



## MEDICARE OPEN ENROLLMENT ENDS DEC. 7

*A summary of what you need to know.*

Provided by Jim & Robin Cusimano, Financial Advisors

**Quote of the week:** “People always call it luck when you’ve acted more sensibly than they have.” –*Anne Tyler*

**Don’t wait until New Year’s to join a Medicare plan.** The open enrollment period ends early this year, and many Medicare beneficiaries may not realize it. In fact, 97% of seniors in a recent poll conducted by UnitedHealthcare and the National Council on Aging could not specify this year’s earlier-than-usual deadline.<sup>1</sup>

**Some key dates to remember.** This fall and winter, there are three periods in which Medicare beneficiaries can either enroll or disenroll in forms of coverage:

- **Now through December 7: *Open enrollment period.*** This is when you can elect to leave Original Medicare (Parts A and B) for a Medicare Advantage Plan (Part C) and change your prescription drug coverage (Part D). You can also elect to get out of a Part C plan and go back to Parts A and B during this period.
- **December 8: *Annual enrollment period begins for 5-star plans.*** This is new: As you probably know, Part C and Part D plans are assigned ratings. Beginning December 8, a 365-day window opens for you to enroll in a 5-star Part C or Part D plan. You can do this once per 365 days. How do you find the 5-star plans? Visit [www.medicare.gov/find-a-plan](http://www.medicare.gov/find-a-plan).
- **January 1-February 12: *Disenrollment period.*** If you joined a Part C plan in late 2011 and want to reverse that decision, you can disenroll from that Medicare Advantage plan in this window of time and go back to Original Medicare with a stand-alone Prescription Drug Plan (Part D). Your Original Medicare coverage resumes on the first day of the month after the plan receives your enrollment form (either February 1 or March 1, 2012).<sup>2</sup>

**What should you look for in a Part C or Part D plan?** Be sure to take a look at a few key factors.

- While premiums matter, overall plan expenses ultimately matter most; scrutinize the copays, the co-insurance and the yearly deductibles as well. Attractively low premiums might not tell you the whole story about the value of a Medicare Advantage plan.
- How inclusive is the plan network? Assuming the plan has one, does it include the hospitals you would choose and the physicians that now treat you?
- Regarding Part D, how wide-ranging is the prescription drug coverage? Look at the list of approved drugs (the formulary). If the drugs you want or need aren't listed, you are probably going to have to open your wallet to pay for them. The frustrating thing about formularies is how they change; drugs on this year's list may not always be on next year's list.
- One nice thing to note about Part D coverage for 2012: Medicare beneficiaries who enter the coverage gap for prescription drugs next year (sometimes referred to as "the doughnut hole") will end up paying just 50% of the price of name-brand drugs and just 86% of generics. Some Part D plans may help you realize greater savings via discounts.<sup>1</sup>

**Part B premiums are rising, but not drastically.** They were expected to increase given the 2012 cost-of-living adjustment for Social Security benefits, but the hike isn't as dramatic as some seniors feared it would be. Monthly Part B premiums are going up by \$3.50 a month next year to \$99.90, well under the \$106.60 estimate projected earlier in 2011 by Medicare trustees.<sup>3</sup>

**Medicare Advantage premiums may fall.** The Department of Health and Human Services estimates that Part C premiums will be 4% cheaper in 2012 than in 2011. It also projects that Part D premiums will stay about the same in 2012.<sup>2</sup>

I would welcome the opportunity to speak with you about your retirement plan. (If you don't have one, I can help you start one and if you have one, a second opinion never hurts) Please feel free to contact me at by calling 406-234-3194, or send an e-mail to me. I can help you look carefully at your unique financial situation and assist you in determining a plan of action aimed at reaching your retirement goals. I look forward to speaking with you.

Riddle of the week: We all have one, and even though it often demands an answer, it offers no question. What is this everyday item?

Last week's riddle: Gerald Ford was our 38<sup>th</sup> President, but he was actually the 37<sup>th</sup> man to take the job. Why was that?

Last week's riddle answer: Grover Cleveland held two non-consecutive terms of office - he was both the 22<sup>nd</sup> and 24<sup>th</sup> U.S. President.

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#### **Citations**

- 1 - [www.mysanantonio.com/health/article/Medicare-s-enrollment-deadline-is-quickly-2272605.php](http://www.mysanantonio.com/health/article/Medicare-s-enrollment-deadline-is-quickly-2272605.php) [11/16/11]
- 2 - [www.miamiherald.com/2011/10/07/2443864/medicare-open-enrollment-navigating.html](http://www.miamiherald.com/2011/10/07/2443864/medicare-open-enrollment-navigating.html) [10/7/11]
- 3 - [www.freep.com/article/20111028/NEWS07/110280392/Medicare-premiums-go-up-not-high-expected](http://www.freep.com/article/20111028/NEWS07/110280392/Medicare-premiums-go-up-not-high-expected) [10/28/11]

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