



Health Care Reform and Medicare

There is a lot of information and misinformation floating around about health care reform. I'm not going to try and tackle the whole enchilada, as it were, but I am going to try and explain some of the parts that will affect Medicare.

Before I go on, I want to warn you that I am reasonably sure that we won't really know how reform is going to work or not work until the regulations are written and the different pieces are implemented. My own humble opinion is that there will likely be additional changes, including to Medicare, as we begin to see possible unintended consequences of the new law.

In the meantime, here are some of the changes to Medicare:

Better chronic care: There will be funding for community health teams to provide patient-centered care. This will include increased patient teaching and community services and supports (National Council on Aging). The point of this is to help patients have a medical home. Too many people have multiple doctors, with no one doctor overseeing the comprehensive picture. This is designed to deal with that.

Better preventative care: Medicare beneficiaries will be able to have an annual wellness visit, at no cost. There will be no costs for preventative benefits like cancer and diabetes screenings (National Council on Aging). Better access to preventative services will hopefully result in better overall health (and lower costs) for beneficiaries.

Help with prescription drug costs: In 2010, if you hit the coverage gap or "doughnut hole" you will receive a one time \$250 payment. In 2011 those who reach the coverage gap will get a 50% discount on brand name drugs. The coverage gap will be phased out completely by 2020 (Kaiser Family foundation).

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Did You Know?

- Texas has the fourth highest population of people on Medicare, with over 2.9 million people.
- Almost half (1.3 million) of the Medicare beneficiaries in Texas live below the Federal Poverty Level (\$10,400 for an individual, \$14,000 for a couple).

Medicare: A Primer, The Kaiser Family Foundation

K & B Honors

Kim has had an article, Telecare in Action: A Case Study, published in the *Journal of Geriatric Care Management*.



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Medicare Advantage Plans: Payments to Medicare Advantage Plans, like Secure Horizons, will be decreased. Currently these plans receive payments 16-20% higher than traditional Medicare costs. High quality plans will be rewarded, and additional protections for consumers will be implemented (Kaiser Family Foundation).

These are just a few of the many changes we can anticipate in the coming years.



Medicare Advantage Plans

Thanks to the reader who suggested that I talk about Medicare Advantage Plans. Here goes!

In 1997, with passage of the Balanced Budget Act, Medicare beneficiaries were first given the option of receiving health care from private insurance companies. In 2003, additional benefits were added, and we first saw Medicare Advantage plans (Wikipedia).

When a person enrolls in one of these plans, Medicare then pays the plan a set amount each month. Now, I have no idea what that amount is, but just as an example, if Mrs. Smith enrolls in Medicare Advantage Plan X, the plan receives \$200 a month, for a total of \$2400 for the year (again, not real numbers). The plan gets \$2400 a year for every person in the plan.



K & B Happenings

Monica will be doing several presentations this month on VA benefits:

When: June 1 at 10:30 am

Where: Edward Jones office of Charlie Blauvelt
1004 N. Bowen Road
Arlington, TX 76012
817-276-8508

When: June 8 at 6:00 pm

Where: Southwest Regional Library
4001 Library Lane
Fort Worth, TX 76109
For more information contact Liesl Gray with Autumn Leaves of SW Fort Worth at 214-605-4370

When: June 16 at 10:30 am

Where: Arbor Lawn United Methodist Church
5001 Briarhaven Road
Fort Worth, TX 76109
Presented by the AARP Chapter 4116
For more information contact Patrick Lang at 817-346-2500



Medicare Advantage Plans

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Very simplistically, the plan then has this big pot of money that they will use to pay for the health care needs of every person enrolled. If our Mrs. Smith is relatively healthy, and only goes to the doctor a couple of times a year when she has a cold, the plan is going to make a profit. If, however, Mrs. Smith winds up in the hospital, whether for a planned surgery or an accident, or if she has a chronic disease like diabetes, she may very well cost the plan money. This is why case management is such an integral part of these plans.



In the spirit of full disclosure, I have to tell you that I was a hospital and home health case manager for many years, and I have had many dealings with these plan case managers.

My personal experience is that if a person is healthy, then of course the plan is great. They offer everything traditional Medicare offers, with the addition of other benefits, like vision or dental, depending on the plan. If the person is really, really sick, and needing extensive hospitalization, the plans are also great. When Medicare might start limiting the number of days in the hospital (150 total, including Life Time Reserve days), some of the Advantage Plans will continue to pay.

The problem comes for those people in the middle. If they need services that could potentially be limited, like home health, rehab or skilled nursing care, then case managers are sometimes under pressure to limit the services and save money. This becomes a problem when people enrolled in the plan (rightly) assume that they have a benefit, only to learn that they have to obtain approval before they can use it.

There are nationally recognized guidelines for each level of care, but there is also room for interpretation of these guidelines. What can be frustrating for consumers is that you often don't know who the case manager or medical director is making decisions about the care you receive, and it can be hard to fine out what guidelines are being followed to determine your eligibility to use a benefit.

Finding a Medicare Advantage Plan

You can only enroll in a Medicare Advantage Plan during open enrollment, November 15-December 31 of each year.

You can find specific plan information, as well as compare plans, at the Medicare website, www.medicare.gov.

You can also find different plan information by speaking to an independent insurance agent who specializes in these types of plans.