Medicare Tips for Picking a Managed Care Plan

Medicare is a federally funded government health program that helps pay for medical bills and prescription drug costs for persons age 65 or older and for certain disabled persons. There are four parts to Medicare: Part A (hospital insurance); Part B (medical insurance); Part C (Medicare managed care plans); and Part D (prescription drug plan). Medicare Parts A and B are administered by the government, whereas Parts C and D are approved by the government but run by private insurance companies. This article will focus on Part C, which is called Medicare Advantage managed care, and offer Medicare tips on how to successfully navigate the sometimes confusing landscape of Medicare and how to choose the right plan.

A Quick Overview

Part A (hospital insurance) and Part B (medical insurance) are together what most people associate with traditional Medicare. Part A covers care in hospitals as an inpatient, critical access hospitals (small facilities that give limited outpatient and inpatient services to people in rural areas), skilled nursing facilities (not custodial or long-term care), hospice care, and some home health care. You automatically get Part A when you turn 65 or begin taking Social Security benefits. You don't have to pay a monthly premium for Part A coverage because you've already paid into the system, through Medicare taxes, while you were working.

Part B (medical insurance) covers outpatient hospital care that Part A may not cover, such as physical therapy and some home health care, when they are medically necessary. Part B requires payment of a monthly premium (currently about $100).

Medicare Advantage Managed Care Plan

In lieu of continuing to accept benefits from Medicare Parts A and B, you have the choice of enrolling in a managed care plan--Part C of Medicare, referred to as Medicare Advantage. Medicare Advantage is a privately run health care plan that combines the benefits from Medicare Parts A and B. While the government doesn't control the cost of Medicare Advantage, it does regulate who can enroll in the plan and when they can do so.

Medicare Advantage plans include managed care plans such as:

• Medicare Health Maintenance Organizations (HMOs)
• Preferred Provider Organizations (PPO)
• Private Fee-for-Service Plans
• Medicare Special Needs Plans

If you enroll in Medicare Advantage, you receive all of your Medicare benefits through the plan. You will have to pay the monthly premium for Medicare Part B, and may have to pay an additional premium for the extra benefits the Medicare Advantage plan offers. Depending on your Medicare Advantage plan, it may or may not include a prescription drug plan.

The Pros and Cons of Medicare Advantage Plans

Medicare Advantage plans aim to curb the amount of co-payments and deductibles and fill in the gaps of coverage between Plan A and Plan B. As a result, those who enroll in Medicare Advantage do not need to purchase a Medigap insurance policy (which previously was the only way assure coverage for the gaps between Plan A and Plan B).

Advantages of enrolling in Medicare Advantage include:

• increase in coverage
• decreased cost—out of pocket costs of a Medicare Advantage plan is generally lower than that of Plan A, Plan B, and Medigap insurance

• in many cases the cost of Medicare Advantage prescription drug plans are lower than that of standalone Medicare prescription drug plans (e.g., Medicare Plan D)

However, while Medicare Advantage typically provides better coverage and lower costs, be aware of several potential drawbacks to enrolling. These include:

• potential limited choice of doctors
• extra step to be treated by specialists (must be referred by a primary care physician first)
• geographic limits of coverage—those who travel frequently may not be fully covered outside of their area
• plans may drop out of your geographic area if they are not profitable (remember, these are privately run plans)

What to Look For

Keeping these advantages and disadvantages in mind, there are a few Medicare tips which you should follow or investigate when choosing your Medicare Advantage plan, or in deciding whether to enroll at all.

• **Investigate the plan’s network of doctors and providers.** As with most managed care plans, the network of doctors and other health care providers that the plan authorizes are set within the plan. Therefore, if you already have doctors and providers whom you trust and wish to continue seeing, you’ll need to confirm that they are in the Medicare Advantage plan. If you’re fine with new doctors or don’t particularly care which hospital treats you, then this is much less of a concern.

• **Try to learn how difficult it will be to see a specialist.** A vast majority of managed care plans require you to be referred to a specialist after first seeing a primary care physician. While this process may make business sense (if you don’t actually need to see a specialist, it saves money to resolve the problem at a lower level), its efficiency is questionable and it’s frustrating when you clearly need to see a specialist but have to wait weeks to make an appointment to see your primary care physician first.

• **Determine the managed care plan’s review process for claims.** If you need a procedure or treatment that is declined by the Medicare Advantage plan, you will have to go through a review process that is outlined by the private plan, not Medicare itself. Because Medicare Advantage plans are run by private companies, you need to make yourself aware of the review process in the event the company declines coverage.

• **Explore other plan features which are important to you.** Not all managed care plans are created equal, and certainly not all of them will incorporate the needs that are unique to you. If treatments such as acupuncture chiropractic care, routine physicals, specific medical equipment or any other treatments are important to you, be sure to find a plan than covers all or part of it.

Medicare can be confusing with all its rules and eligibility process, so for more information and Medicare tips, there are several places to go. First is the government Medicare website, at [www.medicare.gov](http://www.medicare.gov). There, you can find information on the different types of coverage, as well as publications on comparing coverage and signing up for different programs.

You can also visit the State Health Insurance Assistance Program ("SHIP") at [www.shiptalk.org](http://www.shiptalk.org) which offers one on one counseling for people on Medicare, or the AARP website, [www.aarp.org](http://www.aarp.org) which has further information on Medicare and its effect on retired persons.
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