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Medicare Part D and Advantage Enrollment Open Now

The annual Medicare Part D enrollment period started November 15 and continues through December 31. Medicare beneficiaries may have to shop for a better deal on a prescription-drug plan. The average premium seniors pay for stand-alone drug plans will rise 11% to \$38.94 a month in 2010, according to the Kaiser Family Foundation, a nonprofit that focuses on health-care issues. About 1.2 million Medicare beneficiaries would pay at least \$10 more in monthly premiums if they remain in their current plan.

Changes are even greater for seniors receiving drug coverage as part of Medicare Advantage, private health plans subsidized by the federal government and offered through private insurers. The average monthly premium for those beneficiaries will rise by an average of 32%, to \$48 a month, if they stay in their current plan, according to the Kaiser Family Foundation. In addition, health-policy analysts say some seniors will lose their Advantage plans altogether, while others could see plans reduce benefits or drop vision, dental or other benefits not covered under traditional Medicare.

According to the November 15 Wall Street Journal article, analysts and patient advocates are urging seniors to shop around during the six-week enrollment season. They should "compare plans to look for plans that provide a better deal," says Tricia Neuman, vice president and director of the Medicare Policy Project at the Kaiser Family Foundation.

For next year, insurers are offering 1,576 stand-alone drug plans and 2,314 Medicare Advantage plans, about 80% of them with drug coverage, according to the foundation.

To compare plans, go to Medicare.gov or call 1-800-Medicare. The State Health-Insurance Assistance Program offers free counseling as well.

Proposed health insurance reform bills in Congress have proposed cutting more than \$100 billion in payments to Medicare Advantage over 10 years to help fund coverage for the uninsured. The Obama administration has said it will cut payments to Medicare Advantage by as much as 4.5% next year. They argue that the plans are overpaid: Advantage plans cost the federal government 14% more on average per beneficiary than traditional Medicare.

Also, a 2008 law requires one type of Advantage plan -- a private fee-for-service, or PFFS, plan -- to set up a network of providers by 2011, the way health-maintenance organizations and preferred-provider organizations operate. For beneficiaries, that will mean greater restrictions on which doctors or hospitals they can receive care from.

Some insurers say they would rather quit the PFFS market than spend money to meet the requirement. WellCare HealthPlans is canceling all PFFS plans for about 110,000 enrollees. Unitedhealth Group is withdrawing its PFFS plans from some markets. Medicare officials say more than 667,000 seniors will lose their Advantage plans.

Those affected can choose another Medicare Advantage plan or switch to traditional Medicare. If they fail to make a new choice by Dec. 31, they will be automatically enrolled in traditional Medicare for 2010, according to the Centers for Medicare and Medicaid Services, the agency that manages Medicare.

Those beneficiaries will have until Jan. 31 to enroll in a drug plan, CMS says. If they miss the deadline, they may not have a drug plan for the year.

Source: Jane Zhang, Wall St. Journal (15 November 2009)

Full story:

<http://online.wsj.com/article/SB125823702379448821.html?mod=article-outset-box>