

CHANGES COMING TO MED SUPP IN 2020

The Medicare & CHIP Reauthorization Act of 2015 (MACRA) was signed into law in April 2015. The law makes changes to Medicare Supplement insurance plans that go into effect Jan. 1, 2020. The legislation affects those who are **newly eligible** for Medicare and does not affect those who are **non-newly eligible** for Medicare.

Who is Newly Eligible?

Anyone who becomes eligible for Medicare on or after Jan. 1, 2020 is considered newly eligible under MACRA. This includes persons who:

- Turn 65 on or after Jan. 1, 2020.

- Become eligible for Medicare due to disability on or after Jan. 1, 2020.

- Are currently covered by their employer's group insurance and will turn 65 on or after Jan. 1, 2020.

Who is Non-Newly Eligible?

Anyone who became eligible for Medicare before Jan. 1, 2020, is considered non-newly eligible under MACRA. This includes persons who:

- Turned 65 before Jan. 1, 2020.

- Became eligible for Medicare due to disability before Jan. 1, 2020.

- Are currently covered by their employer's group insurance and turned 65 before Jan. 1, 2020.

Essentially, MACRA makes changes to the plan options Medicare beneficiaries can choose.

- Plan F and high-deductible Plan F are not available for newly eligible beneficiaries.

- There are no changes for non-newly eligible beneficiaries.

That means:

Medicare beneficiaries who currently have a Plan F, or high-deductible Plan F will be able to continue renewing their policies even after Jan. 1, 2020.

I have heard that some people have had phone calls telling them that their Plan F is going away and they will have to apply for a new plan. **That is NOT true.**

Anyone who becomes Medicare eligible before Jan. 1, 2020, but does not enroll by Jan. 1, 2020, (i.e. beneficiary is still working and has employer insurance) will still be able to get a Plan F or high-deductible Plan F policy even after Jan. 1, 2020.

Those who qualify for Medicare on or after Jan. 1, 2020, due to age or disability cannot enroll in Plan F or high-deductible Plan F.

Why the change?

Medicare sought to increase cost-sharing with all its beneficiaries. After Jan. 1, 2020, if people purchase a Plan G, they will be required to pay the Part B deductible (currently \$185 for 2019).

Will the premiums for Plan F be increased to a level that it would make more Financial sense to change plans?

No, each year all carriers that sell Medicare Supplement Plans evaluate their products to help ensure they are providing access to high quality care and services to members at affordable costs. Premiums are set using those criteria. Although premiums do increase slightly year-to-year, carriers do not artificially increase premiums on certain Plans to “force” current members to switch Medicare Supplement Insurance Plans. Additionally, Medicare rules prohibit this practice.

If you are on Medicare and travel outside of the U.S., you need Travel Insurance.

If you are on original Medicare and a Medicare Supplement, you have great coverage as long as you stay in the U.S. If you travel outside of the U.S., you basically have no coverage and you need to get Travel Insurance. We have travel insurance on our website, www.filipinsurance.com. Go to Products / Services and scroll down until you see Travel Insurance. IMG (International Medical Group) offers great coverage at a very affordable premium for your travels out of the country.

Medicare Supplement Companies

As independent insurance brokers, we represent a number of Medicare Supplement companies. The plans are all standardized so there is no difference between the plans, only the rates that the different companies charge for the same plan. You want to choose a financially strong company that is not going to change their rates all the time. We represent CIGNA, UNITED WORLD (subsidiary of Mutual of Omaha) and BLUE CROSS BLUE SHIELD OF TEXAS. BCBS continues to have the best history of rate stability of all the Medicare Supplement companies. They have had very small rate increases and decreases over the last 12 years and some years, the rates don't change at all. If you have questions about rates / options, please call us at 972-771-6043.

Under 65 policies – Know how your policy works

It doesn't matter what kind of policy you have – make sure that you understand how it works before you need to use it. Most every policy has a network. Make sure that you understand ahead of time, what providers are in your network and who you would want to use. Make sure that you stay “in network” because it will definitely save you money. Depending on your policy, you may not even have “out of network coverage”, or if you do, it will definitely cost you more money because there is no contract between your insurance company and the provider.

The newer individual health policies are HMOs. You must pay attention to the rules of the HMO regarding having a primary care provider and getting the necessary referrals if you need to see a specialist. You can always change your PCP (Primary Care Provider), but you must make the change ahead of time.

Get your “Summary of Benefits” for your plan and read it over. This will explain in detail how your policy works. Make sure you understand the rules and follow them. Your “EOB” (Explanation of Benefits) will explain how your claim was processed and how much money you owe a provider based on the discounted negotiated price that the insurance company has negotiated with the provider. Be careful not to overpay the provider! If you are out of network, the amount that may go toward your out of network deductible may be what the insurance company considers “reasonable and customary”.

Remember, there is no contract, so the insurance company is not going to pay \$10,000 to the doctor to treat you for a cold. Now it is up to you and the doctor to work out what you are really going to pay him. It is much easier to stay "in network" where there is a contracted price and you should not have to pay full retail.

If you got your coverage through www.healthcare.gov, you are likely getting a tax credit or subsidy. If you are not getting a tax credit or subsidy, you shouldn't be going through www.healthcare.gov. You should be getting your coverage directly from the carrier and keep the government out of the process (the government makes it much more complicated). If you are getting a letter from healthcare.gov, you need to pay attention to it. They are likely asking for documents to maintain your tax credit. The most common requests are proof of household income, citizenship, or eligibility. You need to pay attention to what they are asking for or they could cancel your coverage. The best way to provide what they are asking for is to upload the documents. If you need assistance, please call our office at 972-771-6043.

United Health Care / United Health One Short Term Plans

Short Term plans may be an option for healthy clients (under 65) that want a lower premium. Short Term plans are not ACA (Affordable Care Act) compliant. These plans require applications to pass medical underwriting, do not cover pre-existing conditions and can be issued for up to 360 days. Short Term plans offer a variety of deductibles to consider and have a "maximum out of pocket" which is very important.

BCBS Small Group Policies Still Offer PPO Plans

There are only HMO plans available for Individual Plans. For people that are part of a company, small group policies can include PPO plans. A minimum of two full time employees (over 30 hours per week) working for the same tax ID is needed to enroll a small group. Texas Department of Insurance issued new guidelines that allow husband and wife to qualify as the only two employees. At least one would have to be a W-2 employee. Small group does have contribution and participation requirements. Call us and we can discuss your needs. Unlike individual policies, small group plans can be established any time during the year.

Dental / Vision Plans – Stand Alone

The following are standalone dental / vision plans on our website, www.filipinsurance.com.

United Healthone
Spirit Dental
Dental Select
Careington
Delta Dental
Humana
Freshbennies Discount Plans

Call us at 972-771-6043 and we can help you with many of your needs (see following Financial Fire Drill).

Thank you,