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MED SUPP NEWS

SPECIALIZING IN MEDICARE SUPPLEMENTS, MEDICARE ADVANTAGE,
 & THE NEW MEDICARE PRESCRIPTION DRUG PROGRAM OR PART D
 December 2007 – January 2008

In this Issue:

- Annual Election Period (AEP) • Fiscal Wake-up
- The Open Enrollment Period (OEP) • Resolutions?
- Contact your Agent • Free items and a drawing
- Myth of “Gap” Coverage • EpiCor • Googling
- German New Medicine • Dr. Rowen’s *Second Opinion*
- Reduce Stress • Drugs from Poisonous Snakes

The AEP Deadline Approaches—Dec. 31

The Annual Election Period deadline is December 31 of each year. During this 45-day window you can make most any change regarding your Medicare programs. The most notable difference between this period and the OEP is that you can change your Part D prescription plan during this period.

The deadline for enrolling in the Medical Savings Account (MSA) plan is also December 31. You *cannot* enroll in this plan during the OEP. People turning 65 can enroll in this plan at any time during the year.

FAQ 1: I am switching from one PDP to another PDP. Do I have to notify my old PDP company? No, Medicare makes this change behind the scene. For those of you that play “trump” card games such as pinochle or bridge, your new plan *trumps* the old plan. Likewise, if you sign up for an MA-PD, that *trumps* your existing stand-alone PDP.

FAQ 2: I’m happy with my existing plans; do I need to do anything? No.

Alphabet Soup Review

- * **OM:** Original Medicare
- * **PDP:** Stand-alone Prescription Drug Plan
- * **MA:** Stand-alone Medicare Advantage Plan
- * **MA-PD:** MA plan with an embedded PDP plan.
- * **MSA:** Medical Savings Account. Note: This is a type of a Medicare Advantage plan.
- * **Med Supp:** Medicare Supplement

The OEP Begins January 1st (Now discontinued)

OEP: Open Enrollment Period. This occurs from January 1st through March 31st. You can change your medical plan during this period, that is, changing like for like.

1. You can disenroll from original Medicare and enroll in an MA plan.
2. You can switch from one MA plan to another.
3. You can disenroll from your MA plan and return to original Medicare.
4. You can switch from an MA-PD to another MA-PD.
5. If you are OM with a stand-alone PDP, you can switch to an MA-PD plan.
6. You can switch from an MA and a stand-alone PDP to an MA-PD plan.
6. You *cannot* enroll in an MSA plan.

7. During the OEP you cannot change from one stand-alone PDP to another stand alone PDP. Likewise, you cannot disenroll from an MA-PD and return to OM with a stand-alone PDP.

One Election Rule

You have **ONE** option for change during this period:

√ A member can make only one change in how he gets his Medicare benefits during this period.

√ This “one election rule” applies to both MA and MA-PD.

√ If you enroll in a new MA plan, you will automatically be disenrolled from their current MA plan. This would be your one and only election allowed during this period.

√ If you voluntarily disenroll from your current MA plan, you will automatically be returned to original Medicare. That becomes your one and only election during this period. Trap: You now may *not* enroll in another MA plan.

√ Therefore, if you want to enroll in a new MA plan, I advise you to enroll in your new MA plan. Do not waste your one and only election to return to OM.

√ The effective date of your new plan will be the first of the month following receipt of a completed enrollment form.

Examples of what you CAN do.

1. John has a Med Supp and wants to switch to an MA.
2. Shirley wants to disenroll from her MA plan and return to Original Medicare with a Med Supp. She has had her MA plan for over 12 months and she medically qualifies for her Med Supp. Her PDP remains untouched.
3. Bill discovered that his MA-PD plan doesn’t treat his generics very well. He switches to another MA-PD.
4. Karen is on OM with a Med Supp and a stand-alone PDP. She switches to an MA-PD. This disenrolls her from her existing PDP.

