



Medicare Advantage Plans Talking Points

- 1) With Medicare Advantage plans, premiums are lower and sometimes free, and may include benefits for vision and dental, something that Original Medicare doesn't offer. However, nothing is ever truly 'free'. You either pay now or pay later. When the more serious health problems start is when seniors of Medicare Advantage plans start paying more out-of-pocket expenses.
- 2) Enrollees with Medicare Advantage plans must follow the rules of the plan to receive the coverage. These rules are not needed for Original Medicare. Examples of rule restrictions include:
 - Limited network of doctors, hospitals and specialist that Medicare Advantage enrollees must see
 - Prior Authorization approval for most tests and treatments
 - Approval to see specialists

Kansas hospitals have experienced many Medicare Advantage enrollees that are denied necessary care. Many have experienced hospitals and physicians that are not in-network with Medicare Advantage plans resulting in enrollees paying large out-of-pocket expenses or the need to travel long distances to receive care.

- 3) Medicare Advantage plans risk the financial stability of hospitals because they deny payments to hospitals for necessary treatments.
- 4) Medicare Advantage plans risk patient safety by bypassing hospital safety checks. White Bagging is an example of this practice. Most Medicare Advantage plans own pharmaceutical companies. The Medicare Advantage plan captures more revenue themselves by shipping drugs, such as chemotherapy treatments, to the hospital for infusion to the patient. However, shipping these drugs from an outside source bypasses the hospitals' safety checks such as temperature control, medication authorization, medication reconciliation, and a check of medication safety guidelines.
- 5) Hospitals have added administrative staff to deal with Medicare Advantage abuses and excessive requirements. These expenses are not reimbursed and add to the hospital's financial stress.
- 6) Critical Access Hospitals are reimbursed based on Original Medicare costs. Cost reimbursement allows smaller hospitals that do not have large volumes of patients to survive. Medicare Advantage beneficiaries dilute cost reimbursement and puts financial strain on our rural Kansas hospitals. Without the cost reimbursement, Critical Access Hospitals risk closure.

Closure of the small community hospital will impact employment and viability in our rural communities.

- 7) Medicare Advantage plans may push non-healthcare costs to the patient through travel expense by requiring the patient to travel out of town for care and treatment.
- 8) Medicare Advantage plans can catch people by surprise. One example of that is hospitalization costs under an Advantage Plan. While original Medicare comes with a Part A deductible when you're admitted to the hospital, there are no copays for the first 60 days of that inpatient care. In contrast, Advantage Plans often charge a daily copay, which can result in higher costs.
- 9) Common Medicare Advantage plan disadvantages include:
 - Coverage does not travel with you
 - Small network of doctors, hospitals and specialists
 - High out-of-pocket maximums
 - Plan benefits may change annually
 - The constant need for referrals and approvals
- 10) The main reason why Medicare Advantage carriers can offer low to zero-dollar monthly premium plans is that Medicare pays the private companies providing the plans to take on your health risk. Medicare pays the private insurance carrier a fixed amount per month to provide coverage to each enrolled beneficiary. If the beneficiary stays healthy, the private company will profit by not using the fixed monthly amount. If the beneficiary becomes ill, the private company must utilize the fixed monthly amount. The beneficiary has now become a risk for financial loss to the private company. This payment arrangement tends to tempt the private insurance company to micro-manage the beneficiaries' health.
- 11) Often, beneficiaries face disappointment when they pay more than they budgeted for when utilizing the additional benefits, such as dental, vision, and hearing care. Even though their Medicare Advantage plan offers coverage, they are almost always met with high out-of-pocket copays and a low maximum benefit amount. Once you exceed a certain amount of coverage, you are responsible for 100% of your costs.
- 12) The biggest downside to Medicare Advantage plans is its lack of freedoms and high out-of-pocket costs. You could spend thousands of dollars on coverage which far outweighs what you would pay if you enrolled in a Medicare Supplement plan and considered the monthly premium.