

Five Tips about Medicare Advantage *

As a billing manager, I often found many senior patients were misinformed about their Medicare coverage. A lack of basic understanding would translate into delays, higher costs and added stress. Understanding five basic points could help seniors obtain appropriate and prompt care, and save them money and sanity.

1. There is more than one

At the beginning was Medicare. Called "straight" by those in the medical field, this Original Medicare (OM or MCR) consists of:

- Part A: hospital, nursing and hospice care
- Part B: physicians, labs, tests and Durable Medical Equipment
- Part D: prescription drugs (dispensed out of a hospital or office)

Patient involvement is minimal. Healthcare providers render services, send a bill and get paid quickly, a perfect example of the "Fee for Service" (FFS) process in the news lately. The Federal Government administers OM.

Created a few years ago to lower costs, Medicare Advantage (MA) plans are administered by private insurance carriers. This is also called Part C.

2. Is it MCR or MA?

Knowing which coverage you have is essential. Assuming and telling the office that you have "Medicare" is incorrect if you have a MA plan. In the industry, "Medicare" means Original Medicare, it NEVER means Medicare Advantage.

Once enrolled in a Medicare Advantage (MA) plan, you turn your Original Medicare (OM) benefits over to a private insurance company, which in turns provides coverage, administers your plan and pays your claims. You now have the equivalent of a commercial policy, subject to specific guidelines, requirements and limitations. Your doctor may need a direct contract with this insurer, or authorizations required before services are rendered.

Your Medicare card (with your social security followed by a letter) is no longer valid for payment of claims, only the one issued by the private insurance carrier is.

3. Conditions of coverage vary

MA plans are not based on the same easy "get-paid-easily-as-long-as-you-follow-basic-and-well-publicized-guidelines" protocol used by MCR, although they are required to cover the same benefits.

Vision, dental and hearing coverage are not covered under OM. You may often purchase these options separately.

Note that MA plans may cost more than the premiums you already pay to Medicare.



There are 2 basic MA plans:

- HMO patients must receive services through an exclusive network. Subscribers are assigned to a local IPA (Medical Group) and a PCP (Primary Care Physician) who oversees your overall care and issues mandatory authorizations. Part D coverage must be purchased from the same HMO.
- Non-HMO (FFS or PPO): this type of plan seems to indicate that restrictions do not apply. Beware: your final liability may increase if your medical provider has no contract with your health plan or if an authorization was not obtained. Because a provider is a PPO provider does NOT imply he is willing or able to accept MA patients. PPO plans are by definition commercial, caution is warranted when using the term "PPO" or "FFS" in the Medicare context.

4. It may cost you

Too many patients switch to a MA policy only to discover that they cannot continue seeing their physician or have significantly higher financial liability in January. While prescription discounts, no 20% copay and a limit on the yearly share of cost are great reasons to choose a MA plan, other financial concerns may unexpectedly and negatively affect your bottom line.

Most of the MA plans carry office copays, deductibles and out of pocket limits, which must be met before claims are paid in full. Certain services may be subject to unlimited co-insurance liability.

5. Help is available

To learn more about Medicare choices, costs, coverage and options, visit: <http://www.medicare.gov/>
In California, free counseling and information on Medicare is available at:
<http://www.cahealthadvocates.org/HICAP/>.

In conclusion:

MA plans work well for a large number of seniors, but doing research prior to enrolling remains advisable, as your choice is locked in for the next year.

Remember: You can join, switch or leave a MA plan during the Open Enrollment Period between Mid-October and Early December. You may only join a MA plan during the year if it has a 5 star rating, or if you just qualified for Medicare coverage. You may only request disenrollment and return to OM between January 1st and February 14th each year.

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