What Doesn’t Apply

A **Medicare supplement** is an insurance product, regulated by state insurance departments. The plans must conform to Medicare’s outline of coverage, but they are *not* subject to the AEP and OEP rules other than you can’t have a Med Supp if you are on an MA plan. MA’s and PDP’s are Medicare plans and *are* subject to the AEP and OEP rules. Therefore, as long as you medically qualify, you may usually change your Med Supp at any time during the year.

The Myth of “Gap” coverage.

In regards to the Part D PDPs, many people have told me that they want coverage in the “gap”. The real question is at what price do you want that coverage? Is the additional cost worth it?

Let’s look at a couple of recent estimates I did on Medicare.gov. I met one lady with several scripts tell me that another agent told her, “We have a plan with “gap” coverage.” At first glance that sounds nice, except for one small problem. I ran her scripts on Medicare.gov, and the most competitive

plan, *without gap coverage*, showed up with a total spend or annual estimated cost of around \$2,468 for the year.

Remember that the “*total spend*” is the works, meaning cost of the plan, applicable deductibles and/or copays, and the *full amount that you will pay in the “gap”*. This is your estimated total annual cost. This other “*gap*” plan that the other agent was promoting had a total spend of around \$3,700! Yikes! Those are the kind of agents that you want to run from. The only feasible way to arrive at an honest estimate is run your scripts on Medicare.gov or like program.

People have asked me, “Lance, which plan is the best?” I respond, “I don’t know. Let’s run your scripts on Medicare.gov and find out. This is especially true when a person is taking enough scripts to put him/her in the “gap”. There have been occasions where the most competitive plan that shows up is one that I do not represent. I have provided those people the means to sign up for that plan. Let’s get the show that fits the best.

Why, even though one is in the gap, do plans with “gap” coverage often *not* show up as the most competitive plans? There are several reasons.

1. The extra cost of \$30 to \$70 per month for a “gap” plan often incurs more cost than the cost of being in the gap. This is especially true if one is in the gap for only one to three months.

2. The gap coverage is only for *generics*. I ran another lady’s scripts on Medicare.gov, and Company X showed up with a total spend of \$2,968. A popular advertised plan (Company Y) that extols its “*gap*” coverage came in at \$3,672, around \$700 more than a non-gap plan! Company Y has \$7 copays for generics in the gap. With Company X, she pays full price for her generics in the “gap”, which ranged from \$6.72 to \$10.50 retail. Company Y didn’t save all that much in the “gap”. Furthermore, the retail price of the *name brand drugs*, with no gap coverage for Company Y was generally higher than that of Company X. Put another way, it’s a clever way of getting you to pay \$10 for \$9 worth of merchandise. Get this: **Her out-of-pocket cost in the gap was higher for the plan with “Gap” coverage!** Folks, please do NOT allow yourself to be fooled by slick advertising, whether it be from TV, direct mail, newspaper or other wise.

3. Let’s go back to the first lady with the \$2,468 estimate. In this case Company Y’s three plans filled three of the top four spots. However, even though she was in the “gap”, why did Company Y’s “gap” plan not show up as the most competitive? Simple, after the deductible, the “entry” level plan had \$5 copays for generics and \$20 for preferred brands. Company Y’s “gap” plan copays were \$7 and \$30 respectively. Bottom line: The “*gap*” plan has higher copays before you hit the “gap”.

Conclusion: There are cases when a “gap” plan comes in with the best estimate. Then we should use that plan. However, there are more times when a non-gap plan offers the lowest total spend.

Save Stress: Contact Your Agent First

If you buy a new refrigerator from your local appliance dealer and have questions about its operation, you expect service and call him. Likewise, I encourage you to call me first with any questions regarding your Medicare plans.

One woman spent two hours calling Medicare and her new company concerning her enrollment and receipt of her I.D. card. After becoming exasperated, she called me. I called the company in question on an “agent services” line and had her answer in five minutes. Often (but not always) we can use these dedicated service numbers to get answers much quicker compared to using a standard customer service line.

Another gentleman spent hours calling his Part D company with a question about his coverage. After being stressed out, he called me. I had the answer in two minutes.

Unfortunately, a couple of cases have become completely fouled up. I’ve resolved one of them with one to go.

