ✓    | ✓    | 50%    | 75%    | ✓    | ✓        |
| Skilled Nursing Facility Co-Insurance | ✗    | ✗    | ✓    | ✓    | ✓    | ✓    | 50%    | 75%    | ✓    | ✓        |
| Part A Deductible                     | ✗    | ✓    | ✓    | ✓    | ✓    | ✓    | 50%    | 75%    | 50%  | ✓        |
| Part B Deductible                     | ✗    | ✗    | ✓    | ✗    | ✓    | ✗    | ✗      | ✗      | ✗    | ✗        |
| Part B Excess                         | ✗    | ✗    | ✗    | ✗    | ✓    | ✓    | ✗      | ✗      | ✗    | ✗        |
| Foreign Travel Benefit                | ✗    | ✗    | ✓    | ✓    | ✓    | ✓    | ✗      | ✓      | ✓    | ✓        |
| Preventive Care Co-Insurance          | ✓    | ✓    | ✓    | ✓    | ✓    | ✓    | ✓      | ✓      | ✓    | ✓        |
| Out-of-Pocket Limit                   | None | None | None | None | None | None | \$4620 | \$2310 | None | None     |

\*Plan N has up-to a \$20 co-pay for office visits, and up-to a \$50 co-pay for emergency room visits.

Although there are a total of ten Medicare Supplement Plans to choose from, the most popular plans are by far [Plan F](#) (46% of total enrollment), [Plan G](#), and [Plan N](#). Reason being, Plan F is the most comprehensive, so it covers the most benefits. Plan G has very similar benefits to the Plan F, although with the Plan G, you have to pay the annual Medicare Part B Deductible out-of-pocket (\$162 in 2011). Plan G is sort of a "middle" option. Lastly, Plan N is generally the lowest cost plan, and some people are simply looking for a cheap plan - in which Plan N would suit you well. Plan N requires you to pay the annual Medicare Part B deductible like Plan G, and Plan N also requires a \$20 office visit co-pay, and a \$50 ER co-pay if you are not admitted to the hospital.

**Select a plan below to view detailed coverage & benefits (internet links):**

[Plan A](#) | [Plan B](#) | [Plan C](#) | [Plan D](#) | [Plan F](#) | [Plan G](#) | [Plan K](#) | [Plan L](#) | [Plan M](#) | [Plan N](#)

For a more detailed outline of benefits, please select a plan letter above (if you are viewing this on a computer, or call us toll-free at (800) 351-6603 if you are reading this as a printed version. We will be happy to assist you in explaining how the different plans function, and which one may be appropriate for you.



# Step #4 - Choose Your Medicare Supplement Policy

Choosing a Medicare Supplement Plan can seem difficult, because there are several variables to consider. You can learn more by reading the page below, or give us a call at (800) 351-6603 and we will help recommend a plan for you based off of your individual needs.

### Choose Your Plan

Below is an overview which shows the different options (plans) in order of most coverage (top) to the least coverage (bottom). This should give you a good overview of the plans so you can select which one fits your needs best. You can view the detailed benefits of each plan on our [compare plans](#) page if you would like to see more detailed benefits. You can also call us at (800) 351-6603 to learn more about the plans (free of charge).

The options below are only 4 out of the 10 plans, but from our expertise and experience, over 90% of people on Medicare will purchase one of these options. You can refer back to "[Step #3](#)" in this guide to compare all 10 supplement plans side-by-side.

### Option #1 - Medigap Plan F (Best Coverage)

- Most comprehensive
- Hospitalization coverage
- No co-pays
- No deductibles
- Choose any doctor or hospital accepting Medicare
- 100% coverage from Medicare's major gaps

### Option #2 - Medigap Plan G (Best Value)

- Almost as comprehensive as option #1 - Plan F
- Hospitalization coverage
- No co-pays
- You pay the Medicare Part B Deductible (\$162 in 2011)
- Choose any doctor or hospital accepting Medicare
- Besides the deductible, 100% coverage from Medicare's major gaps

### Option #3 - Medigap Plan N (Usually Lowest Price)

- Comprehensive, although co-pays & deductibles introduced to reduce cost
- Hospitalization coverage

- \$20 co-pay for doctor visits, and \$50 co-pay for emergency visits
- You pay the Medicare Part B Deductible (\$162 in 2011)
- Choose any doctor or hospital accepting Medicare
- You pay co-pays, and a deductible to reduce cost

