

The ABCs (and D) of Medicare Confusion  
By Gina Upchurch, RPh, MPH  
Executive Director, Senior PharmAssist  
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At our pharmaceutical care clinic for older adults in Durham, we have spent an inordinate amount of time trying to help Medicare beneficiaries understand these plans and how they relate to their medication coverage. This has been a big challenge.

Medicare Advantage plans are privately administered health plans that are approved by Medicare and replace the benefits provided under traditional Medicare A (hospital insurance) and B (medical insurance). Medicare Advantage plans (also called Medicare Part C) *can* include prescription drug benefits, but aren't required to. The stand-alone Medicare drug coverage is known as Medicare Part D.

Medicare Advantage plans are not bad plans. They offer all services covered by Medicare Part A and B, and some even have additional benefits. Medicare Advantage plans (even those sponsored by the same insurance company) come in various shapes and sizes: HMOs, PPOs, Private-Fee-For-Service plans, Medicare Savings Account plans (like health savings accounts), and there are plans specifically for special needs populations (for example, nursing home residents).

Confusion arises primarily because it is virtually impossible to compare these plans to traditional Medicare with or without a Medicare supplement (Medigap policy), or to a retiree's employer-sponsored health coverage. Co-payment levels vary, most plans have limited provider networks (participating hospitals, physicians, labs, skilled nursing, etc.), and restricted service areas. While some states have heavy provider participation, North Carolina does not. The result is confusion and administrative and financial burdens that can leave many seniors in a lurch.

On an almost daily basis we receive calls at Senior PharmAssist from folks who say, "I signed up for something when this nice man came to my door; and now my Medicare card doesn't seem to work – can you help?"

We know a 79-year-old woman who faces an \$8,000 eye surgery bill because there was confusion about enrollment dates with two Medicare Advantage plans and traditional Medicare. All three entities argue that they were not her primary medical coverage at the time of surgery.

Then there is the 66-year-old with limited mental capacity who is struggling to pay a \$1,000 hospital bill because the hospital she has used all of her life now doesn't accept her insurance. She had no idea that when she enrolled with a privately administered Medicare Advantage plan that she was dis-enrolling in traditional Medicare, and our local hospital system does not contract with this particular HMO.

We know folks who have continued to pay for their monthly Medicare supplements (Medigap policies) despite the fact that they were in Medicare Advantage plans. This is a total waste of money as the supplements don't work with Medicare Advantage plans.

Or maybe you can identify with another 79-year-old woman with a college degree who failed to show her new Medicare Advantage card to her oncologist. Eventually, her doctor's office will receive claim rejection notices from Medicare, and it's likely this practice does not contract with her MA plan. Subsequently, she will be stuck with tremendous medical expenses as she battles cancer.

We continue to believe that adding a prescription drug benefit to Medicare was a good idea. However, the way the program has been created with layers of additional "choices," as part of the Medicare Modernization Act, has been a shame. Seniors and people with disabilities shouldn't be the subjects of this experiment, especially when Medicare had been a fairly straightforward insurance product – with only a fraction of the overhead costs compared to commercial insurance. What's worse is that services and payment arrangements are little understood, and services ultimately can be denied because of limited provider acceptance.

North Carolina is fortunate to have one of – if not – the best Seniors' Health Insurance Information Programs in the country that answers statewide phone calls and trains local coordinators and volunteers to help Medicare beneficiaries with their insurance options. In addition, there are several other clinics around North Carolina that are similar to Senior PharmAssist, and many of us devote significant time to help Medicare beneficiaries negotiate the maze of plans and options. However, annual changes in these private plans (Medicare Advantage and stand-alone drug plans) come in the form of 25-page booklets with many moving parts. Seniors and people with disabilities should not have to roll the dice out of confusion or lack of reliable comparative information every year when their mail boxes overflow with marketing materials.

If we are truly entering the age of informed consumers, the rules of the game need to be changed. We need more standardization of Medicare options so we can decrease bureaucratic red tape, miscommunication, and the tremendous overhead costs associated with Medicare *reforms*. Our nation's financing of Medicare is in trouble. We need a more efficient system that decreases our need for anti-anxiety medicines; besides, most of these drugs aren't covered under Medicare Part D!