Sometimes because of privacy issues you need to call 1-800 Medicare to resolve an issue. If I can’t get the answer, I will do my best to point you in the right direction. In another case I told a lady that she would have to call the customer service number for her company.

If you have a billing question, send me the paperwork first with a note explaining your situation. Invariably a call to either your company or your provider’s billing office will result in a logical explanation for your situation.

One lady sent me a copy of her bill from her clinic, as she didn’t understand why they were billing her. I called the clinic and found out that she requested services that Medicare does not cover. In that case the Med Supp does not pay either. I called her back to inform her that she is liable for the bill. Most providers have you sign a waiver that you will pay for non-Medicare covered services.

More “Google” Fun

This information is for educational purposes only.

WARNING: DO NOT MAKE ANY CHANGE IN YOUR SCRIPTS WITHOUT CONSULTING WITH YOUR DOCTOR! DOING SO MAY BE HAZARDOUS TO YOUR HEALTH

In the previous issue I mentined the use of the internet as a way to secure more information about your prescriptions and health issues in general. Let’s expand this just a little more. You have heard of the Vioxx debacle. Enter “Vioxx” on a *google* search engine. You’ll be amzed at what you find.

Let’s take a slightly different turn. Let’s say you want to find out what others have experienced with a particular drug. Enter the name of a drug followed by “forum”. Examples could be as follows:

• celebrex forum • fosamax forum • byetta forum, etc.
Or use “-discussion groups” as an extension.
• fosamax discussion groups • lipitor discussion groups, etc.
In surfing the net I found an informative article about osteoporosis. This is a great site for women:
www.womentowomen.com/bonehealth/osteoporosis.aspx

Let’s have some more fun. Let’s say you’re taking a very commonly prescribed ACE inhibitor, *lisinopril*. Google “lisinopril”. I found a website, *lisinopril.com* ...interesting reading here. Among other things the site said, “*Lisinopril is in a class of drugs called angiotensin-converting-enzyme (ACE) inhibitors.*”

This medicine is used to lower blood pressure, to treat congestive heart failure and to improve the survival rate after a heart attack. It decreases certain chemicals that tighten the blood vessels, (in other words lisinopril dilates the blood

vessels) so blood flows more smoothly and the heart can pump blood more efficiently.

Interestingly, lisinopril and other ACE inhibitors were developed from the venom of a **poisonous Brazilian snake.**”

Take metformin? Google it. You’ll discover other drugs that have adverse reactions with it.

I encourage you to find out everything about the scripts you are taking. You could spend hours “googling”. Good luck!

Dr. Robert Jay Rowen's: Second Opinion

In the last issue I mentioned that I had subscribed to Second Opinion, a medical newsletter published by Dr. Rowen. These newsletters typically bait their prospects with “extras”. If they sign up for two years, they get yet more extras than the one-year subscription. I took the two-year bait, and I’m glad I did.

One of the “extras” is his *Complete Healing Library, Volume Two*. Among others, it has an outstanding article titled: ***New Breakthroughs in the Treatment of Osteoporosis***. Another is titled ***End all Prostate Problems, Including Cancer***.

This information is so good, that I want to make it available to you **FREE!** Simply send me a self-addressed stamped #10 envelope with a note requesting which article you would like. Use two ounces of postage if you would like both.

Better yet, subscribe to ***Second Opinion*** and get the whole show. Call 1-800-728-2288 or log on to www.secondopinionnewsletter.com.

Free Drawing I’m giving away 5, free one-year subscriptions to *Second Opinion*. The drawing will be Jan 31, 2008.

Name _____

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City _____ St _____ Zip _____

Phone _____ Please fax to 208-746-1792.

