



Jim Robeson CLU, ChFC

The Medicare Answer Guy

# MEDICARE NEWS

November 2020 Edition

**My goal with  
this newsletter  
is to:**

1

**KEEP YOU  
INFORMED**

I will be sharing current articles about the changes in Medicare.

2

**ANSWER YOUR  
QUESTIONS**

I'm available to answer issues specific to you.

3

**STAY  
CONNECTED**

I want to make Medicare coverage as simple as possible.

(858) 935-9120

Given Social Security's importance, it shouldn't be a surprise that the most anticipated announcement each year is the Social Security Administration's October release of the upcoming year's cost-of-living adjustment (COLA). Think of the COLA as the "raise" that beneficiaries receive to true-up their payouts to account for inflation.

As reported on Oct. 13, **Social Security beneficiaries can expect to receive a 1.3% COLA** when the calendar changes over to 2021. The question is, what does a 1.3% COLA really mean for beneficiaries? Let's take a closer look.

As of September, 64.75 million people were netting a monthly Social Security payout, of which nearly 46.1 million were retired workers. The average retired worker benefit last month was \$1,519.07. Based on recently released estimates from the SSA, monthly retired worker payouts are expected to hit \$1,523 by December 2020. And factoring in a 1.3% COLA jump, that will increase by \$20 to \$1,543 in January 2021. **In other words, the average retired worker is going to net an extra \$240 for the entirety of 2021.**

**A 1.3% COLA ties for the second-smallest positive increase since 1975.** That's problematic because inflation for shelter and healthcare costs - two of the most important expenditures for seniors - has been handily outpacing 1.3% on an annualized trailing-12-month basis. In other words, a 1.3% COLA simply isn't going to cut it for retired workers, and their Social Security income is very likely to lose purchasing power once again.

Earlier this year, the nonpartisan senior advocacy group The Senior Citizens League released an analysis showing that the purchasing power of Social Security income had declined by a whopping 30% since 2000. That means what \$100 in Social Security income used to be able to buy in 2000 can now only purchase \$70 worth of identical goods and services. Inherent flaws with the CPI-W ensure that seniors are losing purchasing power on their Social Security income more years than not.

Benefits are going up across the board in 2021, but there's simply not a lot to be excited about for Social Security recipients.

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## BIRTHDAYS

- Steve H
- Merry F
- Susan D
- Therese C
- Kathleen J
- Dale D
- Richard T
- Michael C
- Cynthia S
- Marie J
- Pete S
- Joe D
- Greg C
- Kim G
- Tom D
- Tristan P
- Judit S
- Jim S
- Patricia R

## Welcome to Medicare Open Enrollment

### What changes can you make during the AEP (Annual Enrollment Period Oct 15 - Dec 7)?

Here's a quick rundown of what you can do during the Annual Enrollment Period:

- Change to a Medicare Advantage plan from Original Medicare, Part A and Part B.
- Change from a Medicare Advantage plan to Original Medicare, Part A and Part B.
- Change from one Medicare Advantage plan to another (regardless of whether either plan offers drug coverage).
- Enroll in a Part D prescription drug plan.
- Change from one Medicare prescription drug plan to another.

Changes you make during the AEP go into effect January 1 of the next year.

### Making changes after the Medicare AEP, which is the OEP (Open Enrollment Period).

Suppose you're enrolled in a Medicare Advantage plan and you want to switch to Original Medicare, Part A and Part B. You can make this change during the Medicare Advantage Open Enrollment Period (OEP), from **January 1 to March 31 each year**.

If you switch to Original Medicare during this period, you will have until March 31 to enroll in a Medicare Part D prescription drug plan. This coverage is optional, but if you wait until a future date to add it, you could pay a penalty for late enrollment (see below).

Your coverage will begin the first day of the month after the plan gets your enrollment form.

If you have a Medicare plan, you can also switch to another Medicare plan during the Medicare Advantage Open Enrollment Period.

Medicare allows changes outside the standard enrollment periods in specific situations that are often out of the beneficiary's control, such as Medicare ending its contract with your plan, through Special Election Periods (SEPs). Other examples of these situations include, but are not limited to, the following:

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**REFERRALS**

- Jim M referred  
Steve S
- Carca C referred  
Pat R
- Lynn P referred  
Sue G
- Rick T referred  
Roger M

*We try hard to recognize every referral but if we missed anyone, please let us know.*

*Just send us a quick email so that we can acknowledge you. We want all of you to know that it is our privilege to serve you.*

*The greatest compliment you pay us is the referral of your family and friends. Thank you!!!*

*Open Enrollment Continued....*

- Moving out of your plan's service area.
- Receiving both Medicare and Medicaid benefits.
- Living in, moving to, or moving from an institution such as a long-term care hospital or skilled nursing facility.

You could be charged a late-enrollment penalty (an amount that is added to your Medicare Part D premium for as long as you have this coverage) if all of the following are true:

- You don't enroll in a Medicare prescription drug plan (such as a stand-alone Medicare prescription drug plan or a Medicare Advantage plan that includes prescription drug coverage) when you're first eligible.
- You don't have other creditable prescription drug coverage for 63 or more days in a row.
- You then decide to enroll in a Medicare drug plan at a later date.

If you have any questions or want to switch plans, please CALL ME for help. My number is **858-935-9120**. If I'm tied up, please leave a message and I will get back to you. Or email at [jim@themedicareanswerguy.com](mailto:jim@themedicareanswerguy.com).

**Stand-Alone Prescription Drug Plans**

Every year the insurance companies offering prescription drug plans, either change the copays for the various tiers, drop or add drugs to their formularies, merge with another company or pull out of the market entirely. This year is no different. Most of these changes apply to stand alone Part D drug plans. If you have a Medicare Advantage plan, more than likely, most changes will not apply to you. I want to reach out to those of you on stand alone prescription drug plans, to call or email me to review the plan you have and verify if there are any negative changes to your plan, and see if there may be a better suited plan for you. The change could be premium related, or the company stops offering your plan, or the copays have been raised or the formulary changed. It's important that we make these changes between October 15th and December 7th, or you will be locked into your current Prescription Drug plan for another year. Because the process of entering your drugs and preferred pharmacies takes some time, it is best if you can EMAIL me a list of your prescriptions (indicate which ones you take the generic form), the dosages (ex: 10 mg, .01% solution, inhaler, injection pen, etc.) and the frequency you take it (ex: 1 time/day, 3 times/month, etc.) and your preferred pharmacy. Keep in mind that in some cases, simply changing your pharmacy can save you a considerable amount of money.

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### Senior Insulin Savings Program

If you have diabetes, and you also have a Medicare Advantage plan, you MAY be seeing a drastic reduction in your insulin prices at the pharmacy. CMS (the Centers for Medicare & Medicaid Services) has announced it will allow Medicare Part D prescription drug plans to cover insulins with a \$35 monthly copayment throughout the plan year. Generally, Medicare Part D plan coverage has different phases, including a deductible, the donut hole and catastrophic coverage. Under this new option, Medicare enrollees with diabetes and an Advantage plan that is participating, will pay \$35 per each 30-day supply of SPECIFIED insulin prescriptions until they reach the catastrophic coverage phase, during which they will pay 5% co-insurance. Insulins covered by participating plans will not be subject to the deductible or donut hole phases of Part D coverage. At this time, SCAN, UnitedHealthcare and Humana have several plans that have this reduced pricing. As we see other plans that are participating, we will let you know. Check your Annual Notice of Change to see if your insulin receives this discounted pricing.



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### MEDICARE MADE EASY

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