



# 10 reasons why you should sell Medicare Advantage Plans

The million-dollar question: “which plan should I sell?” Let’s face it, there are so many options available and we are tasked with the difficult job of finding the best option to fit the needs of our client, and that is exactly where you should start. Ask the right questions to personalize a plan just for them and you can never go wrong. As an added bonus, engaging in a memorable experience will commonly result in higher retention rates and referrals.

In my opinion, Medicare Advantage Plans give you that flexibility. When selling a Medicare Supplement, also known as Medigap plan, you are providing a basic “vanilla” coverage. In some cases a Medigap plan is the safe way to go. But, here are a few things to keep in mind:

## 1. Simplicity

Retiring and moving off your employer group coverage is scary. Comparing a Medicare Advantage Plan to their current HMO or PPO is simple. They work the same way with the added convenience of only one Medicare Health Plan card.

*The alternative is explaining how Medigap works, how they need to purchase a separate Part D Prescription Drug Plan, and show several Medicare cards prior to a doctor appointment.*

## 2. Freedom

Medicare Advantage Plans give you the freedom to shop your plan based off your changing needs on an annual basis. This is called the Annual Enrollment Period. You are subject to only one underwriting question (which will be going away in 2021), “Do you have end stage renal disease?”

*As opposed to Medigap where you would have to go through an extensive health underwriting process if you wanted to change plans due to rising costs, etc.*

## 3. Budget

Medicare eligible individuals are on a fixed income and should be cautious of their spending each month. Medicare Advantage Plans have a lower monthly cost because if you need to use your coverage you are responsible for a deductible and copay. In other words, you pay as you go or as you need to use it.

*On the other hand, Medigap you pay a higher monthly premium to have less of an out of pocket expense when using your coverage. However, is that higher monthly premium worth your peace of mind if you are not using your coverage?*

#### **4. Protection**

Medicare Advantage Plans have an annual max out-of-pocket protection that varies from \$3,400-\$6,700 per plan. You can think of it as a second deductible that once you reach it, you are covered at 100%. You may never reach this in a lifetime.

*In comparison, you could spend \$3,400 annually on a Medigap plan for several years and never have a catastrophic loss. Current health status and family history should be taken into consideration.*

#### **5. Additional Benefits**

Most Medicare Advantage Plans have extra coverage built in to their plans, for example; dental, vision, hearing, wellness, fitness, over the counter allowance, and prescription drug coverage.

*Medigap policies only fill in the gaps of Original Medicare and do not offer any of the things mentioned above. You would need to buy additional policies to gain access to those benefits.*

#### **6. Care Management**

Medicare Advantage Plans assign each member a coordinated care advocate. The individual helps facilitate better care for patients and improve health outcomes. This results in keeping costs low for the member and the providers by ensuring the patient receives the right level of care with efficient communication. Through this program, Medicare has experienced less fraud. Fraud is a large factor in what keeps insurance costs rising.

*Medigap policies do not have as complex of a claims review process, which can result in higher risk of fraud.*

#### **7. Stability**

Medicare Advantage Plans are here to stay and becoming more popular. CMS and the carriers are developing new ways to expand benefits, lower costs each year, and increase member satisfaction. It is a competitive market, which benefits the consumer.

*When you purchase a Medigap policy, the coverage is the same per plan letter across each carrier. Rates can change at any time due to age, company financial history or inflation. Medicare is eliminating Plan C & F in the year 2020. The main reason is to force beneficiaries to pay the Part B annual deductible. Medicare has eliminated other plan letters in the past and it is naive to believe that they will not continue this trend.*

## 8. Donut Hole

The majority of Medicare Advantage Plans offer assistance during the coverage gap (which will be going away in 2020).

*Medigap requires you to purchase an additional stand alone Part D Prescription Drug Plan that leaves you fully exposed.*

## 9. Network

Yes, there is a network for Medicare Advantage Plans. But, there is a misconception that your plan does not travel with you. Some carriers are nationwide, which expand their networks accordingly. Others have out-of-network copays or travel programs built in for your protection. Most Medicare Advantage Plans offer worldwide coverage for medical emergencies.

*In comparison, Medigap is accepted anywhere that Medicare is participating with the provider. This also includes worldwide coverage with an annual deductible for certain plan letters.*

## 10. Commissions

A flat fee or “Fair Market Value” is set by CMS. Typically, it increases each year for new business and renewals. Most companies pay in a lump sum for the first year and then renewals are paid monthly. Renewal commissions are paid for the length of the policy or lifetime.

*As opposed to Medigap commissions that are paid based off a percentage of the annualized premium and start to decrease after about seven years.*

Some would argue that selling Medicare Advantage Plans are too much work due to annual testing and certifications. The silver lining is, it keeps you compliant and it's a convenient way to refresh your knowledge and review the new plans for the upcoming year. Selling Medicare is not for the weak or impatient. Most would tell you that it is rewarding and challenging in all the positive ways that keep someone motivated. To quote Nicholas Sparks, “nothing that's worthwhile is ever easy.”