**Option #4 - Medigap Plan A (Most Basic Coverage)**

- Most basic minimum coverage
- Does not pay major gaps in hospitalization coverage
- You pay the Medicare Part A Deductible (\$1,132 in 2011)
- You pay the Medicare Part B Deductible (\$162 in 2011)
- Choose any doctor accepting Medicare



# Step #5 - Compare Medicare Supplement Price Quotes

## Medicare Supplement Pricing

The most important thing to consider when looking at the **cost of Medicare Supplement Insurance**, is that all companies offer the same identical plans. There is no reason to pay more money for one particular company as opposed to another, because they all have the same exact plans.

As you probably know, Medicare Supplement Insurance is also called Medigap. **Medigap cost** can vary dramatically from company to company, so that is why it is extremely to compare the cost of Medicare Supplement Insurance before you decide to purchase a policy. You can compare the cost of Medicare Supplement insurance and **cost of Medigap** on our website by filling out our quote comparison form on the "get quotes" page of our website, or clicking on one of the "get quotes" buttons you will see on all of our webpages.

## How Medicare Supplement Companies Set Prices

There are three main ways that [Medicare Supplement Companies](#) set their prices. They are:

1. Attained Age Rated (a.k.a. Current Age Rated)
2. Issue Age Rated (a.k.a. Entry Age Rated)
3. Community Rated (a.k.a. No Age Rated)

### Attained Age Rated

By far, the most popular method used to determine the cost of Medicare Supplemental Insurance is by using the "attained Age Method". This means that every year, your Medicare Supplement Premium will be based off of your current age. For example: John Smith pays \$100 per month for his policy at age 65, then his rate goes up to \$110 per month at age 66. This increase being due to his age.

### Issue Age Rated

The second most popular method Medigap insurance companies utilize when pricing [Medicare Supplement Plans](#) is the "Issue Age Method". This method bases your premium off of the age you were when you **originally** purchased your [Medigap Policy](#). For example: Sallie Johnson originally purchased her Medicare Supplement Insurance Plan at age 70. This means that the cost of her Medicare Supplement will always be based off of a 70 year old. So even when she turns 80 years of age, she will still be paying the cost of someone who is 70. This however does NOT mean that your rates will not go up annually. You will likely still see annual rate increases, although they will not be based off of age. The rates will be based off of inflation, and other

factors. This "Issue Age Method" is generally more costly for people under 75, and perhaps less costly for people who happen to be above that age.

### **Community Rated**

The least popular method companies use to determine Medicare Supplement cost, is the "Community Rated Method". this method does not focus on age, or even gender. Instead, it focuses on the cost of a "group" or "community" of people. If a particular Medigap company uses the Community Rated method, they will assign a specific rate to a "community" of people living within a specific geographical location (maybe an entire state, or group of zip codes, etc). For example: John buys a Medicare Supplement Plan at age 65 and pays \$150 per month. His friend Susan also buys the same Medicare Supplement Plan at age 73, but also pays the same premium of \$150 per month. This is because the cost of Medicare Supplements will remain the same for anyone who purchases a policy within their specific "community".

To learn more about the **cost of Medicare Supplemental Insurance**, you can view price comparisons for your specific area by calling us and speaking with a knowledgeable Medicare Specialist at (800) 351-6603.

## Step 6 | Sign Up!



# Step #6 - Sign Up For Your Medicare Supplement Plan Today For Free!

In order to apply for Medicare Supplement Insurance, you must call us to enroll. Please call now at (800) 351-6603 to get signed up for your plan today!

**Call Now to Sign Up! (800) 351-6603**

There is absolutely no cost to use our service.

1



**Compare Rates**

2



**Select Plan**

3



**Call & Apply!**  
(800) 351-6603

There is no charge to use our service. We will help you find plans, and compare price quotes through multiple insurance companies to ensure you get the lowest rate possible on your Medicare Supplement Insurance plan. We will also provide you with immediate customer service for as long as you have the policy, and will keep you updated & informed on the latest Medicare changes, new plans and rates, and anything else you should know about Medicare Supplement Insurance.

### **Medicare Supplement Solutions**

Toll-Free: (800) 351-6603

[www.MedicareSupplementSolutions.com](http://www.MedicareSupplementSolutions.com)

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