

# 2018 SMP/SHIP

## NATIONAL CONFERENCE

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Practical Tips to Assist Beneficiaries  
Determine How to Choose Between  
Traditional Medicare and Medicare Advantage

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Center for  
**Medicare Advocacy**

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The Center for Medicare Advocacy is a national non-profit law organization, founded in 1986, that works to advance access to comprehensive Medicare and quality health care

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- Headquartered in CT and Washington, DC
- Staffed by attorneys, advocates, nurses, and technical experts
- Education, legal analysis, writing and assistance
- Systemic change – Policy & Litigation
  - Based on our experience with the problems of real people
- Medicare appeals
- Medicare/Medicaid Third Party Liability Projects



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# **An Overview of Medicare Benefits Coverage**

# MEDICARE

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- **Part A** – Hospital Insurance     ┌
  - Hospital, SNF, HH, Hospice Traditional/Original Medicare
- **Part B** – Medical Insurance     └
  - Physician, Outpatient, Preventive, HH
- **Part C** – Medicare Advantage program (Private plans)
  - MA – Medicare Advantage plans without Part D drug coverage
  - MA-PDs – Medicare Advantage plans with Part D drug coverage
- **Part D** – Prescription Drug Benefit
  - PDP – Stand-Alone Prescription Drug Plans

# TRADITIONAL MEDICARE

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## ■ Parts A and B

- Access to all Medicare-participating providers nationwide
- No limits on pre-existing conditions
- But –
  - No cap on out-of-pocket costs
  - Cost-sharing can be a problem
    - Supplemental help with costs (Medigap, MSP, Retirement)
    - Help with Rx costs (PDP, VA, Retirement)
  - No routine vision, dental or hearing aid coverage

# MEDICARE ADVANTAGE (MA)

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- **Part C**
  - Private insurance plans that contract with Centers for Medicare & Medicaid Services (CMS) to provide Medicare coverage
  - MA plans combine Part A and Part B, and sometimes Part D (prescription drug coverage)
  - MA plans have limited provider networks
  - Plans can terminate provider contracts / reduce providers in network

# MEDICARE ADVANTAGE (MA) (Cont.)

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- MA plans must provide at least as much coverage as traditional Medicare, and may provide additional coverage
- MA plans are not “in addition to”/ “on top of ” traditional Medicare
- Deductibles, copayments or coinsurance are generally paid out-of-pocket or included as an “extra benefit” by the MA plan
- Medigap policies can’t be sold to individuals in MA

# TRADITIONAL MEDICARE VS. MA

## Overview

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**Choosing Between Traditional Medicare and an MA Plan is an important decision and requires consideration of:**

- Need for an open network /choice of providers;
- Need for access to care outside one's own geographic area;
- Individual's financial circumstances;
- Could you switch back to traditional Medicare if MA does not serve you well?
  - Could you wait for the next enrollment period?
  - Could you get a Medigap plan?
    - Differs from state to state



# **How to Choose Between Traditional Medicare and Medicare Advantage**

# TRADITIONAL MEDICARE VS. MA PLANS A ROADMAP – NARROWING THE OPTIONS

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## 1. Which providers/facilities do you use?

- How important is it to you to continue with them?
- Do they accept Medicare?
- Which Medicare Advantage Plan networks do they participate in?

## 2. What medications do you take?

- What MA plan formularies are your medications on?
- Can you take generics?

# TRADITIONAL MEDICARE VS. MA PLANS A ROADMAP – NARROWING THE OPTIONS

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3. Do you want your care choices directed?
  - By going through a primary care physician?
  - By obtaining referrals to see specialists?
  - By having to get prior authorization for some services?
  
4. Do you travel outside your general home area?
  - How often?
  - How do you feel about having care access limited to emergency coverage and urgent care if you are outside your general home area?

# TRADITIONAL MEDICARE VS. MA PLANS A ROADMAP – NARROWING THE OPTIONS

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5. How important is a cap on out-of-pocket costs (known as annual maximum out-of-pocket [MOOP] )
6. What value are other possible benefits to you (Examples: some dental, hearing, vision, health clubs, grab bars, transportation – check the details)
7. How do you weigh the convenience of “one-stop shopping” up-front Vs. continual annual checking to make sure providers and coverage requirements are not changing?

