



MEDICARE OPEN ENROLLMENT: TIME TO GIVE YOUR HEALTHCARE OPTIONS A CHECK-UP

Each year before the calendar end, Medicare offers new prescription drug & health plan choices. This year, the open enrollment period comes early. You have from October 15 to December 7, 2011 to choose your Medicare Advantage or Part D prescription drug plan for 2012.

In a recent *Kiplinger's Retirement Report* article, "Season for Medicare Open Enrollment," author Kimberly Lankford outlines several crucial tips to help you navigate through Medicare's open enrollment period.

While the thought of comparing plans and reading fine print might make sticking with your current plan seem like the most attractive option, there is benefit to reviewing your options. Doing so could save you money, get you better coverage, or both.

Your current plan could have some changes coming down the pipeline that might not agree with you. By now, you should have received your plan's "annual notice of change" which advises you of any alterations to plan benefits or premiums. Check to see whether your co-payments are scheduled to increase, whether your coverage decreases in any way, whether your medication is still covered, or indeed, whether the plan is being discontinued altogether.

TOOLS TO HELP YOUR RESEARCH

On October 1, Medicare's online Plan Finder tool became updated with information on all available Advantage and Part D plans for 2012. See www.medicare.gov/find-a-plan

This tool will help you compare prices, co-payments, deductibles, coverage, and drug tiers for all Advantage and Part D plans in your area. You have the option of conducting a personalized search using your name, Medicare number, zip code, date of birth, and effective date for Part A. Or you could conduct a general search starting with just your zip code.

→ A QUICK LOOK

Medicare Open Enrollment (October 15 – December 7, 2011) is the time for you to enroll, drop or switch your Medicare health or drug coverage for 2012. Resources on the web can help you understand your options:

- <http://www.medicare.gov/find-a-plan>
- www.planprescriber.com
- www.medicarenewswatch.com
- www.shiptalk.org

Choosing the right insurance and drug plan now can spare you sticker-shock on medical expenses next year.

You can also use www.PlanPrescriber.com, another no-cost tool that lets you compare drug plans and insurance options. This one will allow you to save your search. (Call Plan Prescriber at 800-404-6968 if you need someone to talk you through it.)

For a simple look at the best Medicare Advantage plans in your area—in just two clicks and no typing—go to www.medicarenewswatch.com and select the 2012 Cost Comparisons. Find your city and the "Cost Share Report" will show you what they have determined are the best options depending on your health status—whether good, fair or poor.

While these websites can tell you a lot, talking it over with an expert can make the process friendlier and less intimidating. The counselors at the State Health Insurance Assistance Program (SHIP) are available by phone (800-633-4277) or for open-enrollment seminars and personal consultations held in every state, operating out of hospitals, senior and family service centers, charities, and other local sites. Find contact information for your local SHIP at www.shiptalk.org.

DIAGNOSE THE NEW OPTIONS

New plans will come on the market for next year, and one of them just might be a better fit for you.

With the new health care law, you will now have access to a variety of preventative tests and screenings at no additional cost. It is likely you might find lower prescription expenses as well.

A PlanPrescriber study of 25,000 Medicare beneficiaries found that less than 10% of customers were in the Medicare Advantage prescription drug plan with the lowest total out-of-pocket costs available to them.

JUST SAY NO TO COSTLY DRUG PLANS

Traditional Medicare does not provide drug coverage, which you will need to sign up for separately with Part D. These plans are worth investigating, even if you are healthy and are currently not on medication. Should your condition change in 2012, you could save thousands of dollars by enrolling in a low-premium Part D plan now.

Even if you currently have a Part D Plan and you're satisfied with it, there is a good chance of finding a better deal out there now. There are new low-cost Part D plans expected to come on the market and compete with the Humana Walmart-Preferred Rx plan, which in 2011 cost less than \$15 a month.

The average premium for Part D plans in 2012 is expected to drop slightly to \$30, from \$30.76 in 2011. However, that does not account for any hidden cost increases.

Review the "drug tiers" of your current plan to see whether your medication is scheduled to shift into a different tier—from preferred to non-preferred, for example. This can drive up the cost. Check with your doctor to see whether you might switch your medication to a generic brand, if available. The plan with the best rates for brand-name drugs may not be the same as the plan with the best rates for generic.

SAME OLD DONUT HOLE

Plan D's coverage gap, i.e. the "donut hole," will change very little in 2012. Once the total expenses for your qualified medication reaches \$2,930 for the year (including both your share and the employer's share), you will need to cover your drug bills yourself until your out-of-pocket costs reach \$4,700. The federal government will take it from there.

During the "donut hole" period, you will have a 50% discount on brand-name drugs (which is paid by pharmaceutical companies or drug manufacturers) and a 14% discount on generics (which paid by Medicare itself).

MISSING THE DEADLINE

If you are enrolled in an Advantage plan and do not take action by December 7, you will be automatically reenrolled in your current plan for 2012. (If your plan is being discontinued, you will be rolled over to traditional Medicare.)

Kimberly Lankford's "Season for Medicare Open Enrollment" was published in the October 2011 edition of Kiplinger's Retirement Report.