

 Compare 2025 Medicare plans

Obamacare vs. Medicare: Understanding the Differences and Benefits

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Summary:

The Affordable Care Act (ACA), enacted in March 2010, is sometimes nicknamed “Obamacare” for the president who signed it into law, Barack Obama. Obamacare is known for establishing the health insurance marketplace at healthcare.gov. Obamacare is also known for expanding the Medicaid program and preventing most insurance plans from excluding people for pre-existing conditions.

Some parts of this comprehensive health-care reform law affected Medicare Advantage plans. Here’s what you need to know about Obamacare and Medicare Advantage.

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Overview of Obamacare (Affordable Care Act)

Obamacare, also known as the [Affordable Care Act \(ACA\)](#), is a comprehensive healthcare reform law enacted in the United States in 2010. Its primary goal is to improve access to affordable healthcare for all Americans. One of the key benefits of Obamacare is that it prohibits insurance companies from denying coverage or charging higher premiums based on pre-existing conditions. This ensures that individuals with pre-existing conditions, such as diabetes or cancer, cannot be denied health insurance coverage or charged exorbitant rates. This ensures that individuals with pre-existing conditions, such as diabetes or cancer, cannot be denied health insurance coverage or charged exorbitant rates.

Under Obamacare, individuals and families can purchase health insurance through the Health Insurance Marketplace, where they can compare and choose from a variety of health insurance plans. The Marketplace also provides financial assistance in the form of premium subsidies and cost-sharing reductions to make coverage more affordable for those with lower incomes.

One of the main beneficiaries of Obamacare are young adults who can now stay on their parents' health insurance plan until the age of 26, providing them with extended coverage and financial security as they transition into adulthood. Additionally, individuals who were previously uninsured or had limited access to healthcare due to cost or other barriers can now obtain coverage through Medicaid expansion or the Marketplace.

Obamacare also includes essential health benefits that all health insurance plans must cover, such as preventive services, maternity care, mental health services, prescription drugs, and more. This ensures that individuals have access to comprehensive healthcare services without facing excessive out-of-pocket costs.

While Obamacare has expanded access to healthcare for millions of Americans, it has also faced criticism and challenges. Some argue that it has led to higher premiums for certain individuals, particularly those who do not qualify for subsidies. There have also been debates over the individual mandate, which requires individuals to have health insurance or pay a penalty (although the penalty was reduced to \$0 in 2019).

Overall, Obamacare has significantly impacted the healthcare landscape in the United States, expanding access to coverage, protecting individuals with pre-existing conditions, and providing essential health benefits. It continues to be a topic of discussion and debate, with ongoing efforts to improve and refine the healthcare system in the country.

Overview of Medicare

Medicare is a federal health insurance program in the United States that primarily provides coverage for individuals aged 65 and older, as well as certain younger individuals with disabilities. It was established in 1965 as a means to ensure that older Americans have access to affordable healthcare. Medicare is divided into different parts that cover specific services:

- [Medicare Part A](#): This part covers inpatient hospital care, skilled nursing facility care, hospice care, and some home healthcare services. Most individuals do not have to pay a premium for Part A if they or their spouse paid Medicare taxes while working.
- [Medicare Part B](#): Part B covers outpatient medical services, including doctor visits, preventive services, and medically necessary supplies. Beneficiaries are required to pay a monthly premium for Part B coverage. Medicare Parts A and B are also known as [Original Medicare](#).
- [Medicare Part C](#): Also known as Medicare Advantage, Part C allows beneficiaries to receive their Medicare benefits through private insurance companies approved by Medicare. These plans often include additional benefits such as prescription drug coverage or dental services.
- Medicare Part D: Part D is a standalone prescription drug coverage plan that helps beneficiaries pay for their prescription medications. It is provided through private insurance companies contracted with Medicare.

Medicare provides essential healthcare coverage for millions of Americans, ensuring they have access to necessary medical services as they age. It offers different options to suit individuals' needs and provides financial assistance for those who qualify. While Medicare covers a wide range of services, there are certain limitations and gaps in coverage that may require individuals to consider additional private insurance options, such as [Medicare Supplement plans \(Medigap\)](#), to fill those gaps and reduce out-of-pocket expenses.

