

## THOUGHTS TO CONSIDER ABOUT YOUR MEDICARE SUPPLEMENTS

The following information is just information. These thoughts and ideas are NOT recommendations because everyone's situation is different and choices need to be based on your individual situation. Below you will read about some of the experiences SRS retirees have had with the transition to commercially available Medicare supplement and interactions with My Medicare Advocate (MMA), the company SRS hired to assist us in this transition. There are some suggestions, some ideas to consider as you choose your Medicare Advantage or Medigap medical insurance, drug insurance and dental insurance. For specifics, you should ask your advocate for advice. You can also contact your State Health Insurance Assistance Program (SHIP) for advice. Telephone numbers for your SHIP can be found in your Medicare Handbook, sent to you from Medicare. Your Medicare Handbook is another good source of information, as well as the [medicare.gov](http://www.medicare.gov) website, if you have access to a computer. The Retirees Association Medical Interface Committee will also be happy to provide consultation.

### IMPORTANT REMINDERS

- **You must sign up for a medical plan through MMA to qualify for the SRS stipend, however other coverage (drug, dental, vision) can be purchased elsewhere.**
- **Remember to consider spousal coverage. Unlike the SRS plan, the retiree and spouse must enroll individually and may find that differing plans and companies provide more suitable benefits and better value.**
- **You need to buy a separate Part D drug plan if you purchase a Medicare supplement plan. Most Medicare Advantage plans include drug coverage**
- **All Medicare supplement plans (Medigap) have guaranteed acceptance without regard to medical issues when you first enroll in Medicare at age 65. Switching to a different company or different plan in the future may subject you to medical underwriting (consideration of pre-existing conditions) and potentially much higher rates. Therefore you should consider not only current needs and current premiums, but also try to assess what your needs and premiums will be in the future.**
- **Medicare Advantage plans (Part C) and Medicare Drug plans (Part D) do not apply medical underwriting. These plans have a true open enrollment with guaranteed coverage each year during the fall open enrollment period, therefore you should plan to reevaluate your coverage in these plans every year and make changes if appropriate.**
- **All Medigap plans with the same plan identification (A, B, etc) provide the same benefits, per government mandate.**
- **It is important to complete enrollment a couple of months before you turn 65 to ensure continuous coverage.**

## **STATE HEALTH INSURANCE ASSISTANCE PROGRAMS (SHIPS)**

Medicare requires each state to provide assistance and counseling to seniors regarding Medicare and Medicare supplement plan enrollment and benefits. These are called State Health Insurance Assistance Programs (SHIPs).

SHIPs operate under a Federal program that allows states to provide one-on-one personalized counseling, information, and assistance to Medicare beneficiaries and their families. This allows the recipients to better understand and utilize their Medicare benefits. SHIPs help beneficiaries identify and understand programs and plans, including Medicare prescription drug coverage, Medicare Advantage plans, Medicare supplemental insurance policies, Medicare Savings Programs, long-term care insurance and financing, and other public and private health insurance coverage options. SHIPs also assist eligible participants in enrolling in these programs and plans. Additionally SHIP's can assist with issues such as:

- Billing problems
- Complaints about medical care or treatment
- How Medicare works with other insurance

In South Carolina the SHIP office is called the *South Carolina Insurance Counseling Assistance and Referrals for Elders Program* and is known as "I-CARE". It is a program of the Lieutenant Governor's Office on Aging. The main office is in Columbia ([800-868-9095](tel:800-868-9095)) or there is an office in Aiken operated by the Lower Savannah Council of Governments ([803-649-7981](tel:803-649-7981)). Staff at either office will be happy to provide personalized support and counseling. In Georgia, this program is known as "Georgia Cares" and can be reached at **1-866-55AGING** ([1-866-552-4464](tel:1-866-552-4464)).

For other states the SHIP Program's phone numbers can be found by a web search or on the back cover of the *2013 Medicare & You Handbook* you should have received recently in the mail.

Read - read -and then read some more. Call SHIP advisors. Talk to your provider's person that files insurance claims, ask questions. Talk to fellow retirees, and then share. Persist until your questions are answered and hopefully you are somewhat satisfied you got the best product available for your situation.

## **ENROLLING IN MEDICARE**

**As you "age-in" to the Medicare system, Medicare allows you a 7 month open enrollment window – 3 months before the month you are 65 till 3 months after eligibility. Do not fail to enroll during this period. Signup is automatic if you are drawing Social Security benefits. If you are not, then you need to enroll through Social Security, either online or in person at your local Social Security office. You need to be signed up for Medicare before you can enroll in supplements, so we urge you to enroll as early as possible (3 months before the month you turn 65).**

## **MY MEDICARE ADVOCATE**

SRNS has hired My Medicare Advocate (MMA) to assist us in determining our options, evaluating what is best for us, and assisting us in the signup process. Remember you must purchase your new medical insurance through MMA in order to activate the SRS stipend. MMA will also assist with drug, dental, and vision coverage upon your request, but you can also purchase this coverage independently, online, directly from the company or through local agents and be reimbursed from the stipend fund. However we suggest you talk to MMA and consider their recommendations and options before you buy elsewhere.

