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The Big Mistakes People Make in Medicare—and How to Avoid Them

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Seniors choosing Medicare coverage often fall into hidden, costly traps that can leave them stranded—and unable to get the healthcare they want. But there are ways to avoid the pitfalls, if you know how.

Lothaire Bluteau, 66 years old, an actor who lives in West Hollywood, Calif., last year enrolled in one of the private plans known as Medicare Advantage. After he was diagnosed with prostate cancer last May, he discovered the specialists he wanted to see weren't in his UnitedHealthcare HMO's limited network. He faced delays getting tests and treatment.

He got a bigger shock when he tried to get access to more doctors by switching to traditional Medicare, run by the federal government. Bluteau worried about the steep out-of-pocket costs, so he tried to get a fill-in policy known as a Medigap plan that would cover many of those expenses. Yet health insurers said no because of his cancer diagnosis.

He didn't realize he could be rejected. "I didn't inform myself enough," Bluteau said. "I was so stupid."

Bluteau's struggle to get a Medigap plan shows one of the risks seniors might miss when they are selecting coverage. Medicare beneficiaries generally don't know that they have a right to get Medigap policies only at certain times, and if they don't jump then, they might not be able to purchase them later.

Medicare's open-enrollment period kicked off Sunday and goes until Dec. 7. During that time, beneficiaries can pick new plans for next year. The options include traditional Medicare from the government, or the wide array of Medicare Advantage plans, which are private-insurance products that wrap in the same benefits.

Advertisements for Medicare Advantage plans especially may promise rich bonus benefits such as dental and vision coverage, or even help paying for food, as well as generous financial terms. But consumer advocates said seniors should be mindful of the downsides. For those going through Medicare open enrollment this fall, here are five of the biggest pitfalls—and how to avoid them.



Bluteau, 66, discovered the specialists he wanted to see weren't in his UnitedHealthcare HMO's limited network.

Medigap Trap

One of the biggest traps is the one that claimed Bluteau. Patients with health issues may want to move to original Medicare, but they can't buy Medigap policies. "This is where people get stuck," said Kata Kertesz, a senior policy attorney at the Center for Medicare Advocacy. "They get really sick, and they can't switch."

Medigap, or Medicare supplement insurance, doesn't have the same rules as most health insurance. For other types of coverage, insurers can't reject you or charge you more based on your medical conditions. With Medigap, such guarantees are available only at certain times.

Medigap is vital for many people who enroll in traditional Medicare. The original government program can leave beneficiaries with big out-of-pocket bills for their care, and there is no cap on how high that tab can go. Medigap policies help cover those costs. They have standardized designs, listed here.

Your best chance to get Medigap is when you first join Medicare as a senior, after you turn 65. Then you have a six-month window when you can buy a Medigap policy, and insurers can't turn you down or charge you more because of your health conditions.

There are a few other times when you have that federal "guaranteed issue" right, including if you opt out of Medicare Advantage during a limited initial "trial period." You can find them here. When you aren't in a protected window, however, you might not be able to get a Medigap plan.

States also have Medigap protections, and a few actually require the plans to always be available through "guaranteed issue." You can check on your state's rules here, but it is best to call your state department of insurance. Find the state insurance department information here.



After Bluteau was diagnosed with prostate cancer, he encountered delays getting tests and treatment.

Wrong Doctors

Another common trap that can ensnare people who sign up for Medicare Advantage plans: a lean menu of doctors and hospitals. The plans—particularly health maintenance organizations, or HMOs—can have limited networks that sometimes mean beneficiaries can't go to the doctors or hospitals they want.

They may also have a hard time getting care if traveling outside their home region.

When Bluteau chose his HMO plan on the advice of an insurance agent, he said, he didn't realize it lacked doctors he would want to see. He was ultimately able to switch to a different UnitedHealthcare Medicare Advantage plan, a preferred provider organization or PPO, that included them.

UnitedHealthcare said it has the largest national network and a range of plans and "supporting Medicare consumers in finding the right plan is a top priority for us."

You can find directories of in-network doctors on the insurers' websites, but be careful. "They can be wildly inaccurate," said Julie Carter, senior federal policy associate at the Medicare Rights Center, a nonprofit. "It's a mess, and we don't really have a great solution other than doing a lot of legwork."

Don't just trust—be sure to verify. You should call the doctor offices and hospitals that matter to you, and consider looking up other providers you might need unexpectedly, such as nursing homes. You should call the insurer, and be specific about what plan you are researching and which doctors and hospitals you want.

And if you choose a limited network, know that your favored doctors can always leave it. Around the country, some hospital systems are abandoning Medicare Advantage plans.



Bluteau with a neighbor. He didn't realize he could be rejected when seeking a Medigap policy.

Paperwork Problems

Medicare Advantage plans can sometimes delay or block access to care. A recent government investigation found some beneficiaries were denied services that should have been covered. You might need to get approval from the insurer before you get a surgery, or a referral from your primary-care doctor to see a specialist. You may also find that those nifty extra benefits touted in ads are extremely limited.

Seniors often don't focus on these issues, particularly when they are healthy, said Tatiana Fassieux, education and training specialist for the nonprofit California Health Advocates. "Tomorrow you may end up having a stroke," she said. "Once you start using the more costly care, that's when the brakes come in."

To understand the hurdles, you should look at plans in the [Medicare.gov](https://www.medicare.gov) tool. As you scroll down each table, you will see small "limits apply" notices next to specific types of care, such as inpatient hospital use or radiology scans. Click on them, and you will find more details about what requirements you might face to get that kind of service, such as prior approval from the insurer.

For a more in-depth explanation, you should go to the insurer's website and look at key documents, such as the summary of benefits and the full "evidence of coverage." Here is an example, and here is another. They are difficult and complicated, but they include pretty much everything there is to know about the plan.

Drug Deficits

Your drug coverage can come through a stand-alone Part D plan—needed if you are in traditional Medicare—or wrapped into your Medicare Advantage. Either way, you can use [Medicare.gov](https://www.medicare.gov) to see if your prescriptions are included. This is worth doing every year. You may also want to go to the insurer's own website and look for restrictions on access as well as the "comprehensive formulary" document that lists all covered drugs. Here is an example, and here is another.



'I didn't inform myself enough,' Bluteau says.

Biased Advice

Be careful where you turn for advice. Ads peddling Medicare Advantage plans may flash pictures of government Medicare cards and include a toll-free hotline that looks official but isn't the real federal number. Watch out for websites tied to particular insurers or online agencies that may have strong incentives to push certain plans.

A good bet is to favor sites ending in [.gov](https://www.gov) or [.org](https://www.org). To find real, impartial information, it is best to start with Medicare's own website. The State Health Insurance Assistance Program has counselors in every state, and you can find them here—they are typically very knowledgeable. The

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Medicare Rights Center maintains a national helpline. KFF, a health research nonprofit, has helpful background, as does the Center for Medicare Advocacy. Local agents or consumer advocates with whom you have a relationship can also be helpful.

Write to Anna Wilde Mathews at Anna.Mathews@wsj.com

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