

## YOUR FINANCES Take These 5 Steps

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# Choosing Best Medicare Plan Can Save Big Bucks

## New Open Enrollment Underway Until Dec. 7; How To Pick Coverage

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It's that time of year — the Medicare open-enrollment period, which runs through Dec. 7 — when seniors can control, even if just by a little, their health care costs by deciding which version of Medicare to enroll in or whether to switch from one version to another, if you're allowed to.

And those decisions can result in more than a little control. They can save you hundreds or even thousands of dollars a year.

It's a special opportunity for anyone already enrolled in Medicare and for anyone who is approaching age 65, which is when you can enroll for the first time in Medicare.

### The Challenge

The root of people's confusion is that there are several versions or parts of Medicare. Each offers different types of coverage.

Generally, deductibles, coinsurance and restrictions apply to each type of Medicare. Coverages and costs can change yearly. You've got to check which you have in your existing plans. The basics:

**Medicare Part A.** This insurance covers hospital care. Most people pay no premium.

**Medicare Part B.** This covers doctor's visits and outpatient services. Premiums in 2019 will range from about \$135.50 per person per month to \$460.50, depending on your income.

**Medicare Advantage.** An alternative to Original Medicare, offered by private insurers. Advantage plans cover the same services as Original Medicare, and they can also offer extra benefits such as dental care and eyeglasses. Most include drug coverage as well. How much you pay typically depends on which coverage mix you receive.

**Medicare Part D.** This is prescription drug coverage.

Your choices boil down to whether you want what is known as Original Medicare (or Traditional Medicare), Medicare Advantage, or Medigap.

In a nutshell, Original Medicare consists of Parts A and B. Medicare Advantage is the private insurer version of Parts A and B, often with most or all of Part D mixed in. (Medicare Advantage is often known as Part C.) Medigap is supplemental coverage that helps lower your out-of-pocket costs for Original Medicare.

## 5 Key Steps

To decide which types of coverage to take, you need to see which plans best meet your medical needs. Here are five key steps:

**Step 1:** List your drugs and dosages. That will make it easier to choose a plan — especially among Medicare Advantage plans — based on which drugs and services each plan covers. It will also make it easier to compare costs.

Step 2: Check your Annual Notice of Change letter. If you already have coverage, that letter was sent to you around the end of September. It spells out what will be covered by your existing plan in the coming year as well as charges. Make sure your plan isn't dropping coverage of a drug that you need.

Step 3: Choose between Original Medicare and Medicare Advantage. Advantage plans may offer extra benefits like dental care. Most include prescription drug coverage. They also cap your annual out-of-pocket costs.

Step 4: Decide if you need Medigap supplemental coverage. Medicare Advantage often offers extra coverage that Original Medicare does not. In contrast, Medigap is private insurance that basically applies to whatever coverage your Original Medicare plan provides, but it picks up more of the costs. One key restriction is that you cannot use a Medigap policy with Medicare Advantage. Seniors who need more health care service typically can control their costs better with Medigap.

Step 5: Decide if you need to switch from Original Medicare to Medicare Advantage. This basically boils down to whether you want some additional coverage that Original Medicare does not provide that a Medicare Advantage plan in your state does.

A key tool for comparing Medicare Advantage plans and Part D drug plans is the Plan Finder at Medicare.gov. It lets you compare features, premiums, co-pays and so on for plans where you live.