

What's the Advantage to a Medicare Advantage Plan?

By Jacques Chambers

Medicare is a health program designed by bureaucrats and “fine tuned” by Congress so it is not an easy program to understand. Medicare has various parts: Part A, B, and D. Now there is something called “Medicare Advantage Plans” which may or may not offer a viable alternative to the original Medicare and all its parts.

Original Medicare is often called “Fee-for-Service Medicare.” This is the coverage that you are enrolled in by default if you do not pick another plan. Original Medicare consists of three parts:

- **Part A Hospital Coverage** – This is the portion of Medicare that covers hospital charges, skilled nursing facilities and hospice charges. You become eligible for it by paying your Medi/F.I.C.A. payroll taxes during your working career. If you didn't pay enough quarters of coverage you may have to pay a premium to get it, but most workers worked long enough to get it without cost.
- **Part B Medical Coverage** – This part covers medical expenses other than hospital charges. It covers doctor's visits, X-ray and laboratory tests, durable medical equipment and many other medical equipment and services. This portion is considered voluntary and a premium is charged. In 2007 the cost for Part B coverage will be \$93.50 per month. Although voluntary, Part B coverage is important in the absence of a broad retiree health plan from the prior employer or to enroll in a Medicare Advantage Plan.
- **Part D Prescription Coverage** – This is the new addition to Medicare coverage that was launched 01-01-06. Coverage under this part is also voluntary and benefits are administered by private insurance companies. Premiums range from \$9.00 to \$85.00 per month depending on the plan you purchase.
- **Medigap Coverage** – Also called Supplemental Medicare Coverage, these private plans are offered by insurance companies and cover portions of medical bills that are not covered by Parts A, B, and D, such as deductibles, co-insurance, coverage outside the US, etc.

In order to have comprehensive medical coverage from Medicare a person would need all of the above plans. Persons on Medicaid as well as Medicare would not need the Medigap coverage.

Part C Medicare – The Medicare Advantage Plans

An alternative to Original Medicare with its various parts are the plans offered under Part C of Medicare, called the Medicare Advantage Plans. These are plans offered by private insurance companies and health service organizations that

cover everything covered under original Medicare. In addition, they may offer additional benefits.

Most of the plans offered under Medicare Advantage are managed care plans. Most are Health Maintenance Organizations (HMO) and some Preferred Provider Organization (PPO) plans. The plans offered vary from state to state and sometimes even by region within a state. Because the federal government pays the Medicare Advantage Plan, a substantial premium to provide your care, there is rarely more than a small premium in addition to the Part B premium you are already paying Social Security. Many of the plans have no additional premium at all.

While they will generally limit your choice of physician and hospital, they will often add benefits that are not covered under Original Medicare such as dental coverage or coverage for eyeglasses.

Joining a Medicare Advantage plan also packages all the benefits, hospital, medical, and prescription drug coverage into one product so that the need to search for and choose a separate drug plan is avoided.

Almost anyone who is covered under Parts A and B of Original Medicare has the option to switch their coverage to a Medicare Advantage Plan during the Open Enrollment Period which runs from November 15 through December 31 of each year with the changes effective on the following January 1. Persons who are receiving Medicare due to End Stage Renal Disease or who are confined to a nursing facility are not eligible to switch their coverage.

You should be aware that when you enroll in a Medicare Advantage Plan, all of your medical care must be obtained through that plan. Coverage under Original Medicare is suspended while you are in the alternate plan.

While these managed care plans have generally worked well for people who are usually healthy and have only temporary or minor medical problems, they have been a real challenge for persons dealing with chronic or catastrophic medical conditions, such as HCV.

However, health care from an HMO does not have to be inferior. In fact, it can be excellent care. Thanks to the public outcry about HMOs skimping on care to increase their profits, Congress and many state legislatures have tightened regulation of this industry. Publicity by the media of problems with care from HMOs and the frequency of large jury awards have forced HMOs to make an effort to improve the quality of their care, or at least improve the image of their quality of care.

The basic principal of HMOs is that, in return for a flat fee called capitation or premium, they will provide all your medical needs in return for nominal co-pays

for services. However, to make sure you get the “quality of care you need,” and, coincidentally avoid “unnecessary” and expensive “over-utilization,” a Primary Care Physician (PCP) must coordinate all your treatment. Regardless of what treatment you may need, you must first go to your PCP, who will usually be a general practitioner, possibly an Internist or Family Practice specialist.

This Primary Care Physician is also called the “Gatekeeper”—an extremely descriptive title. If you believe you should see a specialist, it is the Gatekeeper that decides whether or not you get to see the specialist, and, if so, which specialist you will see.

Remember the game of “Simon Says?” In the HMO world, it is “PCP Says.” Unless the PCP says you need a specialist, you will have to rely on the PCP to provide your care, whether it is something he/she is familiar with or not. Keep in mind that the fewer doctor visits, tests, and treatment you undergo, the bigger an HMO’s profits and the more the doctor/clinic will earn.

With a set-up like this, it makes you wonder if anyone ever gets good care from an HMO. Yet, it is possible to get excellent care through an HMO. Part of this is due to the doctors and other medical providers who still care about providing care to people who need it. However, the key to the quality of the care you receive is you and how actively you participate in the decisions about your healthcare.

There are a lot of excellent and caring medical providers working with HMOs, but you will have to seek them out. You will also have to make sure they continue to focus on your medical care, despite the bureaucratic barriers built into the HMO system.

In reality, the HMO is not that different from any other type of healthcare delivery system. You are the person who is ultimately responsible for seeing to it that you get the best care available. It is up to you to know the level of care you are actually receiving and to determine what quality of care you should be receiving.

It is up to you to take control of your medical care, and, to do that, you need to be knowledgeable about all areas of your medical condition and its treatment and actively participate with your medical providers in your care.

While these plans are not necessarily better for someone dealing with HCV, they do offer an alternative to the Original Medicare for those who prefer it.