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Time for the Medicare muddle

By Travis E. Poling

San Antonio retiree Larry Marley spent hours comparing his Medicare coverage options for 2008.

Just figuring out the terminology used by the 78 companies in Bexas County offering Medicare replacement plans for low or no monthly premium was a chore even before wading through to see who had the best solution, Marley said.

"It's a headache to do," said Marley, who turned 65 this year. He said for older seniors, especially those with no Internet experience to wade through the Medicare Web site, "I think it would be rough for them."

By the end of the year, millions of senior citizens will have to pick a Medicare plan that will best meet their needs in 2008. They have plenty of choices, something most seniors say they want, but that choice is one of confusion for many.

In 2007, 8.3 million seniors were enrolled in Medicare Advantage plans, replacements to traditional Medicare that usually come at no extra monthly cost if the senior pays Medicare Part B premiums to the government. Most seniors, about 80 percent, still have traditional Medicare coverage, and some purchase private supplements to pay for what Medicare doesn't.

The private Medicare replacement plans come from some of the biggest names in the health insurance business such as United Healthcare, Aetna and Humana. Others are small startups that hope there is a gold mine in managing the health of the nation's elderly while getting paid by the federal government.

Deane Beebe of the Medicare Rights Center said many of the plans seem much the same with only a cursory glance. Co-payments for visits to the doctor's office and for prescription drugs are fairly standardized, especially among the larger competitors, but seniors need to dig deeper to find the terms that could cost them big, Beebe said.

"When people say you're going to save money with these plans — well, maybe," Beebe said.

While hospital stays may be well covered by many of the plans, expensive durable medical equipment that may be needed after that stay could cost plenty, with most plans making the senior responsible for 20 percent or more of the cost.

Mental health treatment, likewise, will mean more out-of-pocket expenses than physical medical care. Several major plans analyzed on the Medicare Web site had a co-payment of \$950 or more before the insurance kicked in. Studies

have shown that depression is common in senior citizens and frequently goes untreated.

The biggest problem, Beebe said, is that some seniors think they have signed up for a Medicare drug plan and then find they no longer can go to the same doctor or end up with thousands of dollars in emergency room charges because they went to a hospital not included in the Medicare Advantage plan network.

For those who discover the mix-up soon enough, they have from Jan. 1 to the end of March in 2008 to change plans or to go back to traditional Medicare. After that, disenrolling from a plan will take the work of an advocate and a lot of time, Beebe said.

Help, for a fee

Tamara Apgar has been acting as an advocate for San Antonio seniors to help them figure out what plan works best before they enroll.

"Now it seems like the Medicare Advantage plans are being very heavily marketed," said Apgar, whose business Your Medical Claims Expert will assist people for a fee with difficult medical claims and the snarls of insurance red tape.

She cautions clients to take a close look at their personal health before enrolling in a Medicare Advantage plan. In some cases, they may come out ahead financially or get soaked under other circumstances. Apgar also said what doctors are in the network and which drugs are covered under the plan are an important factor. But those also change and could leave somebody with bigger drug costs or a different doctor than they counted on going in.

"Where people get tripped up is they don't look for their own drugs or they don't understand prior authorization or quantity limits," Apgar said.

She also looks at performance and complaint records for each of the companies filed with the Texas Department of Insurance. From that, she also can get a sense at how responsive the health plans are at resolving complaints.

While some people may find safety in going with a well-known name in health insurance, Apgar said she found some of the small Medicare Advantage companies are "really responsive."

Like the Medicare Rights Center's Beebe, Apgar has advised some of her clients to enroll in traditional Medicare Part B, purchase a supplemental plan sometimes referred to as a Medigap plan, and get a separate private prescription drug plan under Medicare Part D.

Drug plans

The deadline for enrolling in a drug plan also is Dec. 31 for 2008 coverage. They range in cost from a few dollars a month to much more if they cover more brand-name drugs.

Senior advocates say to check carefully what drugs are covered by each plan and then check again before the deadline to enroll. If a key drug was dropped from the plan before it goes into effect, the senior then will have time to change to another plan.

Most drug plans cover drug expenses up to a certain amount, but Medicare Part D comes with what is called the "doughnut hole," where drug expenditures are paid out of pocket by the person insured. After a set amount is paid, then additional prescriptions are paid at 100 percent.

Beebe said it will cost about \$4,050 to get out of the doughnut hole. Some drug plans provide coverage through the doughnut hole, but fewer brand-name drugs are covered in that period in the 2008 plans than this year's, Beebe said of her analysis.

Private Medicare plans have been a lightning rod for controversy, but free-market proponents think they have been a good idea.

"I think they've worked pretty well," said Devon Herrick, a

senior fellow at the National Center for Policy Analysis in Dallas.

Because Congress has increased reimbursement to the health plans based on the health condition of the enrollee instead of just age and gender, there will be less cherry picking of only the healthiest seniors, Herrick said.

But Herrick said the government still is overpaying the health plans as part of the relaunch to entice plenty of competition for the seniors' business. He said seniors are on average getting about \$800 a year in additional benefits under Medicare Advantage than they would in traditional Medicare. That makes for a healthy bottom line for many of the companies who succeed at controlling expenses.

For Marley, who has had serious heart problems since multiple cardiac arrests in 1995, Humana Gold Plus will be paid more per month by the government than a senior citizen with no signs of a chronic illness.

Marley said with his conditions, "it all came down to the medicines, the doctors and the co-pays." He thinks Congress should require the plans to simplify their offerings and their language so it doesn't take so long to figure it all out when enrollment period rolls around again next year.