There have been - and probably will continue to be, many complaints about contacting MMA. This was a major problem during our initial conversion in late 2012. For those “aging-in” in 2013 and beyond, this should be much less of a problem. However, those turning 65 during the annual open enrollment period in October through December, are still likely to experience some extended hold times and difficulty in reaching a particular advocate. As disconcerting as this may be for us, we have to recognize that that MMA services multiple companies from this site and most of their interaction with retirees occurs in a few weeks in the fall. The choices are complicated so calls can be long, but you can succeed. Typically this issue declines later in the open enrollment period, say after mid-November.

Don't be discouraged. We suggest if your appointment is missed, calling your advocate and requesting to be recalled. If you are dissatisfied with your advocate, you may request another advocate. If you are having extreme difficulty, you can contact the SRNS Benefits Service Center (803) 725-7772 or (800) 368-7333.

## **WHICH PLAN SHOULD YOU CHOOSE?**

At 65 you must enroll in Medicare Part A (hospital) and Part B (doctor). These are called “original Medicare”. Part A is free; you will be charged a premium (deducted from your Social Security if you are drawing benefits) for Part B.

Since SRS will no longer be providing supplemental medical and drug coverage, the first decision you need to make is whether you are interested in a Medicare Advantage plan (Part C), usually including drug coverage, or prefer a Medicare Supplement Plan (Medigap) with a separate drug plan (Part D) to extend original Medicare.

### **Medicare Advantage Plans**

Medicare Part C, or Medicare Advantage, is a program offered by private insurers that replaces original Medicare. Coverage and benefits match original Medicare, but these plans usually add drug coverage as well as additional benefits. Often the premium for these additional benefits is zero or just a few dollars. However these plans operate like an HMO – that is they have a network of doctors and hospitals that you must use for maximum coverage (except in emergencies). Out-of-network charges are paid at a reduced rate. Each company's network is different, and each company's benefits beyond original Medicare are different. Fully evaluating all the plans can be a significant effort. In our part of SC there are only seven Medicare

Advantage plans offered (in 2014), and only a few of those are offered through MMA so the process of evaluating them is somewhat easier. MMA can help by providing information regarding which doctors and hospitals are included in each network. In Richmond/Columbia counties, however, the number is much larger and evaluating all of them is more difficult. However, since you must purchase your plan through MMA, your investigation should be limited to only those plans offered by MMA, a much smaller set.

### **Medicare Supplement Plans, or Medigap Plans**

The alternative to a Medicare Advantage plan is called a Medicare supplement or Medigap plan. Medigap plans are accepted anywhere Medicare is. They do not affect Medicare benefits; rather they pay some or all (depending on the plan you choose) of the cost of Medicare-approved procedures that Medicare doesn't pay – except drugs. Some companies do offer a Medigap plan, usually called a “select plan” with lower pricing if you use hospital(s) and doctors in their network (similar to our current BC/BS).

In Aiken, only Aetna, BC/BS, and BC/BS Select Medigap plans are listed on the MMA website. MMA offers a few others (including AARP/United Healthcare – the most common selection by SRS retirees) but does not list them on their website because the companies will not let MMA post prices on the MMA website. AARP/United Healthcare is one that will not allow posting of their prices. You need to ask about plans you can buy which are not on the MMA web site.

### **ENROLLMENT IN A PLAN**

My Medicare Advocate allows retirees to enroll online through the MMA website portal; however MMA advocates are trained and paid to assist you and provide guidance in your selections, so it probably makes sense to use them to help you. Depending on the plan you pick, when you are ready for final signup, MMA may transfer you directly to the company.

Remember to consider coverage for your spouse. Unlike our current SRS plan, the retiree and spouse must enroll individually and may find that differing plans and companies for medical, drug, and dental coverage provide better value and benefits.

