

Medicare Advantage vs Medigap

Sooner or later, nearly every Medicare beneficiary faces the same question: Should I choose Medicare Advantage or Medigap?

And that's a great question, because you can only choose one or the other. Unfortunately, there's not an easy answer because what's best for you depends on... well... you! Luckily, we'll give you the crucial points to consider before you decide.

First, let's talk about Medigap. What is it, anyway?

Medigap (sometimes called Medicare Supplement) helps pay for some costs of your Medicare coverage, such as copays, deductibles, and excess charges. Medigap is appropriately named, since it helps cover some of the gaps of Medicare.

Once you've enrolled in Original Medicare, you can supplement your coverage by purchasing a Medigap plan. There are 10 to choose from, each offering varying coverage amounts.

As a rule of thumb, the more coverage provided by the plan, the more expensive your monthly premiums will be.

Every Medigap plan is standardized by the government and sold by private insurance companies. This is important to know because, no matter which company you purchase Medigap from, it will be identical to the same plan sold by a different insurance company—even if the premiums differ between companies.

While we won't outline specifics of what all 10 plans cover right now, our Medicare Advantage vs. Medigap worksheet compares every Medigap plan so you can see which benefits might be best for you.

There's one last thing that you must know about Medigap before we move on:

There is a prime time to buy a plan, and that's within six months of whenever you sign up for Part B.

Outside of that timeframe, with a few exceptions, insurance companies are allowed to refuse you a plan or charge you more based on your medical history. So if you want Medigap, it's absolutely critical that you buy it within that six-month window.

Okay, now that we've got the gist of Medigap, let's talk about Medicare Advantage.

Medicare Advantage, sometimes called Part C, is an alternate way to get all your Medicare coverage in one bundled package.

Medicare Advantage is sold by private insurance companies and regulated by the government.

There are typically several Medicare Advantage plans to choose from, but your selection is based entirely on your location.

No matter which plan you choose, it will include at least all the benefits of Medicare Part A and Part B.

Most plans bundle Part D prescription drug coverage into their benefits as well.

Additionally, Medicare Advantage plans often include benefits that you can't get with Original Medicare—things like vision, dental, or hearing coverage. Advantage plans can also include fitness memberships like SilverSneakers or Silver&Fit, allowances for over-the-counter medications, meals, and transportation.

For all these extra perks, Advantage plans might charge an additional premium on top of what you pay for Part B. However, it's not uncommon to see plans that come with zero-dollar premiums.

Out of all the options you have in Medicare, Advantage plans will resemble employer-provided coverage the closest.

As such, many plans will cover only physicians and specialists within a local network (or at least, cover in-network providers better than those out of network).

Now that you've learned the basics of Medigap and Medicare Advantage, you may already be leaning toward one or the other—and that's great!

But just in case you need a little more help deciding, here are some situations in which one choice may be better than the other.

Medigap is likely a better choice for snowbirds or sunbirds. Since Medigap doesn't restrict you to a network, it makes getting healthcare coverage in different states easier.

Medigap could be a better choice for people who want regular, anticipated fixed costs: Since you'll be paying a monthly fee to get reduced prices from providers, it's easier to budget for Medigap premiums.

And Medigap may be a cheaper option for those who see doctors frequently, as it typically covers healthcare expenses better than Medicare Advantage—even though Medigap premiums are generally more costly.

Medicare Advantage could be a better choice for people who don't use their healthcare as frequently, and its upfront costs are cheaper than Medigap.

Medicare Advantage's extra perks are a huge benefit, and if a plan's specific benefits appeal to you, joining Medicare Advantage may work in your favor.

Medicare Advantage is also effective for people who don't mind sticking to a network, specifically people who don't have summer or winter homes.

Finally, Medicare Advantage doesn't take your medical history into account like Medigap might, and you can sign up for Medicare Advantage regardless of most preexisting conditions.

This could make Medicare Advantage a better choice for people who missed their window to sign up for a Medigap plan.

That just about covers it. Now you're armed with more information, and we hope you can make an informed decision about whether Medigap or Medicare Advantage is better for you.

There are more details in our worksheet. But of course, all this information is just a general guide—it doesn't take your situation into account.

If you want personalized help from an agent trained in finding people the best Medicare coverage, you can call this number. The agent will take your circumstance into consideration and help you arrive at the best choice for you. They can even help you sign up for a plan over the phone.

If you're close to enrolling in Medicare, consider signing up to receive our e-mails. We'll send you helpful guides, hints, and reminders so you can get the info you need to make informed decisions regarding your coverage.