

American Insurance Institute

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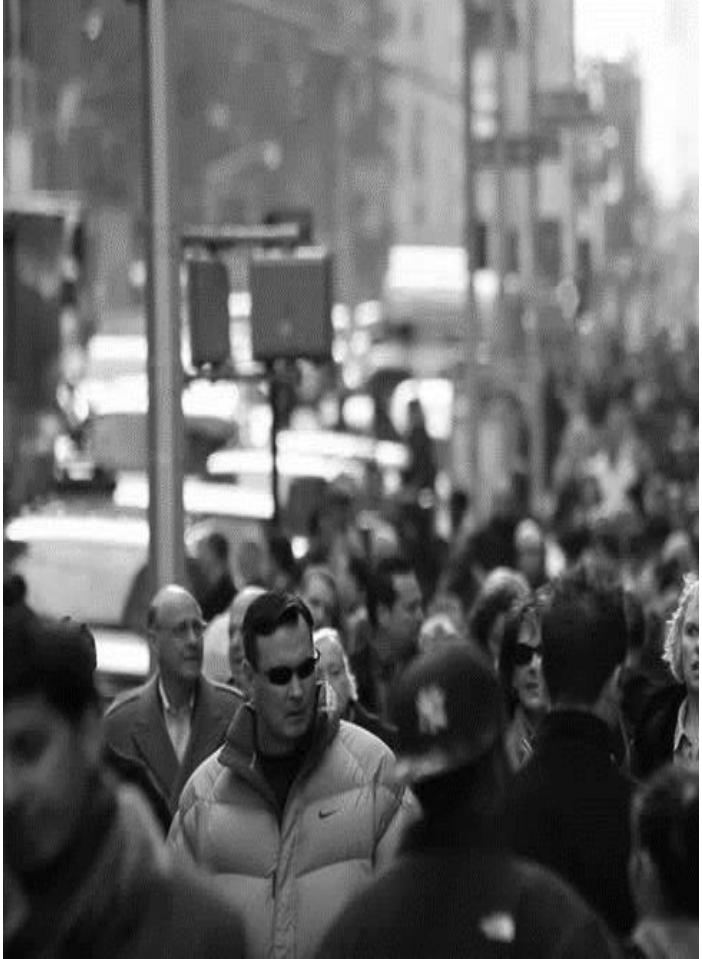
Medicare and You - Staying Educated: Medicare Supplement Part F



AMERICAN INSURANCE INSTITUTE

OUR GOAL AS A PARTNER AND EDUCATOR

At the American Insurance Institute, our staff has helped thousands of individuals find careers in the insurance industry, making us one of the most successful career building teams in the country. We want to continue that service with you as a partner. Whether you are a broker, agency, or career American Insurance Institute can help you.



FUN FACTS

Health Across the Country

Washington, D.C. – March 26, 2019 – Douglas County, Colorado, is the healthiest community in America, according to the 2019 Healthiest Communities rankings by U.S. News & World Report, released today in collaboration with the Aetna Foundation. The second annual report and accompanying analysis are based on an evaluation of nearly 3,000 communities nationwide across 81 health-related metrics in 10 categories, from education and population health to infrastructure and environment.

For 2019, the top five Healthiest Communities score above the national average in all 10 categories. Following Douglas County, Colorado, at No. 1, Los Alamos County, New Mexico, rose to No. 2, moving Falls Church city, Virginia, to No. 3, down from No. 1 in 2018. Loudoun County, Virginia, jumped up a spot to No. 4, with Broomfield County, Colorado, rounding out the top five

MARKET NEWS

CMS NEWS

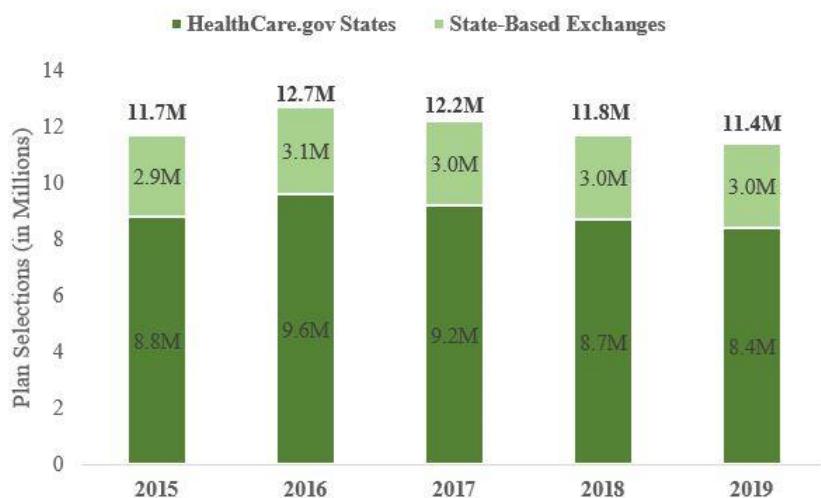


Health Insurance Enrollment: Net enrollment gains across all sources are generally expected to keep pace with population growth with the insured share of the population going from 90.9 percent in 2017 to 89.7 percent in 2027.