Neither the SRS Retiree Association nor Savannah River Nuclear Solutions (SRNS) ever say any insurance plan is better for an individual than another. This is a personal decision. MMA and SHIP counselors can assist you in evaluating your options. Nationally, about an equal number of people choose a Medicare Advantage plan as a Medicare Supplement (Medigap) plan. Of folks with a Medigap plan (nationally), 50% have Plan F. It is important to remember that Medicare Advantage plans are network-based. Make sure any plan you are considering includes the doctors and hospitals you want to use. Also, if you spend substantial time away from home this may be a problem for non-emergency care. Medigap plans work anywhere Medicare (domestically) is accepted. If you travel a lot, or if you move, your Medigap plan remains in effect. (If you move to an area not served by your Medigap insurer you would have to switch companies next year). The only exception is that you may find a Medigap “Select” plan offered. This is the case in South Carolina. SC Blue Cross offers a “select” plan at reduced cost in addition to a regular plan, but you must use a “select” hospital (except in emergencies) to get

full benefits. Most, maybe all major SC hospitals, including Aiken, are included in the select plan – but the Augusta hospitals are not. So be sure you understand this constraint if you are thinking about choosing this cheaper option.

A CAUTION: As noted earlier, everyone has **one** opportunity to enroll in a Medicare Supplement plan at its base rate without regard to pre-existing medical conditions when they first enroll at age 65. Therefore if you choose to go the Medicare Supplement route (rather than Medicare Advantage) you should buy the plan you expect to keep the rest of your life – both company and specific plan (A, B, etc). Making changes to this selection in future annual open enrollment periods will be subject to medical underwriting and the company may decline to cover you or offer you coverage only at a premium rate. Medicare Part C (Medicare Advantage) Plans and Part D drug plans do not have this constraint. They have true open enrollment every year so you can switch to them or between them annually without penalty. **NOT TRUE WITH MEDIGAP PLANS.**

## **PRICING DECISIONS**

There are three types of pricing systems for Medigap plans: (1) attained age, (2) age-at-issue, and (3) community rated. Most plans in this area are attained age - the price increases each year for inflation and your increased age. Age-at-issuance plans are rare in this area, but may be common elsewhere. The only community rated plan offered in SC is AARP/United Healthcare. This is a little deceptive, because they have what is known as a "standard rate", which is their rate for age 75 and beyond, if you are 71 or younger when you enroll. Up to age 75 they offer an "enrollment discount" of 3% per year, i.e., their rate at age 65 is 30% less than their standard rate and age 70 is 15% below. So their rates also increase each year, but top out at age 75. AARP rates for those 72 and older at enrollment do not have the discount but do not increase with age from that point. All other companies have age-based rate increases to higher ages. The top age bracket can be 80, 85, or 90 – each company is different. You can check each company's rates through their website or MMA should be able to provide this information.

## **PLAN BENEFITS**

In choosing a Medigap plan, you need to pick the right letter plan to start with. All Medigap plans with the same letter provide the same benefits, per government mandate. The only discriminator is price and pricing as you age. Be sure to ask your MMA agent what the price would be if you were 5 or 10 years older for each company you are interested in.. The price usually will go up annually so you have to be able to support future premiums, probably out of your own pocket. Remember that switching to a different company or different plan in the future may subject you to medical underwriting and potentially much higher rates.

## **DRUG PLANS**

If you don't get a Medicare Advantage with drug plan included, you **need** a Part D drug plan unless you have “creditable coverage” elsewhere like a state plan, VA benefits, or Tricare. There is a 1%/month premium penalty for every month you were eligible to enroll in a drug plan but

didn't, unless you have alternative coverage. The penalty is forever. That means if you don't have a Part D plan for 2 years (24 months), your Part D premium will automatically be 24% higher for the rest of your life. So if you don't take any drugs now sign up for the cheapest plan available. In SC in 2013 that was either the AARP MedicareRX Saver Plus Plan (\$15/month) or the Humana-Walmart Preferred Rx Plan (\$18.50/month). Similar low cost plans are likely to be available each year. But it is important if you do routinely take drugs, that you use a computer evaluation tool to find the best plan for your situation (and remember, it is likely to be different for you and your spouse). You can perform this evaluation on your computer at either the Medicare.gov website or the MMA website. Alternatively, the MMA agent will do this for you, a SHIP counselor can do it, and some pharmacies will do it. You should also check the "formulary" of any drug plan you are considering (your MMA advocate can do this) to see if there are any constraints on the drugs you take. For instance, some plans have limits on the number of pills they will cover per month or even per year. We think the best strategy is simply to buy the lowest annual cost plan for your current drugs at your preferred pharmacy. Don't think a more expensive plan may offer better coverage for some drug you may take in the future. It may or may not, and who can predict what drugs you may be taking next year. Just buy what is best now and reevaluate each year.

If you are computer confident, our suggestion is to perform this evaluation yourself on the medicare.gov website. **YOU DO NOT HAVE TO PURCHASE YOUR DRUG PLAN THROUGH MMA**, and by using the medicare website rather than MMA's, you will have access to more plans. Remember you are making only a 1 year commitment with a drug plan.

