

Medicare Supplement

Medicare Supplement plans will be affected by the changes taking place in June of 2010 so you should learn about these changes now.

The National Association of Insurance Commissioners suggested the new changes to Medicare Supplement Insurance. Consumers will be protected by these new changes. Duplicate coverage will be eliminated and additional coverage will be offered. In the early 1990's the existing plans were created and had become stale. Some of the benefits in the old plans could not even be collected. Many people felt it was high time for changes.

The new Changes are as Follows:

1. Plans E, H, I and J will be eliminated
2. Plan G will be modified. The Home Care benefit will be removed and excess charges covered at 100%.
3. Lower cost Plan M and Plan N will be released. Co-pays will be included in these new plans.
4. Companies offering Plan A must also offer Plan C and Plan F.
5. A hospice benefit will be included in all new plans being released.

The new changes do not affect only a certain number of plans. The situation is not what was originally thought. The old plans will no longer be available for sale in addition to the new plans being created.

All companies will be allowed to reset rates with the introduction of the new plans. This means companies that are no longer competitive will be able to reset pricing. This will create a more competitive marketplace. The reason that they are able to do this is that all new plans must include a Hospice benefit.

Medicare Advantage

Higher Medicare Advantage costs. If you're one of more than 10 million subscribers to Medicare Advantage (MA) plans, expect to pay more for coverage next year. The U.S. Centers for Medicare and Medicaid Services cut 2010 subsidies to private MA plans by 4 percent to 4.5 percent. Big private insurers offering the plans will be figuring out how to adjust to the reductions, but you can expect to see a combination of higher rates and drug costs along with reduced coverages. The plans were created by the Bush administration as a private-sector alternative to traditional Medicare plans. But MA costs the government about 14 percent more per person than regular Medicare, and thus became a target for expense cuts that could be used to help pay for the Obama Administration's health reform plan.

By PHILIP MOELLER US. News and World Report Posted: April 17, 2009