German New Medicine (GNM)

Visit GermanNewMedicine.ca and you will discover an entirely different viewpoint towards causes and cures for cancer compared to the traditional medical paradigm. Here is the beginning text: *Dr. Hamer’s research began in 1979 after the tragic loss of his son Dirk (see Biography). Shortly after Dirk’s death, Dr. Hamer was diagnosed with testicular cancer. Since he had never been seriously ill, he assumed that the development of his cancer could be directly related to the traumatic event he had experienced. At that time Dr. Hamer was head internist of a cancer clinic at the University of Munich, Germany. There he began to systematically study his patients regarding the causes, development and healing process of their cancers. What he discovered was revolutionary!*

Dr. Hamer found that every DISEASE originates from an unexpected shock experience. He established that such a sudden shock affects not only the psyche, but impacts at the same time (visible on a brain scan) the part of the brain that

corresponds biologically to the specific trauma. Whether the body responds to the unexpected event with a tumor growth (cancer), with tissue degeneration, or with functional loss, is determined by the exact type of conflict shock. So far, Dr. Hamer has been able to confirm these discoveries with over 40,000 case studies. Since HEALING can only occur after the conflict has been resolved, German New Medicine therapy focuses on identifying and resolving the original shock.

We can’t avoid the sudden shock of the unexpected death of loved ones, but there are things we do to reduce stress

Stress Reducing Strategies

Doctors tell us that stress has a deleterious effect on our health. Therefore we ought to do everything reasonably possible to reduce stress in my life. Here are some steps that I take.

- I avoid negative people if at all possible or at least deflect their negativity. One guy in my presence was griping to the effect, “*The government’s not doing enough for us seniors.*” He wanted me to commiserate with him. I told him that we ought to be thankful for everything we have.
 - I had another Med Supp client griping to me every time he called me. I sent him a letter politely telling him that his carping and complaining didn’t accomplish anything. He cancelled his policy and went elsewhere. Bravo!
 - If I have a jerk tailgating me, rather than stew about it, I pull over as soon as possible and let him by to bug someone else.
 - I avoid watching TV network news. We are not wired to have our psyche constantly bombarded with the visuals of death, blood, violence, and gore as portrayed on the screen.
 - I avoid watching TV advertising. It is purposely designed to create disequilibrium in our beings. The advertisers know that this is the subliminal way to induce us to buy their product to alleviate the stress that they created in the first place. They just want us to be good, obedient consumers.
 - I avoid “*the sky is falling*” hysteria. In April 1975 *Newsweek* ran an article about global cooling and the coming winter. Wheat harvests would fall short causing mass starvation. In 1999 it was Y2K, massive computer failures, blackouts, and an end to civilization as we knew it. The sky just had to fall! What a fantastic strategy to sell generators and emergency preparedness supplies. Now it’s global warming and climate change. Well dah, the climate is always changing. Needless to say, there is an agenda to this scare mongering.
 - I avoid debt and buying what I can’t afford. I don’t need unnecessary financial stress.
 - I avoid junk food. That physiologically stresses our system.
- INSTEAD**
- I endeavor to eat nutritious foods
 - I work to maintain a good weight. I didn’t like being heavier. • I get regular exercise.
 - I endeavor to feed my mind worthwhile materials, books, programs, movies, etc.
 - I love to reflect on what I think is the best anti-anxiety medicine of all time, and that is Matthew 6: 25-34. It starts with “*Therefore, I say to you, do not be anxious for your life, what you shall eat, or yet for your body...*” This section ends with “*Therefore, do not be anxious about tomorrow; for tomorrow will have anxieties its own. Sufficient for the day is its own trouble.*”

Immunity Booster: EpiCor

Visit <http://www.embriahealth.com/epicor.html>

This website offers you an easy to understand audio of what EpiCor is all about. For more in depth reading visit www.naturoidoc.com/library/cancer/epicor.htm. Fortunately, EpiCor is an inexpensive supplement. I'm looking forward to seeing how well it works for me through the flu season.

If this product works, then staying healthier will save on one's medical bills.

Fiscal Wake-up tour: David M. Walker

If you were riding on a train and knew it was headed for a major wreck, what would you do? Would you bail out? Would you duck, hoping for the best? Would you keep drinking your coffee oblivious to the wreck ahead? Or would you do something to prevent or at minimum, to alert others that a wreck is coming unless they do something about it?

