

MEDICARE SUPPLEMENT 2020 FAQs

The Medicare Access and CHIP Reauthorization Act of 2015 revised the rules to Medigap policies regarding Part B deductibles for newly eligible Medicare beneficiaries beginning in 2020.

According to the revised Medicare rules, beginning Jan. 1, 2020, the law will:

- Prohibit newly eligible beneficiaries from purchasing a Medicare supplement plan that pays for the Part B deductible. This means plans C and F cannot be sold to newly eligible Medicare consumers. Those enrolled in Plans C and F prior to January 1, 2020 may keep their plan.
- Make plans D and G the guarantee issue plans for newly eligible Medicare beneficiaries for the specified periods under current law that name C or F for current Medicare beneficiaries.

The Division of Financial Regulation has completed rulemaking for Medicare supplement plans. This process brings state regulation in line with the federal act. The rule provides guidance for insurers to file plans in advance of the change.

Review the questions and answers below for more information.

Who is considered a newly eligible Medicare beneficiary under the Medicare Access and CHIP Reauthorization Act of 2015?

The federal law defines newly eligible as anyone who: (a) attained age 65 on or after January 1, 2020, or (b) who first becomes eligible for Medicare benefits due to age, disability, or end-stage renal disease on or after January 1, 2020.

How much is the Medicare Part B deductible?

For 2018, the Medicare Part B deductible is \$183.

How does this relate to efforts to eliminate Medigap first-dollar coverage?

The federal law will eliminate Medigap first-dollar coverage (coverage of all claims without paying any out-of-pocket costs) by discontinuing the sale of Plans C and F for newly eligible Medicare beneficiaries.

What are the penalties for selling plans C and F to newly eligible consumers on or after January 1, 2020?

Any person or company who sells or issues such policies to newly eligible Medicare beneficiaries after that date would be subject to a maximum \$25,000 in fines, and/or five years in prison per each action.

How are people eligible for Medicare on the basis of disability impacted by these changes?

Current beneficiaries are not impacted. Restrictions will apply to persons who qualify for Medicare as a result of a disability on or after Jan. 1, 2020.

Why are plans redesignated for only newly eligible Medicare beneficiaries?

The Federal Government wanted to eliminate coverage for the Part B deductible. Since plans C and F will no longer be available for newly eligible beneficiaries, it was necessary to designate plans D and G for these individuals.

How are enrollees in current Plans C and F affected by these changes?

Current enrollees are not affected by the federal act. They may continue with their current plans beyond 2020.

What changes are made to High Deductible Plan options?

Since Plan F High Deductible cannot be sold to newly-eligible Medicare beneficiaries, a new Plan G High Deductible is created for newly eligible beneficiaries as of Jan. 1, 2020.

The effective date of coverage for Plan G High Deductible must be on or after January 1, 2020. If you are enrolled in a Plan F High Deductible prior to Jan. 1, 2020, you will be able to continue this coverage and purchase this coverage after Jan. 1, 2020.

When can the new High Deductible Plan G be sold and who can buy it?

Plan G High Deductible can be made available beginning on Jan. 1, 2020 all Medicare beneficiaries will be able to buy the new Plan G High Deductible.

For high deductible plans, does payment of the Part B deductible count towards the plan deductible?

For Plan G High Deductible, while the Part B deductible is not covered (reimbursed), it does count towards the Plan G deductible.

If the Plan G High Deductible is met with Part A expenses and Part B deductible expenses are incurred, these expenses will not be covered expenses until the beneficiary meets the Medicare Part B deductible.

For the new High Deductible Plan G sold on or after January 1, 2020, what happens if a policyholder meets the high deductible amount with all Part A out of pocket expenses?

If the Plan G's deductible is met with all Part A expenses, any Part B deductible expenses incurred will not count towards meeting the Plan G deductible.

What changes are made to Guaranteed Issue requirements?

Since plans C and F, will no longer be available for newly eligible Medicare beneficiaries on January 1, 2020, plans D and G will become two of the guaranteed issue plans for these individuals.

Current enrollees can remain with or buy Plans C and F and individuals who do not fall within the definition of newly eligible Medicare beneficiary will still be able to purchase Plans C and F.

How does this change the way Plans C or F, and D or G, will be sold in Oregon?

Insurers can continue to sell Plans C or F to current Medicare beneficiaries. However, newly eligible Medicare beneficiaries cannot apply for or purchase Plan C or F.

Newly eligible beneficiaries would be offered Plans D or G on a guaranteed issue basis instead.

When will *Choosing a Medigap Policy: A Guide to Health Insurance for People with Medicare*, be revised to include these new changes?

We anticipate that CMS will update the *Choosing a Medigap Policy: A Guide to Health Insurance for People with Medicare* prior to January 1, 2020.