

Medicare Enrollment Options for 2017-18

A summary of what you need to know.

Provided by Eric Lindner

Key Medicare enrollment periods are approaching. This fall and winter, there are three periods in which Medicare beneficiaries can either enroll or disenroll in forms of coverage.

>> Oct. 15-Dec. 7, 2017: Open enrollment period. This is when you can exit Original Medicare (Part A & B) for a Medicare Advantage Plan (Part C) and change your prescription drug coverage (Part D). You can also get out of a Part C plan and go back to Part A & B during this period; although, you will certainly want a Medicare Supplement (Medigap policy) in place before you make such a move. (In most cases, that means having to pass underwriting.)¹

>> Dec. 8, 2017: Annual enrollment period begins for 5-star plans. All Part C and Part D plans are assigned ratings. Beginning December 8, 2017 and ending November 30, 2018, a window opens for you to enroll in a 5-star Part C or Part D plan. You can do this once per 365 days. How do you find the 5-star plans? Visit the Medicare Plan Finder: medicare.gov/find-a-plan.²

>> Jan. 1-Feb. 14, 2018: Medicare Advantage plan disenrollment period. If you join a Part C plan in late 2017 and decide you want to leave it, you can do so within this window of time and go back to Original Medicare (Part A & B) with a stand-alone Prescription Drug Plan (Part D). Again, having a Medigap policy before making such a switch is only prudent.¹

Do you have to confirm Medicare enrollment at the Health Insurance Marketplace? No. If you have Original Medicare or a Medicare Advantage plan through an HMO or PPO, you are covered under the Affordable Care Act. If you need to make changes to your Medicare coverage, you don't need to go to the HIM to do so. (For the record, you can't buy any Medicare plan through the HIM.)³

The ACA has enhanced Medicare benefits. It gives Medicare recipients in the "donut hole" avenues to brand-name prescription drug discounts, and recipients may now take advantage of free preventive benefits, cancer screenings, and a yearly wellness visit.³

If you only have Medicare Part B coverage (medical insurance), then you lack minimum essential coverage under the ACA, and you may have to pay a penalty. If you just have Medicare Part A coverage (hospital insurance), you are considered covered under the ACA.³

Should you get Medigap coverage if you have Part A & B? This third-party health insurance may save you money over time by picking up co-payments and deductibles not covered by Part A & B, but a Medicare Advantage plan provides more comprehensive coverage than Medigap does. Today's Medigap policies don't include prescription drug coverage, and they won't pay for extended long-term care, dental or vision care, or hearing aids or glasses. If you want or

need Medigap coverage, you can evaluate policies using Medicare's Personal Plan Finder at Medicare.gov.⁴

What should you look for in a Part C plan? Scrutinize the out-of-pocket spending limit, the copays, and the co-insurance. Attractively low premiums might not tell you the whole story about the value of a Part C plan. Also, how inclusive is the plan network? Does it include hospitals you would choose and the physicians that now treat you?

The Medicare Plan Finder can help you determine an appropriate Part D plan. After you enter your medications, it will go to work. Each Part D plan has its own formulary (list of approved drugs), categorized into higher and lower "tiers" by cost. Formularies do change; if a drug you take drops off of one, that Part D plan has to give you 60 days of notice (or alternately, written notice of the change when you get a refill with a 60-day supply of the medication).⁵

It is vital to check up on your Part D plan each fall, as your plan could change the way it pays for your specific drugs in the next year – for example, the drug you need could wind up in a more expensive tier. The co-insurance and co-payments could even be altered. Most plans send out notices of formulary changes with plenty of lead time, but sometimes they go unread.

Medicare is slowly reducing the Part D "donut hole." In 2017, Medicare recipients with Part D coverage are paying 40% of the cost of covered brand-name drugs and 51% of the cost of generics once they fall into the Part D coverage gap. Next year, that shrinks to 35% of the cost of brand-name medicines and 44% of the cost of generics. A gradual reduction will occur until 2020, when enrollees with Part D plans will pay no more than 25% of the cost of covered generic and brand-name drugs.⁶

Medicare plans mail Annual Notice of Change (ANOC) letters to their members. Use this notice to determine if your current plan is still right for you and your medical care needs. If you don't receive such a letter in September, contact your plan.⁷

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Citations.

1 - [medicare.gov/sign-up-change-plans/when-can-i-join-a-health-or-drug-plan/when-can-i-join-a-health-or-drug-plan.html](https://www.medicare.gov/sign-up-change-plans/when-can-i-join-a-health-or-drug-plan/when-can-i-join-a-health-or-drug-plan.html) [7/18/17]

2 - [medicare.gov/sign-up-change-plans/when-can-i-join-a-health-or-drug-plan/five-star-enrollment/5-star-enrollment-period.html](https://www.medicare.gov/sign-up-change-plans/when-can-i-join-a-health-or-drug-plan/five-star-enrollment/5-star-enrollment-period.html) [7/18/17]

3 - [healthcare.gov/if-i-have-medicare-do-i-need-to-do-anything/](https://www.healthcare.gov/if-i-have-medicare-do-i-need-to-do-anything/) [7/18/17]

4 - [fool.com/investing/2017/06/04/will-you-need-a-medigap-plan.aspx](https://www.fool.com/investing/2017/06/04/will-you-need-a-medigap-plan.aspx) [6/4/17]

5 - [medicare.gov/part-d/coverage/part-d-coverage.html](https://www.medicare.gov/part-d/coverage/part-d-coverage.html) [7/18/17]

6 - [medicare.gov/part-d/costs/coverage-gap/more-drug-savings-in-2020.html](https://www.medicare.gov/part-d/costs/coverage-gap/more-drug-savings-in-2020.html) [7/18/17]