Key Differences Between Obamacare and Medicare

Officially known as the Affordable Care Act (ACA), introduced significant changes to the healthcare landscape in the United States. While it primarily focused on expanding access to health insurance for individuals under the age of 65, it also brought about some changes to Medicare and Medicare Advantage (MA) plans. Here are the key differences between Obamacare and Medicare:

1. **Coverage Expansion:** Obamacare aimed to provide coverage to the uninsured population by creating health insurance marketplaces where individuals could purchase private insurance plans. It also expanded Medicaid eligibility in some states. However, these coverage expansions primarily targeted individuals under 65, and Medicare remained largely unaffected.
2. **Medicare Improvements:** Obamacare included several provisions to improve Medicare, such as closing the prescription drug coverage gap known as the "donut hole," providing free preventive services, and offering annual wellness visits without cost sharing. These changes were intended to enhance the benefits and value for Medicare beneficiaries.
3. **Medicare Advantage Changes:** Obamacare introduced changes to Medicare Advantage plans, which are private health insurance options offered to Medicare beneficiaries. It implemented payment reforms and reduced excessive subsidies to Medicare Advantage plans, aiming to promote efficiency and cost savings. These changes were intended to ensure that Medicare Advantage plans provided value for beneficiaries and the Medicare program as a whole.
4. **Independent Payment Advisory Board (IPAB):** As part of Obamacare, the creation of the Independent Payment Advisory Board was proposed to control Medicare spending. However, this provision was never implemented, and the IPAB was effectively repealed in 2018.

Overall, while Obamacare brought about changes to the healthcare system in the United States, its direct impact on Medicare was relatively limited. The focus of Obamacare was primarily on expanding coverage for the uninsured and improving healthcare quality and affordability for individuals under 65. Medicare, as a separate program providing coverage for individuals aged 65 and older and those with certain disabilities, continues to operate under its established structure, with some enhancements and cost-saving measures introduced by Obamacare.

Eligibility Requirements for Obamacare and Medicare

Obamacare, or the Affordable Care Act (ACA), expanded access to health insurance for individuals under 65. Eligibility for Obamacare is based on factors such as income, citizenship, and legal status. Generally, individuals who are not eligible for other public coverage options like Medicaid or Medicare may qualify for Obamacare. It also provides subsidies and tax credits to help lower-income individuals and families afford coverage.

Medicare is a federal health insurance program primarily for individuals aged 65 and older, as well as certain individuals with disabilities or end-stage renal disease. Eligibility for Medicare is based on age, disability status, or having end-stage renal disease. Most individuals become eligible for Medicare at age 65, regardless of income or health status.

It is possible to have both Obamacare and Medicare coverage. Individuals who are eligible for both programs are called "dual eligibles." In this case, Medicare is the primary payer for healthcare services, and Obamacare may provide additional coverage and benefits to fill gaps in Medicare coverage, such as prescription drugs or additional preventive services. It's important for dual eligibles to understand how their coverage works together to maximize their healthcare benefits.

Coverage and Benefits: Obamacare vs. Medicare

Obamacare, or the Affordable Care Act (ACA), offers a range of health insurance plans through the Health Insurance Marketplace. These plans provide coverage for essential health benefits, including preventive care, emergency services, prescription drugs, maternity care, and mental health services. The specific coverage and benefits vary depending on the plan and level of coverage chosen. Additionally, Obamacare offers subsidies and tax credits to help lower-income individuals and families afford coverage.

On the other hand, Medicare is a federal health insurance program primarily for individuals aged 65 and older, as well as certain individuals with disabilities or end-stage renal disease. Medicare has several parts:

1. Medicare Part A: Hospital Insurance, which covers inpatient hospital care, skilled nursing facility care, hospice care, and limited home health services.
 2. Medicare Part B: Medical Insurance, [which covers doctor visits](#), outpatient services, preventive care, and medically necessary supplies.
 3. Medicare Part C: [Medicare Advantage offers extra benefits](#), which offers an alternative way to receive Medicare benefits through private insurance companies. These plans provide at least the same coverage as Original Medicare (Part A and Part B) and may include additional benefits such as prescription drug coverage and vision or dental services.
 4. Medicare Part D: Prescription Drug Coverage, which helps pay for prescription medications.
- While Obamacare plans provide comprehensive coverage for a wide range of services, Medicare coverage is more specific to the healthcare needs of older adults and individuals with disabilities. Medicare also offers additional options through Medicare Advantage plans, which can provide enhanced coverage beyond what Original Medicare offers.

