

A Reminder about Medicare Open Enrollment Season

From the Desk of the President:

October 17, 2012

Open Season for Medicare beneficiaries to review their plans for Medicare Advantage or Part D began October 15th. This is the annual opportunity for persons to make better choices for their circumstances. Attached are two similar articles from the Austin American Statesman and the Wall Street Journal.

At Accountable Aging, we see the benefit of having plans that support a person's specific medication needs, finances and potential health situations. If you need assistance in reviewing your plan or have clients/family members who need this assistance, our firm has a service offering designed to do just that. The charge for this service for an individual is \$150, and for a couple it is \$250. Rarely have we not been able to find better financial options with fewer restrictions. The person who needs the review can live outside of our service area.

The most important message is to take advantage of this open season by alerting friends, family members and clients to do a comprehensive review of their coverage. Where possible, use a third party service such as the Medicare website or an independent insurance agent who is knowledgeable about these products. Of course, Accountable Aging is available to assist you as well.

Best Wishes,



Mary Koffend
President

Report: Premium hikes for top Medicare drug plans

By RICARDO ALONSO-ZALDIVAR
The Associated Press

WASHINGTON — Millions of seniors enrolled in some of the most popular Medicare prescription drug plans face double-digit premium hikes next year if they don't shop for a better deal, says a private firm that analyzes the highly competitive market. Seven of the top 10 prescription plans are raising their premiums by 11 percent to 23 percent, according to a report this week by Avalere Health.

It's a reality check on a stream of upbeat Medicare announcements from the Obama administration, all against the backdrop of a hard-fought election. In August, officials had announced that the average premium for basic prescription drug coverage will stay the same in 2013, at \$30 a month.

The administration's number is accurate as an overall indicator for the entire market, but not very helpful to consumers individually since it doesn't reflect price swings in the real world.

"The average senior is going to benefit by carefully scrutinizing their situation, because every year the market changes," Avalere President Dan Mendelson said. Avalere crunched the numbers based on bid documents that the plans submitted to Medicare.

(cont.)

The report found premium increases for all top 10 prescription drug plans, known as PDPs. However, the most popular plan — AARP MedicareRx Preferred — is only going up 57 cents per month nationally, to \$40.42 from the current \$39.85.

President Barack Obama's health care law does not appear to be the cause of the increases. Indeed, the law is improving the prescription benefit by gradually closing a coverage gap called the "doughnut hole," which catches people with high drug costs. Instead, the price hikes appear to be driven by market dynamics, and some insurers are introducing new low-premium options to gain a competitive advantage on plans that are raising their prices.

The seven plans with double-digit premium increases were: the Humana Walmart-Preferred Rx Plan (23 percent); First Health Part D Premier (18 percent); First Health Part D Value Plus (17 percent); Cigna Medicare Rx Plan One (15 percent); Express Scripts Medicare-Value (13 percent); the HealthSpring Prescription Drug Plan (12 percent); and Humana Enhanced (11 percent).

Another two plans in the top 10 also had single-digit increases. They were the SilverScript Basic (8 percent) and WellCare Classic (3 percent).

Medicare spokesman Brian Cook did not dispute the Avalere estimates. "We continue to encourage seniors to shop around and find the plan that works best for them," he said.

Medicare's open enrollment season starts Oct. 15, and beneficiaries have a wide variety of choices of taxpayer-subsidized private prescription plans. Seniors and family members can use the online Medicare Plan Finder to input individual prescription lists and find plans in their area that cover them.

About 90 percent of Medicare's nearly 50 million beneficiaries have some form of drug coverage, with more than 17 million enrolled in private plans through the prescription drug program. Of those, 14 million are in the top 10 plans.

Some portions of this article were removed. To view the entire article click [here](#)

Shopping for Medicare

By ANNA WILDE MATHEWS
The Wall Street Journal

It's shopping time for Medicare beneficiaries.

For the second year, the federal program is starting its annual open-enrollment period earlier in the fall—running from Oct. 15 through Dec. 7.

The new offerings of 2013 Part D prescription-drug coverage and private insurers' Medicare Advantage plans are already up on Medicare.gov and other sites.

Premiums for Advantage plans, the private-insurer version of Medicare coverage, are projected to go up very slightly next year—by 5%, or \$1.47, on average, to \$32.59 a month. The Centers for Medicare and Medicaid Services, the agency that runs Medicare, says if beneficiaries choose lower-cost plans at the same rate as they did this year, the average would go up only 57 cents. The number of plan choices is expected to grow by 7%.

For drug plans, the agency says the average basic premium will be \$30, compared with \$29.67 in 2012.

Still, consulting firm Avalere Health found that among the 10 most popular drug plans, seven will have premiums rise by a double-digit percentage, with the increases as high as 23%. Avalere also says there will be some new low-cost options for seniors, including a UnitedHealthcare offering with premiums averaging just \$15 a month.

Sometimes new plans start with low "teaser" prices to lure members, says Dan Mendelson, Avalere's chief executive, adding that cheaper plans may involve limited pharmacy networks that don't let beneficiaries go to any drugstore they choose.

Consumer advocates also warn that seniors can't focus just on premiums. They also need to look carefully at copays and deductibles, as well as plan formularies, which tell them which drugs are covered.

"They want to read the fine print very carefully," says Ross Blair, chief executive of PlanPrescriber, a unit of eHealth.

John Hoyle, a 68-year-old in Danville, Calif., switched his prescription-drug plan to one with slightly higher premiums, because the PlanPrescriber analysis found that he'd pay less in the end. That was because the plan he chose had significantly lower out-of-pocket payments on his cholesterol medication, Vytorin.

"You have to look what the deductible is and what you'll actually be paying for the prescription drugs that you take," Mr. Hoyle says.

Joe Baker, president of the Medicare Rights Center, says beneficiaries should also watch out for restrictions such as prior approval, which requires that the insurer sign off on a medication before it's covered. Another limit: only allowing beneficiaries to get a month's supply of a drug at a time, so they get hit by the copayment each time. The nonprofit has gotten more calls about such limits lately, Mr. Baker says.

The "doughnut hole" in drug coverage, which is set to shrink gradually until it vanishes in 2020, will get a bit smaller next year. In 2012, beneficiaries got half off on brand-name drugs and 14% coverage of generics. In 2013, that will go up to 52.5% off branded drugs and coverage for 21% of generics.

Also, the Medicare agency will continue to boost its emphasis on its star quality ratings, says Jonathan Blum, deputy administrator of the Centers for Medicare and Medicaid Services. In a new tweak, the agency will this fall send a letter to beneficiaries who are enrolled in plans that have achieved low rankings for three years or more. The missive will "encourage them to consider other options," Mr. Blum says.

The rankings, which focus on quality-of-care and patient-satisfaction measures, have already been featured on the Medicare site. Also, as was the case last year, beneficiaries will have the option to switch into a five-star plan, the best-ranked, at any time of the year, not just during open enrollment.