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Newsletter for April 2014

I have been getting calls and emails about 3 topics. The first is about Medicare Advantage Plans. I have, also, received numerous calls about Federal Employees Health Benefits (FEHB). The third topic concerns proposed changes to Social Security benefits for 2015 and beyond.

Advantage Plans have been adversely affected by the shifting of funds to cover the Affordable Health Care Act. Many plans have raised their co pays on both doctor visits and on their Part D (drug plans). The reason specified is that the Government reimbursement not keeping pace with inflation. Some of the plans offer a Medicare Advantage Plus Plan that costs slightly more in monthly fees but have lower co pays. October 15th brings a new open season. Check out all the Advantage and Supplemental Plans to make sure you have the plan that best suits your needs. Advantage Plans have

networks of doctors and hospitals. You must go to doctors and hospitals within the network you select. Most Advantage Plans have Part D (drug) coverage for little or no cost. Each plan specifies the co pay based on whether the drug is generic, name brand or a specialty drug. The plans cover about 95% of prescription drugs.

If you select a Supplemental Plan, you can go to any doctor or hospital that accepts Medicare. Medicare pays 80% of doctor bills and the plan usually pays the remaining 20%. The plans vary a great deal in price. Most Supplemental Plans do not cover drugs and you must buy Part D coverage separately. It is often expensive and has deductibles and co pays higher than Advantage Plans. It covers virtually all prescription drugs including non generics. This is usually a better deal for people that take name brand specialty drugs. Make sure you carefully check out the 2015 plans before opting, without looking, to stay in your current plan.

FEHB members have been upset about their larger co pays and deductibles. The Office of Personnel Management (OPM) asked the plans to keep the

monthly cost increase to a minimum by raising the fee to the user. Congress is now under the ACA. People have asked me if the increases in out of pocket expenses are because they (Congress) are no longer under FEHB. I don't believe so, but it is pure speculation. The open season to change plans starts the second Monday in November. The plans' co pays and deductibles will be listed at opm.gov in late September.

An act has been passed that allows FEHB plans to offer a self plus one alternative to the family plan rates. The act says that this can be done in 2015. However, OPM has told the plans that they should consider that option for 2016.

Note that Federal retirees who are Medicare eligible and have Part B of Medicare can switch during an open season to a Medicare Advantage Plan and drop their FEHB plan. If they do this, they can return to an FEHB plan during an open season. This option of returning to FEHB is only available if the retiree takes an Advantage Plan.

This is the time of year where both parties propose significant changes to Social Security. Rarely do these

changes have an adverse affect on current Social Security recipients. Until something significant happens beyond the proposals, there is no reason to be concerned. I will send out a special newsletter if something moves to the committee or panel stage.

I wish that there was good news to report, but nothing at this point is of a positive nature.