ECOS MEDICARE SOLUTIONS

Medicare Advantage vs. Medicare Supplement

The Real Trade-Offs — Which Plan Type Is Right for You?

Book 1 of 4 · The Retire With Confidence Series

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Chapter 6: Original Medicare vs. Medicare Advantage — The Real Trade-Offs

This is the chapter where most people say, “Finally—just tell me which one to pick!”

I wish it were that simple. The truth is, there is no universally “better” option. Original Medicare with a Medigap plan is the best choice for some people. Medicare Advantage is the best choice for others. And the right answer for you depends on your health, your budget, your doctors, your travel habits, and your tolerance for financial risk.

Let’s lay it all out so you can make an informed decision.

Original Medicare: The Government-Run Option

When people say “Original Medicare,” they mean Part A and Part B administered directly by the federal government through CMS. You get a red, white, and blue Medicare card. You can see any doctor or hospital in the country that accepts Medicare—and about 97% of doctors do.

The advantage of Original Medicare is freedom. No networks. No referrals. No prior authorizations for most services. If a doctor accepts Medicare, you can go there. Period.

The disadvantage is cost exposure. Original Medicare has no out-of-pocket maximum. You pay 20% of Part B charges with no cap. You pay the Part A deductible every benefit period. And you get no dental, vision, or hearing coverage.

That’s why most people on Original Medicare pair it with a Medigap (Medicare Supplement) plan and a standalone Part D drug plan. The Medigap plan covers most or all of the gaps, and the Part D plan covers prescriptions.

Medicare Advantage: The Private Plan Bundle

Medicare Advantage plans are offered by private insurance companies (UnitedHealthcare, Humana, Aetna, Blue Cross, and many others) that contract with Medicare. When you join a Medicare Advantage plan, you still have Medicare—but your benefits are delivered through the private insurer.

The advantages of Medicare Advantage include: often $0 or low monthly premiums, extra benefits (dental, vision, hearing, fitness, OTC allowances), a required out-of-pocket maximum ($8,850 or less for in-network services in 2026), and Part D drug coverage is usually included.

The disadvantages include: network restrictions (HMO or PPO), potential need for referrals or prior authorizations, limited coverage outside your plan’s service area, and the plan can change its benefits, network, or formulary every year.

The Side-by-Side Comparison

Monthly Cost	Part B + Medigap + Part D premiums	Part B + plan premium (often $0)
Doctor Choice	Any doctor who accepts Medicare (97%+)	In-network only (or higher costs out-of-network)
Referrals Needed?	No	Often yes (HMO plans)
Prior Authorization?	Rarely	Common for procedures and specialists
Out-of-Pocket Maximum	NONE (unlimited) with Original Medicare. Medigap reduces it to Premium + Part D Deductible + Excess Charges.	$8,850 max for in-network (2026)
Drug Coverage	Separate Part D plan required	Usually included
Dental/Vision/Hearing	Not included	Often included
Travel Coverage	Nationwide (any Medicare provider)	Limited to service area (except emergencies)
Medigap Compatible?	Yes	No
Annual Plan Changes	Medigap benefits are standardized	Plans change benefits/networks yearly
Best For	People who want maximum flexibility and predictability	People who want lower premiums and extra benefits

The Hidden Cost of Medicare Advantage

Medicare Advantage plans look great on paper. Low premiums. Extra benefits. A gym membership. But here's what the TV commercials don't tell you:

Prior authorization denials are a real issue. A 2023 report from the Office of Inspector General found that Medicare Advantage plans denied approximately 13% of prior authorization requests that would have been covered under Original Medicare. That means real people with real medical needs were told "no" by their insurance company—even though Medicare itself would have said "yes."

Network changes happen every year. Your favorite doctor could be in-network this year and out-of-network next year. Your plan could change its formulary, dropping a medication you depend on or moving it to a more expensive tier.

And if you ever want to switch back to Original Medicare and add a Medigap plan, you may face medical underwriting. In most states, after your initial Medigap Open Enrollment Period (the first 6 months after you're 65 and enrolled in Part B), insurance companies can deny you a Medigap plan or charge you more based on your health. If you've been on a Medicare Advantage plan for years and your health has declined, switching back could be difficult or impossible.

Who Should Choose Original Medicare + Medigap?

Original Medicare with a Medigap plan tends to work best for people who want the freedom to see any doctor or specialist without referrals, travel frequently or live in multiple states seasonally, want predictable and low out-of-pocket costs, have chronic conditions requiring frequent specialist visits, or are willing to pay higher monthly premiums for greater financial protection.