It's important to note that individuals who are eligible for both Medicare and Obamacare (dual eligibles) can have both types of coverage, with [Medicare coverage](#) being the primary payer. This allows them to access the benefits of both programs and ensure comprehensive healthcare coverage.

Costs and Affordability: Obamacare vs. Medicare

The cost of Obamacare plans can vary based on factors such as age, location, income, and plan level (bronze, silver, gold, or platinum). Premiums, deductibles, and out-of-pocket expenses differ among plans. However, individuals with lower incomes may be eligible for subsidies and tax credits to help offset the cost of premiums and reduce out-of-pocket expenses.

On the other hand, [Medicare costs](#) are a little different. Medicare Part A, which covers hospital services, typically does not require a premium for most beneficiaries since they have paid Medicare taxes during their working years. Part B, which covers outpatient services, does require a monthly premium based on income. Part D provides prescription drug coverage and involves additional premium costs that vary depending on the plan. Medicare Advantage plans (Part C) may have their own premiums, in addition to the Part B premium, and cost-sharing elements such as deductibles, copayments, and coinsurance.

In terms of affordability, Obamacare focuses on providing accessible and affordable coverage options for individuals and families, especially those with lower incomes. Subsidies and tax credits help make insurance premiums more affordable, and cost-sharing reductions are available to lower out-of-pocket expenses. Medicare, on the other hand, is designed to serve older adults and individuals with disabilities, with specific cost-sharing structures and eligibility criteria based on age or disability status.

According to the Kaiser Family Foundation the estimated average premium for a Medicare Advantage plan is around \$15 per month in 2023. Combined with the standard Part B premium cost of \$164.90 in 2023 (which can vary based on income and other factors), you could be paying about \$164.90 a month for a Medicare Advantage plan and your Part B coverage. Some Medicare Advantage plans have [monthly plan premiums as low as \\$0](#).

You need to continue paying your Medicare Part B premium when you're enrolled in a Medicare Advantage plan.

Prescription Drug Coverage: Obamacare vs. Medicare

Under Obamacare, prescription drug coverage is included as an essential health benefit in all qualified health insurance plans offered through the Health Insurance Marketplace. These plans are required to cover a range of prescription medications, including both generic and brand-name drugs. The specific medications covered and the cost-sharing arrangements (such as copayments or coinsurance) can vary depending on the plan chosen.

Medicare, on the other hand, offers prescription drug coverage through [Medicare Part D](#). Part D plans are standalone prescription drug plans available to Medicare beneficiaries. These plans are offered by private insurance companies approved by Medicare and can be purchased alongside Original Medicare (Part A and Part B) or as part of a Medicare Advantage plan (Part C) that includes prescription drug coverage. Each Part D plan has its own formulary, which is a list of covered drugs, and cost-sharing requirements such as premiums, deductibles, copayments, and coinsurance.

One similarity between Obamacare and Medicare is that both programs aim to provide access to affordable prescription medications. However, there are differences in the way prescription drug coverage is structured. Under Obamacare, prescription drug coverage is integrated into the health insurance plans offered in the marketplace, while in Medicare, it is obtained through a separate Part D plan. Additionally, the specific medications covered and the cost-sharing requirements can vary between plans under both programs.

It's important for individuals to review their specific needs and compare available plans to ensure they have adequate prescription drug coverage under either Obamacare or Medicare, depending on their eligibility and enrollment status.

Enrollment Process: Obamacare vs. Medicare

For Obamacare, individuals can enroll during the annual Open Enrollment Period, which typically runs from November 1st to December 15th of each year to get a plan that is effective starting on January 1st the next year. During this period, individuals can apply for health insurance coverage through the Health Insurance Marketplace. They can also determine if they are eligible for subsidies or other financial assistance programs based on their income. Additionally, individuals may qualify for a Special Enrollment Period if they experience certain life events, such as marriage, birth of a child, or loss of other health coverage.

Medicare has different enrollment periods depending on the type of coverage:

1. [Initial Enrollment Period \(IEP\)](#): This is the initial opportunity for individuals to enroll in Medicare. It typically starts three months before the month of their 65th birthday and lasts for seven months. It applies to both Medicare Part A (hospital insurance) and Part B (medical insurance). If individuals delay enrollment beyond their IEP, they may face penalties and gaps in coverage.
2. General Enrollment Period (GEP): This period occurs annually from January 1st to March 31st. It is for individuals who did not enroll during their IEP and want to sign up for Medicare Part B. However, coverage will not begin until July 1st of that year, and individuals may also face late enrollment penalties.
3. Medicare Advantage and Prescription Drug Plan Open Enrollment Period: This period, also known as the [Annual Election Period](#), runs from October 15th to December 7th each year. It

allows individuals with Medicare to review and make changes to their Medicare Advantage (Part C) and Medicare Prescription Drug (Part D) plans for the following year.

