



Autumn 2011



Medigap Puzzle

Have you ever tried to solve one of those knot puzzles? It takes some study and then you have that 'Aha!' moment and you quickly figure out the game. Medicare can be a lot like one of those vexing puzzles. There are several moving parts to Medicare and you can easily get lost trying to keep track of all the interlocking parts. Medicare Supplements, also known as Medigap Plans, were a little confusing to me at first. I did not quite see their value until I got a firm grasp of the different parts of Medicare.

Original Medicare, Parts A and B, is a wonderful health insurance program for folks 65 and older. They have relatively low deductible, coinsurance and copayment expenses. The trick is understanding how often all of those expenses are applied and that is known as the Benefit Period.

Unlike individual, family and most small group plans, there is no annual 'maximum out of pocket' dollar amount written into Original Medicare. With most private health insurance plans once you have paid a specified amount for medical expenses, all of the benefits are covered 100% by the insurance company. This is not the case with Original Medicare.

Theoretically you could have multiple hospital admissions during the year for similar or unrelated medical conditions and continue to incur a deductible, coinsurance and copayments each time under Original Medicare Benefit Period definitions.

To help limit recurring costs to beneficiaries, Medicare Supplements or Medigaps were developed. These plans reduce or eliminate a person's exposure to deductibles, coinsurance and copays with Original Medicare. They are a 'supplement' to Medicare or

'they help fill the gaps'. The plans are regulated by the Federal and state governments and are all standardized (with the exception of MN, MA, & WI).

With the advent of Medicare Advantage plans, which include a 'maximum out of pocket' limit, some steam was taken out of the Medigap market. But supplement plans can still make sense for many people. It is just a matter of studying the financial resource puzzle to determine which, if any, Medigap plan offers the best protection from the lack of a 'maximum out of pocket limit' component in Original Medicare.

Medicare Annual Enrollment Period, October 15th – December 7th

This year I will be representing United Health Care and AARP Medicare Advantage, Part D Prescription Drug Plans and Medicare Supplement Plans or Medigap. The Annual Enrollment Period is a special time when folks can switch Medicare Advantage plans and make other decisions regarding their Medicare benefits. For this AEP season I will be spending several days per week at the Safeway on 8640 Sierra College Blvd with the UHC kiosk. Stop in and say hello if you are in the area. If you or a family member has any questions regarding Medicare, please give me a call. At the time of this writing I will have at least one Medicare Educational Seminar in Roseville at the Community Center on Maidu Dr. on Oct. 26th. Check my website for other dates and locations.

Blue Shield Customers Receive 2% Pledge Credits

In June, Blue Shield announced a pledge to limit their net income to 2% of revenue as a reflection of their not-for-profit mission to provide all Californians

with access to quality care at an affordable price and their longstanding commitment to health reform. Any excess of 2% net income will be returned to their customers and the community with approval from the

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board of directors. They said that they would begin this pledge by returning \$180 million from their 2010 income. True to their word during the week of September 6, clients who were eligible for a credit from the 2% Pledge were sent a letter notifying them of their credit amount. The credits will then be reflected in their bill for October dues/premiums. Please note: Some customers may already be seeing credits on their online account.

On August 1, 2011, HHS released new guidelines outlining required preventive care services for women. The new guidelines call for non-grandfathered health plans to include these services without cost sharing for insurance policies with plan years beginning on or after August 1, 2012:

- Well-woman visits
 - Screening for gestational high blood sugar
 - Human papillomavirus DNA testing for women 30 years and older
 - Sexually transmitted disease counseling
 - Human immunodeficiency virus screening and counseling
 - FDA-approved birth control methods and birth control counseling (certain religious employers are exempt from this rule)
 - Breastfeeding support, supplies, and counseling
 - Family violence screening and counseling
- The guidelines call for coverage of birth control methods that have a prescription.