# TRADITIONAL MEDICARE VS. MA PLANS A ROADMAP – NARROWING THE OPTIONS

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8. How do you feel about a Medical Director of a health plan potentially having the ability to challenge your doctor's determination that your care is reasonable and necessary?

9. Will you be more likely to seek needed care if it is:

- Convenient (larger number of providers/suppliers)?
- Lower Cost?
- Simpler to access? (Example: referral not required)

# TRADITIONAL MEDICARE VS. MA PLANS A ROADMAP – NARROWING THE OPTIONS

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10. Do you qualify for payment assistance or have access to other coverage?

- Medicare Savings Program
- Part D Low Income Subsidy
- Medigap
- Employer/Military/Other Insurance

# TRADITIONAL MEDICARE VS. MA PLANS

## OTHER CONSIDERATIONS - TRADITIONAL

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- Flexibility
  - Provider/ facility/ supplier networks are vast
  - Coverage is available throughout U.S. and territories.
- Medigap Plan questions to ask:
  - Are there guaranteed issue rights in your state?
  - What are the pre-existing condition limitations?
  - Are the premiums prohibitively high?
  - Do you have other options for cost-sharing?
  - Are you willing/able to go without a supplement?

# TRADITIONAL MEDICARE VS. MA PLANS

## OTHER CONSIDERATIONS – MA PLANS

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- Medigap policies can't be sold to MA enrollees
- Coordination with other types of coverage can be complicated
  - May have to pay some/all cost-sharing out of pocket
- “Seamless conversion” enrollment – Plan sponsors may be automatically signing up newly Medicare-eligible individuals in MA plans without their knowledge or consent.



# TRADITIONAL MEDICARE VS. MA PLANS

## OTHER CONSIDERATIONS – MA PLANS

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- MA plan networks may not always have adequate specialists or other providers to serve patient needs.
  - Online provider/hospital/supplier network directories are not always updated.
- Network providers may choose to join or leave a network at any time; plan can also terminate providers at any time, whereas most enrollees are locked in for year (after March 31 of the year)
  - Limited SEP for network terminations
- There are additional SEPs for people who are dually eligible, MSP, and LIS

# TRADITIONAL MEDICARE VS. MA PLANS

## OTHER CONSIDERATIONS – MA PLANS

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- HMOs usually have no out-of-network coverage
- PPOs usually have out-of-network coverage at a higher cost to the beneficiary
- MA Plans have discretion to charge cost-sharing above traditional Medicare (except chemotherapy, renal dialysis, SNF services)
- MOOPs only apply to Part A and B services, not to Part D and not “extra” services

# TRADITIONAL MEDICARE VS. MA PLANS

## OTHER CONSIDERATIONS – MA PLANS

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- MA plans must offer benefits that are at least equal to traditional Medicare and cover everything traditional Medicare covers
- May offer coverage for additional services
- MA plans can waive certain restrictions on coverage (Example: 95% of MA Plans don't require 3-day prior hospital stay for SNF coverage, although actual SNF coverage is low for under 65.)

# TRADITIONAL MEDICARE VS. MA PLANS

## OTHER CONSIDERATIONS – MA PLANS

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- Plan benefits and cost sharing can change every year – enrollees should review annually
- Cost-sharing may be more than in traditional (Example: HH co-pay, no in traditional)
- MA plans do not provide Hospice Services.
- MA plans do not provide for services related to people in clinical trials.

# TRADITIONAL MEDICARE VS. MA PLANS SUMMARY

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- Enrolling in Medicare and continuing to obtain coverage, whether through traditional Medicare or an MA plan, is a personal choice and requires each individual to consider the following:
  - Need/desire for flexibility in obtaining health care
  - Health, medical history
  - Overall life circumstances
  - Budget
  - Tolerance for financial risk



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# Questions, Comments And Discussion



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