

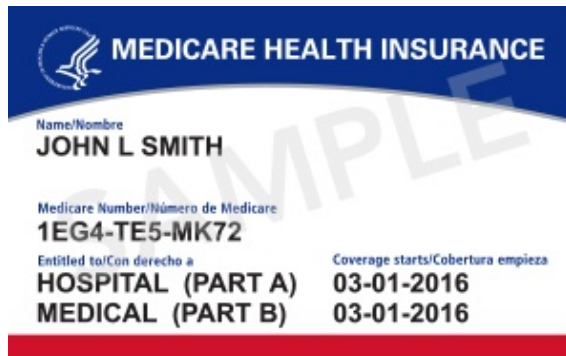
LINDSTROM INSURANCE
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Watch for New Medicare ID Cards!

This month the CMS (Center for Medicare and Medicaid Services) will begin mailing the new Medicare ID cards. They expect the issuance and mailing of the new ID cards will take up to a year.

Unlike the current cards, which use a Social Security Number as the basis for the Health Insurance Claim Number (HICN), the new cards will utilize an 11 digit combination of upper case letters and numbers, called a Medicare Beneficiary Identifier (MBI).

Providers will be able to use secure look-up tools online that will support quick access to the new numbers when needed. There will be a 21-month transition period where providers will be able to use either the new “MBI” or the old “HICN”, which should further ease the transition.

California is among the first group of states expected to receive the new ID cards, but you may receive yours at a different time than your spouse, friends, or neighbors.

Before the mailing begins, beneficiaries should make sure their addresses are correct in the Social Security database. If you need to make a change, contact the Social Security Administration, which will be preparing and mailing the cards, at ssa.gov/myaccount or by calling 800-772-1213.

You’ll continue to use your current Medicare ID card until your new one arrives. It will look like the sample on this page.

CMS also wants beneficiaries to beware of anyone who contacts them about their replacement Medicare card, as scammers have already targeted recipients with new ploys. CMS officials say they will never ask a beneficiary for personal or private information or for any money as a condition of getting a new Medicare number and card.

You can view additional information on the Medicare.gov website at:

<https://www.medicare.gov/forms-help-and-resources/your-medicare-card.html>

Watch your mail!



Prescription Drug Plans (Part D) Now Set for 2018

Last Fall was the open enrollment period to select your Part D plan for 2018. We helped many of our clients analyze the prescription formularies to make certain they purchased (or kept) the plan that would work best for their particular combination of medicines going into the new year.

We've received some phone calls from our clients recently after their visit to the pharmacy resulted in a higher than expected copayment. This can result from any of the following situations:

- 1) Plans can have as high as a \$405 deductible this year. A prescription requiring just a small copayment in December is now full price. This happens until the 2018 deductible is met and the copayment again applies.
- 2) Your prescription was classified in a lower tier last year (i.e. moved from a tier 1 to a tier 2), resulting in a higher copayment.
- 3) Your prescription is a tier 3, 4, or 5 and you pay a percentage of the cost, rather than a copayment. The pharmaceutical company may have raised their price, so your share is based on a higher cost than last year.

- 4) Prescriptions included in the plan's formulary last year may not be included in the formulary this year. (These "surprises" can be avoided by checking the Medicare.gov website during open enrollment and moving to a new plan, if necessary.) If this has happened to you, the carrier may consider an appeal to change the way they cover your prescription, or your doctor may prescribe a new medication that will be in your plan's formulary for 2018.
- 5) Your dosage of the same drug has changed. Sometimes taking a 10 mg dosage will cost more than taking a 5 mg dosage, or visa versa. Different strengths of the same medication may appear in different tiers on the formulary.
- 6) You're using a new pharmacy. Many plans have different copayments when using a preferred pharmacy. So if you were using CVS last year, for example, and are now using RiteAid, you may have moved from the "preferred" copayment to the "standard" copayment.

If you are prescribed a new medication this year, you can refer to the copy of the plan's formulary that was mailed to you with the 2018 materials to see in what tier the drug is classified and then, by looking through the summary of benefits, what the expected copayment will be. This information is also available on Medicare.gov, and we can help you research it, too.

Remember, every year during open enrollment (October 15 - December 7), it's wise to research the available plans for the following year using your specific list of medications.

Life Insurance after age 65?

You may be doing some retirement planning, estate planning, or simply reacting to a friend's or family's situation when you realize you don't have sufficient life insurance to protect your spouse or provide a meaningful estate for your family.

We're happy to help you with options for "final expense" policies or larger amounts of Life insurance. We're happy to explain the different types of coverage in understandable terms and help you compare rates from many different insurance companies. Give us a call for more information!

