

## Open Enrollment for Obamacare and Medicare

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**Medicare Open Enrollment** starts October 15, 2014 and ends December 7, 2014. All changes made during this time are effective January 1, 2015.

**Obamacare** has its second Open Enrollment this year. It runs from November 15, 2014 to February, 2015.

**Employer-Provided Benefits** also frequently provide an Open Enrollment Period for employees, allowing them to make changes in their employee benefits choices. Although employers can select other times of the year, most employers have their Open Enrollment in November and/or December for a January 1, 2015 effective date.

### Medicare

Medicare beneficiaries have several choices:

**Original-Fee-For Service Medicare** – Many people elect to stay with original Fee-For-Service Medicare. It consists of Part A – Hospital Coverage; Part B – Medical Coverage; and Part D – Prescription Drug Coverage.

Parts A and B of Original Medicare are the same for everyone; however, each beneficiary can choose from several prescription drug plans. The only way to do this is to compare plans using your own prescriptions, since your medications may have changed, and plan formularies and prices also change.

There is a program on line at [www.medicare.gov](http://www.medicare.gov) that allows you to enter your medications, which pharmacy you prefer, and where you live; it will then show you what each plan would cost you out of your pocket based on your medications. Click on “Find Health and Drug Plans” and follow from there. I recommend the “General Search” rather than the personal one; it is much quicker.

**Even if your current Drug Plan has been serving you well, it is advisable to run the program. The plans for 2015 are already up on the website.**

For persons who are not comfortable with computers, Medicare’s toll-free number (800-MEDICARE) will do the same calculation. However, I recommend you find a friend or relative who will do it for you on a computer because the results are too long and involved for a telephone operator to spend much time reviewing all options.

**Medicare Supplement (also called Medigap) Plans** – These are the plans sold to people with Original Medicare to “fill the coverage gaps” left by Medicare Parts A & B. Because they are sold by private insurance companies, enrollment rules can be complicated. To find out when you can purchase them, go to [www.medicare.gov](http://www.medicare.gov) and



search for “When Can I Buy a Medigap Policy”. It will list the Open Enrollment opportunities for them. They may also be purchased at other times, but the insurance company may require proof of good health.

**Medicare Advantage Plans** – These are plans offered by insurance companies and health service providers and are an alternative to Fee-for-Service Medicare. Many of these plans are run by Health Maintenance Organizations (HMOs), but there are also Preferred Provider Organization Plans (PPOs), Special Needs Programs, and Private Fee-For-Service plans, although not all types are available in all states.

Under these plans, Medicare pays the insurance company to provide all of your medical care. Benefits under your red, white, and blue Medicare card are no longer covered directly, but the Medicare Advantage Plan must offer all of its benefits and may add more. Some plans may also charge an additional premium, usually relatively small. These plans usually include the prescription drug coverage in their plan so you don’t have to work through finding a Part D coverage question.

During this Open Enrollment Period, persons may switch from one Medicare Advantage Plan to another or move back to or away from Fee-For Service Medicare.

There is also a **Disenrollment Period** from January 1 through February 14, 2015 when one can leave a Medicare Advantage Plan and move to Original Fee-for-Service Medicare; there is also a Special Enrollment Period to add Prescription Drug Coverage during this time.

Also, for persons who did not enroll in Medicare Part B when it was first available and who do not qualify for a Special Enrollment Period, there is a **General Enrollment Period** between January 1 and March 31 of each year with the Part B coverage taking effect the following July 1. There will usually be a surcharge to the premium of 10% for each year you could have been in Part B but were not. The exception to the surcharge is for persons who were covered under an employer-provided plan due to the **active employment** of the person or his/her spouse.

### **Obamacare**

Persons enrolled in coverage, as well as those who have not yet joined, have the opportunity to enroll in or change health plans under the Affordable Care Act (Obamacare).

Many plans are making changes in coverage as well as cost, so I recommend you go to your state’s health exchange or to [www.healthcare.gov](http://www.healthcare.gov) if you live in a state that does not operate its own exchange, and search to see if there is better coverage for you.

This is also your opportunity to confirm the accuracy of your estimated annual income for 2015. For those who qualify for premium subsidies from the government, remember that if you under-report your income and get a larger subsidy than you are eligible for, you may be asked to repay some at the end of the year.

This is also a good time to confirm that your medical providers are still part of your plan's network, and that your prescriptions are still part of the plan's formulary.

### **Employer-Provided Benefit Plans**

Companies offering an Open Enrollment period will publish (or offer online) an Open Enrollment Guide that spells out each employee's current benefits plus the available options, opportunities, and costs that may be chosen during the period. For persons dealing with a serious medical condition like HCV, it can be an opportunity to alter benefits and, in some cases, actually increase benefits.

**Life Insurance.** Persons dealing with HBV/HCV are generally unable to purchase life insurance in the individual market. If your employer offers supplemental life insurance, you can purchase above what he or she offers; see if there is an amount you can purchase that will not require evidence of good health.

An employer may give all employees a base benefit from \$10,000 to \$50,000. While some employers offer this option, many others will not. If it is available, it is an excellent way for an otherwise "uninsurable" person to obtain additional life insurance.

**Long Term Disability.** Less common, but still occasionally available, is the opportunity to increase the benefit of your LTD plan. Some employers will provide a basic benefit for LTD, such as 50% or 60% of your monthly earnings, and allow employees to purchase an additional 10% or 15% to raise the benefit they would receive in the event of disability.

Some employers may allow you to add this benefit if you did not elect it originally. Again, it is important to read your Open Enrollment material to see if your employer offers this.

**Revising LTD Premium Payment.** One additional possibility to explore is the payment of LTD premiums and its effect on the income taxability of the disability benefits should you ever need to collect them. Some employers will allow you to have the premium for the LTD coverage added to your W-2, making the premiums taxable rather than receiving it as a tax-free gift. If this is possible you may want to jump at the chance, the reason being taxes.

If you pay for the LTD coverage with money that is taxed as income, then the benefits you receive if you become disabled will be income tax free, substantially increasing the spendable dollars you would receive as a disability benefit.

The IRS will tax either the premium paying for the coverage or the disability benefits being paid, but not both.

**Health Related Benefits.** Many employers, especially larger ones, offer a variety of health, dental, and vision plans from which employees can choose. At Open Enrollment, you have the opportunity to change your coverage from one plan to another regardless of

your medical condition, and sometimes have the opportunity to make choices within your plan, such as to increase or decrease the size of the deductible.

For someone dealing with HCV, this can be an important choice, especially if this is the first Open Enrollment since diagnosis. There is no one type of health plan that is best for everyone. There are two main kinds of plans that employers offer most often:

- **Preferred Provider Organization** – These plans provide some coverage for all physicians, but pay more if you choose a physician that has contracted with the insurance company, a Participating Provider. This plan will give you the greatest flexibility in medical providers; however, it will often cost you more out-of-pocket for both your portion of the monthly premium as well as the plan co-pays and co-insurance.
- **Health Maintenance Organizations** – These plans usually offer the lowest out-of-pocket expenses, but limit your choice of physician. Coverage is only provided when using one of their contracting doctors and hospitals. Also, a Primary Care Physician (also called a Gatekeeper) oversees all your medical care and must refer you to a specialist before the HMO will cover the specialist's charge.
- **Exclusive Provider Organization** – These plans are exactly like an HMO, except there is no Gatekeeper physician. You decide if you need to see a specialist and make the appointment directly.

Which plan is better for you will depend on which doctors you wish to retain and what HMOs or PPO plans they are part of, as well as the cost to you.