

# Straight Talk for Seniors

# Will Health Care Reform Change Your Health Care?

## MEDICARE ADVANTAGE PLANS

### What are Medicare Advantage plans?

About 11 million people (almost one in four) choose to get Medicare through a Medicare Advantage (MA) plan instead of through original Medicare. MA plans are private plans offered by insurance companies.

MA plans must provide all the same benefits covered by Medicare, such as doctor and hospital services. They also may offer extra benefits not covered by Medicare, such as eyeglasses, hearing aids, or health club memberships. They usually charge a monthly premium that you must pay in addition to the Medicare Part B premium. Some MA plans also cover prescription drug costs.

When you join an MA plan, the government makes an annual payment to the insurance company on your behalf. The amount varies by where you live, but the average payment in 2009 was \$9,900 per person per year. This is \$1,100 (or about 13%) more than what the government pays for people in traditional Medicare.

### How does health reform affect Medicare Advantage plans?

**Health reform will not change any benefits guaranteed under Medicare.** MA plans must continue to provide at least the same benefits that are guaranteed to everyone on Medicare.

However, health reform will change the way MA plans are paid. In 2011, payments will stay the same. But beginning in 2012, the extra payments to MA plans in many parts of the country will be reduced. Depending on where you live, these reductions will be phased in over two to six years.

The extra payments to MA plans are being reduced because there is little evidence that they have resulted in better care for Medicare beneficiaries. However, MA plans will be eligible to receive bonus payments if they provide high-quality care.

Starting in 2011, the new law also includes several important consumer protections. MA plans will:

- Have a new limit on their administrative costs and profits to ensure that they spend most of their money on member benefits.
- No longer be allowed to charge more than what original Medicare charges for certain expensive services.
- Reduce out-of-pocket costs for some high-cost services (such as cancer drug treatment and renal dialysis) and for people who use a lot of health services.

### What will happen to my Medicare Advantage plan?

Every year, insurance companies make decisions about whether to stay in the Medicare program and how their plan's benefits and costs will change. It is difficult to say what plans will do this year. Some may stay the same. Others may stop covering extra benefits, increase monthly premiums, or even leave the Medicare program. Experts predict that plans will start by trimming some of their extra benefits or charge higher monthly premiums for those extra benefits.

### What should I do?

- **Find out if you're in an MA plan.** If you're not sure, ask your insurance company.
- **Read up on plan changes.** By Oct. 1, you'll receive a notice from your MA plan outlining any changes for 2011. Read it carefully.
- **Compare your options.** Whether you're in an MA plan or original Medicare, starting in October, you can compare your options online at:

[www.Medicare.gov](http://www.Medicare.gov)

- **Get free, personalized help.** Call 1-800-MEDICARE to find the State Health Insurance Assistance Program (SHIP) counselor in your state.
- **Get screened for Extra Help.** Many seniors are eligible for, but not receiving, benefits that can help them pay for health costs. See if you're eligible by visiting a free confidential service:  
[www.BenefitsCheckUp.org](http://www.BenefitsCheckUp.org)
- **Make your choice during open enrollment.** From Nov. 15-Dec. 31, you can decide how to get your Medicare for 2011. You can:
  - Stay in the same MA plan if it continues to meet your needs.
  - Change to another MA plan if the services and costs are better.
  - Switch to original Medicare. You also can enroll in a prescription drug plan and/or buy a Medigap supplemental insurance policy.

For more information, please visit  
[www.NCOA.org/StraightTalk](http://www.NCOA.org/StraightTalk)