



# FINANCIAL PLANNING UPDATE

*September 12, 2019*

## Helpful Tips on the Upcoming Medicare Annual Election Period

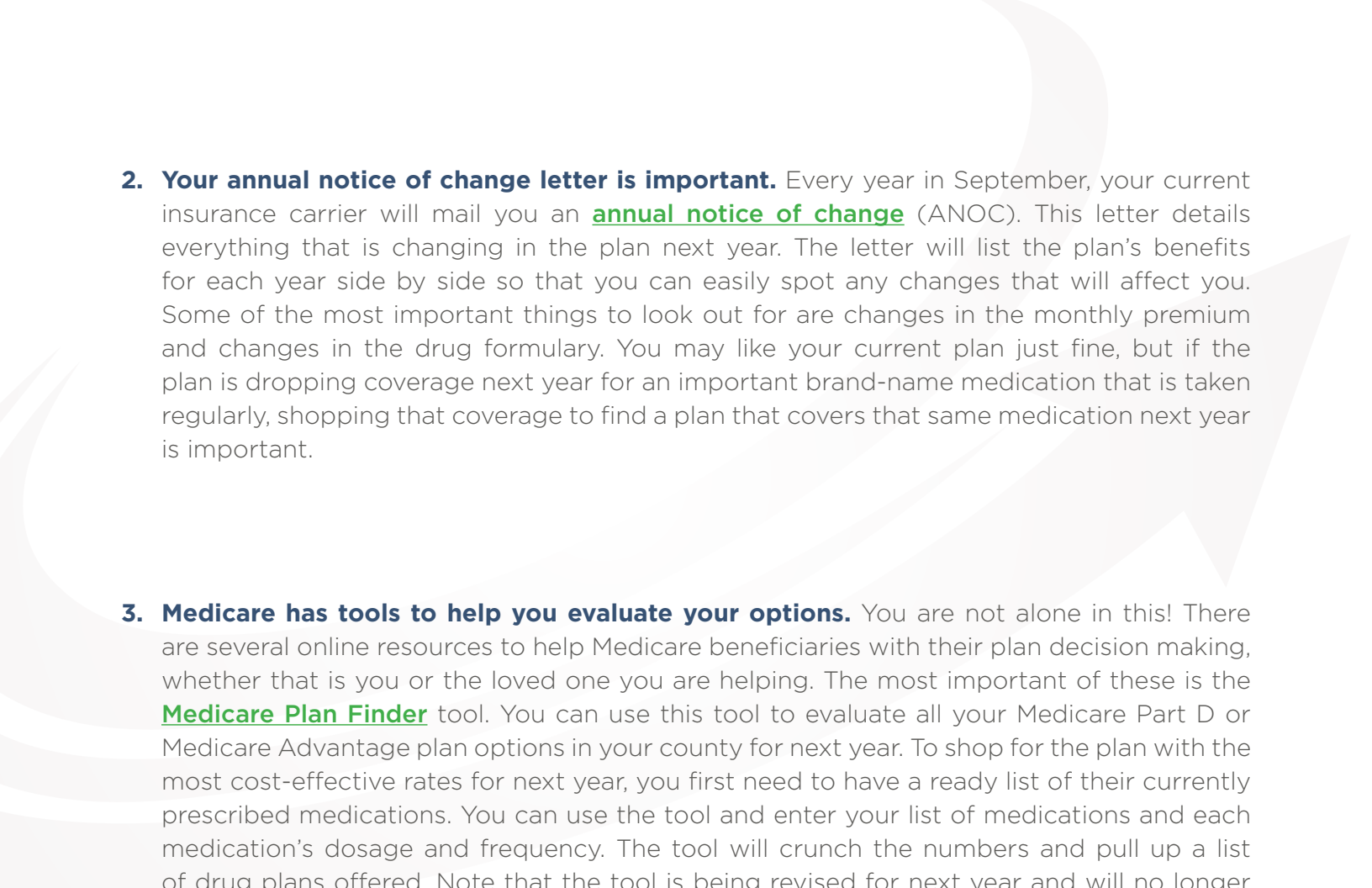
It's that time of year. Pumpkin spice, back to school, college football, leaves falling in your yard...and Medicare's fall annual election period (AEP)! Wait...what? Did we just lump the joys of college football with the mundane of the AEP? Yes, we did. We're that exciting. Kidding aside, while your favorite team may be gathering your attention right now, so should a big fat mailer that is coming your way giving you a chance to update your (or your loved one's) Medicare Part D plan and/or your Medicare Advantage plan (if you have one).

