

Switching Plans Under Medicare

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SENIOR HEALTHCARE DIRECT
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SWITCHING PLANS UNDER MEDICARE

Situations change. Needs change. That means the health care choices you've made previously as a Medicare beneficiary can also change. The good news is that switching plans under Medicare is fairly common and there are resources to help you. However, there are also rules that must be observed and only specific times or circumstances in which changing your coverage is allowed.

Switching plans will involve one or more of the following components of Medicare:

- **Part A** - Hospital and inpatient care (included in Original Medicare)
- **Part B** - Outpatient care and many other medical services (included in Original Medicare)
- **Part C** - Medicare Advantage (MA) alternative to Original Medicare (Medicare Advantage plans include Part A, Part B and sometimes Part D)
- **Part D** - Prescription drug coverage (requires a standalone plan if not included with an MA plan)

Note that Medicare Supplement plans (often referred to as Medigap policies) are separate. These policies will pay for much of the health care costs not covered by Original Medicare.

TO SWITCH FROM ORIGINAL MEDICARE TO MEDICARE ADVANTAGE (MA)

For people who are used to receiving medical care through an insurer that operates within a network of service providers (such as an HMO or PPO) and believe they can save money — especially in comparison with Original Medicare plus a Medicare Supplemental policy — the MA alternative can be very attractive.

The time to make this switch will be the annual Open Enrollment Period. Every October 15 through Dec. 7, you will have the opportunity to drop your Original Medicare coverage — and also drop any Medicare Supplement insurance — in favor of a Medicare Advantage plan (Medicare Part C).

As long as your request is received by Dec. 7, your new coverage will begin on Jan. 1

TO SWITCH FROM MEDICARE ADVANTAGE TO ORIGINAL MEDICARE

Going from a Medicare Advantage plan is relatively simple. To initiate the change, you have three options:

- Call 1-800-Medicare (1-800-633-4227) TTY 771 and take care of your disenrollment from MA over the phone.
- Visit your local Social Security office, and ask to be switched from your MA plan to Original Medicare.
- Contact your MA insurer and request a disenrollment form.

Though you can make the change from MA to Original Medicare at any time, you will probably want to also acquire a Medigap policy to cover costs of Medicare Part A and Part B that you will be responsible for paying under Original Medicare. Additionally, if your Part D (prescription drug coverage) was included in you MA plan, you will probably want to acquire a standalone prescription drug plan (PDP).

Learn more about when you can get Medigap and PDP plans in the sections: **“Buying a Medigap Policy”** and **“Buying or Switching a Prescription Drug Plan.”**

TO SWITCH MEDICARE ADVANTAGE PLANS

If you're already in a Medicare Advantage Plan and want to switch, you need only join the new plan during one of the enrollment periods. You'll automatically be disenrolled from your old plan when your new plan's coverage begins.

- Open Enrollment Period - From October 15 - December 7 of each year, you can join, switch, or drop a plan. Your coverage will begin January 1 (provided the plan receives your request by December 7).
- Medicare Advantage Open Enrollment Period - From January 1 - March 31 of each year, if you're enrolled in a Medicare Advantage Plan, you can switch to a different Medicare Advantage Plan.

When you become eligible for Medicare, you have a choice between Original Medicare or a Medicare Advantage (MA) plan, sometimes referred to as a Medicare private plan or Medicare Part C. While both types of coverage provide health care for Medicare recipients, there are significant differences between Original Medicare and MA plans with important advantages and disadvantages depending on individual circumstances and preferences.

You should also be aware that Original Medicare will not pay all of the costs associated with receiving health care. In addition to deductibles and monthly premiums, in most cases medical services provided under Part A and Part B will also require you to pay coinsurance costs, usually 20%. To protect themselves from these expenses, most people with Original Medicare also acquire a Medicare Supplement policy, often referred to as Medigap.

BUYING A MEDIGAP POLICY

Medigap plans can be changed at any time, but unless your state has a guaranteed-issue right, you may have to go through medical underwriting. If you don't meet the insurers criteria for receiving a policy, you can be denied coverage or you will have to pay more than the lowest available rates. Your best course of action is to get or switch your Medigap policy during your Medigap Open Enrollment period.

Medigap Open Enrollment - During the six months beginning the month when you first turn 65 through the following five months, Medigap companies must sell you a policy at their best available rate, regardless of your health status.

Additional Guaranteed-Issue Scenarios – If you didn't purchase a Medigap policy during your open enrollment period, you may be able to get one later — at the insurer's best available rate regardless of your health—IF:

- Through no fault of your own, you lost a group health plan that covered medical costs not covered by Original Medicare.
- When you first became eligible for Medicare, you joined an MA plan but disenrolled within 12 months.
- Your previous Medigap policy, Medicare Advantage Plan, or PACE program discontinued coverage or committed fraud. Keep copies of letters, notices, postmarked envelopes, and claim denials in case you need proof that you lost your health coverage.

BUYING OR SWITCHING A PRESCRIPTION DRUG PLAN (PART D)

There are couple of ways to get prescription drug coverage: either through a standalone plan or as part of an MA plan.

