

MEDICARE *Supplements* MADE SIMPLE!



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WHAT ARE MEDICARE SUPPLEMENTS?

Medicare is the federal health insurance program for people 65 and older or on disability. It primarily consists of two parts; A & B. Like other types of health insurance, Medicare A & B has deductibles, copays, and coinsurance that you pay when you have medical care or treatment. These costs are often referred as the "gaps" in Medicare. Medicare A & B itself does not set limits on these out of pocket costs, so your medical bills could be virtually unlimited. This tells us that Medicare A & B is not intended to be had by itself.



As a person insured with Medicare, you have the right and opportunity to be covered by Medicare Supplement insurance. Medicare Supplements are insurance policies that help you cover the deductibles and co-insurance with Parts A & B. These are the "gaps" and your out of pocket costs mentioned above. Medicare Supplements are the missing puzzle piece to help ensure you have financial security and quality healthcare. The benefits of being covered by a Medicare Supplement include;

Protects you financially against large out of pocket medical costs.

Gives you better access to quality healthcare by reducing your financial burden.

Can help you have physical, mental, and financial well being.

The # 1 reason to have a Medicare Supplement is that Medicare does not set limits on your out of pocket costs. This could leave you without care or in financial hardship.

5 THINGS TO KNOW ABOUT MEDICARE SUPPLEMENTS

1. Medicare Supplement plans are provided by various private insurance companies. Each plan is represented by a letter, which means certain standard coverage. The coverage for each letter plan is the same at each insurance company that offers it. The rates each insurer charges can differ.
2. When you have a Medicare Supplement policy it is secondary to Medicare A & B. Medicare determines what is covered and pays first. Your Medicare Supplement plan pays second and covers whatever Medicare covers. Medicare Supplements do not determine what is covered, Medicare does.
3. Medicare Supplements cover you at any doctor or medical provider in the country that accepts Medicare A & B. Standard Medicare Supplement plans do not have doctor networks that you must stay in. If your doctors and providers accept Medicare they should also accept your Medicare Supplement, regardless of the insurance provider.
4. Once you have a Medicare Supplement policy it is guaranteed to renew each year as long as you pay your premium. Your policy can never be canceled based on your age, health, or claims history.
5. The monthly cost for your plan can vary based on factors such as your zip code, age, tobacco status and the insurance provider. The monthly premium you pay is never based on your individual health or claims history.





THE TOP 3 MEDICARE SUPPLEMENT PLANS

As mentioned, Medicare Supplements are represented by a letter and help you cover costs under Medicare A & B.

There are 11 Medicare Supplement plans listed, but usually one of the top 3 are chosen. The chart to the right shows you the top 3 plans and the costs that each covers with Medicare.

THE CHECK MARK REPRESENTS WHETHER THE PLAN COVERS A PARTICULAR COST UNDER PARTS A & B.

Medicare Supplements provide benefits only for services covered under Medicare A & B.

	MOST POPULAR PLANS		
MEDICARE A & B COST	PLAN F	PLAN G	PLAN N
PART A HOSPITAL DEDUCTIBLE	✓	✓	✓
PART A HOSPITAL COPAYS	✓	✓	✓
PART A RESERVE DAYS	✓	✓	✓
PART A SKILLED NURSING COPAYS	✓	✓	✓
PART A HOSPICE CARE	✓	✓	✓
PART B DEDUCTIBLE	✓	✗	✗
PART B 20% COINSURANCE	✓	✓	✓
PART B EXCESS CHARGES	✓	✓	✗
WORLDWIDE EMERGENCY COVERAGE	✓	✓	✓

PLAN F provides the most coverage of all Medicare Supplements. Traditionally it has been the most popular plan due to the maximum convenience and peace of mind it provides. When covered by Plan F, you're not liable for any out of pocket medical costs with Medicare A & B. **All you do is pay your monthly premium, and very simply, Plan F covers all gaps in Medicare.** Note: Due to recent laws, Plan F is no longer be available to new beneficiaries beginning January 1st, 2020. If you had Medicare prior to January 1st 2020, it is still available for you.