Who Should Choose Medicare Advantage?

Medicare Advantage tends to work best for people who are generally healthy and use healthcare infrequently, want the lowest possible monthly premium, value extra benefits like dental, vision, and hearing, live in one area and don't travel extensively, and are comfortable with networks and prior authorization processes.

REAL-WORLD EXAMPLE: Two Retirees, Two Paths

> *Carol, age 66, chose a Medigap Plan G and a standalone Part D plan. Her total monthly cost: $202.90 (Part B) + $190 (Medigap) + $42 (Part D) = $417/month. When she was diagnosed with breast cancer, her total out-of-pocket cost for the year was $283 (Part B deductible). That's it. Her Medigap plan covered everything else.*
>
> *David, age 66, chose a Medicare Advantage PPO plan with a $0 premium. His monthly cost: $202.90 (Part B only). When he was diagnosed with prostate cancer, his out-of-pocket costs totaled $7,200 over the year (copays, coinsurance, and specialist visit costs up to his plan's out-of-pocket maximum). David saved money in premiums every month—but paid more when he got sick. Neither choice was "wrong." They reflected different priorities and risk tolerances.*

FREQUENTLY ASKED QUESTIONS

Q: Can I switch between Original Medicare and Medicare Advantage?

> *A: Yes, during the Annual Enrollment Period (October 15 – December 7) and the MA Open Enrollment Period (January 1 – March 31). But switching from Advantage back to Original Medicare can create Medigap issues if you're past your initial enrollment period.*

Q: Are Medicare Advantage plans going away?

> *A: No. Medicare Advantage is growing. In 2026, more than 54% of all Medicare beneficiaries are enrolled in Advantage plans. However, CMS has been tightening regulations on these plans regarding prior authorizations and network adequacy.*

Q: What if I hate my Medicare Advantage plan?

> *A: During the MA Open Enrollment Period (January 1 – March 31), you can switch to a different Advantage plan or return to Original Medicare and add a Part D plan. You can make one change during this window.*

CHAPTER 6 CHECKLIST

> ☐ *I understand the key differences between Original Medicare and Medicare Advantage*
>
> ☐ *I know Original Medicare has no out-of-pocket maximum*
>
> ☐ *I know Medicare Advantage requires using network providers*
>
> ☐ *I've considered my health, travel habits, and doctor preferences*
>
> ☐ *I understand the risks of prior authorization denials in Advantage plans*
>
> ☐ *I know that switching from Advantage to Original Medicare may involve Medigap underwriting*

READY TO TAKE THE NEXT STEP?

You don't have to figure this out alone. I've helped thousands of people navigate these exact decisions, and I'd be honored to help you, too. Call or text me for a free, no-obligation retirement review. No sales pitch. Just straight answers from someone who's been there.

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Chapter 7: Medigap / Medicare Supplement — The Plans That Make Medicare Bulletproof

If Original Medicare is a roof over your head, Medigap is the insurance policy that repairs the roof when a storm blows through. It doesn't replace Medicare. It completes it.

Medigap plans—also called Medicare Supplement plans—are sold by private insurance companies, but their benefits are standardized by the federal government. That means Plan G from Company A covers exactly the same benefits as Plan G from Company B. The only differences are price and customer service.

That standardization is a gift. It means you can compare plans on one simple variable: cost.

How Medigap Works

A Medigap policy works alongside Original Medicare (Parts A and B). When you receive a medical service, Medicare pays its share first, and then your Medigap plan pays some or all of the remaining costs—deductibles, coinsurance, copays, and even excess charges, depending on which plan you choose.

You pay your monthly Medigap premium on top of your Part B premium. In exchange, you get predictable costs and protection from catastrophic medical bills. With the right Medigap plan, you can see any doctor in the country who accepts Medicare, get treated without referrals or prior authorizations, and know that your out-of-pocket exposure is minimal.

The 2026 Medigap Plans at a Glance

There are currently 10 standardized Medigap plans available, identified by letters. Not all plans are available in every state, and Plans C and F are only available to people who were eligible for Medicare before January 1, 2020.

