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MED SUPP NEWS

SPECIALIZING IN MEDICARE SUPPLEMENTS,
Medicare Advantage, & PART D PRESCRIPTIONS
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Client side of my website



In August of 2013 I started the client side of my website. I am adding information that pertains to health and wellness, Medicare issues, and other topics dealing with retirement living. One of them is titled "Stretching Your Dollars." I will email you each month the new user and password.

I have also started sending monthly eletters via email. My late September issue discusses how ObamaCare may affect Medicare beneficiaries.

If you would like to receive my eletter and haven't received it yet, please send me your current email address.

Lance D. Reedy

The "Gap" Discount Increases slightly in 2014

Concerning Part D prescription plans, the discounts for those that reach the gap or donut hole will again increase in 2013. Here is the schedule. *This is based on the percent you pay*, which gradually drops year by year until 2020.

Year	Generics	Brands
2012	86%	50%
2013	79%	47.5%
2014	72%	47.5%
2015	65%	45%

Other important 2014 Part D numbers:

Category	2013	2014
Maximum deductible: \$310*	\$325	\$310
Initial coverage limit	\$2,950	\$2,850
Out-of-pocket threshold	\$4,750	\$4,550
Generic copay in the gap	79%	72%
Brand name copay in the gap	47.5%	47.5%

* Some plans may have a lower deductible or none at all. Generally, the ultra-low premium plans will have the maximum deductible. However, at least one or more of them will have no deductible for tier 1 and 2 generics. The deductible applies to brand name drugs.

**This is based on your TRoop or true-out-of-pocket. If you are in the gap and have a \$100 brand name drug to fill, you will pay \$47.50. The \$47.50 counts for the amount that puts you in the catastrophic level (out-of-pocket threshold) as well as the manufacturer's 50% discount.

Annual Election Period 2013: Oct. 15 – Dec. 7

The AEP is the time when a Medicare beneficiary can change his/her Part D prescription plan, add a part D plan if he/she never had one, change a Medicare advantage plan, or change from original Medicare to Medicare advantage or vice versa.

Medicare Supplement Rate Increases

Remember, you can change your Medicare supplement plan any month of the year providing that you medically qualify for the new plan. It's a mistake to believe that you can *automatically* change your Medicare supplement plan during the AEP. For a more detailed explanation, please refer to the article "When You Can Change Your Medicare Supplement Plan" found under the Medicare supplement tab on my website. **If you have had big increases, be sure to check the Medicare supplement section on the response sheet or page 3.**

Review: Alphabet soup and Abbreviations

OM = Original Medicare
MA = Medicare advantage plan
MA-PD = Medicare advantage plan with prescription drugs
PDP = Prescription drug plan
PFFS = Private fee for service MA plan
PPO = Preferred provider organization MA plan.
HMO = Health Maintenance Organization MA plan.
MedSupp = Medicare Supplement
Formulary-List of prescriptions the plan carries
Scripts-Short form of prescriptions

Big PDP rate increases

My phone rang off the hook the day the Annual Notice of Change (ANOC) notices hit your mailboxes. It's no wonder that many of you have been flabbergasted by the large rate increases.

Due to compliance reasons, I cannot discuss individual companies by names. However, some of the most popular lower priced plans have taken big increases. One popular plan that has the name of a box store in it is splitting off into two different plans.

Again, please check the appropriate section on the response sheet, and be sure to note your **CURRENT** 2013 plan.

Those that Received Non-renewal notices

If you received a non-renewal notice for any plan, be sure to keep it. You may need it.

Kinds of Changes You can Make

In this section I'll describe various vignettes or situations where people may want to make a change during the AEP.

1. Change from one PDP to another PDP.

a. Your existing 2013 plan is taking big rate increases.

- b. Your prescription needs have changed.
- c. We've run your scripts on Medicare.gov and you see that your existing plan is no longer the best buy.

2. Adding a PDP.

- a. You never signed up for a PDP, but now you wish to do so. Please keep in mind that you may be subject to a late enrollment penalty (LEP).
- b. You currently have an MA-PD. You want to switch to OM and apply for a MedSupp. You will need to add a stand-alone PDP so you will not be without prescription coverage.

3. Changing from one MA-PD to another MA-PD.

- a. Let's say that your MA-PD premium has gone up and you find that there is a lower cost MA-PD available in your county of residence. You can make that change. Likewise, you can change plans within your existing company.

4. Disenroll from your MA and switch to original Medicare (OM) only

- a. In this case you notify your plan that you want to disenroll from your MA plan. You will revert to OM Jan. 1, 2014.
- b. If you have an MA-PD and wish to return to OM with a stand-alone PDP, then all you have to do is to enroll in a stand-alone PDP. That will automatically disenroll you from your MA-PD and return you to original Medicare. You will have a stand-alone PDP.

5. You want to switch from a MedSupp to an MA or an MA-PD.

- a. You can enroll in an MA or MA-PD available in your county of residence. If you enroll in an MA PFFS plan only, that will NOT affect your current PDP enrollment. If you enroll in an MA-PD, that will automatically disenroll you from your existing PDP. If you enroll in an MA PPO or HMO, that will disenroll you from your existing PDP. Medicare's rules say that you cannot be enrolled in a MA plan that's an HMO or PPO and have a separate, stand-alone PDP. You can only have a stand-alone PDP if you enroll in an MA PFFS plan.