It's worth noting that the enrollment dates for [Medicare](#) may be subject to change, so it's important to check for any updates from the official Medicare website or consult with a Medicare representative.

In summary, the enrollment processes for Obamacare and Medicare differ in terms of eligibility criteria and specific enrollment periods. It is crucial for individuals to understand these differences and enroll within the designated timeframes to ensure timely access to healthcare coverage. Try our [PlanPrescriber Tool](#) to help find the coverage right for you.

Special Considerations When Choosing Between Obamacare and Medicare

When choosing between Obamacare and Medicare, there are several important considerations to keep in mind:

- **Age and Eligibility:** Medicare is generally available to individuals aged 65 and older, as well as certain individuals with disabilities. Obamacare, on the other hand, is available to individuals of all ages who meet the eligibility requirements, which include income criteria and residency status.
- **Coverage Needs:** Consider your specific healthcare needs and the coverage options provided by each program. Medicare offers different parts, including Part A (hospital insurance), Part B (medical insurance), Part C (Medicare Advantage), and Part D (prescription drug coverage). Obamacare plans, on the other hand, offer essential health benefits as mandated by law, including coverage for preventive care, hospitalizations, prescription drugs, and more.
- **Cost Considerations:** Evaluate the cost of premiums, deductibles, copayments, and other out-of-pocket expenses associated with both Obamacare and Medicare. Compare the monthly premiums and cost-sharing structures to determine which option aligns better with your budget.
- **Network and Provider Choice:** Medicare provides a wide network of healthcare providers who accept Medicare assignment, giving beneficiaries more flexibility in choosing their doctors and hospitals. Obamacare plans may have narrower provider networks, and it's important to ensure your preferred healthcare providers are in-network to avoid additional costs.
- **Prescription Drug Coverage:** If you require prescription medications, consider the prescription drug coverage offered by both programs. Medicare Part D provides prescription drug coverage, while Obamacare plans may offer prescription drug benefits as part of their essential health benefits.

- **Subsidies and Financial Assistance:** Obamacare offers subsidies and financial assistance programs based on income and household size to help make coverage more affordable. Medicare does not provide these subsidies, but certain individuals with low income and limited resources may be eligible for assistance programs like Medicaid.
- **Additional Benefits:** Medicare Advantage plans under Medicare may offer additional benefits beyond what is covered by Original Medicare, such as dental, vision, hearing, and [fitness programs](#). Evaluate these additional benefits and determine if they align with your healthcare needs.

It's important to carefully review and consider these factors to make an informed decision when choosing between Obamacare and Medicare. Additionally, seeking guidance from a qualified healthcare professional or insurance advisor can provide valuable insights and help you navigate the complexities of each program.

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* Top considerations based on [eHealth original February 2023 study](#) of Medicare Consumer Sentiments.

† 1.3 million people used eHealth to sign up for an insurance plan (including Medicare, Individual and Family, Ancillary, and Small Business plans) based on eHealth's 2022 year's end estimated membership as reported on pg 53 of the [eHealth® 2022 Annual Report](#).

¹ Top plans based on [KFF's 2023 Update and Key Trends report](#); analysis of 2023 CMS Medicare Advantage enrollment by firm.

² March [2023], report from eHealth, Inc., ["Medical Bill and Prescriptions Savings for Medicare Beneficiaries"]. The average potential savings identified in the report are limited to plans offered by eHealth at the time of tool use and are based on the cost information available to eHealth at the time the tool was used; this cost information is subject to periodic updates and corrections. Individual Experiences may vary.

³ Stress levels based on an eHealth study of 24 participants in July, 2023.

⁴ "Top Picks" are calculated by eHealth's proprietary PlanPrescriber technology. By using a customer's profile information, and data attributes they've provided through the website or an eHealth licensed insurance agent, customers can see up to three plan recommendations. A "Top Pick" is a plan that meets the most criteria established by the customer while a "Great Pick" meets slightly less criteria.

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