Most pharmacies honor most plans, but be sure your preferred pharmacy honors the plan you select. Also you may want to check the plan's pricing at Sam's or Costco to see if there is a significant difference from your local pharmacy. Do not call the drug store and ask for the retail price of a particular drug. It is unlikely to be the same price as through the Plan. Each plan has a negotiated price for each drug only valid through the Plan.

Be prepared for a shock. If you take many drugs, particularly brand name or specialty drugs, you are likely to find the projected annual cost, regardless of Plan chosen to be much higher than you have paid in the past. If you routinely hit the \$2000 out-of-pocket limit of our Blue Cross plan due mainly to drug costs, it is likely your future drug costs will be much higher. Talk to your doctor to see if alternative, lower cost drugs may provide similar benefits. This evaluation of all the plans needs to be done each year as the plans change annually and your drug needs evolve. The good news is that each year you are free to change plans without penalty. Out of pocket costs can be submitted for reimbursement from our stipend if you haven't used the entire amount for premiums.

## **MY MEDICARE ADVOCATE WEBSITE**

When using the MMA website:

- The map for drug coverage has a zoom out feature. Use that control and your pharmacy may appear on the list.

- When you sign in, the default goes to Medicare Advantage. Even if you choose another tab (Drug Coverage, Medigap, etc.), once you leave a page, it defaults back to Medicare Advantage. If you are not interested in Medicare Advantage, make sure that you have the tab you want before you continue.

## **PAYING FOR YOUR PLANS**

You will be asked at some point in the signup process how you wish to pay for your medical and drug plans. You can have premiums deducted from your Social Security check, you can be billed and pay with a check, you can set up a automatic bank draft or automatic credit card billing, or you can set up, after the first premium, for WageWorks to mail a check to your provider each month. (Note: some companies, especially dental insurers, do not accept checks. Payment must be made by bank draft or credit card). Sending receipts each month for multiple plans for both you and your spouse quickly becomes a major hassle, especially if you are not computer savvy and able to do it online. One option is to save receipts and submit batches periodically (or pay annually or quarterly up front and submit for repayment). The other is to work toward setting up automatic periodic reimbursement or “pay-my-provider” accounts.

The easiest thing to do is to set up to be reimbursed for your Part B Medicare premiums that are deducted from your Social Security benefits. Medicare Advantage (part C) and Medicare drug plans (Part D) can also be paid by withdrawals from your Social Security. If you choose this payment option when you enroll in these plans, then all you have to do is submit the letter you will get from Social Security saying they are going to withhold for these items (along with the proper claim form or online application) and WageWorks will automatically reimburse these amounts the first of every month.

Medigap plans cannot be withheld from Social Security. Payment must be made to the insurer by check, bank draft, or credit card. These can be reimbursed by submitting monthly claims, setting up a pay-my-provider system, or automatic monthly reimbursement by submitting the proper forms and a receipt for at least one payment. Your MMA advocate or WageWorks representative can help if needed.

## **DENTAL INSURANCE**

MMA provides minimal support for choosing dental insurance. Various plans are listed on their website for you to examine. Since these are not Medicare-related plans, the annual open enrollment dates do not apply. You can enroll anytime. However, most commercial dental plans have a waiting period (often 1 year) for major procedures to be covered. During the initial transition, MMA had an agreement that if you enrolled by December 20<sup>th</sup>, this waiting period will be waived. We assume this waiver will continue if you enroll as you lose your site coverage, but we have no updated information. You can find the same plans and other plans online or through ads in magazines and newspapers, that may be as good as or better than those offered through MMA. The same plans are often cheaper when you enroll individually, but then you have a waiting period. You may want to consider accepting the risk of a waiting period for a long-term lower premium. You are free to enroll in any plan and have the premiums reimbursed from the SRS.

stipend if sufficient funds are available. Be prepared to be disappointed however in all the offerings. We have not found any plan available commercially to be a comparable value to our site plan. If anyone finds a good plan, please send that information to the Medical Interface Committee. Be sure you are careful to check the coverage of any plan you are interested in at your dentist. Most dental plans are PPO plans – that is you must visit a network dentist for full coverage. Typically payments are reduced at non-network dentists. Plans that provide full benefits at any dentist are usually called “indemnity” plans, and are generally more expensive.

## **CONCLUSION**

Again, these are only ideas for your consideration when choosing your health insurance coverage. The SRSRA BOD wants this process to be successful for every retiree; however, please recognize that this is the first time for each of us and we all have much to learn. If you have questions or problems, you may contact Rick Geddes, Chairman, Medical Interface Committee at (803) 278-3842 or [rgeddes1@aol.co](mailto:rgeddes1@aol.co)