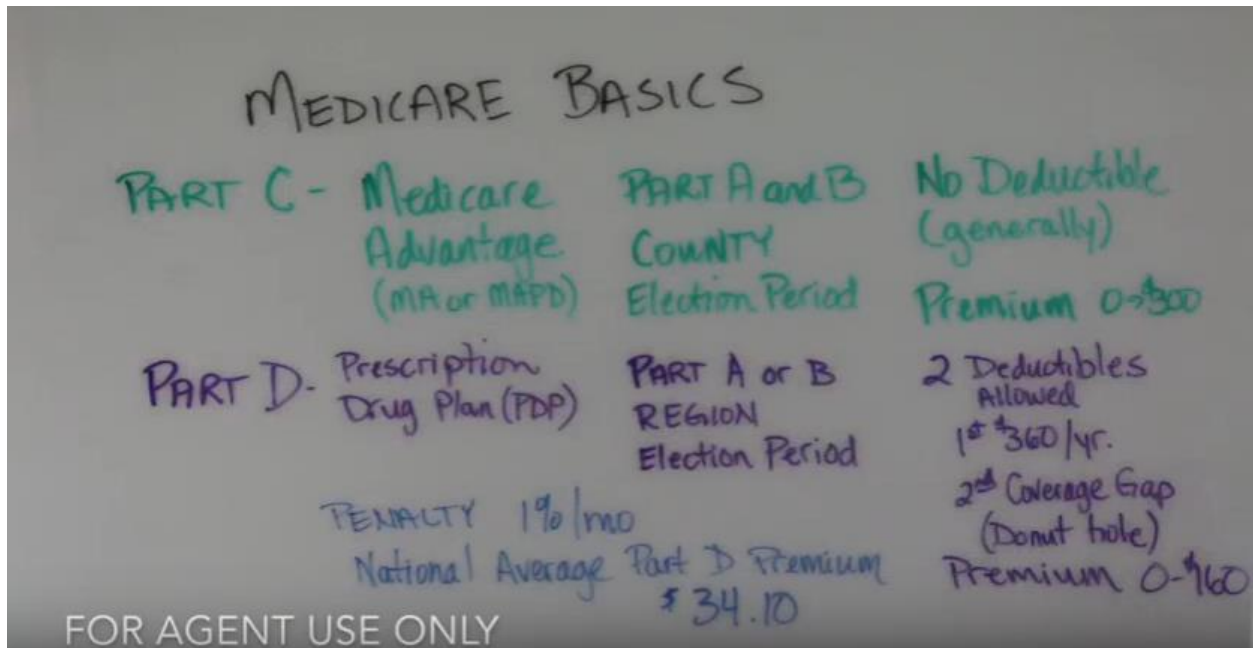


MEDICARE BASICS – C & D



Part C - Is the 3rd part of Medicare, also known as “**The Medicare Advantage Plan**”. You’ll sometimes hear them referred to as an **MA Plan** or an **MAPD Plan**. The MA means Medicare Advantage which covers the health portion only and the Prescription Drug Part means that there is the health and the drug all combined into one.

Medicare Advantage Plans are part of Medicare. They are approved by Medicare, regulated by Medicare, but they are not being offered by Medicare. Both Part C and Part D are plans that must be purchased through a private insurance company.

Enrolling

The Medicare Advantage Plans, is what needs to happen in order for you to be eligible to enroll into one. First, to get into Medicare Advantage Plan, you must have both Part A and Part B. Another factor that determines whether you can enroll into a Medicare Advantage Plan, is based on where you live. The delineating factors for Medicare Advantage Plans and what separates one from another are the county that you live in.

Election Period

Election Period, that’s another big one. You cannot get a Medicare Advantage Plan any time you want unless you have an election period to be able to use, to do an enrollment into one.

Deductibles

With Medicare Advantage Plans there is no deductible, generally. For most plans, if you get your coverage in network, the Part A deductible and the Part B deductible are generally waved. However, there are more plans now that are saying that if you go out of network, that they are going to charge you deductible. You just have to look at the summary of benefits for each one of the plans to be able to tell you whether there's going to be a deductible for that plan or not.

Premiums

The Premiums for these Medicare Advantage Plans also vary and again by which company, which plan and which county you live in. In fact, it's not uncommon to have 2 identical plans, but in different counties they have different premiums and that's just the way they've been filed and that's what's been approved by CMS.

Part D - "Prescription Drug Plans". These are also known as **PDPs**. This is another program that is regulated by the government, but has to be purchased through a private insurance company.

Enrolling

In order to be able to enroll into a Part D Plan, you must either have Part A or Part B. It's a little bit different than the Advantage Plan where you must have both Part A and Part B.

Premiums

The delineating factor for which plans are available and of course also the premiums are going to be based upon which region you live in. The country has been broken down by CMS into different regions. Sometimes an entire state is its own region, like Texas. Other times certain states are combined together to form a region. Like Tennessee and Alabama are region 12, as an example.

Election Period

You must have an election period in order to enroll into a Prescription Drug Plan, very similar to the Medicare Advantage Plan, is you must have an election period.

Deductibles

Prescription Drug Plans have deductibles. Medicare allows 2 deductibles. The first deductible for this year is \$360.00. That is an annual deductible that happens whenever they enroll. Some companies actually wave that deductible. It's a way to entice people in to select their plan. So they will sometimes either wave that deductible and may possibly reduce it to a smaller number or what they may do, is they may apply it only to the higher priced drugs.

2nd Deductible – Coverage Gap (Donut Hole)

The 2nd deductible is called **“The Coverage Gap”** or most affectionally known as the **“Donut Hole”**. We’ll talk about the “Donut Hole” and how to describe the Donut Hole to your clients in another one of our trainings. But these are the Medicare Basics for Part C and Part D.

Penalties

If someone decides that they don’t want a Medicare Prescription Drug Plan when they become eligible, very similar to Part B, they will also face **a penalty**. One thing to know about Prescription Drug Plans is you haven’t yet sold them, is that the premiums are the same regardless of age. So, each carrier offers a plan that has one premium, no matter how old you are. And again, if you are going to charge one premium for a health insurance product for everybody of different ages, then you have to have forced participation. If somebody says, well I don’t take a whole lot of medications, so I’m just going to wait a couple of years, then I’ll join one of these plans. They will be facing a penalty. The penalty is 1% per month for every month that they did not have a plan. Again, that penalty is going to be based off the national average Part D premium. The carriers will calculate that, the carriers will carry out the penalty, but you need to know what that is. That would be \$34.10 is the national average Part D premium right now for Prescription Drug Plans.

Conclusion

That concludes our training on Medicare Part C and Part D, Medicare Advantage Plans and Prescription Drug Plans.