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Health care professionals discuss changes to Medicare

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In recent weeks, Coachella Valley seniors have been inundated with mailers from insurance companies, all proclaiming the virtues of their Medicare services.

What's it all about?

Money, of course, say the members of this month's Business Roundtable who are all Coachella Valley health care professionals.

Seniors may be high-risk patients who use a lot of medical services, said Dr. Glen Grayman, president of the board of the Desert Healthcare District in Palm Springs, but insurance companies still make big profits off them.

"The largest health insurance companies offering Medicare Advantage plans, including Humana, Aetna and United Health Group, have recently posted record profits, substantially beating Wall Street expectations," he said.

"Part of this enhanced profit has come from increased membership by seniors."

Health care reform is another part of the picture, with the new law changing enrollment rules so many seniors will not be able to change plans after open enrollment closes Dec. 31.

That means seniors need to be especially careful when choosing plans this year, the panelists said.

Key questions to ask, they said, include whether plans limit the doctors a person can see and what services and prescription drugs are covered.

Bill Robinson, owner of Palm Canyon Insurance Agency in Palm Springs, said he's seeing many clients whose prescription drugs may no longer be covered by their current plans next year.

"This can cost seniors thousands of dollars in extra co-pays if they do not change plans," he said.

Grayman's advice: Before signing up for any plan, check it out with your doctor and with people who are already have it.

This month, The Desert Sun's monthly business roundtable tackles Medicare – the welter of plans and care options seniors must sort out during the current open enrollment period, the impact of health care reform on senior health care and the challenges facing the Medicare system.

The four Coachella Valley roundtable members include two physicians, a health care administrator and an independent insurance broker:

Dr. Glen Grayman, chairman of the board of the Desert Healthcare District in Palm Springs

Helene Leclair, vice president for network administration, Desert Oasis Healthcare in Palm Springs

Bill Robinson, owner of Palm Canyon Insurance Agency in Palm Springs and vice-president for legislation for the California Association of Health Underwriters

Dr. David Friscia, an orthopedic surgeon in Rancho Mirage and president of the Riverside County Medical Association

Insurance companies that provide Medicare Advantage and other supplementary coverage are doing particularly heavy marketing this year, leaving some people confused or simply overwhelmed. What's going on?

Grayman: Medicare Advantage plans are highly profitable. The largest health insurance companies offering Medicare Advantage plans have recently posted record profits, substantially beating Wall Street expectations. For those reasons, insurers offering MA plans are doing heavy marketing this year in an attempt to sign up even more seniors to further enhance their profits.

Leclair: Medicare patients have 45 days (from Nov. 15 to Dec. 31) to change plans, and no changes between Medicare Advantage plans will be allowed after Dec. 31, except to return to straight Medicare. Seniors must make well-informed decisions in a very brief amount of time. Helping them accomplish this is the rationale behind the big push to get the message out this year.

Robinson: Insurers marketing health coverage to seniors do earn a good level of profit from these products, whether it is Medicare supplement policies or Medicare Advantage. Another factor may be that most seniors (except those aging into Medicare at age 65) have only a six-week period in which to enroll or change plans.

Frischia: Medicare Advantage and Medicare HMOs have been very profitable for insurance companies. Medicare HMOs restrict choice of doctors and require approval for tests and surgery. Medicare Advantage pays 15 percent to 50 percent more to the insurance company than what they would usually pay to cover a senior patient. Seniors should be cautious about signing up for some of these insurance plans as they may restrict the patient from going to their doctor of choice.

One of the down sides of health care reform is that it will cut reimbursements for Medicare Advantage, making them equal to traditional Medicare, raising concerns that insurance companies will cut services or leave certain markets, or that physicians will stop accepting new Medicare patients. Do you see that happening here, now or in the future?

Grayman: Assuming Congress keeps Medicare payments to physicians at at least the current levels, I do not believe it is likely that most physicians will stop accepting new Medicare patients. It is true that some Medicare Advantage plans have announced that they are changing their benefits, premiums, and/or cost sharing beginning in 2011, not as the result of the new health reform law (which does not cut payments to Medicare Advantage plans until 2012), but instead as the result of policies adopted well before the law passed.

Leclair: Desert Oasis Healthcare feels that though beneficiaries are naturally concerned, coordinated healthcare is a cornerstone of the new healthcare reforms. We are already providing multiple programs to coordinate everything from simple assistance with making appointments to high-level in-home case management services, making our group a forerunner to the ideas behind the changes and unlikely to be negatively impacted.

Robinson: Yes, for sure all of these things will happen over the next few years. In rural areas, where there is a much smaller Medicare-eligible population, most if not all of the currently available Medicare Advantage providers will withdraw their plans. And in all but maybe the largest senior markets (major population areas of California, for example), the remaining plans will have their operating costs squeezed.

