

**MACRA - Changes to Medicare Supplement Insurance Plan Availability  
Frequently-Asked Questions (FAQs)**

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**Audience:** Producers Only

**Distribution:**

- Newsletter (5/29/19)
- Producer Web Access
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**1) What is MACRA?**

A new federal law was passed on April 16, 2015: The Medicare Access and CHIP Reauthorization Act of 2015 (“MACRA”). MACRA includes two major components: **one** establishes a quality payment program for providers that rewards clinicians for value over volume. This will help reduce the paperwork burden on providers, allowing doctors to spend more time with patients (see [www.gpp.cms.gov](http://www.gpp.cms.gov) for further reference).

MACRA also addresses the availability of Medicare Supplement Insurance **Plans C\*, F, F Select\*\* and High Deductible F**. These plans will no longer be sold to Medicare beneficiaries who become Medicare Eligible **on or after January 1, 2020**. Members who currently have Medicare Supplement Insurance Plans C, F or High Deductible F will be able to keep them. This part of MACRA only affects beneficiaries who become Medicare eligible on or after January 1, 2020 and does not affect any other lettered Medicare Supplement Insurance Plans.

Additionally, MACRA mandated the distribution of new Medicare cards (between April 2018 and April 2019).

**\*Plan C is currently sold only in Illinois and Montana**

**\*\* Plan F Select is currently sold only in Illinois, Oklahoma and Texas**

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## 2) Why the change?

Medicare sought to increase cost-sharing with all its beneficiaries. This will be done by requiring beneficiaries to pay their Medicare Part B deductibles (currently \$185 for 2019). Plans C, F, F Select and High Deductible F currently cover the Medicare Part B deductibles.

## 3) What is meant by “newly eligible?”

In the context of MACRA, “newly eligible” applies to **a) anyone who turns age 65 on or after January 1, 2020, or b) anyone who becomes eligible for Medicare due to age, disability or end-stage renal disease on or after January 1, 2020.** The easiest way to see if this applies to your client is to ask them to reference their Medicare red, white & blue card and look at their effective dates. If it was issued prior to January 1, 2020, they can continue with a Medicare Supplement Plan C, F, F Select and F High Deductible.

## 4) My client currently has (Plan C) (Plan F) (Plan F Select) (Plan F High Deductible). Do they have to enroll in another Plan?

No. The new MACRA regulations only apply to those newly eligible on or after January 1, 2020. If your client currently has (Plan C) (Plan F) (Plan F Select) or (Plan F High Deductible), they can keep their current Medicare Supplement Insurance Plan.

## 5) My client is currently employed and has employer coverage. But he/she is already 65 (or will become Medicare-eligible prior to January 1, 2020). Does that mean my client can't buy (Plan C), (Plan F), (Plan F Select) (Plan F High Deductible) upon retirement?

No. If your client is Medicare-eligible before January 1, 2020 and currently does not participate in Medicare because he/she is working and has insurance coverage through an employer, **he/she can purchase (Plan C), (Plan F), (Plan F Select) (Plan F High Deductible) upon retirement and participation in Medicare.** These clients do not meet the definition of “newly eligible,” even though they will not participate in Medicare until **after** January 1, 2020. However, you should encourage your clients to consult their employers’ benefit administrators to ensure there is no interruption in health care coverage upon retirement.

**6) Will the premiums for (Plan C) (Plan F) (Plan F Select) (Plan F High Deductible) be increased to a level that it would make more financial sense for my client to change Plans?**

No. Each year all carriers that sell Medicare Supplement Insurance Plans evaluate their products to help ensure they are providing access to high quality care and services to members at affordable costs. Premiums are set using those criteria. Although premiums do increase slightly year-to-year, carriers do not artificially increase premiums on certain Plans to “force” current members to switch Medicare Supplement Insurance Plans. Additionally, Medicare rules prohibit this practice.

**7) My client currently has an individual Medicare Supplement (Plan C), (Plan F) (Plan F Select) (Plan F High Deductible) with another carrier. Will he/she still have the option to enroll into Blue Medicare Supplement (Plan C), (Plan F), (Plan F Select) or (Plan F High Deductible) after January 1, 2020?**

Yes. These clients became Medicare-eligible before January 1, 2020, and would be able to purchase these plans if they were moving from another carrier. In certain cases restrictions may apply, so you may need to verify these requests with your Sales Manager.

**8) What Medicare Supplement Insurance Plan is closest to (Plan C), (Plan F), (Plan F Select) (Plan F High Deductible)?**

Medicare Supplement Insurance Plan G has identical benefits to Plans F, F Select and Plan F High Deductible. Plan D also has identical benefits to Plan C\*. The only difference is with Plans D and G, your clients will be responsible for your Medicare Part B deductible (\$185 in 2019).

**\*ILLINOIS AND MONTANA ONLY**

Another option for newly eligibles who cannot enroll in Medicare Supplement Plan C would be to consider Medicare Supplement Insurance Plan D. More details on this new plan are expected later this year.

## **ILLINOIS and OKLAHOMA ONLY**

In Illinois and Oklahoma, a Medicare Supplement Plan G Select option is available that offers a lower premium rate should your client qualify.

### **9) Do any other parts of MACRA impact Medicare beneficiaries?**

MACRA mandated that all Medicare beneficiaries receive new Medicare ID cards. The new cards replace beneficiaries' Social Security numbers with unique ID numbers in order to help protect their privacy. These cards were distributed to all Medicare beneficiaries between April, 2018 and April, 2019. If your client hasn't received it, they must contact Medicare directly at **1-800-MEDICARE**.

### **10) If my client switches and moves to a more expensive plan, does underwriting apply?\*\*\***

It does apply MACRA does not impact the current rules in product changes. The same rules will apply.

### **11) If my client switches to a less expensive Medicare Supplement Insurance Plan, does underwriting apply?**

It **does not** apply. MACRA does not impact the current rules in product changes. The same rules will apply.

**\*\*\*All states except Illinois**

### **12) Does MACRA impact any groups that have Group Medicare Supplement Plan F?**

No. However, group accounts will not be able to offer Plans C, Plan F, Plan F Select or Plan F High Deductible to retirees who become Medicare eligible after January 1, 2020.

### **13) If Plan F applications get submitted and issued with a 2020 effective date for someone who is newly eligible for Medicare on or after January 1, 2020, can the member keep that policy since was issued prior to January 1, 2020?**

No. Insurance carriers cannot activate policies for Plans C, F, F Select and F High Deductible for applicants who are newly eligible for Medicare on or after January 1, 2020, regardless as to when the application was submitted.