Medicare Supplements are Not Forever

Medicare Supplements are insurance plans that cover all or part of the deductibles and coinsurance when you have claims under original Medicare Parts A & B. Most of our clients select a plan and keep that plan on a long-term basis. There's no need to switch annually.

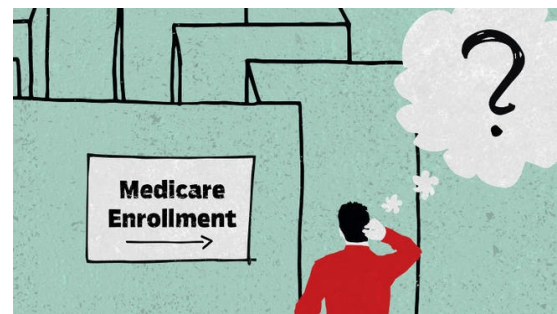
Most of these supplement policies can travel with you if you relocate to a new state or county. Rates may change when you move.

But what if you purchased a supplement that no longer meets your needs? What if the cost is getting to be more than you can afford, or the coverage not adequate for your needs?

Every year, in California, you can change your Medicare Supplement during the month of your birthday. Insurance companies interpret this law differently, with some carriers offering you the option to change plans the month before and the month of your birthday.

Carriers must allow you to change to the same letter plan you currently have, or anything lower, without answering medical questions. One carrier actually allows you to upgrade (i.e. from plan N to plan F) during your birthday month.

If you'd like to change your plan outside of this special time window, the insurance companies can ask medical questions and consider your health status before accepting your application.



We're Happy to Help New Medicare Clients

If you have friends, neighbors, coworkers, or relatives who are coming up on their 65th birthday, we're happy to help explain how original Medicare works, what the options are, how the Supplements, Part D plans, and Medicare Advantage plans work, and answer their questions.

As you know, there's no charge for our services. We want everyone to understand the benefits....your taxes have been going into the Medicare fund for years....and also help everyone select and obtain the best possible supplemental coverage for their situation.

Please give your contacts our phone number or a copy of this newsletter!

2018 Medicare Premiums for Higher Income Beneficiaries

Since 2003 (and expanded in 2011) the government has charged higher premiums for Part B and Part D if you earned an income greater than \$85,000 (single) and \$170,000 (couple). This is based on your modified adjusted gross income. The amount charged is called the “Income Related Monthly Adjustment Amount”, or IRMAA.

This year the brackets have been compressed, looking back at your 2016 income. This results in some Medicare beneficiaries paying a higher IRMAA amount than in previous years.

Here’s a summary of the brackets and the monthly amounts:

2016 Modified Adjusted Gross Income		Part B	Part D
Filing Single	Filing Jointly		
\$85,000 or less	\$170,000 or less	2018 Standard Premium \$134/mo	Plan premium for your plan
\$85,000 to \$107,000	\$170,000 to \$214,000	Extra \$53.50/mo	Extra \$13.00/mo
Above \$160,000	Above \$320,000	Extra \$294.60	Extra \$74.80
\$107,000 to \$133,500	\$214,000 to \$267,000	Extra \$133.90/mo	Extra \$33.60/mo
\$133,500 to \$160,000	\$267,000 to \$320,000	Extra \$214.30/mo	Extra \$54.20/mo

For more information, you can see the government publication at:

<https://www.ssa.gov/pubs/EN-05-10536.pdf>

Effectuated individuals are sent a letter by the government advising them of the additional premium amount for the new year. Premiums are collected in the same way you pay your Part B premium (either a quarterly billing or, after you start receiving Social Security, a deduction from your Social Security Benefit).

If you’ve had a change in your circumstances since 2016, such as retiring from your job and lowering your income, going from full-time to part-time work, or the loss of your income producing rental property, you can ask the government to reconsider their decision by filing a form SSA-44. The form is available at:

<https://www.ssa.gov/forms/ssa-44.pdf>

Your tax professional may be able to assist with the SSA-44 form. Your income is re-evaluated by the Government every year, so be sure to carefully read any correspondence from Social Security, Medicare or the CMS.

Medicare Eligibility Requires Disenrollment from Covered California

Anyone currently purchasing health insurance through Covered California becomes ineligible for subsidies (Advance Premium Tax Credit). If you continue on the Covered California plan, you will be charged for the amount of any subsidy paid on your behalf after Medicare begins.

Claims paid through Covered California plans after you have Medicare may be reversed and must be resubmitted through Medicare and your Supplement, Part D, or Medicare Advantage plan. You can cancel coverage through the Covered California website or by phoning customer service at 800-300-1506.