

2026
UPDATE

MEDICARE
ADVANTAGE

MEDICARE
SUPPLEMENT
(MEDIGAP)

VS



Your Complete Decision Guide

What Is Medicare Supplement (Medigap)?

Medicare Supplement (Medigap) works alongside your Original Medicare to fill in the coverage gaps.



What's Included

- Covers copays, coinsurance, and deductibles that Original Medicare doesn't pay
- You keep Original Medicare as your primary coverage
- You need a separate Part D plan for prescriptions



How It Works

You pay your Part B premium (\$206.50 in 2026) to Medicare, plus a monthly premium for your Medigap policy. When you receive care, Original Medicare pays first, then your Medigap policy pays most or all of the remaining costs.



- **Key Characteristic:** Higher monthly premium, but minimal or no costs when you actually use healthcare.

What Is Medicare Advantage?

Medicare Advantage (Part C) replaces your Original Medicare with a private insurance company's all-in-one plan.



What's Included

- Part A (Hospital Insurance)
- Part B (Medical Insurance)
- Usually Part D (Prescription Drugs)
- Often extras: dental, vision, hearing, gym memberships



How It Works

You still pay your monthly Part B premium (\$206.50 in 2026) to Medicare, but your Medicare Advantage plan becomes your primary coverage. You use the plan's network of doctors and hospitals, and you pay copays when you receive care.

- ❑ **Key Characteristic:** Low or \$0 monthly plan premium, but copays every time you use services.

Side-by-Side Comparison

Medicare Advantage vs Medicare Supplement:

Feature	Medicare Advantage	Medicare Supplement
Replaces or Supplements?	Replaces Original Medicare	Supplements Original Medicare
Monthly Premium	\$0-\$50 (average)	\$100-\$300 (average)
When You Use Care	Pay copays each visit	Pay little to nothing
Doctor Choice	Must use network	Any doctor accepting Medicare
Prescription Drugs	Usually included (Part D)	Must buy separate Part D
Extras (dental, vision)	Often included	Not included
Out-of-Pocket Maximum	Yes (\$9,250 in 2026)	No formal max (but predictable)
Travel Coverage	Limited to service area	Nationwide
Referrals for Specialists	May be required (HMO)	Not required

Choose the plan that best fits your healthcare needs and financial situation.

Understanding Medicare Advantage Networks



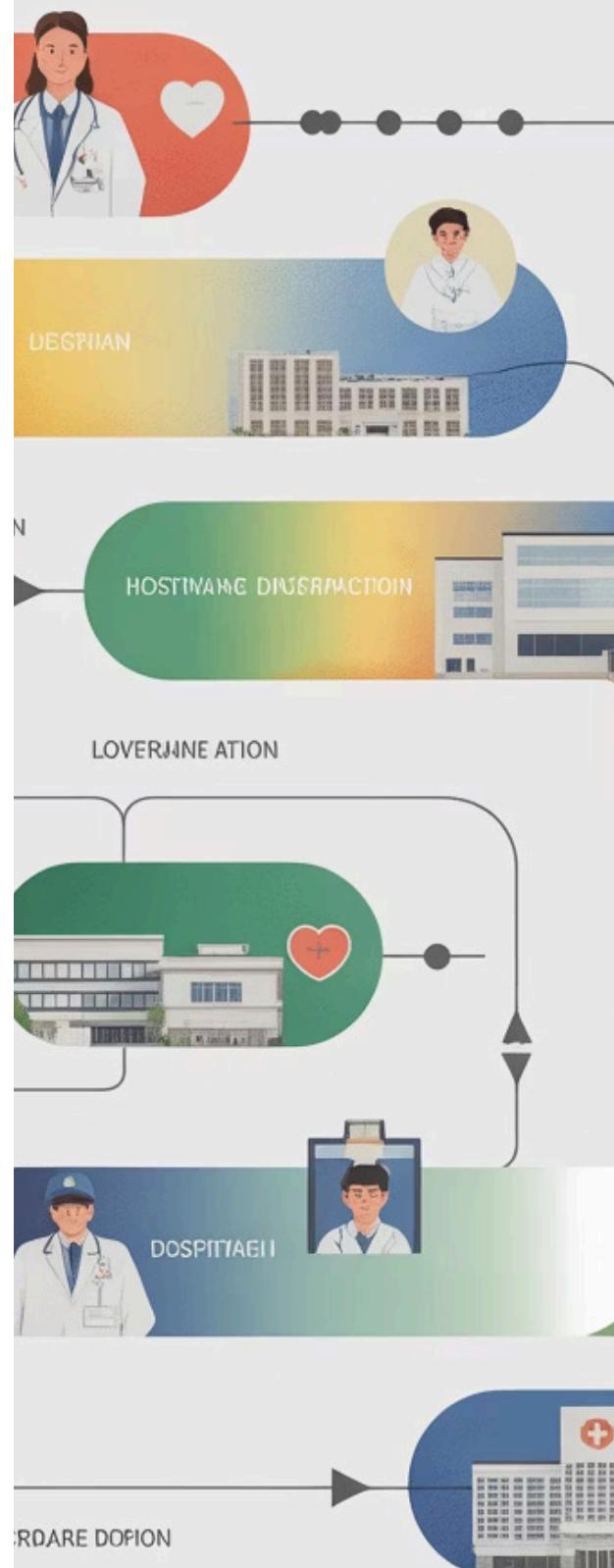
HMO (Health Maintenance Organization)