Frischia: Medicare benefits have actually increased in the healthcare reform law as physical examinations and preventive services are now covered and prescription drug benefits are improved. Medicare Advantage paid some physicians less than traditional Medicare and changes to this program will not directly affect physicians.

What are the most important questions seniors should be asking or looking at as they evaluate their current health plan and make decisions about open enrollment?

Grayman: Talk with people who are enrolled in a particular plan and ask your doctor about it. The key questions include: Are there particular physicians you wish to see? If so, are they in the plan's network of providers? If not, how much will the plan charge if you want to see physicians outside the plan?

Leclair: Medicare beneficiaries should carefully compare the benefits they use most or plan to use in the coming year. Do they need surgery, oxygen or other durable medical equipment? Is one plan's co-pay for these things different from the other?

Robinson: What is the 2011 annual out-of-pocket cost projection for their prescription drugs? Will any of their current drugs be removed from their plan's 2011 drug formulary? This can cost a senior thousands of dollars in extra co-pay costs if they do not change plans for 2011.

Frischia: The most important question seniors need to ask when choosing a health plan is will they be able to choose the primary care doctor and specialist of their choice. Many patients who sign up for a restrictive health plan end up having to pay cash in order to promptly see a local specialist.

Another part of healthcare reform is increasing funds to fight Medicare fraud and to look at innovative models for providing care more efficiently. What are the problems here locally, and what do you see as solutions?

Grayman: I have seen no evidence and therefore do not believe that Medicare fraud occurs any more often in the Coachella Valley than elsewhere in the state or the country. I advise all seniors to carefully check their medical bills. In particular, was that senior charged or did he or she receive collection notices for medical equipment or services that the patient, in fact, did not receive?

Leclair: We are already providing a standard of care above and beyond the model of care that healthcare reform is seeking. Our integrated teams include primary care, specialty care and hospital physicians, along with home healthcare, pharmacists, patient educators and disease specific management programs, all working to provide totally patient centric care.

Robinson: The federal healthcare reform law has only a few small elements that will begin to fight fraud in Medicare. This is a huge issue where even greater savings can and should be obtained to lower claims costs for Medicare in the future. Too many providers and patients regard Medicare as a cash cow from which they reap huge, fraudulent medical claims for procedures never performed.

Frischia: Most of the abuse has occurred from companies fraudulently billing Medicare for medical supplies never provided to patients. The biggest problem locally is the fact that Medicare reimbursement to physicians is less than one third of private rates and less than what physicians were paid 25 years ago.

If there was one thing you could change about Medicare or the healthcare reform law's provisions relating to senior healthcare to improve their services, what would it be? Why?

Grayman: There is a limited amount of money in the Medicare Trust fund, and it must be spent judiciously. After all is said and done, and all reasonable efficiencies obtained, only adequate funding of the fund will allow our commitment (to senior healthcare) to continue, even if this requires budgetary reductions elsewhere.

Leclair: Medicare needs to survey what healthcare groups and plans are already offering and excelling at, and implement proven strategies. New innovations can produce great results, but can also fail miserably. When millions of people are depending on the system, the magnitude of the possible failure makes the risk too great to overcome.

Robinson: Stop allowing the insurers to play "chess games" every year, moving some costly brand-name drugs to higher-cost drug tiers or even removing formerly covered and costly brand-name drugs from the drug formulary when there are not other equally effective drugs on the insurer's formulary.

Frischia: The single greatest danger to Medicare is the flawed Sustained Growth Rate formula that mandates cuts to physician reimbursement to limit the growth of the Medicare budget. With new benefits, treatments and more patients yearly, Medicare needs to be funded appropriately while not trying to balance the budget on the back of physicians.

Between boomers and retirees, the Coachella Valley has a particularly high portion of people using and needing healthcare services. Do we have the medical resources we need going forward?

Grayman: There is a desperate need for additional physicians and health providers in the eastern Coachella Valley. In the last year, a collaboration of local governmental and nongovernmental organizations has come together to form the Coachella Valley Healthcare Initiative, whose purpose is to address the poor access and health outcomes in that region.

Leclair: The Coachella Valley, and the nation as a whole, lacks enough primary care physicians. Incentivizing the next wave of university students to choose health care, and specifically primary care, will help alleviate the problem.

Robinson: Medical schools have seen a big drop in students wanting to train to become primary care physicians, as most want to train for the high-paying specialties. There is also a growing shortage of nurses. The federal government has got to do more to encourage (and subsidize) students to train for these medical professions.





Frischia: The establishment of the first new medical school in California in 40 years at UC Riverside should help to attract physicians to the Coachella Valley. Using our local hospitals as teaching hospitals will introduce many doctors to the area.

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