Part A Hospital Coinsurance	100%	100%	100%	100%	100%	100%
Part A Deductible ($1,736)	No	100%	100%	50%	75%	100%
Part B Deductible ($283)	No	No	No	No	No	No
Part B Coinsurance (20%)	100%	100%	100%	50%	75%	100%*
Part B Excess Charges	No	No	100%	No	No	No
Blood (first 3 pints)	100%	100%	100%	50%	75%	100%
SNF Coinsurance	No	No	100%	50%	75%	100%
Foreign Travel Emergency	No	No	80%	No	No	80%
Out-of-Pocket Limit	None	None	None	$7,060	$3,530	None

*Plan N note: Plan N covers Part B coinsurance except for a copay of up to $20 for some office visits and up to $50 for emergency room visits that don’t result in an inpatient admission.

The Two Most Popular Plans: G and N

Since Plans C and F are no longer available to new Medicare enrollees (those eligible

after January 1, 2020), Plan G has become the gold standard of Medigap coverage. It covers everything except the Part B deductible ($283 in 2026). For most people, Plan G offers the most comprehensive protection at a reasonable price.

Plan N is a popular alternative for people who want lower premiums. It covers most of what Plan G covers but requires small copays for certain office visits and ER visits, and it does not cover Part B excess charges. If your doctors all accept Medicare assignment (meaning they agree to charge only the Medicare-approved amount), Plan N can save you money.

The Medigap Open Enrollment Period: Use It or Lose It

This is critical. Your Medigap Open Enrollment Period lasts 6 months. It starts the month you're 65 AND enrolled in Part B (both conditions must be met). During this window, insurance companies must sell you any Medigap plan they offer, at the best available price, regardless of your health. They cannot deny you or charge you more because of pre-existing conditions.

After this 6-month window closes, insurance companies in most states can use medical underwriting to decide whether to sell you a plan and how much to charge. If you've developed health conditions since turning 65, you could be denied coverage or face significantly higher premiums.

Do not let this window close without making a decision. Even if you choose Medicare Advantage today, understand that switching to Original Medicare with a Medigap plan later may not be easy.

How Medigap Pricing Works

Medigap premiums are set by private insurance companies and vary based on three pricing methods:

Community-rated (no-age-rated): Everyone pays the same premium regardless of age. Premiums won't increase just because you get older.

Issue-age-rated: Your premium is based on your age when you first buy the policy. It won't increase because of aging, but it may increase due to inflation or other factors.

Attained-age-rated: Your premium starts low but increases as you get older. This is the most common pricing method. Plans may be cheaper initially but can become expensive over time.

When comparing plans, ask the insurance company which pricing method they use. A plan that's $30/month cheaper today could be $100/month more expensive in 10 years if it's attained-age-rated.

REAL-WORLD EXAMPLE: Why the Medigap Window Matters

> *Janet enrolled in a Medicare Advantage plan at age 65 because the $0 premium was attractive. At age 72, after being diagnosed with rheumatoid arthritis and diabetes, she wanted to switch to Original Medicare with a Medigap plan so she could see*

specialists without network restrictions. Problem: her Medigap Open Enrollment Period had closed seven years ago. When she applied for Medigap Plan G, she was either denied by most companies or quoted premiums 40–60% higher than the standard rate due to her health conditions. Janet is now stuck paying more for less coverage—or staying in a plan that doesn't meet her needs.

FREQUENTLY ASKED QUESTIONS

Q: Can I have a Medigap plan and a Medicare Advantage plan at the same time?

A: No. Medigap only works with Original Medicare. If you join a Medicare Advantage plan, your Medigap plan won't pay for anything, and it's illegal for a company to knowingly sell you a Medigap plan while you're in an Advantage plan.

Q: Do Medigap premiums go up every year?

A: Premiums can increase due to inflation, increased medical costs, or age (if you have an attained-age-rated plan). However, the benefits themselves are standardized and don't change.

Q: Which is better: Plan G or Plan N?

A: Plan G offers more complete coverage (it covers Part B excess charges and has no copays). Plan N offers lower premiums in exchange for small copays and no excess charge coverage. If cost is your priority and your doctors accept Medicare assignment, Plan N is worth considering. If comprehensive protection is your priority, Plan G is usually the better choice.

Q: Do I need a separate Part D plan with Medigap?

A: Yes. Medigap plans do not cover prescription drugs. You'll need a standalone Part D plan for drug coverage.

CHAPTER 7 CHECKLIST

☐ *I understand that Medigap plans are standardized by the government*

☐ *I know my 6-month Medigap Open Enrollment Period dates*

☐ *I've compared Plan G and Plan N based on my health and budget*

☐ *I've asked about pricing methods (community, issue-age, or attained-age)*

☐ *I know that Medigap does NOT include drug coverage (I need separate Part D)*

> ☐ *I understand that missing my Medigap window could mean higher costs or denial later*

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