Key Differences Between Medicare Advantage and Medigap

Choosing between these two options comes down to how you want your coverage to work. Medicare Advantage replaces Original Medicare entirely, while Medigap works alongside it to reduce your out-of-pocket costs.

Provider Networks

Medicare Advantage plans typically use HMO networks, meaning you'll need to stay in-network for coverage. Your provider choices are usually limited to your local area.

Medigap gives you freedom to see any doctor or hospital that accepts Medicare—anywhere in the country. Need specialized care at Mayo Clinic, MD Anderson, or Johns Hopkins? You're covered.

Additional Benefits

Medicare Advantage plans often include extras like prescription drug coverage, dental, vision, and wellness programs bundled into one plan.

Medigap focuses solely on covering Medicare's gaps. You'll need separate Part D coverage for prescriptions and a standalone dental plan if you want those benefits.

Cost Considerations

Medicare Advantage plans often have low or $0 monthly premiums, but you'll pay copays each time you use healthcare services. Your max out-of-pocket ranges from $3,200 to $7,100 annually.

Medigap plans have higher monthly premiums (starting around $150), but your costs are predictable. With Plan G, you'll only pay the annual Part B deductible (currently $283).

Quick Comparison

Medicare Advantage:

- Replaces Original Medicare (privatized option)
- Network restrictions—higher costs if you go out-of-network
- Insurance company controls which procedures and providers are covered
- Low upfront costs, ideal if you're healthy and want to save on premiums
- Includes Part D drug coverage and extras like dental, vision, and gym memberships

Medigap:

- Works with Original Medicare—you keep your freedom of choice
- See any provider in all 50 states that accepts Medicare
- Medicare pays first, Medigap covers the gaps (like the 20% coinsurance)
- Predictable costs with minimal out-of-pocket expenses
- Premiums increase annually, but no surprise medical bills

Need help deciding? Contact our Medicare Support Services team. We'll walk you through the details and help you find the plan that fits your needs best.