

**YOUR MONEY**

Beware of Shifting Options Within Medicare Plans

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Your Money

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For millions of older Americans, it is time to sift through the mind-boggling array of Medicare plans.

There is an average of 29 drug plans to digest, and about 18 options for Medicare Advantage, the plans delivered through private insurers. Then there are the 10 supplemental plans that cover what traditional Medicare does not.

The choices can be paralyzing for anyone, and they can be even more challenging as you age. The Medicare open enrollment season, which runs from Oct. 15 through Dec. 7, gives individuals a chance to rethink it all and reassess whether their plan still fits their needs.

While no broad-based changes are expected, there could be meaningful shifts within individual plans. Maybe your Part D prescription plan will no longer pay for one of your drugs, or you started a new one. Perhaps your Medicare Advantage plan dropped your favorite doctor (or worse, a cancer treatment center) from network.

“People treat this as a momentous decision but they get scared of it, and the thing that worries me is that they don’t make the changes that they should,” said Joe Baker, president of the Medicare Rights Center in New York. “Don’t stay in a plan because you’re overwhelmed with the choices.”

Elizabeth Cooper, a 68-year-old former elementary schoolteacher, weighs her options each year. She has already tried a couple of plans, including one

through Medicare Advantage, which lured her in because it had no monthly premium. But the plan required her to shoulder a significant share of her medical costs.

She is healthy now, but she has a history of skin cancer. “I didn’t feel that would give me a sense of ease because of the co-pays and the possible unexpected expenses that can crop up,” said Ms. Cooper, of Birmingham, Ala.

So she backed out of that plan during the trial period, and opted for peace of mind. She enrolled in original Medicare, and bought a supplemental policy for about \$135 a month that covers items like deductibles and her share of each bill. After having a few diagnostic tests this year, her decision already paid off.

“Had I been on the Advantage plan, I would have had to come up with the money for each test,” she said. “It turned out to be a reasonable plan for me. And for that reason, I plan to stick with it.”

Here are some ideas on how to approach the decision-making process.

A REFRESHER COURSE Before delving into the details, here is a quick primer on original Medicare: Part A covers hospital and skilled nursing facility stays, as well as some home health visits and hospice care. Part B covers preventive care, doctor visits and outpatient services. Premiums, for most retirees, were \$104.90 a month last year and are projected to be the same in 2015.

Deductibles, co-payments and coinsurance (that is when you pay for a percentage of medical services) can be burdensome since there is no out-of-pocket ceiling, experts said. That is one of the reasons most people buy supplemental coverage, known as Medigap, to cover out-of-pocket costs on Parts A and B. People lucky enough to have retiree employer coverage rely on that instead.

Medicare Part D, which is offered only through private insurers, covers drugs. The average monthly premium for such plans is estimated at \$32 in 2015, according to the Centers for Medicare and Medicaid Services.

Alternatively, you can just buy a Medicare Advantage plan from a private insurer, also referred to as Part C. It can serve as a one-stop shop because it covers Parts A, B and often a drug plan — and sometimes throws in extras like

dental and vision coverage. Average monthly premiums for Advantage plans are estimated to rise to \$33.90, a \$2.94 increase, in 2015, according to the Centers for Medicare and Medicaid Services. (aYou pay that in addition to the Part B premium).

ORIGINAL OR ADVANTAGE? Some consumer advocates favor using traditional Medicare with a supplemental plan, largely because it is more predictable and you are free to see any doctor who accepts Medicare.

That is what Mr. Baker said he would recommend for his own grandmother. “I would say enroll in original Medicare and let’s get you the Medigap plan you might need when you are older or sicker,” he said. “If you are in original Medicare and you have a Medigap plan, you are pretty much set for life if you are happy with those things.”

Medigap, with 10 plan levels that are labeled with letters from A to N, is federally standardized coverage, which means coverage must be exactly the same across insurers. For instance, the option known as Plan F will pay for your Part A and Part B deductibles. “This is one area, once you decide on the level of coverage you want, where you can go for the lowest price because you know Plan F will be exactly like any other Plan F,” said Jocelyne Watrous, advocate at the for the Center for Medicare Advocacy.

Depending on the plan, the total cost of your premiums could come close to your final out-of-pocket cost for the year. In Connecticut, for instance, one of the most comprehensive Medigap policies is called Plan F. It costs an individual about \$218 a month, or \$2,622 annually. “But that’s it,” Ms. Watrous said. “You will pay that premium and it will cover all of your co-payments and deductibles.”

If you are contemplating switching from Medicare Advantage back to original Medicare — and you want to buy a supplemental policy — that is something you may want to do while you are younger and healthier. Later on, coverage may become more expensive or you can be denied altogether. With some exceptions, individuals are guaranteed coverage only if they buy it during a special period six months after their 65th birthday. During that time, insurers cannot refuse to sell you a policy because of a pre-existing condition or other medical issue, nor can they charge you more.

Outside of that safe period, you aren't guaranteed coverage under federal law, though many states, including New York, extend greater protections. It is important to ask your local State Health Insurance Assistance Program, or SHIP agency, for more details. After you buy a Medigap policy, it generally cannot be canceled because you are old or sick.

ADVANTAGE Nearly 16 million people, or 30 percent of all Medicare beneficiaries, enroll in a Medicare Advantage plan. Most people are attracted by the plans' enticingly low and sometimes zero premiums and, for certain services, low co-payments. Some even offer limited dental or vision coverage, advocates said.

The drawback of Advantage plans are their limited networks of providers. Doctors can drop out midyear. And consumers are responsible for all cost-sharing, which can be unpredictable. Those are capped at an out-of-pocket limit for in-network services of \$6,700 in 2015, although the Center for Medicare and Medicaid Services recommends a limit of \$3,400, according to Kaiser.

But it is difficult to calculate how fast you might reach those ceilings. "The cost-sharing requirements are often harder to compare because it requires consumers to anticipate what their health care needs might be," said Tricia Neuman, director of the Medicare policy program at Kaiser. "Some advisers suggest considering what services you would need if you were sick and take a careful look at potential costs under various plans."

People who travel frequently or who spend a significant chunk of time in another state also need to ensure that they will be covered. "Snowbirds need to consider whether the networks and coverage extends to two places," said Nicole Duritz, vice president for health, education and outreach at AARP.

If you are already enrolled, the "annual notice of change" sent to plan enrollees will detail changes in coverage, costs and networks. But if you are dissatisfied with your Advantage plan for any reason, you can unenroll from Jan. 1 to Feb. 14 and switch to original Medicare.

DRUGS Even if you are happy with your Part D coverage, don't assume it will remain exactly the same. Lists of covered drugs often change or the company may insert new restrictions, limiting quantities or requiring you to try another

drug first.

Go to the Medicare website's Plan Finder, where you can enter your drugs, the dosage and frequency, as well as where you like to buy them. It will then show you what the plans cover and your total estimated costs for the year. "The plans are so complicated and there is so much variation and the only way to really compare is to use the Plan Finder," Ms. Watrous said.

Don't shop on price alone. "The best and cheapest plan for you is the one that covers your drugs the best," said Mr. Baker, who advised calling the plan, or even your doctor or pharmacist, who has a lot of interaction with the different plans.

RESOURCES Besides local SHIP agencies, advocates suggest that people check out the latest Medicare & You booklet, which all 54 million enrollees should have received in the mail by now. It's remarkably clear. To talk to someone live, call 1-800-Medicare. Whatever you do, Mr. Baker advised, "Don't renew blindly."

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