

# Medicare Advantage: The Good, The Bad and the Ugly

Karen Mayse, Information & Assistance Officer



North Central-Flint Hills  
AREA AGENCY ON AGING, Inc.  
401 Houston St.  
Manhattan, KS 66502

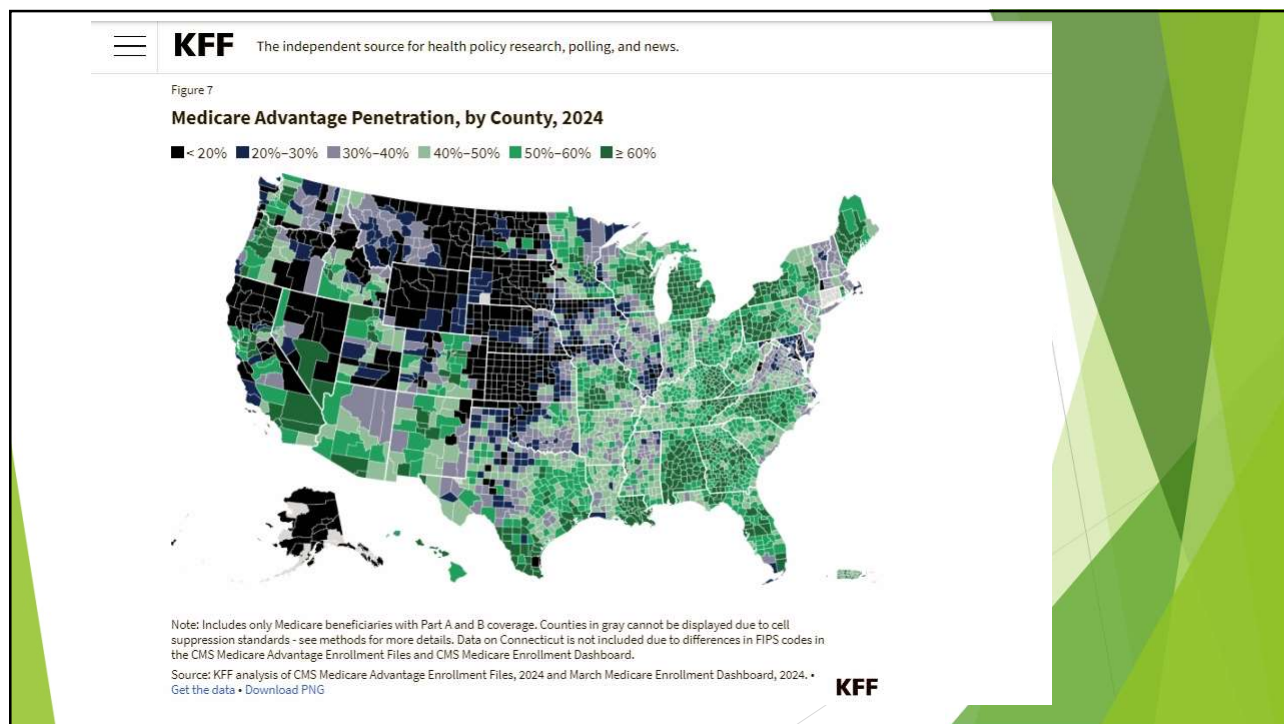
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## What is Medicare Advantage?

- ▶ Medicare Advantage plans are offered by private health insurance companies that receive payments from the federal government to provide Medicare-covered services.
- ▶ For the first time in Medicare's history, more than half of all eligible people with Medicare, or 30.8 million people in 2023, are enrolled in private Medicare Advantage plans.

Sources: National Institutes of Health and the National Medicare Training Program

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## Policy decisions driving increased Medicare Advantage enrollment

- ▶ Balanced Budget Act of 1997 established the Medicare+Choice program. This legislation created Medicare Part C with the intent to provide Medicare beneficiaries with a choice for how they received Medicare health insurance and as a way to save Medicare money.
- ▶ The Medicare Modernization Act of 2003 created stronger financial incentives for insurance companies to participate in the Medicare Program and renamed the program Medicare Advantage.

