

Medicare for 2010

New 2010 Medigap Benefits and Plans

New Hospice Benefit

All plans will now include the Hospice Benefit as part of the “Core Benefits.” Medicare pays for all but very limited co-payments for outpatient drugs (\$5). Included in all Medigap plans a benefit to pay this co-payment will be included.

Medicare provides coverage for inpatient respite care up to 5 days less a co-payment amount of 5% of the daily benefit. The new Hospice benefit will pick up this 5% co-pay.

New Plans

The new regulation also makes the following two new plan options available to beneficiaries, which have higher cost-sharing responsibilities and lower estimated premiums:

- **New Plan M** includes 50 percent coverage of the Medicare Part A deductible and does not cover the Medicare Part B Deductible. Plan M has all the core benefits plus the foreign Travel Emergency Benefit.
- **New Plan N** does not cover the Medicare Part B deductible and adds a new co-payment structure of \$20 for each physician visit and \$50 for each emergency room visit (waived upon admission to the hospital). Plan N has all the core benefits plus the foreign Travel Emergency Benefit.

Benefit Chart of Medicare Supplement Plans Sold for Effective Dates on or After June 1, 2010

A	B	C	D	F/F*	G
Basic, Including 100% Part B coinsurance	Basic, Including 100% Part B coinsurance	Basic, Including 100% Part B coinsurance	Basic, Including 100% Part B coinsurance	Basic, Including 100% Part B coinsurance	Basic, Including 100% Part B coinsurance
		Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance
	Part A Deductible	Part A Deductible	Part A Deductible	Part A Deductible	Part A Deductible
		Part B Deductible		Part B Deductible	
				Part B Excess (100%)	Part B Excess (100%)
		Foreign Travel Emergency	Foreign Travel Emergency	Foreign Travel Emergency	Foreign Travel Emergency

*Plan F also has an option called a high deductible plan F. This high deductible plan pays the same benefits as Plan F after one has paid a calendar year [\$1900] deductible. Benefits from high deductible plan F will not begin until out-of-pocket expenses exceed [\$1900]. Out-of-pocket expenses for this deductible are expenses that would ordinarily be paid by the policy. These expenses include the Medicare deductibles for Part A and Part B, but do not include the plan's separate foreign travel emergency deductible.

K	L	M	N
Hospitalization and preventive care paid at 100%; other basic benefits paid at 50%	Hospitalization and preventive care paid at 100%; other basic benefits paid at 75%	Basic, Including 100% Part B coinsurance	Basic, Including 100% Part B coinsurance, except up to \$20 copayment for office visit, and up to \$50 copayment for ER
50% Skilled Nursing Facility Coinsurance	75% Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance
50% Part A Deductible	75% Part A Deductible	50% Part A Deductible	Part A Deductible
		Foreign Travel Emergency	Foreign Travel Emergency
Out-of-pocket limit \$[4440]; paid at 100% after limit reached	Out-of-pocket limit \$[2220]; paid at 100% after limit reached		

2010 Medigap Changes Frequently Asked Questions

When are these changes effective?

The 2010 Medicare Supplement changes will be effective on any policy sold effective June 1, 2010.

When can I start marketing the new plans?

The new plans are effective June 1, 2010, so the kickoff for selling to those clients who will turn 65 in June will actually be January 1, 2010.

How competitive will the new plans M & N be?

We expect them to be very competitive. Co-Pays and Co-Insurance will always drop the premium.

Why were plans E, H, I and J eliminated?

Plan E was eliminated because the new Plan D would contain exactly the same benefits. Plans H, I and J were eliminated because with the other dropped benefits these plans would also duplicate other plans available.

What will happen in the plan your client has is dropped?

Any plan that was purchased prior to June 2010 will remain in force. Keep in mind these new plans are for new issues with effective dates of June 2010 and beyond. Your clients' current Medigap plan is guaranteed renewable for life. Even if their health changes, they cannot be terminated or forced to change to one of the new plans.

What is the new hospice benefit?

All plans will now include the Hospice Benefit as part of the "Core Benefits." Medicare provides coverage for inpatient respite care up to 5 days less a co-payment amount of 5% of the daily benefit. The new Hospice benefit will pick up this 5% co-pay.

Why was the At-Home Recovery benefit dropped?

It was determined that the benefit was confusing and difficult to understand and administer.

Why was Preventive Care dropped from all plans?

Because Medicare Part B has changed to cover many more preventive benefits, effectively rendering this benefit redundant.

2010 Medicare Supplement Changes

Welcome to Senior Market Sales' 2010 Medicare Supplement portal, your hub for information concerning the coming changes to Medicare Supplement (Medigap) insurance

As these plans are still evolving, please visit us often for future updates.

Background

The changes to Medicare Supplement come as a result of HR 6331, the Medicare Improvements for Patients and Providers Act (MIPPA, passed on July 9, 2008), which authorized implementation of the NAIC's proposed Medigap modernization changes, which were approved by the NAIC Plenary in March 2007.

Major Changes

The 2010 Medicare Supplement changes are an effort to modernize the Medigap Market by dropping some coverage options and adding others. See Below.

Summary of changes for 2010 Medigap plans purchased effective June 1, 2010:

- “At-Home Recovery” benefit will be dropped from all 2010 Medicare Supplement plans
- Preventative Care will be dropped from all 2010 Medicare Supplement plans
- Medigap Plans E, H, I and J will no longer be available for new sales
- Plan G will be modified to increase excess charges from 80% to 100%
- New Hospice Benefit will be added to all plans
- Two new Medigap Plans M & N will be available in 2010
- Insurance carriers will be allowed to offer plans that include “New” or Innovative Benefits, such as eyewear or hearing aid benefits. They may not include outpatient prescription drug benefits.

A	B	C	D	F/F*	G
Basic, Including 100% Part B coinsurance	Basic, Including 100% Part B coinsurance	Basic, Including 100% Part B coinsurance	Basic, Including 100% Part B coinsurance	Basic, Including 100% Part B coinsurance	Basic, Including 100% Part B coinsurance
		Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance
	Part A Deductible	Part A Deductible	Part A Deductible	Part A Deductible	Part A Deductible
		Part B Deductible		Part B Deductible	
				Part B Excess (100%)	Part B Excess (100%)
		Foreign Travel Emergency	Foreign Travel Emergency	Foreign Travel Emergency	Foreign Travel Emergency

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Hospitalization and preventive care paid at 100%; other basic benefits paid at 50%	Hospitalization and preventive care paid at 100%; other basic benefits paid at 75%	Basic, Including 100% Part B coinsurance	Basic, Including 100% Part B coinsurance, except up to \$20 copayment for office visit, and up to \$50 copayment for ER
50% Skilled Nursing Facility Coinsurance	75% Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance
50% Part A Deductible	75% Part A Deductible	50% Part A Deductible	Part A Deductible
		Foreign Travel Emergency	Foreign Travel Emergency
Out-of-pocket limit	Out-of-pocket limit		

\$[4440]; paid at 100% after limit reached	\$[2220]; paid at 100% after limit reached		
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