Caution: If you terminate your MedSupp plan, be sure to notify your company that you have done so. Medicare does NOT do that.

6. You currently have an MA or MA-PD and want to go to a Medicare supplement.

- a. This one is a little tricky. First, you notify your MA or MA-PD plan that you want to disenroll and return to original Medicare effective Jan. 1, 2014. So far, so good. Here's the tricky part: You have to apply and **medically qualify for a Medicare supplement** if you are *voluntarily* leaving your MA or MA-PD plan. **This is NOT a guarantee issue!**

For a smooth transition, be sure to work with your agent on this one

7. You have received a disenrollment notice from your MA or MA-PD plan stating that it is discontinuing service effective January 1, 2014.

This is much less of an issue compared to previous years. Please contact me if you have had any non-renewal for either a PDP or an MA or MA-PD plan.

Conclusion: If you think the above can be confusing, you're right. It is! I strongly recommended that you work with your insurance professional to avoid any unintended consequences.

8. You want to change from one Medicare supplement to another MedSupp.

As stated on page 1, you can change your Medicare supplement any month of the year! If you are past 65 ½, you generally will have to *medically qualify* for a new plan.

If you are Making NO Changes

If you anticipate making no changes, you do NOT need to do anything! Your Medicare supplement, MA or PDP plan will automatically enroll you for 2014.

If you want to make a change: Please make use of the response form.

Annual Disenrollment Period

The Annual Disenrollment Period (ADP) runs from Jan. 1 to Feb. 14. During this time you can only **disenroll** from your MA or MA-PD plan. You will revert back to original Medicare. If your MA plan had a prescription plan with it, then you can also sign up for a stand-alone PDP.

If you are past 65 ½ and want to sign up for a MedSupp, you will have to medically qualify. **Enrollment in a MedSupp in this situation is NOT guaranteed!**

The Advertising Onslaught

Many of you will view the deluge of TV advertising during the AEP from the big national health insurance companies. This will intensify as we approach December 7.

If the ads leave you unsettled or increase your anxiety level, then they are being effective. For the purpose of advertising is to do just that! The advertisers want to drive you to pick up the phone and call them.

One big gripe I have with them is that they, along with government agencies, describe the AEP as "open enrollment". Those of us that have to re-certify every year would flunk the tests by the use of this incorrect terminology.

Here's another gaff created by those ads. I saw one ad that touted a "Zero Premium" Medicare advantage plan. Yes, that's true in *certain* counties. However, I received phone calls from people that did not live in those qualifying counties. I had to explain what the ads didn't.

Please keep in mind that the purpose of TV is to get you to watch the ads. The purpose of the ads is to create some type of anxiety in you so you will either buy the advertised product or call their 800 number.

Do they provide you with correct and honest information? Well, that's entirely another matter.

Don't Get Bushwhacked

Every year I receive calls from People in January telling me that they realized that they are on the wrong Part D prescription plan. It's too late to change for most people. Please do not be one of them.

Your Next Step

Please use the response form on the next page (page 3) if you are interested in exploring and/or making any of the changes I covered in this issue. Please return the form by

1. Snail mail. It still works!
2. Fax
3. Scan and email

Items of Interest: Please mail back, fax to 208-746-1792, or scan and email

Northwest Senior Insurance, 1731 Burrell Ave., Lewiston, ID 83501, LReedy@cablone.net

Medicare Supplements

_____ I'm turning 65. Please contact me concerning a Medicare Supplement

_____ My Medicare supplement rates have gone up. Please contact me to see if I qualify for lower rates.

Name of your current company: _____

Plan (indicate lettered plan A-N): _____ Monthly Premium: _____ Note: *If you have a health condition and are not sure if you will qualify, please contact me anyway.*

_____ I have a Medicare Advantage plan and I'm interested in returning back to original Medicare, and I want to see if I qualify for a Medicare supplement.

Prescription Drug Plans: PDP's

_____ I still need to be signed up for a **Medicare PDP**. Please call.

_____ I'm shopping for a new PDP. I have listed my current scripts at the bottom of this page. Name of your current plan:

_____ Mo. premium _____

Medicare Advantage Plans (MA) or those non-renewed

_____ I'm interested in switching from a Medicare supplement to a Medicare Advantage plan.

_____ I have an existing MA plan and want to switch to another MA plan.

Name of current MA plan: _____

_____ Those with **non-renewed Medicare advantage plan**. My MA company notified me that my plan ends effective 01-01-2014. I'm looking for a new plan.

Medicare Advantage and Prescription Drug Plan (MA-PD)

_____ I'm interested in an MA-PD plan. Note: Enrolling in a new MA-PD will disenroll you from your existing PDP or MA-PD plan.

Other

_____ Burial insurance, long or short term care insurance, annuities. Circle item of interest.

Your Name

Phone /cell phone

Mailing address

Physical address if different

Date of birth

City _____ State _____ Zip _____

Spouse's name and date of birth

Email (Optional) _____

Current prescriptions: Please indicate its name, dose, and frequency. (Ex. metoprolol 50 mg. 1 / day)

If a liquid, gel, or cream, please list the size (ml or grams) and the number of containers you use per month.

Pharmacy #1 choice _____ Pharmacy #2 choice _____