A guide for senior physicians on Medicare coverage—as a patient

OCT 26, 2020

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Don’t wait until 2021 to choose a supplementary Medicare plan; senior physicians approaching 65 in 2021 should start researching what they need and how much the plans will cost, according to Judy Cohen, vice president of insurance administration at AMA Insurance, an AMA subsidiary.

“Everyone assumes that doctors know everything about Medicare because their office works with Medicare payments,” she said. “But Medicare has its own complications. It’s important that doctors who are eligible for Medicare next year start doing their homework before the end of this year.”

Medicare open enrollment runs from through Dec. 7, 2020. New Medicare enrollees can choose their plans for 2021 and those already enrolled can make changes. What they choose and how much they pay depends upon which services they buy, Cohen said.

Medicare services are divided into three parts. Part A, which pays inpatient hospital expenses is free of charge to Medicare beneficiaries. Part B pays 80% of doctor and other outpatient expenses but requires a regular premium payment to Medicare, either directly or through Social Security. Part D pays for prescription drugs and is purchased independently or with a Medicare Advantage plan through an insurance company.

Buying supplemental coverage

Most Medicare participants buy supplemental insurance to pay for medical expenses not covered by Parts A and B. Medicare supplement insurance plans are available in standardized forms defined by Medicare with pricing based on region, and they are available from insurance companies.

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“All Medicare supplement insurers are essentially selling the same product,” she said, but their level of service, claims management and pricing may vary.

Another kind of supplement, Medicare Advantage plans, are highly advertised and provide benefits that can exceed Medicare supplement plans but may have restrictions. Prices vary widely based on benefits offered.

“Medicare Advantage plans are actually a way to opt out of Medicare,” Cohen explained. “The premium Medicare pays for Part B goes to the Advantage providers which can offer a wide range of benefits that can include health club memberships and prescription drugs.

“However, Advantage plans are similar to health maintenance organizations or preferred provider organizations because they generally restrict members to a more limited network of providers and may require referral from a primary care physician to see a specialist.”

Pay close attention to Rx drug plans

AMA Insurance offers Medicare supplement insurance sponsored by the AMA, and is working with eHealth, an online agency to offer Medicare Part D plans from a wide range of highly rated insurers, according Cohen. AMA Insurance coverage is available to physicians and their spouse or domestic partner. The agency does not market Medicare Advantage plans.

Part D prescription drug coverage is complicated, Cohen said, but it also provides opportunity to cut costs. Cohen noted that prescription drugs vary widely in cost from plan to plan and Part D plans benefits vary by deductibles, co-pays and the costs of specific drugs listed in individual plan formularies.

Cohen recommends buyers shop their Part D plans annually, reviewing the cost of filling prescriptions.

Each plan pays for prescriptions based on tiers of drugs and contracts with pharmaceutical suppliers. Costs can vary from very small charges for generic drugs to higher costs for newer and brand name drugs, depending on agreements with suppliers.

Cohen also recommends tapping the informative resources at the Medicare website as part of the shopping process. In addition to Medicare supplement plans, AMA Insurance also offers life, disability, home and auto insurance and provides access to other financial services products through Millennium Brokerage Group LLC, a strategic marketing partner of AMA Insurance.
Learn more about the AMA Senior Physicians Section, which gives voice to and advocates for, issues that affect physicians age 65 and older, both active and retired.