PLAN G has become the most popular Medicare Supplement in recent years. Many people are choosing Plan G because it provides excellent coverage at a reasonable monthly cost. Plan G covers all copays, coinsurance, and deductibles under Medicare A & B except the annual Part B deductible. **So, when you have a Plan G policy, you are only liable for the Part B deductible.** After the deductible you have no more out of pocket costs for the remainder of the year. The deductible can change each year and is set by Medicare. **In 2020 the Part B deductible is \$198 per year.**

PLAN N is known for being a great low cost Medicare Supplement option. Plan N works similar to Plan G, but you are responsible for a couple additional out of pocket costs. As the chart above shows, Plan N covers all costs under Part A & B except the Part B deductible and Excess Charges. If you have a Plan N policy, you will be liable for those two expenses when they occur. As you already know, the annual Part B deductible is \$198per year in 2020. Part B Excess Charges are when a doctor bills over Medicare's allowable fee schedule, also known as balance billing. Although a doctor may accept Medicare, they are allowed by law to bill up to 15% over Medicare's fee for service schedule. When they do, it is known as an Excess Charge. In addition to the Part B deductible and Excess Charges, with Plan N you also have copays. There is a \$20 copay for doctor / specialist visits and a \$50 copay for emergency room visits (if not admitted to hospital).



MEDICARE SUPPLEMENT COSTS

When you have a Medicare Supplement policy, you pay a monthly premium for it. The monthly premium you pay for your policy is in addition to any premium you pay for Medicare A & B. Medicare Part A is usually \$0 monthly cost. This is because you have paid for it in your taxes over your working lifetime. Medicare Part B, however, has a monthly premium. The standard premium that most people pay in 2019 is \$135.50 per month. You may pay a higher premium if you are considered to be a higher income earner (See Medicare Cheat Sheet at the end of this guide). The monthly rates for Medicare Supplements vary based on your age, zip code, sex, tobacco status, and insurance provider. To give you an estimated monthly cost, here are sample rates in Texas for the top 3 plans.

Sample Medicare Supplement Rates For Persons Age 65 In TX

	Plan F	Plan G	Plan N
Women	\$152.55	\$104.45	\$85.20
Men	\$165.51	\$117.38	\$95.72

Based on non tobacco average rates in different service areas with a major insurance carrier. Monthly rates shown are samples and not guaranteed. Actual rates vary and may be lower or higher. **Please contact us by phone or email for a personalized quote.**

3 WAYS TO SAVE ON YOUR MEDICARE SUPPLEMENT

The estimated rates in the previous section are samples. As your independent insurance agency, our goal is to save you money and help you get your best value policy. Here are 3 strategies we use to do it.

1. Find Your Sweet Spot - Many make the mistake of just picking a plan without doing the research. This could be off the recommendation of a friend, family member, or the advice from an agent looking to make the most commission. Fully understanding your options will help you pick a plan that's just right for you. In this case you are not under insured or over insured. For example; Traditionally many people just go with Plan F when Plan G or N are more suitable. Taking the time to understand the plans better and working with a good agency will help you find your coverage "sweet spot" and therefore eliminate wasteful spending.

2. Compare Several Quality Insurance Providers - Each Medicare Supplement plan represented by a letter provides the same coverage at each insurance provider that offers it. What you pay for the plan, however, can differ from provider to provider. Insurance providers can differ in many ways for how they price their Medicare Supplement policies. For example; Company A may have higher rates in a particular zip code than Company B. Or, Company A may charge a higher rate for a smoker and Company B doesn't. These are just a couple examples of the things that can factor into your rate. This is why it is good to compare several quality insurers. You may come to find that there is not much of a difference in rates and you just go with your favorite insurer. But, you may find that a particular insurance provider can offer you a significantly better rate. In either case, you've done your diligence and can feel better about your choices.

3. Take Advantage Of Discounts - Many Medicare Supplement insurers can offer savings on your premium in the form of "household discounts." This is usually when a couple is signing up for a plan with the same insurance provider. Qualifying for these discounts varies at different companies as some insurance providers are more loose on their standards. In these cases, to qualify for the discount you only need to have a spouse or domestic partner that has lived with you for at least 12 months. Your spouse or domestic partner doesn't necessarily need to sign up for a plan along with you. Household discounts can range anywhere from 5% -12% depending on the insurance provider. These discounts can really add up and help you save money on your plan premium.





CONCLUSION

Becoming eligible for Medicare can be an exciting time. Chances are you've worked hard to earn these benefits and now you can reap the rewards. Medicare A & B is great coverage by many standards. But, it can be better. In fact, as we've said, it's really not meant to be had on it's own. There are out of pocket costs such as deductibles and co-insurance when you receive care. The most important thing to understand is that there are no limits set on these costs. These potentially large medical bills could cause financial harm for force you to go without the medical care you need. Medicare Supplements are a great solution to this problem. In addition to Medicare A & B, Medicare Supplements are also a right and privilege you've earned. By filling the gaps in Parts A & B, they complete Medicare and enhance your coverage. What can this lead to? Financial security, access to good healthcare, and peace of mind. The very things you're more than likely trying to achieve. So, the only question left is; Which plan is right for you? We can help with that!

