

The So-Called Medicare Advantage Plan

By Judith S. Parnes, L.C.S.W., C.M.C

As I have discussed in past columns, Medicare Advantage Plans are health insurance options that are a component of Medicare and were created as a less expensive alternatives to traditional Medicare. If you elect to join one of these Medicare Advantage plans, you generally receive all your Medicare-covered health care through that plan, which can include prescription drug coverage.

Under the Medicare Advantage Program, the Centers for Medicare and Medicaid services approves private companies to offer Health Insurance coverage to Medicare enrollees as an alternative to the original Medicare coverage with deductibles. The premiums or costs of services (co-pays) can be lower in a Medicare Advantage Plan because it provides all traditional Part A (hospital) and part B (medical) coverage without needing to purchase a supplemental “Medigap” policy. This does then appear to be an “advantage”. Nationally, roughly one in four Medicare recipients is now on a Medicare Advantage plan due to all the extra benefits that were offered.

However, the privatization of the Medicare Advantage Plan has caused much confusion as well. The gate keeping philosophy being used to keep the rest of care minimized in addition to a lack of available information in regards to the right to appeal claims, lengthy delays in the process, has resulted in the necessity of sometimes using an experienced advocate to navigate the process. Some people can now be heard saying “you get what you pay for...”. We at Elder Life Management often need to become involved when someone in the hospital needs Sub Acute care and their Medicare Advantage plan does not provide the same Skilled Nursing benefits traditional Medicare does.

America’s new health reform law may not do much to alleviate this confusion. The new reform, much of which begins to take effect in 2014, is projected to generate \$575 billion in Medicare cost savings over the next decade. These savings will help Medicare remain fiscally solvent for 12 years longer than projected just one year ago—until 2029.

These “cutbacks” do come at a price, some of which could prove costly to retirees. Elder Life Management has identified the following points of concern to those enrolled or thinking of enrolling in a Medicare Advantage plan.

- Older adults enrolled in Medicare Advantage plans may soon find their benefits have been cut. The reduced payments by the government may lead to a reduction in benefits such as dental and optical coverage.
- Individuals enrolled in a Medicare Advantage Plan will no long be able to switch to another advantage program. Instead, the only option will be to join the traditional Medicare program if they decide to leave their current plan because benefits have been reduced.

- Older adults enrolled in a Medicare Advantage plan don't have Medigap policies. These policies are private insurance plans that pay the gaps in traditional Medicare coverage such as hospital deductibles and doctor co-payments.
- When switching from a Medicare Advantage plan to traditional Medicare, the premiums will be much higher for Medigap insurance. This is due to the fact that most people take out Medigap coverage when they turn 65 and are healthy. Those who are older and in poorer health will have to pay much more for the coverage.

Understanding eldercare needs and insurance coverage typically does not become an issue until the “insurance” is needed. It is unfortunate that it is not until that time that most people become more educated.

For now, enlisting outside assistance to clarify various options may be extremely helpful. Comprehensive elder care agencies can offer helpful information that can help you and your loved ones select the most appropriate plan that can best cover your needs.

SIDEBAR or BOX- Elder Life Management offers a side-by-side comparison of Traditional Medicare Vs. Medicare Advantage plan coverage. Please call 732-493-8080 or email elmcares@aol.com to request a copy.

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