

MEDICARE SUPPLEMENTS VS. MEDICARE ADVANTAGE

It is that time of year again when we will be bombarded with mail, TV ads and phone calls telling us we can get everything for free. It is up to us to understand some of the differences between the plans, and that not everything is free.

For Medicare, normally, Open Enrollment is when you turn 65. On Original Medicare with Medicare Supplement plans, you can apply for a different Medicare Supplement plan any month during the year. You would have to answer the medical questions and be approved during underwriting. If you were on a Medicare Advantage plan, Open Enrollment begins October 15th. Part D (prescription drug coverage plans) also begins October 15th. Be careful responding to advertising that lures you into signing up for a Medicare Advantage plan. You may be removed from Original Medicare and be enrolled in a Medicare Advantage Plan without understanding what is happening to you. Once you are enrolled in a Medicare Advantage Plan, it can be difficult to get off that plan and back on Original Medicare with a Medicare Supplement Plan.

When you are on Medicare, with a Medicare Supplement, you have total freedom of choice to go to any doctor or hospital in the U.S., as long as they accept Medicare patients. Medicare is like a piece of swiss cheese (has holes in it such as deductibles, coinsurance, etc.) Medicare Supplements fills those holes.

When you choose a Medicare Advantage plan, Medicare is no longer responsible to take care of you. You are enrolled in a company with a specific contract to take care of you. Now you have service areas (only specific areas handle your plan). You only have specific doctors and hospitals that will honor your plan. Many doctors and specialists do not want to honor Medicare Advantage plans. You now have out of pocket costs and your max out of pocket might be as high as \$7,550 or higher.

Medicare and Medicare Supplements have more flexibility and freedom of choice and low or no out of pocket costs. Medicare Advantage plans tend to lack flexibility.

Beginning in 2020, Medicare did make some changes. Plan F is no longer available to new people turning 65 (with some exceptions). If you already have a Plan F, you can keep it. Instead, the new norm will be Plan G. Plan G is basically the same as Plan F except that you are responsible for your \$233 (2022) Part B deductible. After you pay \$233, basically you have a Plan F. The remaining costs of Medicare approved claims would be paid. Beginning in 2023, the Part B deductible will be reduced to \$226.

As independent insurance brokers, we represent several Medicare Supplement companies. The plans are all standardized so there is no difference between the plans, only the rates that different companies charge for the same plan. You want a financially strong company whose rates are stabilized. You want to maintain your coverage for many years into the

future. Medicare changes their deductibles, etc. which impacts the insurance companies and their rates.

We represent, Accendo Insurance Company (part of the CVS Health family of companies and Aetna affiliate), AETNA, BLUE CROSS BLUE SHIELD OF TEXAS, CIGNA, and Omaha Supplemental Insurance Company (subsidiary of Mutual of Omaha).

Many people are now considering if they should be on a Plan G rather than a Plan F.. We are here to help you sort through your options. We can compare rates between companies for both Plan F and Plan G and help you consider the tradeoffs. Some considerations are how long the company has been selling Medicare Supplements, their history, and strategy in handling rate increases.

If you are out of Open Enrollment, you can apply to change to a different Medicare Supplement plan or a different company but will have to answer the health questions. If you are in good health and can answer all the questions “no”, there is a good chance you will be approved. If you are trying to change plans within the same company, keep in mind, they will still require underwriting.

We are here to help you evaluate your options and get the plan of your choice. Give us a call at 972-771-6043 or email rick@filipinsurance.com.

Coverage for under age 65

Open Enrollment normally is November 1st to December 15th for an effective date of January 1st. You must enroll during this time, or you will have to wait until next year to enroll during Open Enrollment. During Open Enrollment, you can enroll in any ACA plan offered on or off the exchange with no medical questions asked. The only people allowed to enroll outside of Open Enrollment are those with certain life changing events that qualify for a SEP (Special Enrollment Period).

Agent information is needed when enrolling or updating your application in The Marketplace ([healthcare.gov](https://www.healthcare.gov)).

Craig R. Filip
NPN #1166830

By entering this information on the “someone assisting you” page, this will facilitate our being able to help you with questions about your policy, in the future. Thank you.

Many people may be eligible for a tax credit / subsidy to reduce their premium. We will be happy to assist you in determining your eligibility for a tax credit / subsidy. Call us at 972-771-6043.

HSA Contribution Limits

	2022	2023
Individual	\$3,650	\$3,850
Family	\$7,300	\$7,750
Catch Up Contribution (55+)	\$1,000	\$1,000

With a HSA qualified plan, you can save money on your taxes which means you will have more “free money” (tax free money) in your pocket. Think of this as an IRA, only this is a Medical IRA. Any money that you put in your HSA account becomes a deduction from your income (just like an IRA); and you won’t pay any income tax on this money. You can use the money in your account to pay for any medical expenses (doctor, hospital, prescription, dental, vision, etc.).

You don’t have to have the money in your account when you incur the expense, but you do have to have the account open. You have until April 15th or when you file your taxes to deposit money in your HSA account and you get the tax write off. If you put \$2,000 in your account and you are in the 25% tax bracket, you will get \$500 in tax free money. This is not “use it or lose it” like the Flexible Spending Accounts, this is your money. Don’t spend it; save it. It will keep accumulating tax free from year to year. It is a great option. Give me a call and I’ll be glad to answer your questions.

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 would still have a maximum out of pocket but do not include all the benefits of an ACA plan. All short term applications require medical underwriting and do not cover pre-existing conditions. You can apply anytime during the year; and the policies can be issued for one month up to three years. You have the option to apply for 3 consecutive 12-month Short Term policies. Any condition you first develop while covered with the first plan will not be considered as a pre-existing condition on year 2 and 3. Short Term plans offer a variety of deductibles to consider and have a “maximum out of pocket” which is very important.

TOP REASONS WHY YOU NEED LIFE INSURANCE

Nearly everyone desires life insurance for important goals like:

- Paying off the mortgage so spouse and children have a **place to live**
- Income to **pay the family bills**
- **Money** for children’s college expenses
- Funds for **spouse’s retirement years**
- Final expenses **cash**
- **Resources** to buy-out deceased business partners share of company
- **Assets** to replace business losses when a key employee dies

Thank you for your business