

## MACRA Frequently Asked Questions

How MACRA impacts Medicare Supplement insurance plans



### MACRA

#### Q What is MACRA?

**A** MACRA is an acronym for the Medicare Access and CHIP Reauthorization Act. It was signed into law in 2015, will be fully effective by January 2020, and is expected to:

- Reduce Medicare expenditures
- Address the risk of medical identity theft and fraud by removing Social Security numbers from all Medicare cards

#### Q Does MACRA change Medicare Supplement plans?

**A** Yes, MACRA has made a change to Medicare Supplement insurance. It is widely believed that Plan C and Plan F reduce exposure to costs that lead to overuse of healthcare, which increases Medicare spending.

For people who become eligible for Medicare in 2020 and beyond, MACRA creates awareness of physician services costs by eliminating the “first-dollar” plan options (Plan C and Plan F) that include Part B deductible coverage.

#### Q How does MACRA change Medicare Supplement plans in waiver states?

**A** Medicare Supplement plans C, F, and High-deductible F are the standardized plan designs that offer coverage for the Medicare Part B deductible. In Minnesota, Wisconsin, and Massachusetts, the Medicare Part B deductible is covered through a benefit rider.

People who become eligible for Medicare on Jan. 1, 2020, or after, cannot purchase a Medicare Supplement rider that covers the Part B deductible.

MACRA changes the Medicare Supplement plans available to people that become Medicare-eligible in 2020 and beyond.



## Who MACRA impacts

### Q Who is impacted by MACRA Medicare Supplement provisions?

**A** The impact is determined by the date someone becomes eligible for Medicare. It then determines his or her ability to enroll in first-dollar Medicare Supplement coverage plans.

While enrollment in Medicare Part B is required to enroll in Medicare Supplement plans, it does not determine Medicare Supplement plan availability.

#### Who is impacted by MACRA

MACRA changes the Medicare Supplement plan options if:

- A person turns 65 years old **on or after** Jan. 1, 2020, **or**
- A person first becomes eligible for Medicare due to age, disability, or end-stage renal disease **on or after** Jan. 1, 2020

#### Who is *not* impacted by MACRA

- A person who is 65 years old **before** Jan. 1, 2020
- A person who first became eligible for Medicare due to age, disability, or end-stage renal disease **before** Jan. 1, 2020.

### Q Specifically, what will be different for people who first become Medicare eligible after Jan. 1, 2020?

- A** Plan options will not be available to cover the Medicare Part B deductible, which is \$185 for most people in 2019.
- Medicare Supplement plan options that cover the Part B deductible – Plans C, F, and High-deductible F – will not be available.
  - Because High-deductible F will be unavailable to people eligible 2020 and after, a new High-deductible G plan was created.
  - Since Plans C and F will no longer be available, Plans A, B, D, G, High-deductible G, K, and L are required to enroll guaranteed issue rights for people eligible 2020 and after.

### Q What will be different for those eligible for Medicare before 2020?

- A** Nothing.
- They can keep their existing policies because Medicare Supplement plans are guaranteed renewable.
  - Their benefits do not change. Plans C, F, and High-deductible F will continue to pay the Medicare Part B deductible.
  - Medicare Supplement plans that cover the Part B deductible will continue to be available. Plans C, F, and High-deductible F will not be discontinued. They can also apply for any plan at any time.
  - Plan options required to enroll guaranteed issue rights will remain the same. They are Plans A, B, C, F, High-deductible F, K, and L.

The Medicare Part B date does not determine Medicare Supplement plan availability.

**Q Will current Medicare Supplement policyholders lose their coverage?**

- A** No, current policyholders will not lose their coverage in 2020 or be required to change plans. People who became eligible for Medicare before 2020 will be able to:
- Keep their guaranteed, renewable coverage as long as premiums are paid on time
  - Continue to buy Plans C, F, or High-deductible F beyond January 2020

**Q What changes are made to guaranteed issue requirements?**

**A People who are Medicare eligible prior to January 2020**

No change. Plans C and F are available under guaranteed issue rights, but Plans D and G are not required to accept guaranteed issue rights for enrollees.

