

Medicare Advantage plans: Pitfalls to avoid

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When shopping for Medicare Advantage, focus on in-network providers, meds.

Only 3 in 10 Medicare beneficiaries shop around during open enrollment, according to a 2022 analysis from KFF, a health policy nonprofit — and only 1 in 10 Medicare Advantage enrollees voluntarily switch plans. But a 2020 analysis of Medicare Advantage plan choices by the National Bureau of Economic Research found that more than half of beneficiaries overspent by more than \$1,000 due to the plan they selected.

Medicare open enrollment is Oct. 15 to Dec. 7, giving people with Medicare a chance to change plans for the upcoming year. Although potential Medicare Advantage enrollees may be swayed by \$0 premiums and extra perks like vision and dental coverage, there are more important features to explore when you're choosing next year's coverage.

Here are some practices to avoid as you shop for Medicare Advantage this fall.

Medicare Advantage isn't Medicare

If you're considering Medicare Advantage, understand that it's not the same thing as government-provided Medicare. It offers the same benefits, but Medicare Advantage is run by private health insurance companies and it operates differently.

"You are essentially taking the Medicare coverage that you've been provided by the government and turning that in," says Melinda Caughill, co-founder and CEO of 65 Incorporated, which offers Medicare guidance.

You can switch back to Original Medicare during each year's open enrollment period. In some states, you may not be able to qualify for an affordable Medicare Supplement Insurance plan, aka Medigap, once you're past the one-time Medigap open enrollment period, but under New York law bars there is no such limitation. (Medigap helps with certain out-of-pocket costs not covered by Original Medicare.)

Are your doctors in network?

Medicare Advantage plans operate within networks of medical providers, and you usually must see in-network doctors for covered care.

"A lot of people don't realize that — especially those \$0-premium plans — they tend to have fairly confined networks," says Emily Gang, CEO of the Medicare Coach, a site that provides Medicare guid-

ance. "You want to double-check that your doctor is actually an approved provider in that network."

Check your drug coverage

Like network providers, Medicare Part D prescription drug coverage can also change each year. Your drug plan might cover one of your medications differently in 2024, leaving you with more out-of-pocket costs than you expected.

"If you take even one brand name medication, your need to compare plans is incredibly high," Caughill says.

Don't buy just for dental benefits

Medicare Advantage plans usually include benefits that aren't part of Original Medicare, such as dental, vision or hearing coverage. These extras may be appealing, but don't let them steer your plan choice.

"First of all, it's health insurance — so how is it going to cover your health care providers and your medications?" says Katy Votava, president and founder of Goodcare, a consulting firm focused on the economics of Medicare. "If you pick [your plan] for a benefit that isn't health insurance, you're often picking wrong. And the dental benefit is pretty limited in all these plans — it's a couple of cleanings and some bite wings."

\$0-premium plans not 'free'

The majority of Medicare Advantage enrollees are in plans with no premium, meaning you pay nothing each month for the plan. "People see that \$0 premium and they're like, 'Oh, it's free,'" Gang says. "And it's not."

Research the rest of the plan's costs, including deductibles, copays, coinsurance and the out-of-pocket maximum (the most you might have to spend on covered care in a year). In 2023, the out-of-pocket max can be as high as \$8,300 for in-network care.

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