The periods in which you can purchase or switch your PDP are:

- **Initial Enrollment Period** – This is the seven-month timeframe that begins three months before the month of your 65th birthday, and runs through the three months following the month in which you turned 65.
- **Open Enrollment Period** – From Oct. 15 to Dec. 7, you can purchase or switch to different Part D plan, or select an MA plan that includes Part D. Coverage will begin on Jan. 1.
- **Medicare Advantage Open Enrollment Period** – If you already have an MA plan, from Jan. 1 through March 31 of each year, you can switch to another MA plan with prescription coverage. However, if you switch to a MA health maintenance organization (HMO) or preferred provider organization (PPO) without drug coverage, make sure you have coverage from another source because you won't be allowed to buy a separate Part D plan. At this time, you can also leave your MA plan and return to original Medicare and buy a stand-alone Part D plan. Your new prescription drug coverage will begin the first day of the following month.
- **Special Enrollment Periods** – Under certain circumstances, you can be permitted to sign up for Part D outside your initial enrollment period: These SEPs include:

- o Losing health care coverage from your employer or union. If this happens, you usually have up to two months to join a Part D or MA plan with drug coverage.
- o Losing drug coverage that is considered to be at least as good as a basic Part D plan, called “creditable coverage.” In most cases you will have up to two months to get Part D or an MA plan with drug coverage.
- o Moving to a new address that isn’t in your plan’s service area. Again, you will usually have two months to switch to a new Part D or MA plan with drug coverage.
- o Receiving financial assistance from the Part D Extra Help program, means you can switch Part D plans as much as once per calendar quarter during the first three quarters of the year (January through March, April through June, July through September).
- o Having a Medicare Advantage or Part D plan in your area receive a five-star rating from the Centers for Medicare & Medicaid Services allows you to join that plan during the five-star special enrollment period, which lasts from Dec. 8 through Nov. 30 of the following year. (A five-star plan has earned the highest possible overall score for member access to healthcare and positive customer service.) This provision can be used once a year and enrollment takes effect the first day of the month after the plan receives your enrollment request.

Note: Unless you sign up for, or already have creditable drug coverage during your IEP, you will probably have to pay an ongoing penalty when you do acquire a PDP.

WHAT TO CONSIDER BEFORE SWITCHING PLANS

Decisions to change your Original Medicare, MA, Medicare Supplement or prescription drug insurance shouldn’t be made lightly. According to Medicare.gov (the U.S. government’s official Medicare site) there are seven things you should consider:

- 1. Costs** – How much are premiums, deductibles, and other expenses? What will your expenses be for services like hospital stays or doctor visits? Is there a yearly limit on out-of-pocket costs for medical services? Be sure you understand any coverage rules that may affect your costs.
- 2. Coverage** – Original Medicare covers most medical services and supplies in hospitals, doctors’ offices, and other health care facilities under Part A or Part B. Medicare Advantage plans cover all of the services that Original

Medicare covers, plus additional benefits MAY be included in an MA Plan.

- 3. Other Coverage** - If you have other types of health or prescription drug coverage, you should understand how that coverage works with Medicare. If you have employment-related coverage, or get your health care from an Indian Health or Tribal Health Program, talk to your benefits administrator or insurer before making any changes. You can also add a Medigap policy to help with out-of-pocket expenses in Original Medicare such as your deductible and coinsurance.
- 4. Prescription Drugs** - You should answer the following questions:
 - Will you need to join a PDP or do you already have creditable coverage for your prescription medications?
 - Will you pay a penalty if you join a drug plan later?
 - What's the overall star rating of the PDP you are considering?
 - What will your prescription drugs cost under each plan?
 - Are your drugs covered under the plan's formulary?
 - Will there be any coverage rules that apply to your prescriptions?
- 5. Doctor and Hospital Choice** - Ask if:
 - Your current doctors or the doctors you want are accepting coverage from the plan you are considering.
 - You will have to choose your hospital and health care providers from a network.
 - You will need to get referrals.
- 6. Quality of Care** - The levels of care and quality of care can vary by plan. You will want to be comfortable with the quality of care that's available from any plan you choose.
- 7. Travel** - Original Medicare and Medicare Advantage plans generally don't cover care outside of the U.S. However, you may be able to purchase supplemental insurance that offers emergency care when traveling abroad

IN CONCLUSION

Your options for health care coverage with Medicare are many, with a huge variety of distinctions, features, benefits and limitations across the board. Before making any decision to change your medical care coverage in retirement, it's always advisable to consult with trustworthy, knowledgeable sources about which choices will best serve the interests of you and your family.

Sources:

<https://www.medicareinteractive.org/get-answers/medicare-health-coverage-options/supplemental-insurance-for-original-medicare-medigaps/medigap-purchasing-details-enrollment-periods-guaranteed-issue-and-more>
<https://www.aarp.org/health/medicare-qa-tool/when-can-i-enroll-in-a-part-d-plan/>
<https://www.medicare.gov/sign-up-change-plans>