

Medicare Part C – Medicare Advantage

Key Points

- **Medicare Part C plans, also known as Medicare Advantage, are an alternative way to receive your Medicare benefits, and they can bundle drug coverage.**
- **Most Advantage plans have low premiums and maximum out-of-pocket limits.**
- **You can only apply for a Medicare Part C plan during an available election period.**

If you've ever heard the term **Medicare Advantage**, you've already heard of **Medicare Part C**. It's simply another way to receive your Medicare benefits—through private insurance companies that contract with Medicare.

What is Medicare Part C?

Medicare Part C plans provide you with an alternative to traditional Medicare. They are optional, so not everyone will feel like Part C is the best fit for them. Medicare Part C plans are private Medicare plans that pay instead of Medicare.

Think of Medicare Advantage plans as a package where you will have Part A, Part B, and usually Part D together in one plan. You will have one ID card that you use at the hospital, doctor's office, and pharmacy. Most types of Medicare Advantage plans include a built-in Part D drug plan, although, in some areas, you can find them without Part D.

MA plans resemble group insurance benefits you may have had through former employers. Generally, there is a local network of providers you will use. You will pay copays for many routine services like doctor's visits, lab work, ambulance, surgeries, hospital stays, urgent care, and more.

Medicare Part C (Medicare Advantage Plans)



If you enroll in a Medicare Advantage plan, you receive your Medicare benefits through a private carrier and not the federal government.



What Does Medicare Part C Cost?

Medicare Part C plans generally have lower premiums than Medigap plans. This is because you are agreeing to treat in the plan's network and pay copays as you go. The network may be an HMO network, where you'll need to choose a primary care physician and get referrals.

There are also Medicare PPO and Medicare PFFS options, which have some out-of-network benefits. Besides your monthly premium, your spending might include deductibles, copays, and coinsurance up to the plan's out-of-pocket maximum.

Some Medicare Part C plans have premiums as low as \$0. This does not mean that Medicare Part C is free. When you enroll in a Medicare Part C Advantage plan, Medicare pays a fixed monthly sum to the insurance carrier to provide your care. The MA company will offer you a monthly premium as low as possible to attract you to their plan.

The premiums, copays, benefits, and drug formulary can and do change from year to year. This is because the Medicare Part C plan must renew its contract with Medicare annually.

Your Spending on Medicare Part C

	MEDICARE PART B	You continue to pay your monthly Part B premium
	PLAN PREMIUM	You pay a monthly premium to the insurance company
	DEDUCTIBLE	Some plans have deductibles before benefits kick in
	COPAYS	You pay copays for medical services at the time of treatment
	COINSURANCE	Some services may require coinsurance up to 20%

Up to the Annual Out of Pocket Maximum

This cap on your Part A & B expenses protects you each calendar year. Varies by plan, and does not include Part D spending.

Check your plan's Summary of Benefits to see what the annual out of pocket maximum is and exactly what expenses

Medicare Advantage Out-of-Pocket Maximums

Every Medicare Part C plan must have an out-of-pocket maximum to protect you. Medicare sets the highest allowable amount for this OOP maximum each year. The Medicare Advantage OOP in 2025 is \$9,350. This means that the most you will spend on that plan for Part A and B services is \$9,350 (Part D spending is separate.) You will find many Part C Medicare plans that match this, but plans can also set a lower OOP maximum.

When reviewing a potential Medicare Part C plan, look at the OOP maximum on that plan. If you have a year of bad health with lots of spending on copays and coinsurance, do you have enough set aside in a rainy-day savings fund to meet that maximum? If not, find a plan with a lower out-of-pocket maximum, or choose Medigap, which has far less spending on the back end.

Many people ask us to compare Original Medicare vs Medicare Advantage plans. Original Medicare does not have any OOP maximum to protect you. You could pay that 20% forever. If you cannot afford the more comprehensive Medigap plans, then a Medicare Part C plan at least has an OOP cap to protect you. For many folks, this makes what Medicare Part C covers a more attractive option than Original Medicare alone.

Medicare Part C Eligibility

Who is eligible for Medicare Part C? Any Medicare beneficiary, regardless of age, can purchase a plan if they meet these criteria:

- You must be enrolled in both Medicare Part A and B. Many people mistakenly think they can drop Part B if they enroll in a Medicare Part C plan. This is NOT the case. If you drop Part B, you will immediately be kicked out of your Part C plan.
- You need to live in the plan's service area. This Medicare Part C eligibility will be based on the address that you have on file with Social Security. You must choose a plan that operates in that same county. Some plans will be specific to only one or two counties, while others might span the whole state.

