

MEDICARE AND MEDICARE SUPPLEMENTS

Medicare Open Enrollment is normally when you turn 65. There is no medical underwriting during Open Enrollment. 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.

Medicare and Medicare Supplements have flexibility and freedom of choice. Medicare Supplements tend to have low or no out of pocket costs. You have total freedom of choice to go to any doctor or hospital in the U.S. as long as they take Medicare. Medicare is like a piece of swiss cheese (has holes in it such as deductibles, coinsurance, etc.) A Medicare Supplement plan fills those holes.

If you choose a Medicare Advantage plan (such as advertised on TV), Medicare will no longer be your primary insurance. You are enrolled with a company with a specific contract to file your claims. You have specific service areas with specific doctors and hospitals that will honor your plan. You now have out of pocket costs; and your maximum out of pocket might be as high as \$7,550. Medicare Advantage plans tend to lack flexibility and can surprise clients with out-of-pocket costs that were hidden.

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 \$203 (2021) Part B deductible. After you pay \$203, basically it acts like a Plan F. The remaining costs of Medicare approved claims would be paid.

As independent insurance brokers, we represent several Medicare Supplement companies including CIGNA, AETNA, Omaha Supplemental Insurance Company (subsidiary of Mutual of Omaha) and BLUE CROSS BLUE SHIELD OF TEXAS. The plans are all standardized, only the rates are different. A financially strong company whose rates are stabilized should be an important consideration when choosing a Medicare Supplement. Some other considerations are how long the company has been selling Medicare Supplements, their history and strategies in handling rate increases.

Many people are now considering changing from a Plan F to a Plan G. We need to look at the numbers. Once you take into consideration having to pay the Part B deductible, Plan G can either be a lower cost alternative or a more expensive alternative. Another thing to consider is what the Part B deductible is going to look like in future years. This year it is \$203, but we do not know what it will be in future years.

Let us help you evaluate your options. We can compare plans and rates between companies for Medicare Supplements.

Give us a call at 972-771-6043 or email rick@filipinsurance.com.

AMERICAN RESCUE PLAN – FOR PEOPLE WITH INDIVIDUAL COVERAGE (UNDER 65)

Under the American Rescue Plan (recently passed), many people who buy their own health insurance directly through the Marketplace may become eligible to receive increased tax credits to reduce their premiums. Starting April 1, 2021, consumers enrolling in Marketplace coverage through HealthCare.gov will be able to take advantage of these increased savings and lower costs. The easiest way to see what your updated tax credit might be is to go to our website www.filipinsurance.com. In the middle of the front page, you will see “Visit the Kaiser Family Foundation’s Estimated Subsidy Calculator” Click on this link and enter the basic information that is requested, and you will see your updated tax credit or subsidy that you might be eligible for as a result of this new law.

CMS will extend access to a 30-day SEP on HealthCare.gov until August 15, 2021. This action will allow individuals and families more time to access the SEP and enroll in Marketplace coverage with the increased tax credits to reduce their premiums, and for current enrollees to change plans in response to the availability of increased tax credits if they wish to do so.

We are here to help you evaluate and enroll if you are going to get a lower premium. If you are enrolling in a new plan or updating your plan for 2021 on Healthcare.gov., we would greatly appreciate your including our information on the “someone assisting you” page. In the Agent / Broker field, please add Craig R. Filip with his NPN #1166830. By entering this information, this will facilitate our being able to help you with questions about your policy in the future. Thank You.

Current enrollees should log in to their healthcare.gov account and submit an application update on or after April 1st to receive an updated eligibility determination. To do so, consumers should use the “report a life change” pathway to update their application, and then click the option for “change my household’s income,” even if all the information on the application remains the same. After submitting the application update and receiving a new eligibility determination, consumers should enter the “plan compare” section of the site and confirm their plan selection, so that their insurance company receives their new tax credit information. Consumers will have 30 days after they submit their application to choose a plan.

If desired, consumers may instead choose to make a new plan selection but should consider how much they have already paid toward the deductible when deciding whether or not a change in plan makes sense. When a consumer changes plans, the amount they have already paid towards meeting their prior plan’s deductible and annual limit on cost sharing may be reset to zero, and they would need to start overpaying out of pocket expenses to meet their new deductible and to reach the annual limit on cost sharing on their new plan.

Updates to the tax credit generally take effect with the next month’s premium bill.

This SEP is available to all Marketplace-eligible consumers who are submitting a new application or updating an existing application, and consumers with an offer of coverage through an employer, or through a family member’s employer, may be eligible for Marketplace coverage. However, these consumers won’t qualify for a premium tax credit or other savings if their offer of coverage through an employer is considered affordable and meets the minimum value standard, or if they are enrolled in the employer coverage.

<u>HSA CONTRIBUTION LIMITS</u>	2020	2021
Individual	\$3,550	\$3,600
Family	\$7,100	\$7,200
Catch Up Contribution (55+)	\$1,000	\$1,000

LIFE INSURANCE

(Insure your life – for the sake of your family.) Do it today, tomorrow may be too late.

If you are no longer with us tomorrow, how pleased will your loved ones be that debts are taken care of and they have an adequate income to live on?

If you own your own business, and you are no longer with us, will your business survive? If you lose a key person, how will that affect your business?

When was the last time that you reviewed your life insurance policies?

Is the coverage adequate for your current family needs?

Are the primary and contingent beneficiaries correct for your current situation?

The following worksheet should help you determine your current life insurance needs.

For most families, there should be a base amount of life insurance with a permanent life insurance policy which builds cash value. That will ensure you have life insurance as you get older. The cash value will help pay for the increased cost of the life insurance coverage as you age. Supplement the base policy with term insurance to make up the difference to reach the total amount of protection needed at this time. Over time, the term insurance will go away, and your base policy of permanent insurance will still be in place.

Many times, people will rely totally on term insurance (because it is cheaper at younger ages). Term insurance premiums increase as you age often becoming unaffordable. You may have to cancel your policy possibly leaving you without insurance coverage.

This past year with COVID-19, many older people are finding it hard to even get life insurance. Many insurance companies have changed their underwriting due to Covid-19.

Plan ahead and get the coverage you need before it becomes too late.

Contact us at rick@filipinsurance.com or 972-771-6043 and we can help you.

Thank you,