Comments from Tommy about Medicare

November 2015

I thought I would post what I ended up with as far as my health coverage starting December 1 -- it's not all that interesting and is very confusing, but what I did might help you make your own decision.

Always keep in mind that your goal is to understand how it all works so the first thing to do is to suspend your disbelief, control your gag reflex, and do not engage logical thinking processes in understanding why it works this way -- just try to understand how it works.

First, I signed up for Medicare Parts A and B which are referred to together as Original Medicare.

There is no premium charged for Part A (hospital insurance) for anyone -- including me and Mr. Gotrocks. Yay! Totally free government payments! Yes, Virginia, there is a Santa Claus! My monthly premium for Part A is $0.

There is a premium charged for Part B (medical insurance). Lucky me -- this year Congress, in their infinite wisdom and assuredly in deference to the egregious wrongs having been suffered by Mr. Gotrocks over the years, increased the monthly premium for people who are not receiving Social Security benefits from $104.90 to $121.80 (I am not making this up -- I am NOT taking advantage of some entitlement payments therefore I am paying MORE for the ones I am receiving). And if you make more than $85,000 per year (like Mr. Gotrocks), you pay higher premiums. My monthly premium for Part B is $121.80.

There is a premium charged for Part D (prescription drug coverage). Essentially you enter in all the drugs you are currently taking (or perhaps think you will be taking in the next year) into the Medicare website and then choose from the list of plans that have all or most of your drugs on their formulary (every plan covers only a subset of all the drugs available). I chose SilverScript Choice for which I pay a monthly premium of $21.00.

Now comes the fun part. Parts A, B, and D all have deductibles, co-payments, and other charges for which I am responsible. I don't need to do anything else if I don't want to. But if I want more coverage, I first choose between Part C or a Medigap policy.

Essentially Part C wraps around Original Medicare (Parts A and B) to provide more extensive coverage and also sometimes includes Part D -- it replaces Original Medicare.

A Medigap policy does not replace Original Medicare but supplements those payments to cover some or all of your co-payments, deductibles, etc. There is a wide array of Plans all indicated by a letter (e.g. Plan F, Plan G, etc.) and you will have so much fun trying to discern the differences. But keep in mind that you cannot change your mind later and switch to a different plan without going through underwriting so choose carefully!

I ended up choosing a Medigap policy rather than Part C. Of the various Plans, I chose Plan F, which is the most expensive of all the Plans but also the most inclusive -- as far as I can tell and as I hope and pray, it pays for all of my co-payments, deductibles, and other expenses not covered by Original Medicare. Then I had to choose among all the insurance companies which offer Plan F (by law exactly the same coverage from every insurance company) but which charge different premiums and have different reputations. I boiled it down to Blue Cross Blue Shield and Transamerica Premier Life, and finally chose Transamerica Premier Life because it's monthly premiums were signficantly less than BCBS up until age 91 at which time Transamerica Premier's rates became higher than BCBS. However, there is only so much stress and aggravation that I can take in speculating over what course my life will take so I decided to take care of the me up until age 90 and let my older me over 90 just take it as it comes. So my monthly premium for my Plan F Medigap policy is $126.

So on December 1 I will be replacing my current individual Blue Cross Blue Shield health insurance policy which has a $6,000 deductible and outrageous co-pays for everything for which I have been paying $492 per month for this new Medicare coverage which supposedly covers everything (including my deductibles and co-pays but we'll see how it really works -- I didn't read hardly any of the fine print) for a total monthly payment of $268.80 ($0 + $121.80 + $21.00 + $126.00 = $268.80).

Now here's the kicker. Most doctors do not accept Medicare! So now I have to find a doctor who probably graduated in the bottom 10% of his/her class who can't get anyone else to trust their to care to them to please take this doddering old man and shore up his failing body for government pennies on the dollar. I just don't get no respect or you just can't win -- pick your favorite phrase of despair as they apply equally to the American healthcare system.

Royce,

The Part C plans are called Advantage plans. Some include prescription drug coverage and some don't -- that's what I meant by that they might include that coverage. If you choose an Advantage plan that doesn't cover prescription drugs, then you have to get a Part D plan to go with it.

