

Differences between Original Medicare and Medicare Advantage

People with Medicare can get their health coverage through either Original Medicare or a Medicare Advantage Plan. Here's a look at the differences between these two options:

Original also known as Traditional Medicare

The traditional program offered directly through the federal government

Medicare Advantage

Private plans that contract with the federal government to provide Medicare benefits

Original Medicare includes Part A (inpatient/hospital coverage/home health/hospice) and Part B (outpatient/medical coverage).

If a patient has Original also known as Traditional Medicare you will bill Medicare directly and you will do the eligibility checks electronically through any of the following ways:

- Billing service
- Software
- Your MAC which is your Medicare contractor (Palmetto, CGS, or NGS)

Medicare Advantage Plans are also known as Medicare private health plans or Medicare replacement plans. Some of the most common types of plans are:

- Health maintenance Organizations (HMOs)
- Preferred provider Organizations (PPOs)

Medicare advantage plans can be offered by an insurance company like Blue Cross and Blue Shield, Humana, United Health Care, Aetna, etc

When a patient elects to join a Medicare advantage plan that means that they are opting out of traditional Medicare and enrolling in an HMO/PPO plan.

A patient cannot have both Traditional Medicare and Medicare advantage at the same time, it's one or the other.

So, if the patient elects a Medicare advantage plan then you will bill the Medicare advantage and NOT traditional Medicare.

Note: It's important to do the eligibilities properly for each type of payer so you can avoid revenue loss. We'll get into that in a future email.