

MANAGING YOUR MONEY

Don't Let Your Financial Plan Fall Into "The Doughnut Hole"

(NAPSA)—Just as 401(k)s and IRAs have given people greater opportunities in their financial planning, new Medicare options could help give seniors a more secure retirement—if they take the right steps.

"For people in retirement or nearing it, choosing the right Medicare options has become very important," said Adam Manna Quarello, financial advisor at UBS Financial Services, Inc. "Decisions that you make today will have a big impact on your standard of living years down the road. Unlike in the past, there are now many Medicare options, including some that are new for 2007."

Quarello commented that most people have heard about the Medicare prescription drug plans that were launched in early 2006. But few know that starting in 2007, some of the plans will help to fill in the dreaded "doughnut hole" in drug coverage. Members of such plans could be saved from high out-of-pocket expenses.

Even fewer people have heard about the new private fee-for-service Medicare Advantage plans, which are available to 80 percent of Medicare beneficiaries, including nearly all beneficiaries in rural areas. These plans give members the freedom to obtain care from any doctor or hospital that accepts payment from Medicare, including most specialists, and eliminate the need to stay in network, sign up with a primary care physician or obtain a



People on Medicare can get help before their coverage falls into the dreaded doughnut hole.

referral to see a specialist.

"There is a lot of interest in these new private plans," said Quarello, adding that we are entering the time of year when people should review their Medicare options. The open enrollment period runs between November 15 and December 31.

Beneficiaries in many places can choose between dozens of different Medicare prescription drug plans alone, and that has led to confusion. As the number of options increases, though, so do the services to help people make informed choices. Medicare itself has put an enormous amount of data on its Web site at www.medicare.gov.

For those who prefer a more personal approach, one company is opening retail storefronts to directly help people navigate the process. The storefronts are run by Health Net, which offers pre-

scription drug plans in all 50 states and has started private fee-for-service Medicare plans in California, Connecticut, Hawaii, New Mexico, New York, Texas and Washington.

"Confusing and mystifying—that's how many people describe the new Medicare options," said Sam Srivastava, chief Medicare officer of Health Net. "They say it's hard to find a plan that is customized for their needs. That's why we've taken a consultative approach to providing seniors with Medicare options. This approach includes simple, color-coded plans, such as Orange and Pearl, that clearly outline options and costs associated with different benefit levels: home visits to prospective customers, accessible, knowledgeable sales representatives and retail storefronts in some of our markets. People can walk in and have a trained and knowledgeable person demystify the subject." Srivastava observed that the first storefront centers in Phoenix and Los Angeles have proven so popular that more will be opened around the country. Information is available at www.abetterdecision.com.

Financial advisor Quarello said this type of consultative approach is what many people are looking for. "The more you understand your options, the more likely you are to make smart decisions," said Quarello. "You can avoid the costly pitfalls that trip up so many people."