I think the main difference between Advantage and Medigap is that you are limited to certain doctors and hospitals as well as overall out-of-pocket costs with Advantage plans whereas Medigap does not limit your choice (as long as they accept Medicare) and at least the Plan F I chose pays all my out-of-pocket costs (keeping my fingers crossed).

Just accept the fact that it will be confusing and no matter what you choose, you will have a queasy feeling in your stomach that you made the wrong choice. Lowell, isn't one of the main purposes of buying insurance to give you peace of mind?

Choosing Medicare coverage reminds me of Eric Clapton's song Why Does Love Got To Be So Sad? Why Does Healthcare Insurance Got To Be So Confusing?

I found this on the Internet which seems to be a pretty good summary:

Medigap Insurance

Medigap is supplemental insurance sold by insurance companies. Its objective is to work in conjunction with original Medicare. As of 2015, there are 10 standardized plans, each of which provides the same basic benefits. Medigap covers deductibles, coinsurance and co-payments that you would otherwise be responsible for paying. Some plans also cover expenses that original Medicare does not address, such as medical care when you travel abroad. Medigap does not pay for prescription drugs, vision or dental care, hearing aids, a private-duty nurse or nursing home care.

Medicare Advantage Plans

Insurance companies also sell Medicare Advantage plans. However, unlike Medigap, Medicare Advantage plans replace rather than supplement Medicare insurance. Although all plans must provide at least the same benefits as original Medicare, some offer additional benefits, such as dental and vision care, which Medicare does not provide. Medicare Advantage plans have deductibles and co-pays, but they also have yearly out-of-pocket spending limits, unlike Medicare.

Major Differences

The differences between Medigap and Medicare Advantage plans are important to consider when deciding which is your best option. Medigap has no hospital or doctor restrictions, other than that they must accept Medicare insurance. Medicare Advantage plans not only often restrict when and how you get care but also require that you use the company’s network of doctors and hospitals. Out-of-pocket cost protection is another major difference. As supplemental insurance, Medigap will help cover out-of-pocket expenses, which Medicare does not limit, but if you choose a Medicare Advantage plan, you’ll be responsible for paying all out-of-pocket expenses up to the annual limit.

Cost Considerations

There is a significant cost difference between Medigap and Medicare Advantage. Of the two, Medigap is often much more expensive. Although your geographic location and the plan you choose play a role, according to MedicareRights.org, monthly premiums can run into the hundreds of dollars. In addition, you’ll also be responsible for paying original Medicare and drug coverage premiums. In contrast, a Medicare Advantage plan is usually the same price as original Medicare, unless you also purchase prescription drug coverage.

Update December 1, 2015

Brief Medicare update.

My coverage starts today -- the 1st of the month in which I turn 65. I turn 65 on December 25. I have three forms of coverage.

The first is Original Medicare Parts A and B. No premium for Part A (hospital). $121 monthly premium for Part B (medical). I signed up online on September 1 (the earliest you can enroll is the 1st of the third month before the month in which you turn 65) on Medicare.gov.

The second is Transamerica Premier Medigap Plan F. Monthly premium is $126 and pays all my deductibles and co-pays that I would have incurred with Medicare. This Plan F fills in the "gaps" in Original Medicare -- in fact, although it is the most expensive Medigap plan, Plan F fills in ALL the gaps.

The third is Silverscript Choice (Part D - PDP - Prescription Drug Plan). Monthly premium is $21.

I had on my calendar today to find a new primary care doctor. I searched[www.medicare.gov/physician](http://www.medicare.gov/physician). I thought it was going to be difficult but there are several within two miles of where I live. I have an initial "Welcome to Medicare" physical set for January 5. I had to change primary care physicians since my former one does not take Medicare. There will be no charge to me for the "Welcome to Medicare" visit, the first of my annual physicals covered by Medicare.

Both my current opthamologist and dermatologist accept Medicare so I did not have to switch. They are the only two specialists that I see besides that guy that sticks the camera hose up my butt every five years (probably should do that more often).