

MEDICARE SUPPLEMENT a game changer

If you're age 65 or older, you likely know the basic Medicare rules.

Medicare Part A pays for in-patient hospital stays and skilled nursing care at covered facilities, while Part B covers doctors' services at Medicare-approved providers.¹ You're also likely familiar with their premiums: Part A is premium-free for those who paid Medicare taxes for 10 years, and Part B has a \$165 standard monthly premium with a \$226 deductible. Pretty straightforward, right? Not exactly.

While they provide coverage, Parts A and B don't cover all potential health care costs. In fact, coinsurance, copayments and high deductibles can cause expenses to escalate quickly, especially if you encounter health problems that require regular care or a hospital stay.

This is where Medicare Supplement proves so valuable. A Medicare Supplement plan, sometimes called "Medigap," is a private insurance policy that can help pay for much of these costs that Medicare doesn't cover.

Erie Family Life Insurance Company offers multiple plans to meet your needs and fit your budget. While all of our plans help offset costs, Plan G² offers the most comprehensive coverage available for those newly eligible for Medicare.

Plan G, while not available in Wisconsin, is our most popular plan. It allows you to choose any physician for your care, including specialists, while eliminating many out-of-pocket expenses associated with that care. Instead of paying copays and deductibles, you'll pay a monthly premium—the average cost with discounts for someone 65 years old is around \$131—for your Medicare Supplement plan.

While this all sounds great in theory, wouldn't it be helpful to see how it might apply to a real-world scenario?

CONSIDER JOHN AND GARY*

When he turned 65, **John** signed up only for Medicare parts A and B. Like **John**, **Gary** also joined original Medicare but added Medicare Supplement Plan G from Erie Family Life.

Check out how each of them fared.

DOCTOR'S VISIT

Since **John** has paid his deductible, Medicare Part B will pay for a visit to the doctor, but only at **80%**. He's on the hook for the other **20%**.

Gary has also paid his Part B deductible, and because Plan G covers Part B copayments, **he doesn't have any out-of-pocket costs** when he visits his doctor. This also includes any excess physician costs should his provider charge more than the Medicare-approved amount.

HOSPITALIZATION

When **John** falls ill and requires a stay in the hospital for a few days, Part A covers the full cost, but only after he pays a **\$1,600 deductible**.

This deductible applies for each benefit period, starting upon admission and ending 60 days after discharge. This means it's possible to have multiple benefit periods, each with their own deductible, per year.

Gary spends the same amount of time in the hospital as **John**, but because of his Medicare Supplement plan, **he pays nothing out of pocket**.

BLOOD TRANSFUSION

Following his hospital stay, **John** requires a blood transfusion to treat his anemia. As an outpatient procedure at a hospital, a blood transfusion averages **\$405**** for Medicare participants. After Part B's 80% coverage kicks in, **John owes \$81**.

Since he doesn't have to worry about out-of-pocket expenses here, **Gary doesn't receive a bill**.

While this scenario illustrates some ways a Medicare Supplement plan can help alleviate some of the costs not covered by Medicare, it's by no means a full list of benefits. For instance, you also won't incur out-of-pocket expenses for things like foreign emergency care³ and skilled nursing facility coinsurance, to name a few.

Your Agent can walk you through even more ways that you'll benefit from a Medicare Supplement plan.

OPEN ENROLLMENT IS UNDERWAY AND RUNS THROUGH DECEMBER 7, 2023. CONTACT YOUR ERIE AGENT TODAY. ■

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*These federal scenarios are provided to demonstrate the differences among plans. **National average according to Medicare.gov.

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¹Hospital benefits must be provided by facilities participating with Medicare. Payments are limited to the reasonable charge as determined by Medicare. After 90 days of hospitalization, Medicare benefits are paid from a one-time lifetime reserve of 60 days (days 91–150), which are not renewable each benefit period.

²Medicare Supplement Plan G not available in Wisconsin.

³Foreign emergency care is covered at 80% after a \$250 deductible is met, up to a \$50,000 lifetime maximum.