Medicare: Medicare spending growth is projected to average 7.4 percent over 2018-2027, the fastest rate among the major payers. Underlying the strong average annual Medicare spending growth are projected sustained strong enrollment growth as the baby-boomers continue to age into the program and growth in the use and intensity of covered services that is consistent with the rates observed during Medicare's long-term history.

HEALTH INSURANCE EXCHANGES 2019 OPEN ENROLLMENT REPORT

Plan Selections during the 2015 – 2019 Open Enrollment Period



Did You Know

THE NUMBERS

Approximately 11.4 million consumers selected or were automatically re-enrolled in an Exchange plan during the 2019 OEP. This includes 8.4 million consumers in the 39 states using the HealthCare.gov platform and 3.0 million consumers in SBEs



86% of Payers Fail to Deliver Readable Medicare Communications

THE VAST MAJORITY OF PAYERS ARE PRODUCING MEDICARE AND MEDICARE ADVANTAGE DOCUMENTS THAT ARE NEARLY IMPOSSIBLE FOR MOST MEMBERS TO UNDERSTAND.

Most documents intended for Medicare and Medicare Advantage members do not meet accessibility standards for the average reader, according to [a new report](#) from VisibleThread, a text analysis company.

More than 86 percent of payers offering Medicare products share information with beneficiaries that does not meet federal guidelines for clear, accessible communication as mandated by the [Plain Writing Act of 2010](#).

The law, which started to apply to health insurance providers in 2013, is intended to ensure that entities use plain language, defined as being at or below a 6th grade reading level, to share information with consumers.

According to national statistics from 2003, more than half of Medicare-aged adults (aged 65 or older) are at a “basic” or “below basic” reading level, rendering them unable to understand the typical instructions for taking a prescription medication, for example.

And more than one-third of the United States’ illiterate population is aged 65 or older, equating to 10.6 million elderly adults.



Your Education is important to American Insurance Institute

Aii CONTINUING EDUCATION

Medicare Supplement Insurance Plan F

Medicare Supplement Plan F is generally regarded as the most comprehensive plan out of the 10 Medicare Supplement (Medigap) policies available in most states. Its extensive coverage makes this a popular plan for beneficiaries who want broader assistance with out-of-pocket costs in Original Medicare; however, this also means that premiums may be more expensive. Because Plan F covers most remaining hospital and doctor costs after Original Medicare (Part A and Part B) has paid its share, it's possible for beneficiaries with this plan to not have any or minimal other hospital and medical expenses.

Medicare Supplement insurance plans are sold by private insurance companies, which aren't required to offer all 10 of the Medigap plan types offered in most states. However, they must offer at least Plan A if they offer any Medigap policy, and must also offer Plan C or Plan F, if they offer any Medigap plans other than Plan A. Because of its popularity, many insurance companies offer Plan F. Plan availability varies by location, so always research and compare plan options for your specific zip code and county.

What benefits are covered under Medicare Supplement Plan F?

Plan F basic benefits, like other Medigap plans, are standardized in most states. This means that regardless of where you live or which insurance company you purchase from, you'll get the exact same basic benefits for a Plan F sold anywhere in your state (note that there is also a high-deductible version of Plan F discussed below). However, keep in mind that even though basic benefits are the same, premiums may vary.

Below is a list of costs and benefits covered by Medicare Supplement Plan F:

- Part A hospital and coinsurance costs up to an additional 356 days after Medicare benefits are exhausted
- Medicare Part A hospice care copayment or coinsurance
- Medicare Part B coinsurance
- Medicare Part B excess charges
- Medicare Part A deductible
- Medicare Part B deductible
- First three pints of blood used in an approved medical procedure (annually)
- Skilled nursing facility coinsurance
- Foreign travel emergency coverage (80%, up to plan limits)

Even though Medicare Supplement Plan F offers the broadest coverage of any of the 10 Medigap plans, it doesn't cover all of the costs you may have in Original Medicare. For example, you'll still need to keep paying your Medicare Part B premium payments each month. If you haven't worked enough quarters to qualify for premium-free Medicare Part A (typically at least 10 years, or 40 quarters), you may owe a premium for Part A as well. Medicare Supplement Plan F doesn't cover these out-of-pocket costs.

What are the costs associated with Plan F?

Plan F costs will vary, depending on the county you live in and the insurance companies that sell Medicare Supplement insurance in your location.

For beneficiaries who don't mind paying for out-of-pocket costs up front, there is also a high deductible Plan F option. This is a variation on the standard Plan F that requires beneficiaries to pay all out-of-pocket expenses up to the deductible, which is \$2,300 in 2019. After meeting the deductible, the plan begins to pay for Medicare-covered costs.

Keep in mind that the high-deductible Plan F option doesn't vary from the standard Plan F when it comes to basic benefits. Instead, the high-deductible Plan F may have lower premium costs than the standard Plan F; this is offset by the fact that your out-of-pocket costs may be higher until you've reached the deductible.

As a Medicare beneficiary, you may be able to find other Medigap plans with lower premiums. However, if you see the doctor frequently, require a lot of health-care services, or are facing mounting out-of-pocket expenses, the comprehensive coverage of Plan F generally offers the most help with your Original Medicare costs.

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