Are you on Medicare and looking for ways to cut your medical health care costs? Have you read or listened
to advertisements (magazines, TV, radio, etc.), attended a presentation or spoken with an insurance agent
about Medicare Advantage insurance plans? One type of Medicare Advantage insurance plan, Private-Fee-for-
Service, is being heavily marketed to Medicare beneficiaries. If you are thinking about a change, we would
like to provide you with answers to some important questions to consider BEFORE you make any changes in
your Medicare health care coverage.

Do you have Medicare Part A and Medicare Part B?
To join a Medicare Advantage plan, you must have both Medicare Part A and Medicare Part B. If you do not have
both, you may not join any Medicare Advantage plan.

If you join any Medicare Advantage plan, you will no longer use your Original Medicare (red, white and
blue) card.
If you join a Medicare Advantage plan, you no longer have Original Medicare and will not use your red, white and
blue card when you see a doctor or go to the hospital. You would need to use the card provided by the Medicare
Advantage plan. The Medicare Advantage plan will pay (if the doctor or hospital accepts the plan) for your covered
medical services. Medicare will not pay, because you have chosen a different plan.

What is a Medicare Advantage Private-Fee-for-Service Plan?
It is a health plan offered by a private insurance company under contract with Medicare. It must provide all medically
necessary health care services covered by Medicare Part A and Part B. You may receive your medical services from
any eligible doctor or hospital in the U.S. that is willing to provide care and accepts your Private-Fee-for-
Service Plan’s terms of payment. It is not a Medicare Supplement/Medigap policy.

Is the Private-Fee-for-Service Plan (PFFS) accepted by your doctors? Your area hospital(s)?
It is important to check with each of your doctors and area hospital(s) to see if they will accept the PFFS plan before
you make any change. If your doctor or hospital does not accept the PFFS plan, you would not be able to see your
doctor or use the hospital (unless it is an emergency case).

If I join a Private-Fee-for-Service Plan, will I have to check with my doctors and hospital before each visit to
see if they still accept it?
Yes, you will need to check with your doctors and hospital each time you plan to visit them. A doctor and hospital
can change their mind at any time and not accept the coverage any longer.

Does the Private-Fee-for-Service plan include Medicare prescription drug coverage, or do you have to get
your Medicare prescription drug coverage separately?
Some Private-Fee-for-Service plans include the Medicare prescription drug coverage, but many do not. If the plan does
not include Medicare prescription drug coverage, you can purchase a stand-alone Medicare prescription drug plan.
If the Private-Fee-for-Service plan does include the Medicare prescription drug coverage, you will need to make sure it
covers your medications. If it doesn’t cover your prescriptions, it may not be the best choice for you.
Do I have to pay any premium for the Private-Fee-for-Service plan?

You will continue to pay the Medicare Part B premium, and you might also have to pay an additional monthly premium charged by the Private-Fee-for-Service plan.

Does the Private-Fee-for-Service Plan work the same as a Medicare Supplement/Medigap policy?

No. A Medicare Supplement/Medigap policy is a private insurance policy that will work only with Original Medicare and will help pay your share (coinsurance, copayments, or deductibles) of the costs of Medicare-covered services.

A Medicare Advantage plan is coverage for Medicare Part A and Medicare Part B services but provided through a private insurance company under contract with the Medicare program. The Medicare Advantage plan, not Medicare, decides what you have to pay for copayments, coinsurance and deductibles.

Will my Medicare Supplement/Medigap policy work with the Private-Fee-for-Service plan?

No. If you select to join a Private-Fee-for-Service plan (or any other type of a Medicare Advantage plan), the Medicare Supplement/Medigap policy will not coordinate with these plans. Medicare Supplement/Medigap coverage only works with Original Medicare.

What else should I know before joining a Private-Fee-for-Service plan?

It is important to understand what your copayments or coinsurance will be under the Private-Fee-for-Service plan. Every plan is different. You need to look at and understand how much you will have to pay each time you go for a doctor visit, a hospital stay, outpatient hospital visit, etc.

Does someone (spouse, child, other family member or a friend) hold a Power-of-Attorney document for making healthcare decisions on your behalf?

If yes, you should talk with that person before you sign any document that may be given to you about Medicare Advantage plans. Even if no one has Power-of-Attorney, it is always best to have another person with you if you go to a presentation/meeting or have an agent visit your home to discuss Medicare or Medicare Advantage plans. Talk with your family about any change you are thinking about making with your Medicare coverage.

Are you on Medicare and receiving assistance from another source (Medicaid, “Extra Help” federal assistance program, etc.), or do you have other insurance through a past employer?

If you are on Medicare and receiving assistance from another source such as Medicaid, you probably do not need to join a Medicare Advantage plan.

If you have other insurance through a past employer, you may lose that other insurance if you join a Medicare Advantage plan.

If you are talking with an agent about joining a Medicare Advantage plan, make sure the agent knows you have Medicaid or you have “Extra Help” from the federal government or you have other insurance from a past employer.

Check with Medicaid or the carrier for the other insurance through a past employer if you have questions BEFORE you sign anything or make any changes.

Can I cancel my Private-Fee-for-Service plan at any time?

There are limitations on when you can join or cancel a Medicare Advantage plan. For most beneficiaries you can only make a change during an Annual Election Period (October 15 through December 7 each year) or during a Medicare Advantage Open Enrollment Period (January 1 through February 14 each year). However, you may be entitled to a Special Election Period. For additional information, please contact the Medicare Advantage plan, 1-800-MEDICARE (1-800-633-4227) or SHIIP (1-800-443-9354).

Do not buy any insurance plan that you do not understand! Contact SHIIP at 1-800-443-9354 or by email at shiip@ncdoi.gov for more information or if you have questions on health insurance plans for people on Medicare!