David Walker is the comptroller of the GAO, and he is sounding the horn that trouble is ahead. He has been on what is called the *Fiscal Wake-up Tour*. Visit gao.gov and look for the Fiscal Wake-Up Tour on the left hand of your screen. If you email me, I'll copy you his 18 page PDF. Succinctly said, our Federal government currently has something like \$55 trillion in unfunded liabilities.

In a recent tour he said the following:

The "Status Quo" is Not an Option

- *We face large and growing structural deficits largely due to known demographic trends and rising health care costs*
- *GAO's simulations show that balancing the budget in 2040 could require actions as large as*
- *Cutting total federal spending by 60 percent or*
- *Raising federal taxes to 2 times today's level*

Q. Mr. Walker, what's the bottom line of your message?

A: The worst-case scenario is that, if the United States doesn't come to our senses and get our act together, we could eventually suffer the same fate as Argentina. That nation defaulted on its debt, which had a significant adverse effect on the country's economy and the living standards of most of its citizens. We must not allow this to happen here, and with committed, candid, and capable leadership, it won't. My view is that we will wake up and start making tough choices, I'm just trying to make sure that we do it sooner rather than later.

Q: Who's to blame for the current state of affairs?

A: As recently as 2001, the federal government had "projected surpluses." But then policymakers started spending those "surpluses" on tax cuts and spending increases. The budget controls that helped restore fiscal discipline in the 1990s expired in 2002. Since then, additional tax cuts and spending increases have occurred. The lack of discipline is reflected in the skyrocketing number of Congressional earmarks in appropriations bills. The additional costs associated with Iraq and Katrina don't help, but they are only a fraction of our problem. *Arguably the most fiscally irresponsible act of recent times was passage of the Medicare prescription drug bill in late 2003. That program has a price tag of over \$8 trillion, digging both our Medicare and overall fiscal holes much deeper.* (my emphasis)

Q: Which of the large federal entitlement programs—Social Security, Medicaid, and Medicare—is most urgently in need of reform?

A: None of these programs is sustainable in its present form. They will all require reforms. However, I would say that *Medicare is in the worst shape.* (my emphasis) He continues on with more explanation. I encourage you to visit the site.

What Can You Do?

The best thing you can do is take responsibility for your own health. I recently did a Med Supp application for a 76 year-old woman. I asked her for her prescription info, and she told me that she takes none! I asked her for her secret, and she sent me this note.

If we want to feel good, we have to take charge of our own health, our own body. No one else can do that for us.

We have to eat the right kinds of foods and drink the right kind of beverages, get plenty of exercise, fresh air, and sunshine. Vitamins and minerals, if needed will also help to stay healthy and keep our immune systems in good working order.

It is no fun to be sick. It is up to us individually to "live healthy" and to enjoy life. Carol P., Aberdeen Idaho

Thank goodness for modern medicine and pharmaceuticals. If we were living in the days before insulin, I would have buried a daughter. While expensive, I'm happy to pay for Lantus and Humalog. You throw in the testing strips and meters, and you know that diabetes is expensive. Things happen to people through no fault of their own. I'm glad they can get the help they need.

On the other hand, Carol P. said it very well. "*We have to take charge of our own health...*"

Wake up folks!

Our American system has reached the straining point. Just wait until 75 million baby boomers start hitting Medicare in 2010. It ain't going to be a pretty picture as far as Medicare is concerned! What happens when you want a hip surgery or knee replacement and the wait is two years! Think about getting a ration coupon for your medical care. Scary? Possible? Better believe it. Trying to move society and government is one thing, but you can individually take charge. Are you living as healthily as possible?

New Year's Resolutions?

If you want to take charge and make changes, the New Year is a terrific time to do so. • stop smoking • shed some pounds • kill the pop drinking habit • get exercise • eat more fruits and vegetables • kill the sugar addiction • or ?

Best Wishes

I thank each and every one of you for coming on board with Northwest Senior Insurance. For those of you with loved ones who are ill, you are in my thoughts and prayers. And likewise for those that have recently lost your spouses.