- You must use in-network doctors and hospitals (except emergencies)
- You need referrals to see specialists
- Lowest premiums, but least flexibility
- **Best if:** You stay in one area and don't mind referrals



PPO (Preferred Provider Organization)

- You can use out-of-network providers, but at higher cost
- No referrals needed for specialists
- Higher premiums than HMO
- Combined in/out-of-network maximum: \$13,900 (2026)
- **Best if:** You want flexibility to see out-of-network doctors occasionally



Real-World Network Scenarios

The Snowbird Challenge

If you split time between Michigan and Florida, your HMO network may only cover care in your home state. Routine care in Florida could be out-of-network and not covered. This means you might face unexpected costs or need to travel back to your primary state for care, complicating seasonal living arrangements.

The Specialist Problem

If you develop a rare condition requiring a specialist, that doctor may not be in your network. You'd need to find an in-network alternative, potentially delaying crucial treatment, or pay full cost out-of-pocket to see your preferred expert. Securing a referral can also add an extra layer of bureaucracy.

The Doctor Departure

Your longtime family doctor can leave your plan's network at any time. When this happens, you must find a new in-network doctor, often disrupting continuity of care, or pay significantly more to continue seeing your preferred physician. This can be particularly stressful if you have complex or ongoing health needs.

Medicare Supplement Freedom

With Medigap, you can see any doctor who accepts Medicare, any specialist without referrals, and any hospital in the United States. This includes doctors in your winter home state and specialists at major medical centers, offering unparalleled flexibility. Enjoy truly nationwide coverage with no networks, no referrals, and no geographic restrictions.

Cost Comparison: Robert (Low User)

Profile: Healthy 66-year-old, 2 doctor visits per year, no chronic conditions

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Medicare Advantage Costs

- Monthly premium: \$0
- Annual copays: ~\$800
- Total annual cost: \$800

Medicare Supplement Costs

- Monthly premium: \$200 (Plan G)
- Part B deductible: \$288
- Total annual cost: \$2,688

Winner for Robert: Medicare Advantage (saves \$1,888/year)

Cost Comparison: Linda (High User)

Profile: 68 years old, diabetes, sees 3 specialists regularly, 8 doctor visits per year



Medicare Advantage Costs

- Monthly premium: \$0
- Annual copays: ~\$4,000
- Total annual cost: \$4,000



Medicare Supplement Costs

- Monthly premium: \$200 (Plan G)
- Part B deductible: \$288
- Total annual cost: \$2,688

