



# MEDICARE: WE HAVE ANSWERS

## UNDERSTANDING 2020 MEDICARE CHANGES

The Medicare program has undergone changes big and small throughout the decades. Here's what to expect for 2020.



### ***What's changing with Medicare Supplement Insurance in 2020?***

Medicare is eliminating sales of Medicare Supplement Insurance Plans C and F to new enrollees beginning 1/1/2020.

### ***If my clients are already enrolled, will their existing plan change?***

No. Clients enrolled in a Medicare Supplement Insurance Plan C or F prior to 1/1/2020, can keep it and it will not be eliminated. Only new enrollees after that date will be impacted.

### ***What's different about plans C and F?***

Both plans cover Medicare Part B annual deductibles. The deductible is the amount a Medicare enrollee pays for medical expenses out of pocket before coverage begins. In 2019, the Part B annual deductible is \$185.<sup>1</sup>

### ***Can my clients switch to Plan C or F, now or in the future?***

Yes, as long as they're enrolled in Medicare Part A now or before January 1, 2020, they can switch to any Medicare Supplement Insurance policy, including Plan C or F. Underwriting requirements may apply and coverage could be rated or denied.

### ***Who do the changes impact the most?***

Newly eligible enrollees after 1/1/2020.

### ***What is meant by "newly eligible"?***

Section 401 of MACRA defines "newly eligible" as individuals who (a) have attained age 65 on or after January 1, 2020; or (b) first become eligible for Medicare due to age, disability, or end-stage renal disease, on or after January 1, 2020.

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**Will my clients need a new Medicare number and/or card?**

Medicare has completed mailing new Medicare ID cards to all Medicare enrollees. Doctors, other healthcare facilities, and providers will ask for their new Medicare card when they need care. They should destroy their old Medicare cards. If they didn't receive their new cards by April 2019, help is available: Have them call 800-MEDICARE (800-633-4227). TTY users can call 877-486-2048.

**Can my clients still use funds in a Health Savings Account (HSA) to pay for some Medicare expenses?**

Nothing has changed with the rules regarding HSAs and Medicare expenses. Medicare enrollees cannot make new contributions to HSAs once they are enrolled in Medicare. However, residual account balances can be used tax and penalty free to pay for some medical expenses while enrolled in Medicare, including any premiums for Original Medicare Parts

A, B, and D; as well as premiums for Medicare Advantage. HSA funds may not be used to pay for Medicare Supplement Insurance premiums.<sup>2</sup>

**What plans available under the new regulations will most closely resemble those that are being phased out?**

Plan C is the same as Plan D, except Plan D does not provide coverage for the Part B deductible. Plan F is the same as Plan G, except Plan G does not provide coverage for the Part B deductible. Similarly, the high deductible versions of Plans C and F closely resemble the high deductible versions of Plans D and G, which do not cover the Part B deductible.

**How can I easily compare the benefits of the different Medicare Supplement plans?**

Please see the chart below. It can also be found at [medicare.gov/supplements-other-insurance/how-to-compare-medigap-policies](https://www.medicare.gov/supplements-other-insurance/how-to-compare-medigap-policies)

**Note:** Plans C and F will not be available to new Medicare enrollees first eligible after 1/1/2020

MEDIGAP BENEFITS	MEDIGAP PLANS									
	A	B	C	D	F*	G	K	L	M	N
Part A coinsurance and hospital costs up to an additional 365 days after Medicare benefits are used up	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Part B coinsurance or copayment	Yes	Yes	Yes	Yes	Yes	Yes	50%	75%	Yes	Yes***
Blood (first 3 pints)	Yes	Yes	Yes	Yes	Yes	Yes	50%	75%	Yes	Yes
Part A hospice care coinsurance or copayment	Yes	Yes	Yes	Yes	Yes	Yes	50%	75%	Yes	Yes
Skilled nursing facility care coinsurance	No	No	Yes	Yes	Yes	Yes	50%	75%	Yes	Yes
Part A deductible	No	Yes	Yes	Yes	Yes	Yes	50%	75%	50%	Yes
Part B deductible	No	No	Yes	No	Yes	No	No	No	No	No
Part B excess charge	No	No	No	No	Yes	Yes	No	No	No	No
Foreign travel exchange (up to plan limits)	No	No	80%	80%	80%	80%	No	No	80%	80%
Out-of-pocket limit 2019**	N/A	N/A	N/A	N/A	N/A	N/A	\$5,560	\$2,780	N/A	N/A

Benefits will not be paid for any expenses, which are not determined to be Medicare Eligible Expenses. These plans are not available in MA, MN and WI.

- \* Plan F also offers a high-deductible plan. If clients choose this option, this means they must pay for Medicare-covered costs up to the deductible amount of \$2,300 before their Medigap plan pays anything.
- \*\* After clients meet their out-of-pocket yearly limit and yearly Part B deductible, the Medigap plan pays 100% of covered services for the rest of the calendar year.
- \*\*\* Plan N pays 100% of the Part B coinsurance, except for a copayment of up to \$20 for some office visits and up to a \$50 copayment for emergency room visits that don't result in inpatient admission.

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# OTHER COMMON MEDICARE QUESTIONS

**Medicare Supplement Insurance (sometimes referred to as Medigap) helps pay some of the healthcare costs not covered by Original Medicare — Parts A and B. This typically includes copays, coinsurance, and deductibles. Some Medicare Supplement policies cover other things that Original Medicare does not, such as travel outside the United States.<sup>3</sup>**

## ***What is Original Medicare?***

Original Medicare is a fee-for-service health plan that has two parts: Part A (Hospital Insurance) and Part B (Medical Insurance). After you pay a deductible, Medicare pays its share of the Medicare-approved amount, and you pay your share (coinsurance and deductibles). The alternative to original Medicare is Medicare Advantage (Part C) which is a type of Medicare health plan offered by a private company that contracts with Medicare. Medicare Advantage Plans provide all of your Part A and Part B benefits.

## ***Who can buy Medicare Supplement Insurance?***

Only enrollees in Original Medicare can purchase Medicare Supplement Insurance.<sup>3</sup>

## ***Who sells Medicare Supplement Insurance?***

Private insurance companies sell Medicare Supplement Insurance. Each company decides which plans it wants to sell.<sup>1</sup>

## ***When can my clients buy a Medicare Supplement Insurance policy?***

The best time to buy a Medigap policy is during their initial 6-month open enrollment period, which begins the month they turn 65 while enrolled in Original Medicare. During this time, they can buy a Medigap policy, even if they have health problems. Policy options may be limited outside this period. If they are available they may be more expensive.<sup>4</sup>

## ***How can Medicare enrollees compare plan options?***

Medicare Supplement Insurance policies are standardized in most states. Insurance companies who sell these policies set their own prices but they are required to follow specific federal and state laws designed to protect enrollees. All policies offer the same basic benefits but some offer additional benefits. Enrollees determine which plan is right for them.<sup>1</sup>

## ***How are Medicare Supplement Insurance plans identified?***

The plans are identified in most states by standardized letters that correspond to the schedule of benefits offered within the policy. In Massachusetts, Minnesota, and Wisconsin, Medigap policies are standardized in a different way.<sup>1</sup>

<sup>1</sup> "How to Compare Medigap Policies," Medicare.gov, 2019

<sup>2</sup> "HSAs + Medicare," ConnectYourCare, 2018

<sup>3</sup> "What's Medicare Supplement Insurance (Medigap)?," Medicare.gov, 2019

<sup>4</sup> "When Can I Buy Medigap?," Medicare.gov, 2019

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