Choosing the right health insurance can be more complicated than decoding a Rubik’s cube, but thankfully, we have Medicare pro and owner of Phoenix Health Insurance, Lynn Marble, on our team. In this easy guide to Medicare, Lynn answers your questions to help you break down the confusion and reveal the plan that’s best for you.

Q: When Can I Enroll in Medicare?
A: If you’re turning 65 or are medically disabled, you’re likely eligible for Medicare. If you’re coming into Medicare for the first time, you’ll be given what’s called an Initial Election Period (IEP). This IEP allows you to enroll three months prior to your 65th birthday, the month of your 65th birthday, or three months after your 65th birthday. This seven month window gives you the opportunity to enroll into a Medicare Advantage or Prescription Drug plan.

If you’re already participating in Medicare, you have the opportunity to make plan changes every year during your Annual Enrollment Period (AEP). This year’s AEP begins October 15th and ends December 7th. Any changes made during this time will go into effect on January 1st. Medicare also makes Special Enrollment Periods (SEP) available for beneficiaries who have low income or have chronic conditions such as diabetes or congestive heart failure. These SEPs allow beneficiaries to make plan changes year round based on medical needs.

Q: What is Medicare Part A?
A: When you apply to Medicare, you are automatically enrolled in the Part A plan. This is your hospital insurance plan and covers nursing care, hospital stays, some home health services, skilled nursing care after a hospital stay and hospice care, though it does not cover doctors’ fees.

Q: What is Medicare Part B?
A: Medicare Part B is part of Original Medicare and covers services and supplies that are considered medically necessary to treat your health condition. Coverage can include:

- Clinical research
- Outpatient care
- Preventive care
- Ambulance services
- Durable medical equipment (DME)
- Limited outpatient prescription drugs
- Getting a second opinion before surgery

If you choose not to sign up for Part B when you’re first eligible, you may have to pay a late enrollment penalty for as long as you have Part B, so it’s important to research your options ahead of time. Your monthly premium for Part B may go up 10% for each full 12-month period that you could have had Part B, but didn’t sign up for it. If you are eligible for Medicare through a disability, you are automatically given Medicare Part A and Part B on your 25th month of being on Social Security.

Q: Should I choose a Medicare Advantage Plan or Medicare Supplement?
A: This is a great question and one that I hope to shed some light on. Let’s take a look at some of the pros and cons of each.

Medicare Supplement Insurance (Medigap)
Medicare Supplement Insurance (Medigap) policies, sold by private insurance companies, help pay some of the healthcare costs that Medicare doesn’t cover. You have a one-time, 6-month Medigap Open Enrollment Period that starts the first month you’re 65 and enrolled in Part B. This period gives you a guaranteed right to buy any Medigap policy sold in your state regardless of your health status. The most common plan sold is a plan “F” likely because it is the most robust.
Pros: The advantage of a Medicare Supplement is that you can go to any physician or hospital who accepts original Medicare since you’re not required to have a network or referral with this plan. With plan “F” you’re also not subject to co-pays, which makes for easy budgeting.

Cons: The downside is that Medicare supplement premiums can be costly and are not available to beneficiaries under age 65 in the state of Arizona. In addition to the Medicare Part B premium of $105 (2014 for most beneficiaries), premiums tend to go up each year as you age. Premiums can easily average $1,800-$3,850 per year, per person and that does not take into account an extra prescription drug plan (which must also be purchased for a monthly premium).

The Bottom Line: Medicare supplements offer great coverage, but with a hefty price tag.

Medicare Advantage Plans (Part C)
Medicare Advantage Plans otherwise known as part “C” of Medicare are federally funded, private health insurance plans that are offered to Medicare beneficiaries who (1) have Medicare Part A and Part B, (2) live in Maricopa county (or other counties of the state), and (3) do not have end stage renal disease. These plans compete for enrollment based on their benefits; the plan with the best combination of benefits and network size tends to get the most enrollments.

Pros: Part C plans are benefit rich and offer additional services not offered by Medicare such as vision, dental, and hearing or fitness memberships. What makes these plans the most attractive is that many of offered in Maricopa County are available for a $0 monthly premium in addition to the $105 already taken by Social Security for having Part B. A good example of a Medicare Advantage plan is offered by Cigna of Arizona. Cigna offers beneficiaries living in Maricopa County a standard prescription plan as well as a special needs plan for beneficiaries who have been diagnosed with diabetes and or congestive heart failure. Cigna currently has a 4.5 out of 5 star rating and has either held the highest rating or been tied for the highest rating for the past five years.

Cons: Because most Medicare Advantage plans are HMO-based, they do require a referral to see a specialist and have small/nominal co-pays for services as you need them.

The Bottom Line: Medicare Advantage is a good option for those who are used to a group plan benefit style health care model, and want to enjoy a $0 monthly premium.

Q: How should I decide?
A: The best advice is to use a reputable, local, independent broker who can give you the information you need to make an informed decision. Calling a 1-800 number will give you the basics, but rarely the independent advice you need.

Be careful to avoid agents who:
• Heavily push supplement or advantage plans
• Is a “captive agent,” meaning they are only able to sell you what their company provides and cannot give you good independent advice
• Is only a part-time or on-the-side Medicare agent, rather than full time

Choosing a knowledgeable, independent advisor will provide you the best variety in carriers and plans, ultimately helping you discover the best plan for you. Getting a good comparison from someone who understands your local market is crucial to making the right decision. Rule of thumb is that if your advisor is out of state, they are likely out of touch.

To learn more about choosing the right health insurance, call Lynn Marble at 623-516-8300 or send him an e-mail at lynnmarble@phxhealthinsurance.com

Lynn Marble is the owner of Phoenix Health Insurance and is a certified independent Medicare Specialist who serves thousands of clients in the greater metro Phoenix market. When he’s not coaching Arizonans about how to make smart healthcare decisions you can find this fitness enthusiast playing golf or enjoying a relaxing day with his beautiful wife and four amazing children.