Winner for Linda: Medicare Supplement (saves \$1,312/year)

Cost Calculator Worksheet

Medicare Advantage Estimation

1. Plan monthly premium: \$_____ × 12 = \$_____
2. Expected doctor visits × copay = \$_____
3. Expected specialist visits × copay = \$_____
4. Expected prescriptions (up to \$2,100 cap) = \$_____
5. **Total estimated annual cost:**
\$_____

Medicare Supplement Estimation

1. Plan monthly premium: \$_____ × 12 = \$_____
2. Part B deductible (2026): \$288
3. Part D plan premium × 12 = \$_____
4. Expected prescription costs (up to \$2,100 cap) = \$_____
5. Total estimated annual cost:
\$_____

Medicare Advantage Out-of-Pocket Limits (2026)

\$9,250

In-Network Maximum

Once you spend \$9,250 on covered medical services in-network, your plan pays 100% for the rest of the year.

\$13,900

Combined In/Out-of-Network Maximum (PPO)

If you use out-of-network providers with a PPO plan, your maximum could reach \$13,900.

What Counts Toward Your Maximum:

- Copays for doctor visits
- Hospital stay copays
- Outpatient procedure costs
- Durable medical equipment

What Does NOT Count:

- Your monthly premium
- Prescription drug costs (Part D has separate cap)
- Services not covered by your plan

Medicare Supplement Predictability

No Formal Out-of-Pocket Maximum

Medigap plans don't have an annual cap like Medicare Advantage. However, they provide cost predictability in a different way.

Plan G Annual Exposure

- Monthly premiums: \$2,400/year (at \$200/month)
- Part B deductible: \$288/year
- **Total known annual cost: \$2,688**
- Additional costs at point of care: \$0 (or close to \$0)

Plan N Annual Exposure

- Monthly premiums: ~\$1,800/year (typically \$50 less than Plan G)
- Part B deductible: \$288/year
- Office visit copays: Up to \$20 per visit
- ER copays: Up to \$50 per visit
- Variable cost depending on utilization

- NEW for 2026: Part D Prescription Drug Cap** All Part D plans cap your out-of-pocket prescription costs at \$2,100 per year. Your plan tracks this automatically. Once you reach this amount, you pay nothing for medications the rest of the year. This protects both Medicare Advantage and Medicare Supplement users from catastrophic drug costs.

Medigap Plan G: Maximum Coverage

What Plan G Covers

- Part A coinsurance and hospital costs
- Part A deductible
- Part B coinsurance or copayment
- Part B excess charges (up to 15% above Medicare-approved amount)
- Blood (first 3 pints)
- Hospice care coinsurance
- Skilled nursing facility coinsurance
- Foreign travel emergency (up to plan limits)

What You Pay

- Part B annual deductible (\$288 in 2026)
- Nothing else for covered services

Monthly Premium Range: \$90-\$300+ (varies by location, age, insurance company)

Best For:

- People who want maximum predictability
- Those who value protection against excess charges
- Anyone who doesn't want to track copays

Medigap Plan N: Lower Premium Alternative

What Plan N Covers

- Part A coinsurance and hospital costs
- Part A deductible
- Part B coinsurance or copayment (with copays)
- Blood (first 3 pints)
- Hospice care coinsurance
- Skilled nursing facility coinsurance
- Foreign travel emergency (up to plan limits)

What Plan N Does NOT Cover

- Part B excess charges
- Part B deductible

What You Pay

- Part B annual deductible (\$288 in 2026)
- Up to \$20 copay for doctor visits
- Up to \$50 copay for emergency room visits (waived if admitted)

Monthly Premium Range: \$70-\$250+ (typically \$20-50 less than Plan G)

Best For:

- People who want to save on monthly premiums
- Those who don't visit doctors frequently
- Anyone whose doctors accept Medicare assignment

Understanding Medigap Premium Rating Methods

How Your Premium Changes Over Time

Your initial premium changes over time based on the rating method your insurance company uses.

