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HELPING TO SECURE YOUR FUTURE

## **Blog Post: Why are some Medicare Advantage plan premiums \$0?**

\$0 premium plans are very attractive to Medicare beneficiaries, as cost and coverage is very important when looking at your health plan options. The leading question is, how can Medicare Advantage plans offer \$0 premium plans?

Medicare Advantage plans are offered by private insurance companies. The federal government contracts with these private insurance companies to administer your plan benefits. Don't worry, you still have all the rights and benefits that come with Original Medicare, as these private insurance companies must follow certain rules and regulations when designing these types of plans.

Private insurance companies can offer \$0 premium Medicare Advantage plans, in part, because:

- Medicare Advantage plans usually enter into contracts with a network of doctors and hospitals to help manage costs.
  - This means, if you go out-of-network, then you may pay more.
- Many Medicare Advantage plans offer preventive care and disease management programs to help manage your health, and healthy patients generally have lower healthcare costs.
- If a particular Medicare Advantage plan ends up spending less than the amount they get from the government, it can pass the savings on to members.
  - This can include offering \$0 premium plans and providing extra benefits, such as dental, vision and/or prescription coverage.

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So, what's the catch? I don't like to say that there is a catch. Medicare Advantage plans, just like any other employer or individual plan you may be used to, may have deductibles, copays, and coinsurance. Remember, you'll still have to continue to pay your Part B premium. Medicare Advantage plans can also offer extra benefits, as well as a yearly limit giving you predictability.

For more questions on this topic, please reach out to us.

- Call us: 717-845-5511
- Submit your questions online: <https://littenfinancial.com/contactform>