**People who are Medicare eligible on or after January 2020**

Plans D and G will become available guaranteed issue rights options.



## How MACRA impacts Medico's enrollment process

**Q Will Medico's Quick Quote still be offered for Medicare Supplement plans?**

- A** Yes, Quick Quote is still available for agents to easily provide a quote to clients. Plan eligibility and rates in Quick Quote are for illustrative purposes only and are not guaranteed.

**Q Will Medico's Medicare Supplement plan application change?**

- A** No, the Medico Medicare Supplement insurance application form will not change. However, to help agents easily identify available plans and eligibility rights, Medico has added information to the electronic and paper enrollment formats. MyEnroller<sup>SM</sup>, Medico's electronic application platform, now includes business rules and pop-up reminders, and the sales kit now includes an application reference tool.

**Q Has MyEnroller been updated?**

- A** Yes, MyEnroller seamlessly guides agents through the application process. Informative buttons, reminders, and prompts have been added to support the appropriate plans for applicants, according to customers' Medicare Supplement eligibility.

For more information, please read the updated MyEnroller user guide on the Medico Information Center (MIC) agent portal, [mic.gomedico.com](http://mic.gomedico.com).

MyEnroller prompts will help agents enroll applicants into appropriate plan options.

**Q Is it required to submit a Medicare card for people who are Medicare-eligible on the basis of disability?**

**A** Yes, a copy of the applicant's Medicare card is required if they're under age 65. It is used to confirm their Medicare eligibility date and to make sure they have access to enroll in the correct plan. A Medico Risk Selection team member will contact agents if any applications are missing a copy of an applicant's Medicare card.

**Q Are there any changes to the availability of Medico's Medicare Supplement plans?**

**A** No changes will be made to Medico's broad portfolio of Medicare Supplement and supplemental health products. This includes Medicare Supplement, Dental, Hospital Indemnity, Short-Term Recovery Care, and First Diagnosis Cancer insurance. Please visit MIC to learn more about Medico's products and their availability.



### Medicare Supplement materials

**Q Will Medico's Medicare Supplement marketing materials change?**

**A** Yes, Medico has made updates to our agent Medicare Supplement marketing materials to more accurately reflect the information for those who are Medicare-eligible before and after 2020.

**Q Will I see any changes to Medico's Medicare Supplement product material?**

**A** Yes, Medico has updated Medicare Supplement materials to include new state requirements and product information relevant to those who are Medicare-eligible before and after 2020. These updated materials include the Medicare Supplement brochure, outline of coverage, and rate sheets.

**Please note:** The application itself has not changed. MyEnroller now includes helpful prompts and reference material for Medicare-eligible applicants before and after 2020.



## When MACRA updates will occur

### **Q When will Medico update state-specific Medicare Supplement product and promotion materials?**

**A** As states adopt MACRA rules, Medico will upload the updated materials to MyEnroller and on the agent portal, Medico Information Center (MIC). Medico will continue to monitor the situation because many states have adopted MACRA rules, but several are still in the process.

### **Q What are key dates for distribution partners and agents?**

#### **A June 2019**

- Updated materials on MIC:
  - Medicare Supplement product and advertising materials
  - Medicare Supplement MACRA FAQ, Plan Reference Tool, Core Tool Set, Underwriting Guide, and MyEnroller User Guides

#### **July 2019**

- Updates live in MyEnroller to accept Medicare Supplement plan enrollment for those Medicare-eligible in January 2020

#### **October 2019**

- Medicare Supplement plan enrollment live in Wisconsin for those Medicare-eligible in January 2020

## **July 1, 2019**

Medico Medicare Supplement plan enrollment available for Medicare-eligible enrollment for January 2020 (except WI).

## **Oct. 1, 2019**

Wisconsin Medico Medicare Supplement plan enrollment available for Medicare-eligible enrollment for January 2020.