

Asclepios

Your Weekly Medicare Consumer Advocacy Update

Simple and Straightforward

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The Centers for Medicare & Medicaid Services (CMS) took important steps this week toward cleaning up the marketplace for Medicare private health plans. In the 2010 Call Letter, which sets the contract terms for next year, CMS told the insurance companies to consolidate their plan offerings by eliminating plans that have low enrollment or offer substantially similar benefits as other options offered by the same company. CMS is looking for companies to come up with no more than three options for each market, with each option presenting a meaningful difference for the consumer, such as the choice between an HMO and a PPO.

This directive should go a long way toward reducing confusion in the marketplace and clarifying the choices available to consumers. When consumers are frustrated and confused by their coverage choices, they are more likely to give in to the pat answers and high pressure tactics of unscrupulous agents out for a quick buck. Agents who are trying to give their clients affordable, quality coverage will have an easier time identifying and explaining the best coverage options.

Even more importantly, CMS made it clear that plans will no longer be able to design benefits to discriminate against consumers with serious health problems. We hope that means no more benefit packages that begin charging daily copays for care at skilled nursing facilities before the 21st day, which is when Original Medicare starts to assess daily copays.

The agency is pushing all plans to set an annual out-of-pocket limit for ALL medical services of \$3,400. We hope that means that plans will no longer be able to advertise an out-of-pocket limit and carve out certain services in the fine print, making enrollees pay unlimited copays for doctor visits or chemotherapy drugs.

The first step in implementing these reforms is a rigorous review of the benefit packages submitted by the plans. The second step will involve simplifying the information consumers receive about benefit packages on medicare.gov, in the Medicare and You handbook and in the marketing materials provided by the plans. For example, consumers should know, without calling the plan or hunting through the fine print, that the plan's out-of-pocket limit includes all Medicare-covered medical services.