Comparison of Medicare Supplement Plans

Description

ent plans is crucial to making

a financially prudent choice when you are turning 65 or

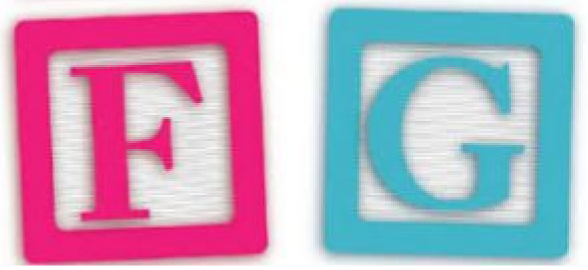
simply comparing Medicare Supplement plans.

Sure, you can simply pick the first company you receive a solicitation from or the company that your friend/family member says to pick. But thatâ??s not usually the best strategy, as everyone has different needs and the rates vary considerably by age and zip code.

There are three primary categories to look at when you are comparing these plans â?? coverage, premiums, and customer service â?? so we are going to look at each of them separately.

Coverage Differences: A Comparison of Medicare Supplement Plans

The paramount thing to understand when you comparing Medicare Supplement plans is the standardization of plans. The Federal government has mandated that each company that offers Medicare Supplements do so in accordance with the standardized Medigap coverage chart. In other words, you can compare a Plan F, for example, with one company to a Plan F with a different company



identical. This obviously greatly simplifies the comparison process.

However, there are 10 different plans, so comparing those different coverage levels is something that is important to do. The aforementioned Plan F is the most common and comprehensive plan â?? it fills in all the â??gapsâ?• in Medicare and pays whatever Medicare itself does not cover. Although itâ??s the most common plan, it is not always the best â??dealâ?•.

Plan G is the next step down from Plan F. Plan G is also a very comprehensive plan â?? it fill in all the â??gapsâ?• in Medicare with the exception of the Medicare Part B deductible. Currently, that deductible is $183/year. So under a Plan G, that would be your only out-of-pocket cost. Typically, the premium for Plan G (in most locations) is $20+/month lower than the Plan F premium â?? so obviously, in that case, Plan G makes the most sense mathematically.

Another commonly offered plan is Plan N. Plan N is a lower-coverage, lower-premium alternative. It does have some cost-sharing in the form of the same Part B deductible and co-pays for doctor visits and emergency room visits. Additionally, Plan N does not cover the Part B Excess charges (What are Part B Excess charges?).

Obviously, that is only three of the 10 plans, but those three are the ones that are most commonly offered by insurance companies in most locations and the represent a top, middle and lower coverage option. You can read more about the other 7 Medigap plans here.

Premium Differences: A Comparison of Medicare Supplement Plans

So, once you understand the plan standardization and what each plan covers, you can look more specifically at the actual premiums charged by the insurance companies in your area.

Itâ??s easy to think that, because the coverage is standardized, the premiums will be very close or identical as well. However, in reality, that is not the case. On the contrary, a premium comparison of Medicare Supplement plans reveals that there is a wide disparity in what companies charge for the exact same set of benefits.

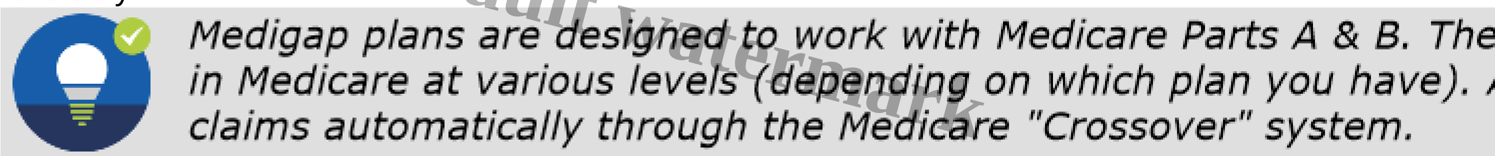
While everyone is seeking the â??best Medigap rateâ?•, the answer to that is not found with one specific company or plan. In fact, it is very dependent on where you live, your age, what plan you want, etc. Many insurance companies no longer publish their rates online, so the easiest way to compare the plans is by getting a list of Medigap plans from an independent broker.

From that information, you can narrow down your choices to which plan you want and which companies offer competitive rates for that specific plan.

Customer Service Differences: A Comparison of Medicare Supplement Plans

This is one of the common questions regarding Medicare Supplement plans â?? â??since coverage is the same but rates are different, it must be because some companies are better at customer service?â?•. Actually, thatâ??s not the case.

Customer service on Medicare Supplement plans is virtually negligible as well. Medicare Supplement claims are all processed through the Medicare â??crossoverâ?• system, meaning that they are paid on the same time schedule and in the same amount, regardless of which Medigap provider you have. Recent studies have shown that over 94% of people rate their Medicare Supplement provider very favorably.



Some companies may offer some value-added incentives, such as an easy-to-use policyholder website to track claims payments, but overall, the actual processing and payment of claims is identical from company to company. That said, it is prudent to be with a company that is well-regarded and highly-rated if everything else is equal.

If you have other questions about how to do a comparison of Medicare Supplement plans, contact us here. Or, if you want to get a list of plans in your area by email, you can contact us here.

65Medicare.org is a leading, independent Medicare insurance

agency for people turning 65 and going on Medicare. If you have any questions about this information, you can contact us online or call us at 877.506.3378.

Category

1. Going on Medicare
2. Medigap Plans

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