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## Number 1 reason people choose to enroll in Medicare Advantage

Medicare Advantage is allowed to offer benefits Traditional Medicare doesn't have such as:

- ▶ Grocery or over-the-counter pharmacy gift card
- ▶ Dental coverage
- ▶ Vision coverage
- ▶ Hearing coverage
- ▶ Fitness benefits such as Silver Sneakers
- ▶ Meal delivery (likely after a hospital stay)
- ▶ Home renovation or remodeling allowance

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## Promises of lower costs attract people to Medicare Advantage

- ▶ Monthly health insurance premiums of \$0, or if there's a premium, it's lower than Medicare Supplement insurance
- ▶ No additional premium for prescription drug coverage
- ▶ Out-of-pocket maximum limits provide financial protection

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## More reasons for exploding Medicare Advantage Enrollment

- ▶ Aggressive marketing
- ▶ Brokers have a financial incentive to enroll people in Medicare Advantage.
- ▶ It's simpler to enroll in Medicare Advantage since you can enroll in a plan that has prescription drug coverage.
- ▶ A growing share of large employers are shifting their Medicare-age retirees into Medicare Advantage plans rather than offering Medicare supplemental plans.
- ▶ People don't understand the differences between Traditional Medicare and Medicare Advantage.

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## The Medicare & You Handbook Explains Facts

Original Medicare vs. Medicare Advantage: Doctor and Hospital Choice

Original Medicare	Medicare Advantage (Part C)
You can go to <b>any doctor or hospital that takes Medicare, anywhere in the U.S.</b>	In many cases, you'll need to use <b>doctors and other providers who are in the plan's network</b> (for non-emergency care). Some plans offer non-emergency coverage out of network, but typically at a higher cost.
In most cases, you <b>don't need</b> a referral to see a specialist.	You <b>may need</b> to get a referral to see a specialist.

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## Original Medicare vs. Medicare Advantage: Cost

Original Medicare	Medicare Advantage
For Part B-covered services, you usually pay <b>20% of the Medicare-approved amount</b> after you meet your deductible. This is called your coinsurance.	<b>Out-of-pocket costs vary</b> —plans may have different out-of-pocket costs for certain services.
You pay a <b>premium (monthly payment) for Part B</b> . If you choose to join a Medicare drug plan, you'll pay a separate premium for your Medicare drug coverage (Part D).	You pay the monthly <b>Part B premium</b> and may also have to <b>pay the plan's premium</b> . Plans may have a \$0 premium and may help pay all or part of your Part B premium. Most plans include Medicare drug coverage (Part D).
There's <b>no yearly limit</b> on what you pay out of pocket, unless you have supplemental coverage—like Medicare Supplement Insurance (Medigap).	Plans have a <b>yearly limit</b> on what you pay out of pocket for services Medicare Part A and Part B covers. Once you reach your plan's limit, you'll pay nothing for services Part A and Part B covers for the rest of the year.
You can get <b>Medigap</b> to help pay your remaining out-of-pocket costs (like your 20% coinsurance). Or, you can use coverage from a former employer or union, or Medicaid.	You <b>can't buy and don't need Medigap</b> .

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## Original Medicare vs. Medicare Advantage: Coverage

Original Medicare	Medicare Advantage (Part C)
Original Medicare covers most <b>medically necessary</b> services and supplies in hospitals, doctors' offices, and other health care facilities. Original Medicare doesn't cover some benefits like eye exams, most dental care, and routine exams.	Plans must cover all of the medically necessary services that Original Medicare covers. Most plans offer some <b>extra benefits that Original Medicare doesn't cover</b> —like some routine exams and vision, hearing, and dental.
You can join a <b>separate Medicare drug plan</b> to get Medicare drug coverage (Part D).	<b>Medicare drug coverage (Part D) is included in most plans</b> . In most types of Medicare Advantage Plans, you can't join a separate Medicare drug plan.
<b>In most cases</b> , you don't have to get a service or supply approved ahead of time for Original Medicare to cover it.	<b>In some cases</b> , you have to get a service or supply approved ahead of time for the plan to cover it.

