

## MEDICARE ANNUAL ELECTION PERIOD

The annual election period (AEP) for Medicare will run from 10/15/2018 through 12/07/2018. During this period, you can change to a different plan, which will become effective on 1/1/2019. Please remember to look for an Annual Notice of Change (ANOC), which you will receive directly from your Medicare Advantage provider or prescription drug provider. You should expect this sometime in September. The ANOC will provide a comparison grid of your current 2018 plan with proposed changes for 2019. This is an important document that will outline any upcoming changes, including changes to your premiums, copays, deductibles, prescription drug formularies, etc.

Once you receive this information, **please check in with me even if you are planning to keep your plan the same.** I want to confirm that you checked the formulary (list of medications) to make sure your prescriptions are still covered. In addition, there may be changes to the provider directory with the Medicare Advantage plans, so I want to be sure that your doctors, etc. continue to participate in the network.

If you would like to pursue other options, please call my office to schedule an appointment (724-260-0341)

## NEW MEDICARE CARDS

The Center for Medicare and Medicaid Services (CMS) began sending out new Medicare cards to Medicare beneficiaries this past April. The purpose was to stop using Social Security numbers for identification purposes. This was required by a law that was enacted to discourage identity theft. This change will better protect private health care

and financial information as well as Federal health care benefits and service payments.

The new cards will feature a randomly assigned Medicare Beneficiary Identifier (MBI) that is 11 characters in length. They will be made up of only numbers and letters (no special characters). Each Medicare claim number is randomly generated and unique, and will not have any hidden or special meaning. You may begin using your new Medicare card as soon as you receive it. I was hoping these new cards would be in plastic, but unfortunately, they are still paper cards.

## STATUS OF HIGHMARK-UPMC

As you may remember, Highmark and UPMC signed a consent decree (a state brokered agreement) in 2014 laying out a 5-year plan for how their separation will take place. This decree is set to expire on June 30, 2019. If this were the case, Highmark's Medicare Advantage members (Freedom Blue and Security Blue) would lose their in-network access to UPMC hospitals and physicians.

Medicare contracts operate on a calendar year, so having the contract end mid-year would be very difficult for Highmark beneficiaries.

According to an article by Dan Packel from Law360, Philadelphia (January 30, 2018, 7:48 PM EST) – "A Pennsylvania judge ruled on Monday that the University of Pittsburgh Medical Center must continue to honor Medicare Advantage contracts with rival Highmark Inc. for six months past the expiration date stated in a 2014 agreement, ensuring that Highmark's customers will maintain in-network coverage rates until the end of 2019."

UPMC however, felt that this was the wrong decision and is appealing to the State's Supreme Court.

Hopefully there will be resolution and answers by the time the Annual Election Period rolls around on October 15<sup>th</sup>. **It is extremely important to check your network of doctors, hospitals, and other facilities on an annual basis when you are in any Medicare Advantage plan.**

#### THE COVERAGE GAP- COMMONLY REFERRED TO AS THE DONUT HOLE

Medicare did not cover outpatient prescription drugs until **January 1, 2006**, when it implemented the Medicare Part D prescription drug benefit. It was authorized by Congress under the "Medicare Prescription Drug, Improvement, and Modernization Act of 2003." This Act is generally known as the MMA.

With the prescription drug coverage, there is an initial coverage level, which covers medications up to a certain level. This means after you and your drug plan have spent a certain amount (in 2018-\$3750) for your covered medications, you would enter the coverage gap. During this time, you would need to pay more for your medications until you reach the next level, which is known as the catastrophic level (in 2018 - \$5000). In the coverage gap you would pay a certain percentage for both your generic and your brand name drugs. As you know, brand name medications can be very costly, which can pose quite a burden on some Medicare beneficiaries.

Federal legislation is supposed to reduce the coverage gap every year and eventually close the gap entirely.

#### SOME TIPS TO HELP AVOID and/or LESSEN the Coverage Gap

Prior to starting Medicare, if it is possible, try to get a 3-month supply of your medications while on your previous plan.

Many brand name drugs have lower cost alternatives. Ask your physician if these generic alternatives would work for you.

Check out the cash price of medications. These prices vary from pharmacy to pharmacy. If your plan has preferred pharmacies and/or mail order, it could save you money to pursue these options.

People who qualify for Extra Help (or the Low-Income Subsidy) will avoid the coverage gap, or "donut hole." Extra Help is a federal program that helps eligible individuals with limited income pay for Medicare Part D costs such as premiums, deductibles, and copayments/coinsurance. If you qualify for this assistance, you won't enter the coverage gap. You can apply for the program through your state's Medicaid department or the Social Security Administration.

If you don't qualify for extra help, there is another program available to individuals with low income called Pace or Pacenet. This is funded through the PA Lottery. You can call to see if you qualify at 800-225-7223.

For Individuals who don't meet income requirements for Extra Help, they may be eligible for financial assistance from the drug manufacturer of the brand-name drug. Visit [Medicare.gov](http://Medicare.gov) to find out if there's a Pharmaceutical Assistance Program for the medications you take.

## EDUCATIONAL WORKSHOPS and CONFERENCE CALLS

We held a Medicare educational seminar on Thursday, April 26<sup>th</sup>. It was very well attended and received positive feedback. We are planning to hold another similar Medicare educational seminar in September. The date has not been set yet, but we will keep you posted.

On January 16<sup>th</sup> we will have another educational seminar on Medicare. At the January workshop we will have Elaine Cole from Social Security as a guest presenter participate as well. If you should have any questions in advance, please let us know.

In addition, we are hoping to schedule conference calls to discuss the general changes of the various Medicare Advantage plans. These will be scheduled once you receive your annual notice of change (ANOC) informing you of the changes to expect for the upcoming year. I am hoping to schedule these calls late September or early October. Please watch your email for upcoming dates.

Visit my updated website at  
[www.bluepeakinsurance.com](http://www.bluepeakinsurance.com)



**\*\*If you would rather receive the Newsletters  
via email, please let me know.**

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