

# Medicare Disadvantage & the Medigap Trap

*Featuring Diane Archer*



## IN THIS EPISODE

This time on Code WACK! In 2022, nearly half of people eligible for Medicare are enrolled in Medicare Advantage plans. ***So what's the problem?*** Good question.

To find out, we spoke to **Diane Archer**, founder and president of [Just Care USA](#), an independent digital media hub covering health and financial issues facing boomers and their families.

**What pitfalls does Medicare Advantage pose?** Is the **Medicare Star Rating System** a reliable guide to the best Advantage plans? **And what's the Medigap Trap?**

## SHOW NOTES

## WE DISCUSS

## ***How do Medicare Advantage plans work, and how are they different from traditional Medicare?***

“If you're in a Medicare Advantage plan, the government gives the insurance company ... a chunk of money to pay for the care it covers.

So the incentive there is for the Medicare Advantage plan to keep as much of that money as possible and withhold care. . . people who opt for Medicare Advantage tend to have restricted access to doctors and hospitals and tend to have to go through hoops like prior authorization in order to get the care they need.

The big difference is corporate governance versus public government governance.” – ***Diane Archer***

## ***But people often think Medicare Advantage - which has a maximum out-of-pocket - is the better deal because traditional Medicare comes with 20% coinsurance and unlimited out-of-pocket costs.***

“You need supplemental insurance [called Medigap] to fill gaps in traditional Medicare and that costs about \$2,500 a year.” – ***Diane Archer***

## ***Is Medigap coverage available to everyone, or does the insurance company underwrite it based on your health?***

“You don't have a right to [buy Medigap without medical underwriting] except when you first enroll in Medicare at 65.

And so if you join a Medicare Advantage plan and stay more than 12 months, then you no longer have that right to buy Medicare supplemental coverage . except in New York, Connecticut, Massachusetts, and Maine.

So that means that you [can be] locked into your Medicare Advantage plan at a time when you want access to specialists who are not perhaps in the network that your Medicare Advantage plan covers.” – ***Diane Archer***

## ***How are Medicare Advantage insurers so successful in attracting people who are healthy?***

“...they don't talk about the cancer care they offer. They often don't have centers of excellence in their networks, and they're less likely to have top specialists in their network.

In addition, in Medicare Advantage, if you do have cancer or stroke and you need care, you often need to go through hoops, prior authorizations before that care will be approved. And that can involve a very long delay and that can jeopardize your health and wellbeing.

And that's again why lots of people who are sick want to disenroll and move back to traditional Medicare. . .” – ***Diane Archer***

## **Helpful Links**

**[Don't Look Up? Medicare Advantage's Trajectory And The Future Of Medicare](#)**, *Health Affairs*

**[Pitfalls of Medicare Advantage Plans](#)**, *Investopedia*

**[New Medicare Advantage rules won't stop the misleading marketing](#)**, JustCare

**['Straight Up Fraud': Data Confirms Private Insurers Use Medicare Advantage to Steal Billions](#)**, *Common Dreams*

**[How to Choose a Medicare Supplement \(Medigap\) Plan](#)**, *GoodRX Health*

**[How to compare Medigap policies](#)**, *Medicare.gov*

**[Medicare vs. Medicare Advantage: Ill Health Often Leads to Plan Switch](#)**, *Kiplinger*

# Episode Transcript

Read the full [episode transcript](#).

## Biography: Diane Archer

**Diane Archer** is founder and president of [Just Care USA](#), an independent digital media hub covering health and financial issues facing boomers and their families.

Ms. Archer is the past chair of the Board of Consumer Reports. She began her career in health advocacy in 1989 as founder and president of the [Medicare Rights Center](#), a national consumer service organization dedicated to ensuring that older and disabled Americans get the health care they need.

She served as director of the Health Care for All project for the Institute for America's Future and currently serves as a senior advisor at [Social Security Works](#). She is a member of the Board of the [Center for Health and Democracy](#).

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