Be sure to also remember that Medicare Advantage plans have election periods. This means that you can enroll during your Initial Enrollment Period or during the Annual Election Period in the fall. There are also certain Special Election Periods (SEPs) in certain circumstances, such as if you move out of state and lose your plan. You would then be granted a SEP to enroll in a plan mid-year in your new state.

What Does Medicare Part C Cover?

Medicare Part C covers what Part A and B do when you have Original Medicare. You will have both hospital and outpatient benefits. However, instead of paying deductibles and 20% of your medical services, you will pay the plan's copays.

Each Medicare Advantage plan has a summary of benefits. This summary lists various medical services. The summary will show you what your copay or coinsurance will be for each service. For example, you might pay \$10 for lab work, \$50 for a specialist visit, \$200 for an MRI – and so on.

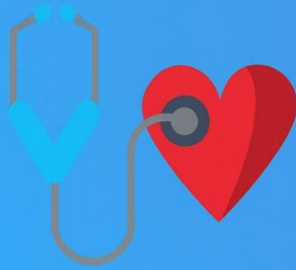
Some items might have a \$0 copay. That means you will have no copay for that service. The highest amount that you will pay in the network for any service is 20%. We typically see a 20% coinsurance requirement for things like durable medical equipment, dialysis, chemotherapy, and radiation in many plans. Review your summary of benefits carefully to see what you can expect to pay for these and other items.

Remember that everything you spend on Part A and B services counts toward your out-of-pocket maximum. If you hit that maximum, your Part C plan will pay 100% after that for the rest of the year.

MA plans often include a built-in Part D drug plan.

WHAT DOES MEDICARE PART C COVER

Medicare requires Part C (Medicare Advantage) plans to cover everything Original Medicare does.

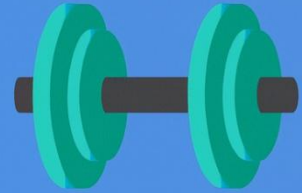


INPATIENT AND OUTPATIENT CARE



PRESCRIPTION DRUG COVERAGE

On most plans



EXTRA BENEFITS

Gym memberships,
dental, vision, hearing

Do I need Medicare Part C?

Part C is optional, voluntary coverage. You get to choose whether you want to enroll in Original Medicare or would prefer a Medicare Advantage (Part C) plan instead. It is up to you to decide what is the best fit for you. However, MA plans provide you with a cap on your expenses, whereas Original Medicare does not limit your costs.

Medicare Part C Enrollment Periods

Unlike Medigap policies, you can only enroll into or dis-enroll from a Part C Medicare plan during certain periods. You can enroll in a plan during your Initial Enrollment Period when you first get Part B. You can also change during the Annual Election Period each fall, which runs from October 15 – December 7th, with your benefits beginning January 1st.

The Annual Election Period exists because if you are enrolled in Medicare Part C or Part D, your plan's benefits, formulary, pharmacy network, provider network, premium and/or co-payments, and co-insurance may change on January 1 of each year. Medicare wants you to have an opportunity to change your plan if you don't like the changes coming for next year.

There are also special election periods for Medicare Advantage plans, such as when you leave employer group coverage or move out of your plan service area. You can learn more about these [here](#). A good insurance agent who specializes in Medicare-related insurance products can help you as a beneficiary learn who qualifies for Medicare Advantage and the enrollment periods available.

Part C Medicare Help

Medicare Advantage plans have specific rules, networks, and enrollment periods. Limitations, restrictions, and copays may apply. Working with a licensed insurance agent can help you understand what a Medicare Advantage plan and the additional information is you may need before you apply for a plan.

Do you need assistance regarding how to get Medicare Part C and in choosing a plan that will be accepted by your doctor and provide affordable benefits to you? We are happy to help – call

(224) 238-0321 today!

Key Takeaways

- When you enroll in a Medicare Advantage plan, you choose to receive your Medicare benefits through your plan.
- You continue to pay the Part B premium, but you generally have a lower monthly premium and a maximum out-of-pocket limit on your costs.
- As long as you are enrolled in Part A and Part B, you can apply for a Medicare Advantage plan during an available election period window.

Medicare Isn't
One-Size-Fits-All—
Because People
Aren't Either



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