This guide is for educational purposes. Always review your insurance policy, outline of coverage, or summary of benefits for details. Coverage and estimated premiums mentioned in this guide are not guaranteed. Plans are subject to eligibility and underwriting at the time of enrollment.

Take The Next Step

Contact your agent below by phone or email with your questions and for more information on plans available to you. We can provide additional guidance and comparison so you can find your best coverage.

Information is always provided with no cost, obligation, or hassles.

About Your Agent Ben Rodriguez

Throughout his career as a Licensed Insurance Agent, Ben Rodriguez has advised hundreds of Medicare recipients. Since obtaining his degree in Business Finance from Kent State University, Ben has acquired nearly 15 years of experience in financial services and insurance. Having a close relationship with his parents and grandparents has made him especially in tune to the needs of boomers and seniors. Ben is known for his professionalism with a personal touch.



512-553-4894 Direct
ben@lonestarmedicare.com

Offering plans with select insurance providers including;





Medicare Supplement **FAQ**

When can I sign up for a Medicare Supplement? Your Medicare Supplement open enrollment period starts 6 months before the month you turn 65 and ends 5 months after that month. During this time period you can enroll in any Medicare Supplement policy without health questions. Your coverage will begin the month you start Medicare A & B or turn 65. If you decide to apply for a Medicare Supplement policy outside of your open enrollment period, you may need to answer health questions and qualify.

Will Medicare Supplements cover me at my doctors & medical providers? Standard Medicare Supplement plans cover you at any doctor that accepts Medicare A & B. If your doctor accepts Traditional Medicare A & B, they should also accept your Medicare Supplement.

Do Medicare Supplements cover pre-existing conditions? Coverage for pre-existing conditions varies with different insurance companies. Many Medicare Supplement insurers cover pre-existing conditions from the start of your coverage. Some Medicare Supplement insurers have a waiting period for pre-existing conditions that can be offset if you have maintained coverage.

Can my Medicare Supplement insurer deny coverage for a service or procedure? Medicare Supplements cover their part of the costs for all services provided under Medicare A & B. They do not determine if a service or procedure is covered, Medicare does.

Can I be dropped from my Medicare Supplement policy? As long as you pay your premium and keep it up to date, no. Once you are covered by a Medicare Supplement policy it is guaranteed renewable each year and you can never be dropped because of your age, health, or claims history.

Do Medicare Supplements cover prescription drugs? Medicare Supplements cover their part of costs for services provided under Medicare A & B. Medicare A & B only covers certain medications administered to you at a doctors office or in the hospital. To have coverage for medications you take regularly and fill at the pharmacy, you will need a stand alone Part D plan.

If I don't take any medications or only a couple, do I still need a Part D prescription plan? It is highly recommended that you enroll in a Part D prescription plan unless you have creditable prescription coverage through another source. If you don't sign up for a Part D plan when you're first eligible, and decide to enroll later, you may incur lifetime penalties.

Will my Medicare Supplement cost me more if I have medical conditions? No. Premium costs for Medicare Supplements are not based on your health or claims history.



Medicare Supplement **FAQ**

Can my Medicare Supplement rate be increased? The most common way Medicare Supplements are priced is called "attained age" pricing. This means that once you have a Medicare Supplement, your rates can increase each year based on your age when your policy automatically renews. Your Medicare Supplement rate can also increase based on changes to Medicare and rate increases for all insureds in a particular state. You cannot be singled out for rate increases because of your personal health and claims history.

If I choose a Medicare Supplement plan, can I change it later? You can change your Medicare Supplement plan. Keep in mind, if you do, you more than likely will need to qualify and answer health questions.

Does it matter which insurance company provides my Medicare Supplement? Each Medicare Supplement insurance provider is regulated by Medicare and required to provide the benefits and coverage based on your letter policy. Rates, service, and long term stability varies. It is these reasons why you should compare insurance providers and choose a quality option for your coverage.

What happens to my Medicare Supplement if I move? In most cases, if you move, you can take your Medicare Supplement with you. The coverage and benefits are locked in. The monthly rate you pay, however, may adjust to rates in your new service area.

Will My Medicare Supplement cover me if I'm traveling? Yes. Medicare Supplements work with Medicare A & B to cover you at any Medicare Approved doctor in the country. This includes when you're traveling and have an emergency or if you schedule an appointment.

What is the difference between Medicare Supplements and Medicare Advantage? Medicare Supplements are secondary insurance policies to Medicare A & B. In this case you keep Traditional Medicare as your primary insurance. Medicare Advantage plans, also known as Part C, are when your Medicare is replaced by a private insurance provider. In this case you have one plan package that includes all of your benefits. Inquire with your agent for more details.