1

Attained-Age Rated

- Premium increases as you age
- Lowest starting premium
- Highest long-term cost
- Most common method

2

Issue-Age Rated

- Premium based on age at enrollment
- No automatic age increases
- Higher starting premium
- More predictable long-term costs

3

Community-Rated

- Same rate for everyone
- Highest starting premium (for 65-year-olds)
- Most stable long-term costs
- Rare method

Long-Term Cost Example (65-year-old choosing Plan G)

Attained-Age

Starts at \$150/month

Reaches \$300+/month by age 80

Total over 15 years: **\$40,500**

Issue-Age

Starts at \$180/month

Reaches \$240/month by age 80

Total over 15 years: **\$37,800**

Community-Rated

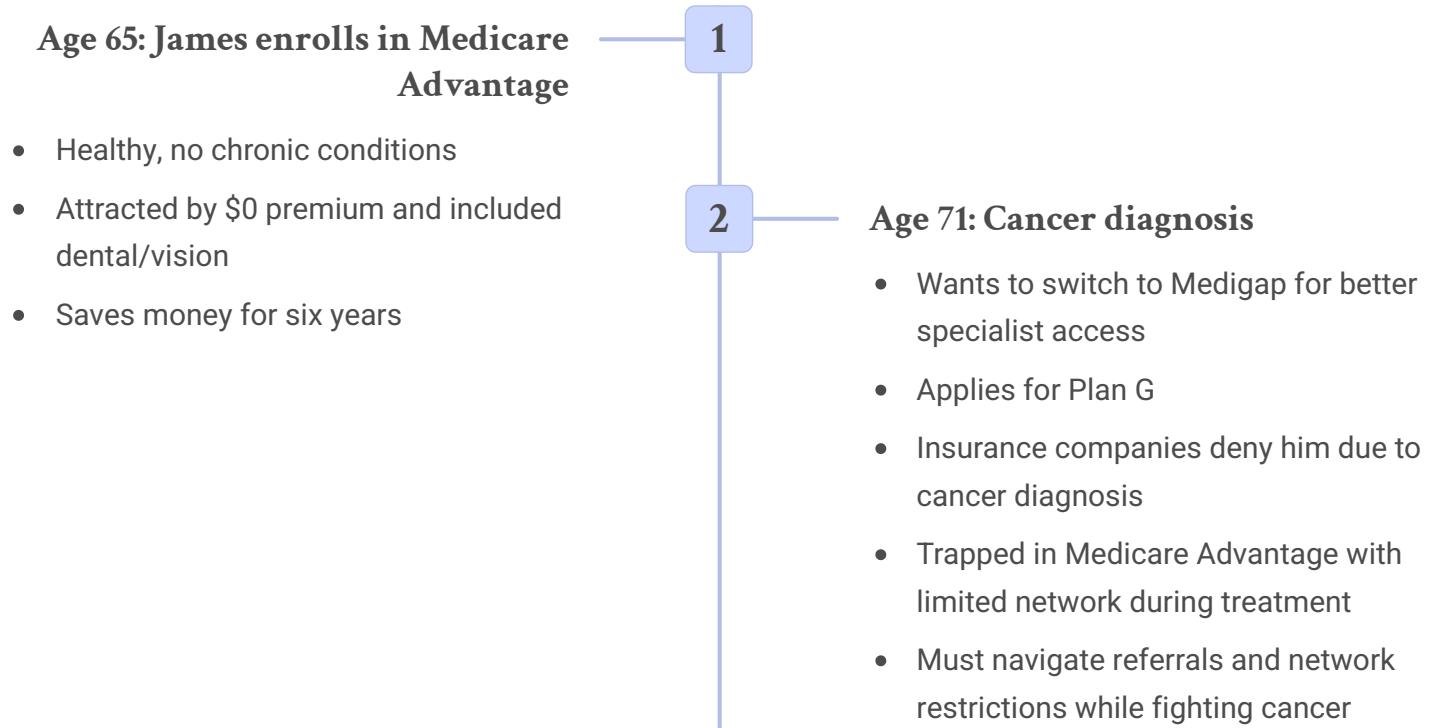
Starts at \$200/month

Reaches \$260/month by age 80

Total over 15 years:
~\$38,400

Recommendation: If affordable, choose Issue-Age or Community-Rated for maximum long-term stability and lower total lifetime costs.

