

LEGAL EASE



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Be cautious when choosing your Medicare coverage

Several articles have appeared recently, including a report from the U.S. Government Accountability Office, regarding Medicare Advantage (MA) plans, particularly about the high profits enjoyed by such plans. Medicare, generally, is medical insurance for Americans who are age 65 and older, or who are receiving SSD benefits for two years. Medicare has multiple parts, namely Part A for hospitalization, and Part B for outpatient procedures, medical equipment, labwork, and physician visits. Part D is the prescription drug benefit. Part C is Medicare Advantage.

Medicare Advantage Plans, formerly called Medicare Plus plans, are private plans approved by the federal government, and are a substitute for traditional Medicare Part A. Some of these plans include a prescription drug benefit. In this area, some common plans are Keystone 65, and Aetna Golden Choice. For some beneficiaries, the disadvantages of the plans are outweighed by the apparent affordability, since it is not necessary to purchase supplemental or Medigap insurance as is necessary with traditional Medicare. Many times, MA plans are substituted for other Medicare plans by a retiree's former employer to save money. There have also been many reports of aggressive and deceptive marketing practices by these plans, as the number of enrollees determines the government reimbursement available. However, it is extremely important that the plans be investigated on an individual basis, or some beneficiaries will find that they purchased insurance that is anything but an advantage to them.

MA plans have grown quickly since 2003, when the Bush administration began to increase subsidies to these plans to entice seniors to leave the traditional Medicare program. The government money allows these plans to offer beneficiaries attractive benefits, such as dental coverage. The thought behind the subsidies was to lower overall costs to the Medicare program through competition and managed care. However, this has proven not to be the case, as the plans are costing more each year just to entice them not to leave the market. The yearly subsidy is currently \$5 billion, costing more than traditional Medicare.

The problems with these plans are not limited to the cost to the government. Many people do not realize that there are co-pays required, and significant restrictions on which medical providers the beneficiary can see. Many times the senior's usual doctor, who they have seen for many years, is not in the "network." Some plans do not cross county lines, so that a plan that is ok in Chester County may not be acceptable in Berks County, leaving the beneficiary to scramble for coverage. Becoming ill, and being taken to the closest emergency room, may have a good outcome for the illness, but may result in a huge bill since the care was administered out of network. Another significant issue is that beneficiaries with traditional Medicare, who meet other criteria, may be eligible for up to 100 days of nursing home care per episode. Those beneficiaries in a Medicare Advantage plan may be told that they can have five or ten days of care, not even the usual 20 days given to traditional Medicare beneficiaries.

Be cautious when choosing your Medicare coverage, or when helping a senior choose coverage. If you want to read more about this, go to www.elderlawanswers.com (*For Some Beneficiaries, Medicare Advantage is to their Distinct Disadvantage*).