

START



Find Your Way Around
Health Care

What the Health Care Law Means for People with Medicare Advantage

The health care law adds a number of benefits and protections to the coverage you already get with Medicare. It also changes how Medicare Advantage plans operate. If you have a Medicare Advantage plan, it is important to know what the law means for you.

Focus on quality and value

The law now rewards Medicare Advantage plans that provide high quality care. The law also sets up rules to make plans more cost-effective.

- There's now a rating system for Medicare Advantage plans. Plans that rate at least four out of five stars will receive bonus payments for providing better quality care. You can review your plan's rating on Medicare's website www.medicare.gov/find-a-plan.
- Plans must use some of the bonus payments they receive for extra benefits and rebates to people participating in Medicare Advantage plans. This means that higher quality plans may be able to offer you more services.
- Plans must now limit how much they spend each year on administrative costs. For each dollar received in premiums, Medicare Advantage plans must spend at least 85 cents on care.

Changes in how Medicare Advantage plans are paid

Currently, Medicare pays subsidies to the private companies that offer Medicare Advantage plans. This means that these plans cost the Medicare program more than Original Medicare.

In 2012 Medicare started to reduce these subsidies so payments will be more in line with Original Medicare. The changes in Medicare Advantage payments will save the Medicare program money. Some of the savings will be used to close the Medicare prescription drug coverage gap or "doughnut hole" and to provide more preventive care to people with Medicare.

What this could mean for your Medicare Advantage plan

Every year, even before the health care law, insurance companies that offered Medicare Advantage plans made decisions about what they would cover and what they would charge. Each insurance company will continue to make a business decision whether to change benefits and costs.

- Plans will differ in how they respond to the lower subsidies. This will depend partly on the state and county where the plan is located and on how much in quality bonus money the plan receives.
- The lower subsidies could mean that some plans may drop extra services such as eyeglasses and gym memberships. Some plans may raise their premiums and co-payments. Others may decide to leave the Medicare program.

How you will know about changes to your Medicare Advantage plan

As in previous years, you will receive a notice from your Medicare Advantage plan in the Fall. It will tell you what changes, if any, will take place in your plan for the upcoming year. This is the time for you to review your options and make the best choice to fit your needs.

When evaluating different plans, remember to consider:

Cost: What are the monthly premiums, the annual deductible and co-pays?

Coverage: What services are covered?

Quality: How does the plan rate on providing quality care?

You should use Medicare's open enrollment as an opportunity to review all your Medicare choices to select a plan that works best for you. Open enrollment happens each year between October 15 and December 7.

- If you have questions, you can contact your Medicare Advantage plan directly.
- You can compare your options at Medicare Plan Finder: www.medicare.gov/find-a-plan. This site shows which Medicare Advantage plans are offered in your area. You can also call Medicare at **1-800-633-4227** to speak with a representative about your options.

Find your way around the health care law.
Go to www.HealthLawAnswers.org