The James Story: A Real Warning



What James Didn't Know

He had a 12-month trial right when he first enrolled at 65 that would have allowed him to switch to Medigap without health questions. After that window closed, he was subject to medical underwriting.

Why Medigap Doesn't Have ACA Protections

Understanding the Legal Difference

The Affordable Care Act (Obamacare) prohibits insurance companies from denying coverage or charging more based on pre-existing conditions for most health insurance—including Medicare Advantage.

However, these protections **DO NOT** apply to Medicare Supplement (Medigap) insurance.

What This Means For You:

Medigap companies can legally use medical underwriting to:

- Deny coverage based on your health conditions
- Charge higher premiums based on your medical history
- Reject your application if you have serious diagnoses

The Only Exceptions - Your Guaranteed-Issue Rights:

- Your 6-month initial enrollment period at age 65 when you enroll in Part B
- Your 12-month trial right if you try Medicare Advantage first
- Certain guaranteed-issue events (like losing employer coverage)

Why This Matters:

This is why securing Medigap during your initial enrollment period is so critical. It's your only guaranteed protection against future health-based denials. Once these windows close, you're subject to medical underwriting, and the ACA cannot protect you.



The Bottom Line:

Medicare Advantage has ACA-like protections. Medigap does not. Choose wisely during your guaranteed-issue period because switching later may be impossible if your health declines.

Your Guaranteed-Issue Rights



Initial Enrollment Period (Age 65)

You have a 6-month window starting when you turn 65 AND enroll in Medicare Part B.

During this period:

- Insurance companies MUST sell you any Medigap plan they offer
- They CANNOT charge you more based on health conditions
- They CANNOT deny you coverage
- They CANNOT ask health questions

This is your one guaranteed chance to get Medigap coverage regardless of your health.



The 12-Month Trial Right

If you enroll in Medicare Advantage when you first become eligible, you have one 12-month trial period to switch to Medigap without underwriting.

Rules:

- Must be your first time with Medicare (turned 65 and enrolled in Part B)
- Must apply for Medigap within 12 months of your MA plan start date
- Application must be submitted 60-63 days before MA coverage ends
- Can only be used once in your lifetime

This is your safety net if you try Medicare Advantage first and change your mind.

State-Specific Protections

Birthday Rule States (California, Idaho, Illinois, Louisiana, Nevada, Oklahoma, Oregon): Existing Medigap policyholders can switch to equal or lesser benefit plans annually. Must apply within 30-60 days of birthday (varies by state). Cannot be denied or charged more based on health.

- Action Item:** Check your state's specific Medigap rules at your State Health Insurance Assistance Program (SHIP).

Enrollment Periods & Deadlines

1

Medicare Annual Enrollment Period (AEP)

When: October 15 - December 7 (every year)

What You Can Do: Switch from Original Medicare to Medicare Advantage, switch from Medicare Advantage to Original Medicare, switch from one Medicare Advantage plan to another, add/drop/change Part D prescription drug coverage

Changes Take Effect:
January 1

Important: Switching FROM Medicare Advantage TO Original Medicare + Medigap during AEP may require medical underwriting unless you qualify for guaranteed issue.

2

Medicare Advantage Open Enrollment Period (MA OEP)

When: January 1 - March 31 (every year)

Who Can Use It: People currently enrolled in Medicare Advantage

What You Can Do: Switch from one Medicare Advantage plan to another (once during this period), drop Medicare Advantage and return to Original Medicare, add a standalone Part D plan if returning to Original Medicare

Changes Take Effect: First of the month after the plan receives your request

Important: If returning to Original Medicare, you'll likely need medical underwriting to get Medigap coverage unless you have guaranteed-issue rights.

