

NOVEMBER 14, 2009

## Medicare Maze

Trying to figure out which coverage is right for you? These new services can help.

By KELLY GREENE

When Doug Foth, a retired accountant in Grandview, Wash., got ready to sign up for Medicare last summer, he recruited his daughter, a human-resources manager, to help him. "We went through the Medicare Web site pretty thoroughly, and when we got done, I'm not sure I knew any more than when I started," says Mr. Foth, 68 years old. "It's very complex."

He turned to one of a handful of services that have started up, or expanded, in the past three years to help older adults choose from a growing number of Medicare options. He paid \$150 to a new service called Allsup Medicare Advisor to sort out the possibilities—and got help fending off a penalty for signing up after age 65.

Tomorrow marks the start of the six-week "open enrollment" season for Medicare, during which people who use the health-insurance program can make changes to almost every part of their coverage (with the exception of Part A, which is basically hospital insurance). The addition of Medicare's prescription-drug benefit in 2006 and the widespread loss of corporate retiree health benefits have made those choices more complicated—and potentially more expensive—both for current and would-be beneficiaries.

It's open-enrollment time for Medicare. WSJ's Kelly Green visits the Medicare Rights Center, one of a growing number of services that help people shop for and navigate Medicare plans. That's why more services are stepping in to offer advice. Some charge a fee; others are free to consumers but get commissions from insurers. Still more services, mainly supported by the government and nonprofit groups, provide more-limited online tools or telephone counseling at no charge.

Where to start? Read through "Medicare & You 2010," the government's overview of the program and your primary options. (Go to [medicare.gov](http://medicare.gov) and look under "Learn More.") At that point, if you need help, you might want to combine free tools with advice from a paid service. Here are some possibilities.

### For a Fee

Allsup Inc. charges \$200 for its Medicare-advisory service (prices have gone up since the summer). For that fee, the company will assign the customer an adviser for a process that typically spans several phone calls. That includes an interview to collect personal information, such as prescription drugs and doctors used, after which the adviser analyzes the often dozens of plan options available locally to the customer.

The adviser then walks the customer through a customized report presenting a few plans that Allsup considers the best match for his or her needs—and then will stay on the phone as the customer enrolls with the insurer he or she selects.

Other services, such as Healthcare Navigation LLC, Fairfield, Conn., offer more hand-holding—and are more expensive. Most of the company's Medicare consultations cost about \$1,000, but a few top out at \$3,000, says Maura Carley, president and chief executive. Healthcare Navigation's Medicare work often involves working one-on-one with older adults who have had employer coverage past age 65 and haven't yet enrolled in Medicare Part B (outpatient coverage) or Part D. They sometimes fall into a trap: They opt to continue their employer coverage for 18 months after leaving the job. "But if you do that, you miss your chance to enroll in Part B without a penalty," Ms. Carley says.

Among other services, Healthcare Navigation helps retirees enrolling in Medicare work through administrative snafus caused by former employers' human-resources departments, weigh their retiree health benefits through a former employer against "Medigap" coverage (plans that fill holes in basic Medicare coverage), and evaluate Medicare drug plans.

Another service, American Medical Claims Inc., works with individuals sorting through Medicare claims, trying to select drug plans or making the transition to Medicare for the first time. American Medical charges \$250 for its Medicare Transition Package, during which "we sit down with [clients] or discuss [coverage] over the phone so they understand exactly what their choices are," says Richard Grote, the company's chairman. For help setting up Medicare Part D (drug coverage) and Medigap, the company charges an additional \$125. For other consulting, the charge is \$125 an hour (with a cap of \$250).



### Commission-Based

A more traditional way to get help shopping for Medicare insurance plans is to consult an independent insurance agent. Such agents typically get paid a commission to sell you a policy, although they offer plans from a number of providers. There's a directory by city and/or ZIP Code at the Web site for the Independent Insurance Agents and Brokers of America. But keep in mind that agents typically aren't familiar with all the Medicare plans in your market; instead, they specialize in the ones they represent.

Brokers that serve clients across the country claim to work with a larger number of insurers. They include Senior Educators Ltd. and Extend Health Inc. Senior Educators was started in 2005 by a former McKinsey & Co. consultant to help consumers shop for Medicare coverage using a rating system that reflects a plan's benefits, premiums and co-payments, and the insurer's reputation. Senior Educators has worked with 100,000 customers in four years, and represents insurers offering about 70% of the Medicare plans available, says Brian Poger, chief executive. The company offers information about the ones it doesn't get paid by, as well.

Extend Health, formed in 1999, works with more than 50 carriers and has managed Medicare enrollment for over 250,000 people. The company offers what it calls a "decision-support tool" that helps people think about issues including doctor networks, prescription drugs and complications for those who split their time between two places.

### **Do-It-Yourself**



Consumers with questions can reach the agency that runs Medicare, the Centers for Medicare and Medicaid Services, at 800-633-4227. The Web site [medicare.gov](http://medicare.gov) has tools that compare health and drug plans where you live, identify which drugs may or may not be covered or restricted, and compare cost ranges for plans in your community. There are also worksheets at [cms.hhs.gov/center/openenrollment.asp](http://cms.hhs.gov/center/openenrollment.asp).

State Health Insurance Assistance Programs, known as SHIPs, provide free phone or face-to-face counseling locally through federal grants directed to the states. You can find a program in your area by calling 800-633-4227 or going online to [shiptalk.org](http://shiptalk.org). The Medicare Rights Center ([medicarerights.org](http://medicarerights.org)), a New York advocacy group, staffs a hotline at 800-333-4114 to help answer questions about Medicare, including enrollment issues, at no charge.

To figure out whether a drug plan might leave you in the "doughnut hole," a gap in coverage for most or all prescriptions that can translate into \$4,550 in out-of-pocket expenses in 2010, AARP, the Washington-based advocacy group for older Americans, developed a Doughnut Hole Calculator. It's available online at [aarp.org/doughnuthole](http://aarp.org/doughnuthole).

One caveat about Web tools: There may be a lag, particularly at this time of year, before information gets updated online about an insurer's specific Medicare benefits for the coming year. The drugs covered by a Part D plan might have changed, for example. So be sure to confirm directly with an insurer what it will pay for in 2010 before enrolling in a plan.

No matter where you turn for help or what plan you finally choose, confirm that the doctor, hospital or drug that matters most to you is still covered at the time you enroll. The adviser for one of Allsup's first Medicare-service clients found while on the phone to help enroll the client in a Medicare Advantage plan that the costly medications she was taking wouldn't be covered in the doughnut hole, even though both the plan's Web site and Medicare's Web site said they would. Allsup helped her find an alternative.

Through the course of the year, "there are periods when coverage changes," says Paul Gada, director of personal financial planning at Allsup. "In this case, the government was slow to post the change on Medicare's Web site."

— Ms. Greene is a Wall Street Journal staff reporter in New York. She can be reached at [encore@wsj.com](mailto:encore@wsj.com).