



STATE OF WISCONSIN  
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FOR IMMEDIATE RELEASE

DATE: 26 June 2009  
Contact: Medigap Helpline  
(800) 242-1060

For Medicare Beneficiaries Only

There are different levels of healthcare coverage that would give you more or less out-of-pocket costs. As the levels of coverage go down, the out-of-pocket expenses go up and your exposure to risk increases. The greater the level of coverage, the lower your out-of-pocket expenses are.

The highest level of coverage (where you pay the least out-of-pocket) is to have Medicare A and B and a Wisconsin Medicare Supplement (otherwise called a Medigap policy). When you get the policy riders that meet your needs, it is highly unlikely you will see a bill for your Medicare-approved health care.

A less complete level of coverage can be had in a Medicare Advantage policy. You will have out-of-pocket expenses anywhere from 5% to 30%. Your out-of-pocket expenses could be as high as \$3000 to \$7000 per year or more. The co-pay, deductible and coinsurance amounts can change from year to year. If you have specific health needs that your Advantage plan is paying for this year, it may not pay as much in the next year. Your Advantage plan will send you a letter each fall telling you how your plan will change in the following year. You need to read this letter carefully to make sure your plan will still meet your needs.

Advantage plans offer the allure of lower premiums and that can seem a good thing while you are healthy. For most of us, however, declining health is a fact of aging and living longer. We may not always stay as healthy as we are right now. Once you have been in an Advantage plan for more than one year, you are locked in. To go back to the highest level of coverage, where you pay the least out-of-pocket, you will need to go back to original Medicare where you have the option to purchase a medigap policy. If you have developed poor health you may not be able to pass the health questions on the medigap application. The company can deny you coverage.

A lesser level of medical expense coverage is original Medicare A and B with no Medicare supplement. With this level of medical expense coverage you could see out-of-pocket expenses beginning at 20% or more. Your out-of-pocket expenses could be as high as \$3000 to more than \$40,000 in one year.

The lowest level of medical expense coverage is to have no insurance at all. Individuals who are not eligible for Medicare must look elsewhere for their health insurance needs. There are some alternative services available but your coverage will be limited and your potential out-of-pocket expense will be substantial.

For individuals with few assets, there is still a level of freedom that you should work to protect. Getting some coverage in place is better than having none. Your good health is a temporary gift and working to keep it as long as possible is a smart thing to do.

For more information and help navigating the Medicare and health insurance waters, you can contact your county Benefit Specialist or you can contact your friendly SHIP counselor at

**1 800-242-1060.**

*By:* Sam Johnson  
Medigap Counselor