3

Initial Enrollment Period (IEP)

When: The 7-month period that includes 3 months before your 65th birthday month, your 65th birthday month, and 3 months after your 65th birthday month

Example: If your birthday is June 15, your IEP is March 1 - September 30

What You Can Do: Enroll in Part A and Part B, choose Medicare Advantage or Original Medicare + Medigap, enroll in Part D

Critical: Your Medigap guaranteed-issue period is 6 months starting when you enroll in Part B.

Common Mistakes That Cost Thousands

1 Choosing Based Only on Monthly Premium

The Error: Selecting "\$0 premium" Medicare Advantage without considering total annual costs.

Why It's Costly: For chronic conditions, copays can easily exceed \$3,000-5,000 annually, making total costs higher than a Medigap plan.

How to Avoid: Use a Cost Calculator Worksheet to estimate total annual costs based on expected healthcare needs.

2 Not Verifying Doctor Networks

The Error: Enrolling in Medicare Advantage without confirming your current doctors are in-network.

Why It's Costly: Out-of-network doctors mean significantly higher costs or needing new providers, with limited options to switch plans mid-year.

How to Avoid: Call your doctors and preferred hospital to verify they accept your specific Medicare Advantage plan.

3 Ignoring Prescription Drug Coverage

The Error: Not checking if essential medications are covered by a plan's formulary.

Why It's Costly: Uncovered or high-tier medications can lead to thousands more in unexpected costs.

How to Avoid: Make a list of prescriptions, use Medicare's Plan Finder to check coverage and costs, and confirm your pharmacy is in-network.

Common Mistakes That Cost Thousands (Part 2)

1 Missing the Guaranteed-Issue Window

The Error: Delaying a decision to "see how things go" with Medicare Advantage, planning to switch to Medigap later if needed.

Why It's Costly: After your initial guaranteed-issue periods, you'll face medical underwriting for Medigap. If health issues develop, you could be denied coverage or face much higher rates.

How to Avoid: Make your Medigap decision during your initial enrollment period at age 65, understanding that changing later may be difficult.

2 Not Understanding HMO vs. PPO Networks

The Error: Choosing an HMO believing it offers the flexibility of a PPO.

Why It's Costly: HMOs typically don't cover out-of-network care (except emergencies), leading to huge bills if you travel or see non-network doctors.

How to Avoid: Understand HMOs require in-network care and referrals. PPOs offer more flexibility but at a higher cost. For travel or flexibility, a PPO or Medigap is usually better than an HMO.

3 Assuming You Can Easily Switch Later

The Error: Believing you can freely move between Medicare Advantage and Medigap whenever you choose.

Why It's Costly: Switching FROM Medicare Advantage TO Medigap after your guaranteed-issue periods usually requires passing medical underwriting. Many individuals become locked into their Medicare Advantage plan.

How to Avoid: Understand that your initial choice at 65 might become permanent if your health declines. Choose your plan carefully from the start.

Official Resources & Contacts



Medicare.gov

Main Website: www.Medicare.gov

Key Tools: Medicare Plan Finder (compare plans),
Eligibility & Premium Calculator (estimate costs)

General Information: 1-800-MEDICARE (1-800-633-4227)

TTY users: 1-877-486-2048

Available 24 hours a day, 7 days a week



State Health Insurance Assistance Program (SHIP)

What SHIP Offers: Free, unbiased Medicare counseling, help comparing plans, assistance with enrollment, appeals and complaints support, explanation of rights and protections

Find Your Local SHIP: Call 1-877-839-2675 or visit www.shiphelp.org

Services are completely free and confidential.