If you are like most, you'll experience confusion when this door-stopping packet arrives and may in that confusion choose to simply ignore it and continue with the status quo. That is fine, but you may be missing out if you do. Missing out on a chance to save money, improve your benefits, or both.

The AEP runs from October 15th to December 7th each year. It is a time when you can enroll in, change, or disenroll from your current [Medicare Part D](#) drug plan or [Medicare Advantage \(Part C\)](#) plan. So, what should you consider as you review the materials that come your way? Here are a few helpful tips!

- 1. The election period does not affect Medigap plans.** If you have a standalone Part D drug plan, chances are that you also have a Medicare Supplements (Medigap plan). The benefits on Medigap plans do not change from year to year, so the AEP has nothing to do with these plans. Many beneficiaries are confused about this and believe that they can use the AEP to change from one Medigap plan to another without having to answer health questions. Unfortunately, this is not the case. Though a beneficiary can apply for a new Medigap plan at any time of year, this change requires them to answer health questions and go through underwriting in most states. The underwriter for the new Medigap carrier can accept you or decline you based on your answers and the information found in your medical record. Certain prescriptions can also cause an automatic rejection. One expert we read suggest that you not worry about your Medigap plan until your next policy anniversary. When that time rolls around, if a rate increase occurs, then that's a good time to tackle applying elsewhere for a lower rate. We will also note that you do not have to enroll in Original Medicare (Part A) each year. That is done once (likely when you turned 65). [If you need guidance on that decision (not addressed in this post), please let us know. We'll be happy to help.]

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- 2. Your annual notice of change letter is important.** Every year in September, your current insurance carrier will mail you an [annual notice of change](#) (ANOC). This letter details everything that is changing in the plan next year. The letter will list the plan's benefits for each year side by side so that you can easily spot any changes that will affect you. Some of the most important things to look out for are changes in the monthly premium and changes in the drug formulary. You may like your current plan just fine, but if the plan is dropping coverage next year for an important brand-name medication that is taken regularly, shopping that coverage to find a plan that covers that same medication next year is important.
- 3. Medicare has tools to help you evaluate your options.** You are not alone in this! There are several online resources to help Medicare beneficiaries with their plan decision making, whether that is you or the loved one you are helping. The most important of these is the [Medicare Plan Finder](#) tool. You can use this tool to evaluate all your Medicare Part D or Medicare Advantage plan options in your county for next year. To shop for the plan with the most cost-effective rates for next year, you first need to have a ready list of their currently prescribed medications. You can use the tool and enter your list of medications and each medication's dosage and frequency. The tool will crunch the numbers and pull up a list of drug plans offered. Note that the tool is being revised for next year and will no longer retain saved data about prescription drugs. If you wish to save your list of medications, you should first sign up for a [MyMedicare.gov](#) account and then enter your drug lists there. This account will also benefit you in managing claims and accessing your personal health information throughout the year.
- 4. What to consider when changing Medicare Advantage plans.** Some beneficiaries choose to get their coverage through a Medicare Advantage plan. These are private insurance policies that pay instead of Medicare and they have networks of providers. If you wish to change to a different Medicare Advantage plan, you need to verify that your favorite providers are in the network for the next plan. Each plan has an online directory where beneficiaries can search to determine this information. Some beneficiaries may wish to leave their current plan and just return to original Medicare instead of to another Medicare Advantage plan. This can easily be done by notifying the current carrier in writing that you wish to disenroll or calling 1-800-MEDICARE to make the change by phone. It is important to note that if you wish to add a Medigap plan to your original Medicare, health questions may apply. It's a good idea to apply for the Medigap plan first to ensure you can get approved before disenrolling from your Medicare Advantage plan.

**5. The last application wins.** Because beneficiaries are bombarded with so much marketing during this time of year, you may make a plan decision and then change your mind later. This is okay. You can submit a new application for a different plan anytime up until December 7th. The last application processed during the AEP is the plan that will take effect on January 1st. While the AEP can be overwhelming, the process of evaluating plans can be done in an hour or two by working with a good Medicare insurance broker who can do most of the legwork for you. **This post** by Danielle Kunkle Roberts at Boomer Benefits gives a list of action steps to prepare for the election period as well as view answers to common question about the AEP.

We hope this information is helpful as you approach the Annual Election Period. If you need further guidance, please do not hesitate to reach out. If we don't have the answer, we'll be glad to connect you with a Medicare expert who can.

Lastly, please feel free to share this post with friends, colleagues, or family...and please let us know if there are other financial planning topics you would like to see us address in future emails and blog posts.

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