

Medicare Advantage fails cost test

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COLONIE -- [Medicare Advantage](#) plans have not kept their promise to provide the same services at a lower cost than traditional Medicare, said Dr. [Jaime Torres](#), regional director of the New York office of the U.S. Department of Health and Human Services.

Torres met with the [Times Union](#) editorial board on Tuesday to talk about Medicare open enrollment and health care reform. Torres, a podiatrist and a past president of [Latinos for National Health Insurance](#), was appointed to his post in April by HHS Secretary [Kathleen Sebelius](#).

Medicare, one of the many programs overseen by HHS, is the public health insurance program for the elderly and disabled.

In 2003, Medicare Advantage plans were started as an alternative to original fee-for-service Medicare. The private plans are reimbursed by the federal government for managing the care of enrollees.

"When they were created, they thought they would be competitive, that they will offer the same services at a lower cost," Torres said.

But that hasn't happened.

"On average, we are paying them \$1,000 more per a patient for the same services and that money is subsidized by original Medicare," he said.

The government will begin to reduce the subsidy paid to Advantage plans next year, Torres said.

"The administration felt that it is not money that is well spent. It's extra money (the private plans) are getting without providing more services," he said.

About 63 percent of New York's 2.9 million Medicare patients are enrolled in Advantage plans, according to federal figures. In many communities, seniors can choose from dozens of Advantage plans and still have the option of using original Medicare.

While Advantage plans may not be saving the government any money, Torres said seniors are served well by the plans.

"People have a choice," he said. "I'm all for having choices, but they have to be informed choices and that is why it is important right now for people to compare what is available to them."

Open enrollment for Medicare is taking place until the end of the month. During this period, Medicare patients can switch plans without penalty.

On average, Advantage plans decreased their premiums by 1 percent in 2011, according to Medicare officials. But local Medicare advocates have said that many of the major Advantage plans in the Capital Region increased out-of-pocket costs by thousands of dollars.

Torres encouraged seniors to find the best plan by using tools on <http://www.medicare.gov> and calling local advisers for one-on-one advice.

"We are encouraging this to be a family affair," he said, "because grandma might not be able to access the Internet but (her) grandson may be able to compare on Medicare.gov what is available."

HOW TO GET HELP

There are several government and nonprofit services available to help seniors select the right Medicare plan for their needs.

Medicare, 1-800-MEDICARE (1-800-633-4227), <http://www.medicare.gov/>

Medicare [Rights Center](http://www.medicarerights.org), 1-800-333-4114, <http://www.medicarerights.org>

New York State Office of Aging, 1-800-342-9871

New York Health Insurance Information Counseling and Assistance Program (HIICAP), 1-800-701-0501, <http://www.aging.ny.gov/healthbenefits/LocalHIICAPOffices.cfm>