Social Security Administration

For Medicare Enrollment: Online at www.SSA.gov,
Phone: 1-800-772-1213 (TTY 1-800-325-0778)

Hours: Monday-Friday, 8:00 AM - 7:00 PM local time

What SSA Handles: Initial Medicare enrollment, premium payment arrangements, replacing Medicare cards, reporting address changes



Medigap Insurance Companies

To Find Medigap Insurers: Medicare.gov (search "Medigap" and use the plan finder) or your state insurance department

When Shopping: Get quotes from at least 3 companies for the same plan letter, prices can vary by hundreds of dollars annually for identical coverage, ask about the premium rating method (Attained-Age vs Issue-Age), ask about rate increase history, verify the company's financial rating

Action Plan: Turning 65 Soon



90 Days Before Your 65th Birthday

- Determine if you're enrolling in Medicare or delaying due to employer coverage
- Download this guide and review all options
- Make a list of your current doctors, medications, and typical healthcare usage
- Contact your current doctors to verify which Medicare plans they accept



60 Days Before

- Get quotes for Medigap Plan G and Plan N from at least 3 insurance companies
- Research Medicare Advantage plans in your area using Medicare.gov
- Use the Cost Calculator to estimate total costs under each option
- Decide whether Medicare Advantage or Medigap + Part D is right for you



30 Days Before

- Enroll in Medicare Part A and Part B
- Apply for your chosen coverage (Medicare Advantage OR Medigap + Part D)
- Keep copies of all enrollment paperwork



After Enrollment

- Confirm coverage start dates
- Receive and verify insurance cards
- Schedule preventive care appointments
- Set calendar reminders for annual enrollment periods

Action Plan: Already on Medicare

During Annual Enrollment (Oct 15 - Dec 7)

- Review your current plan's changes for next year
- Use Medicare Plan Finder to compare other available options
- Check if your medications are still covered at reasonable costs
- Verify your doctors are still in-network (if Medicare Advantage)
- Make changes if a different plan better meets your needs

Throughout the Year

- Keep this guide for reference
- Track your out-of-pocket costs
- Report any address or contact information changes
- Review bills and Explanation of Benefits for errors
- Contact SHIP if you have questions or problems

If You Want to Switch Plans:

From Medicare Advantage to Medigap

Determine if you have guaranteed-issue rights. If not, understand you'll likely face medical underwriting. Apply for Medigap during an enrollment period. If approved, also apply for standalone Part D. Once new coverage starts, disenroll from Medicare Advantage.

From Medigap to Medicare Advantage

Research Medicare Advantage plans during Annual Enrollment Period. Enroll in chosen Medicare Advantage plan. Your Medigap policy will automatically end when MA coverage starts. Your standalone Part D will end if your MA plan includes drug coverage.

 **Important:** Switching from Medigap to Medicare Advantage is easy. Switching back may be very difficult due to medical underwriting.

Final Decision Checklist



Your Health Status

- Healthy, few doctor visits → [Favors Medicare Advantage](#)
- Chronic conditions, regular care → [Favors Medigap](#)
- Multiple specialists frequently → [Favors Medigap](#)
- Rarely need healthcare services → [Favors Medicare Advantage](#)



Your Lifestyle

- Frequent travel/split time → [Favors Medigap](#)
- Stay primarily in one area → [Favors Medicare Advantage](#)
- Value freedom to choose doctors → [Favors Medigap](#)
- Comfortable with network restrictions → [Favors Medicare Advantage](#)



Your Financial Priorities

- Lowest possible monthly costs → [Favors Medicare Advantage](#)
- Predictable, stable costs → [Favors Medigap](#)
- Can afford higher premiums for peace of mind → [Favors Medigap](#)
- Comfortable with variable costs → [Favors Medicare Advantage](#)



Your Preferences

- Dental, vision, hearing included → [Favors Medicare Advantage](#)
- Avoid referrals and paperwork → [Favors Medigap](#)
- Maximum flexibility as health changes → [Favors Medigap](#)
- Extras like gym memberships → [Favors Medicare Advantage](#)

Remember: No single "best" choice exists. It depends on your health, budget, lifestyle, and preferences. Act during your guaranteed-issue period at age 65 for Medigap without medical underwriting.

For help, contact SHIP at 1-877-839-2675.

This guide is for educational purposes only. Always verify information with Medicare.gov and consult licensed insurance professionals.