



# Understanding Medicare Supplement: Plan F to Plan G or Plan N

Like everything in life, the cost of health insurance goes up over time. That means it might be time to look at options. There are many good reasons to see whether Medicare Supplement Plan F is still the right plan for you.

Some people find the plan they first bought at 65 has become too pricey. Others discover that paying top dollar for full coverage doesn't make sense because



they are very healthy. So a good tradeoff can be to lower the monthly premium and pick up some of the cost yourself.

So what's right for you? Start by understanding your Medicare options and the tradeoffs that come with each plan. Then decide what makes the most sense.

## Medicare Supplement Plan Basics

Let's boil this down to some basics so we can easily see the differences between the most popular plans. A [Medigap \(or Medicare Supplement plan\)](#) helps pay some of the health care costs that Medicare doesn't cover, like copayments, coinsurance, and deductibles. If you have Medicare Part A (hospital) and Part B (doctors) and you buy a Medigap policy, Medicare will pay its share of the approved amount for covered health care costs. Then your Medicare supplement policy pays its share.

Simple enough.

At Longevity Alliance, we call these **pay-up-front plans**. In contrast to other types of plans, you will pay a higher monthly premium but pay nothing or limited co-pays and deductibles when you use healthcare services.

Ten (10) Medicare supplement plans are known by their letters. Here are the three most popular plans. Remember that no matter which insurance company you buy the plan from the benefits will be the same because they are set by the government (the cost isn't – that's set by the insurance companies-- more about that later).



- **Plan F** - the most comprehensive coverage;
- **Plan G** -you pay your Part B annual deductible (\$166 in 2016) but otherwise the same coverage as Plan F; and
- **Plan N** –you pay your Part B annual deductible of (\$166 in 2016) and co-pays when you use some services.

You might not know much about Plan G and Plan N because (1) you may not be able to buy them when you first enroll in Medicare or (2) your current insurance company does not offer them.

## Medicare Supplement Plan G

[Plan G and Plan F have the same benefits](#) **EXCEPT YOU WILL PAY** the annual Part B deductible (\$166 in 2016).

**What's the tradeoff?** The monthly premium you pay may be lower because you are willing to accept some of the risk – the Part B deductible. That means in 2016 you would pay the first \$166 in costs, then your Medicare supplement plan would pick up the remaining Medicare approved costs. Even after you pay the deductible, your total annual costs can be lower because you have lowered your monthly premium.

**Here's one example of the difference in costs between Plan F and Plan G:**

Plan	Monthly Cost	Deductible you pay	Yearly cost
F	\$150	\$0	\$1800
G	\$120	\$166	\$1606
Total Savings Plan G over Plan F			\$ 194

Example for illustration. Ask for a quote of your costs

## Medicare Supplement Plan N

You'll have to do a bit more arithmetic to figure out if Plan N will work for you. Generally, people who don't frequently visit a doctor find this an affordable plan.

If you have a Plan N you will pay:

- The [Part B deductible](#) (\$166 in 2016),
- A co-pay up to \$20 for some office visits,
- A co-pay up to \$50 for an emergency room visit that does not result in admission to the hospital
- Part B [excess charges](#) (the provider does not accept Medicare assignment)

Part B excess charges are not permitted in all states. If it applies to you the excess charge is an amount above and beyond what Medicare approves for the cost of a specific procedure/doctor office visit. You are responsible for the "excess" amount.

Remember that how often you use your plan will determine your total yearly cost. So keep in mind that the cost of care can vary month-to-month.

### The Plan N comparison with Plan F could look like this:

Plan	Monthly Cost	Deductible you pay	5 Doctor visits per yr	Yearly cost
F	\$150	\$0		\$1800
N	\$95	\$166	\$100	\$1406
Total Savings Plan N over Plan F				\$ 394

Example for illustration. Ask for a quote of your costs

## A Word About Prices

Remember that the benefits for each plan letter are set by law. But the prices the insurance companies charge can vary...a lot!! It's just how insurance works, and it's why we recommend people always shop and compare plans and prices.



(If you live in Massachusetts, Minnesota or Wisconsin Medigap policies are standardized in a different way.)

## What's Your Preference?

There's no right or wrong answer to the question of which is the best plan type for you. Think about what is most comfortable and consider these three important factors:

### 1. Where You Get Your Care

A Medicare supplement plan offers the choice of going to any doctor or facility that accepts Medicare. If you are willing to pay a bit more up front for the freedom of choosing your health care provider, then a Medicare supplement plan will fit. Plan F, Plan G and Plan N let you choose where you get your care.

### 2. Few Surprises

With Plan F and Plan G, you'll be able to easily budget your doctor and hospital costs. That's one big reason why people like Plan F and Plan G.

With Plan N, your costs will vary because you pay each time you use services. But it's just the co-pay for the visit, not a co-pay for each service you use. So it's easier to predict what your costs will be.

### 3. No Big Out-of-Pocket Expenses

Other plans you've had over time may have had a big out-of-pocket deductible you had to pay first – usually between \$3000 and \$5000. You won't find that with these three Medicare Supplement plans. There's no out-of-pocket limit you have to meet before your plan pays.

## About Switching

In most cases, when you [switch plans](#) you will need to answer medical questions (underwriting) to see whether an insurance company will accept you. So consider what you are comfortable with today and in the future, and make your decision wisely.



**Call 1-800-713-6250**

**Monday – Friday**

**7:00am to 5:00pm MST**

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