

The Medicare Cavalry

Keeping up with the insurance program's rules is practically a full-time job. That's why more retirees are seeking professional help.

MY WIFE AND I RECENTLY had our house painted. I might have been able to do the job myself; I even thought about it for a few crazy moments. In the end, though, given the time involved and the risks (I once took a nasty fall from a ladder), it just made sense to get help. Trust me: You need the same mind-set when choosing or changing your Medicare coverage.

Now 45 years old, Medicare has become too much of a good thing—too big, too costly and far too complicated. In the past few years, we've seen the introduction of prescription drug coverage, the indexing of premiums for doctors' services and, this summer, a shake-up in supplemental insurance plans, known as Medigap. Starting Jan. 1, given that government payments to private insurers in 2011 will be frozen at 2010 levels, some participants in Medicare Advantage, the alternative to the original Medicare, could see higher fees, reduced benefits—or both.

Trying to make sense of it all can deter even the most systematic of souls.

A year ago Barry Wood, a retiree in Plymouth, Mich., was approaching his 65th birthday, making him eligible for Medicare. The former pharmaceuticals manager began compiling a chart, listing and comparing coverage options. But before long, he gave up, he told me recently. Given the dozens of possible insurance plans and the dozens of features within each plan, "it was the most confusing thing

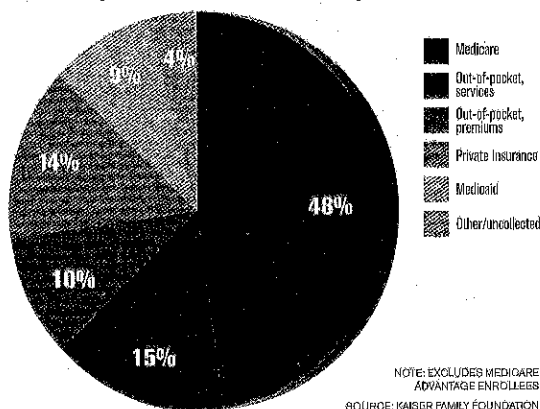
I've seen in my entire life," Wood said.

I bring all this up for two reasons. First, open enrollment is upon us. Between Nov. 15 and Dec. 31, current Medicare beneficiaries can select a health plan for 2011, as well as add, drop or change prescription drug coverage. Second, and most important, help is at hand. A number of services and companies are now available to guide you through enrolling in Medicare or changing your existing coverage. My advice: Take advantage of these programs, even if you feel confident about navigating these shoals on your own. Chances are good you have little, if any, experience designing, in effect, a personal health insurance plan. "People with group coverage don't realize how much their employer is doing for them," says Maura Carley, president and chief executive of Healthcare Navigation, a patient-advocacy firm. "If you've never bothered to learn how health insurance works, Medicare can be overwhelming."

Where to start? Think of this as a two-step process: education and consultation. First, get familiar with the basics. Medicare publishes an

Keeping the Medical Bills Paid

Average annual spending on health care for a Medicare beneficiary totals \$17,231. That money comes from:

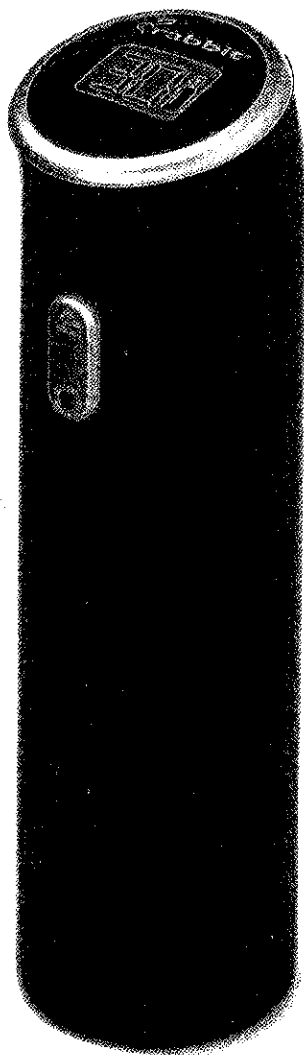


excellent introduction, titled "Medicare and You" (at www.medicare.gov). At 123 pages, it outlines your two primary options: original fee-for-service Medicare and federally subsidized Medicare Advantage, which typically operates like a health-maintenance or preferred-provider organization. The former means you'll likely need a Medigap policy and prescription drug plan; the latter tends



Photograph by Eran Keifka

Hear the buzz?



It's about the new Electric Rabbit.

The display screen shows how many corks you can pull before re-charging. The compact design is up to 3 inches shorter than other electric corkscrews. The recessed spiral fits neatly over a wine bottle. The Electric Rabbit has plenty to be abuzz about.

Where To Go Electric Rabbit Hunting: Crate & Barrel, Chef's Catalog, Sur La Table, Macy's, Dillard's, Spec's, Le Gourmet Chef, Kitchen Kapors, Total Wine and More, BevMo!

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The New Retirement

to be an all-in-one package. (Of course, when an introduction alone runs 123 pages, you quickly get an idea of what you're up against.)

Next, try your hand at Medicare's search tools, which list and compare insurance plans in your area. (At Medicare.gov, click on Resource Locator.) It's a terrific service, but one where the large number of options can prove discouraging. At this point, though, you should have a good feel for the essentials, as well as your needs. Time for some consultation.

Start with free services. Every state (and most counties) have a State Health Insurance Assistance Program office, where you can meet an independent counselor to discuss your options. (See www.medicare.gov/contacts.) The Medicare Rights Center (www.medicarerights.org) is an invaluable resource, too, where would-be and current beneficiaries can find out "where to go, what to do and what to look for," says Joe Baker, the center's president.

Also free (for you, at least): insurance brokers. Brokers, when they sell a policy, earn a commission from the insurer; if you go this route, consider working with a national firm that represents a large number of carriers instead of with a single agent who might specialize in (and steer you toward) a small number of plans. Two of the biggest are Extend Health (www.extendhealth.com), which works with 65 regional and national carriers, and Hewitt Senior Educators (www.senioreducators.com), which works with about 30.

Want to cover all your bases? Combine advice from free services and paid ones. Allsup (www.allsup.com) charges about \$250 to guide you through enrollment with its Medicare Advisor service; for about the same price, American Medicare Counselors (www.amcstl.com) offers

a similar service. Healthcare Navigation, which deals frequently with senior executives and business owners and their (often) more complicated insurance options, bills about \$1,500.

Most of these players, as well as Extend Health and Senior Educators, will gather your personal data (medications, doctors, finances), assess your needs and suggest specific insurance plans to meet them. Most services will even join you on the phone when you call a carrier

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to sign up for coverage, "just to make sure there's no last-minute up-selling," says Paul Gada, new-products director at Allsup.

Their primary value, though, lies in their ability to sift through the minutiae. Take enrollment periods: Miss

one of Medicare's designated deadlines, which is easy to do if you leave your job after age 65, and you could go months without coverage—and pay penalties when benefits kick in. Or consider prescription drug plans: Sure, a particular plan might cover the medications you're taking, but insurers typically divide drugs into tiers with different co-payments. If you pick a plan that slots your drugs in a more expensive tier, you could end up paying hundreds of dollars more each year for your medicine.

Interestingly, each of these firms told me that the Medicare-navigation business is good and getting better. Thousands of frazzled baby boomers turning 65 each day will do that for you. Again, take some time to learn about the basics and reach some preliminary decisions. But then take advantage of the help that's out there. Wood, the Michigan retiree, who ended up getting assistance, says the stakes are too high to do otherwise. ☺

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