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## Original Medicare vs. Medicare Advantage: Foreign Travel

Original Medicare	Medicare Advantage (Part C)
Original Medicare generally <b>doesn't cover care outside the U.S.</b> You may be able to buy a Medicare Supplement Insurance (Medigap) policy that covers care outside the U.S.	Plans generally <b>don't cover care outside the U.S.</b> Some plans may offer a supplemental benefit that covers emergency and urgently needed services when traveling outside the U.S.

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## Medicare Advantage Marketing Rules

- ▶ Education vs. Sales Events
- ▶ Marketing materials must be submitted to CMS and approved before distribution
- ▶ Can't use Medicare name, CMS logo in a misleading way.
- ▶ Can't use Medicare card without CMS authorization.
- ▶ Can't use superlatives like "best" or "most"
- ▶ Must mention the MA organization, Part D sponsor or marketing name registered with CMS

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## Medicare Advantage Marketing Rules

- ▶ Ensure that prior to an enrollment, CMS required questions and topics regarding the needs of anyone looking to enroll in a plan are discussed
- ▶ List medical benefits in a specific order and at the top of a plan's Summary of Benefits
- ▶ Provide notice to enrollees at least once annually in writing of the individual's ability to opt out of future calls regarding plan business
- ▶ Include number of organizations/plans represented
- ▶ Include a disclaimer for limited access to preferred cost sharing pharmacies
- ▶ Include multi-language insert in all required documents to inform people of the availability of interpreter services
- ▶ Third Party Marketing Organizations must within a disclaimer mention the Senior Health Insurance Program (SHIP) as an option for additional counseling assistance. In Kansas this is SHICK - Senior Health Insurance Counseling for Kansas.

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## Medicare Advantage In-Person Sales Call Rules

- ▶ All in-person meetings must be initiated by the customer. Unsolicited door-to-door contact is prohibited.
- ▶ Agents must prepare a Scope of Appointment prior to the scheduled appointment that includes:
  - ▶ Product type to be discussed
  - ▶ Date of appointment
  - ▶ Beneficiary and agent contact information
  - ▶ Statement stating there is no obligation to enroll, current or future Medicare enrollment status will not be impacted and automatic enrollment will not occur.
- ▶ The Scope of Appointment is valid for only 12 months following the date of the Medicare beneficiary's signature.
- ▶ A new Scope of Appointment is required if the beneficiary request information regarding a different plan type than previously agreed upon.

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## Reporting Marketing Violations

- ▶ Gather evidence and report specifics such as date, time, agent's name and contact information, channel and time of broadcast, copy of ad or social media post.
- ▶ Call 1-800-Medicare (1-800-633-4227)
- ▶ Call Kansas SMP at 866-457-2364

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## Switching from Medicare Advantage to Original Medicare

People have Guaranteed Issue Rights for at least 60 calendar days under certain circumstances

- ▶ Within 6 months of when their Part B began. In Kansas this includes people with disabilities.
- ▶ In Kansas people with disabilities get a second open-enrollment period when they turn age 65.
- ▶ People who enrolled in Medicare Advantage for the first time and it has been less than 12 months since enrollment.
- ▶ People who are enrolled in Part B and lose employer group health plan benefits (the employer group or you are terminating coverage).
- ▶ People who lose Medicare Advantage because they moved out of the plan's service area, the plan will no longer be available in their zip code or the plan is leaving Medicare altogether.

For a full list of when people have Guaranteed Issue Rights in Kansas, download the Shopper's Guide from the Kansas Insurance Department website at:

<https://insurance.kansas.gov/medicare>

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## How Can We Partner to Educate People about Medicare Advantage?

- ▶ Area Agencies on Aging give facts about Medicare all year long.
- ▶ Area Agencies on Aging present information to people starting with Medicare or trying to learn through in-person or web-based presentations, or through newsletters, social media and one-on-one appointments.
- ▶ Area Agencies on Aging have limited or no advertising budgets for radio, TV or newspaper ads.

Don't be surprised if you encounter push back from insurance agents - one reason to stick with facts such as those in Medicare & You.

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## Questions?????

To contact your nearest Area Agency on Aging call: 866-457-2364  
To contact Karen: [karenluvsjazz@gmail.com](mailto:karenluvsjazz@gmail.com)  
or call the North Central Flint Hills Area Agency on Aging at 800-432-2703

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