

**PRIVATE PLAN OPTIONS**

# Covering the gaps

## Why you should review your (or your parents') Medicare supplement coverage periodically

By Paul Davis

This is a case study of a client I helped save almost \$350 a month in supplemental coverage premiums for her and her sister.

(Because Original Medicare does not cover all expenses associated with health care, supplemental insurance plans, also known as Medigap plans, are offered by private companies to help pay out-of-pocket costs. Plans and costs can vary widely depending on carrier and a person's specific situation.)

I'd known this woman for years and the topic of her Medicare coverage had never come up. I had assumed that she had her health coverage in order.

After I gave a brief presentation on Medicare plans, she came up and started asking questions.

She told me that she was paying about \$360 a month for her Medicare supplement plan. I told her that didn't sound right and invited her to come see me for a review of her coverage.

I shopped and compared other plans in the area. Using the California birthday rule (detailed below), we were able to move her to another carrier's Plan F that was only charging \$253 a month.

As a bonus, the new plan included a free gym membership. She was thrilled.

While she was in my office, I noticed a bill she had with her. She indicated it was for her sister.

The dollar amount of that bill jumped out at me and, when we were through enrolling her in a new plan, I inquired about her sister.

Her sister, who was four years younger was paying about \$455 per month for what turned out to be a



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An insurance broker can help compare supplemental plans and improve coverage.

Medicare supplement Plan A.

(Yes, it can be confusing; Medicare has Parts A and B, but they also have standardized Medicare supplement plans A and B just to make it interesting.)

Plan A is one of the least rich Medicare supplement plans, with no coverage for Part A or B deductibles and no coverage for skilled nursing care.

I called the insurance carrier to make sure there were no extra benefits that I was somehow missing. There wasn't anything.

I also asked how this woman got enrolled in this low-end plan. The carrier's representative had no explanation.

I was able to trade the sister up to a significantly better Plan F on a guaranteed basis and reduced her premiums by \$200 per month.

Six months later, I was able to move her to another carrier that was having an "underwriting holiday" event and reduced her premiums to \$214 a month.

I felt great that I had saved them so much money. But, I also regret that I did

not have a conversation with them sooner.

So, my recommendation is to review that Medicare supplement policy at your next birthday.

These Medicare supplement plan offerings were standardized in the early 1990s, "modernized" in 2010 and are being altered again in 2020.

Often times people have purchased plans and never reviewed them. There are currently 11 different Medicare advantage plans for sale, but several of those will no longer be available for new 65 year olds as of Jan. 2, 2020.

In California we have a "birthday rule" which guarantees the right of plan participants to change to any carrier's similar or lesser Medicare supplement plan within 30 days of their birthday — with no health questions.

Because plans are standardized we know that if we move someone from one plan F to another the health benefits and network of providers are identical.

One Medicare supplement carrier that has been exceeding California's state

law for some time and al-

lowing use of the California birthday rule to upgrade to any plan.

I've got about six clients who I've redirected from older Medicare supplement plans issued before 2006 that included nominal prescription drug coverage at an additional cost of about \$200 a month.

If you know anyone who is paying more than \$350 month for a Medicare supplement policy that person needs to shop coverage.

My office has a mechanism in place where we offer to re-shop all of our clients Part D prescription drug plans during the annual election period (Oct. 15 to Dec. 7).

We also re-shop all of our California clients' Medicare supplement plans around their birthday every year.

I know of no other agent or agency doing that.

*Paul Davis of Paul Davis Insurance Services is an independent insurance agent licensed for over 35 years and focused on Medicare plans for more than 10 years. His practice is entirely devoted to this market segment, CA license 0669770, 0M47932. More information at pdinsure.com. Contact Davis at 818-888-0880 or via email paul@pdinsure.com.*

### Are you ready for the Medicare Annual Election Period? October 15 to December 7.



This is the time period every year when you can make changes in your Medicare Advantage plans or your Part D prescription drug plans.

We help and encourage our clients to shop every year. We bring to their attention any changes in their existing plans but also to any new plans that might offer a better value proposition.

If you don't review your plans at this time, you will be subject to whatever changes are implemented January 1, 2020. If you wait until then you will have fewer or no options to change.

If your existing agent is not reviewing your coverage with you during this time period consider giving us a call. But, please don't wait until the last minute.

Paul Davis, Daily News Readers Choice Best Insurance agent 2002-2019