

2019

MEDICARE OUTLOOK



United
Medicare
Advisors

2019 Medicare Outlook

(an introduction from Lauren Guinta)



In America, roughly **10,000** baby boomers turn 65 each day. It's at this age that we see a generational shift in healthcare needs. Many seniors turn to Medicare, which can be a tremendously complicated process with many moving pieces and changing parts.

Every year, the Medicare program undergoes a series of significant changes and 2019 is no different. As a proud leader in the senior healthcare industry, our team at **United Medicare Advisors** is dedicated to staying on top of all Medicare trends. Our mission is to serve our clients as a Medicare resource; we work to simplify the complicated information and in turn, simplify our clients' lives.

Based on questions from our clients and background from our agents, we have found that breaking down the Medicare process is one of the biggest roles we can play. Here are the changes all Medicare recipients need to know as we move into 2019.



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Medicare Part A

(inpatient, hospital coverage)

Part A Deductible Increasing:

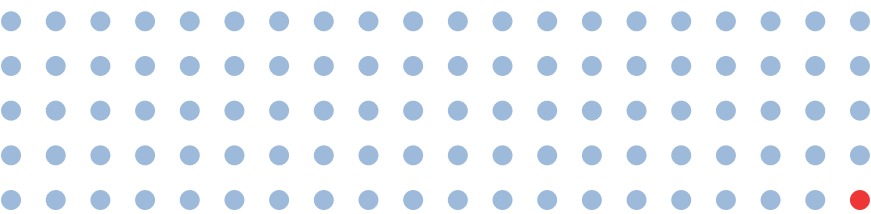
Part A inpatient deductible for hospital visits and long-term stays will be **\$1,364** (up from \$1,340). This covers beneficiaries’ share of cost for the first 60 days of Medicare-covered inpatient hospital care.

The chart below breaks down the full Part A deductible and coinsurance amounts:

	2018	2019
Inpatient hospital deductible	\$1,340	\$1,364
Daily coinsurance for 61 st -90 th day	\$335	\$341
Daily coinsurance for lifetime reserve days	\$670	\$682
Skilled nursing facility coinsurance	\$167.50	\$170.50

Part A Premium Increasing:

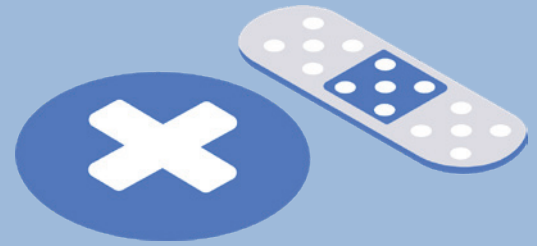
Nearly 99 percent of Medicare beneficiaries **qualify for premium-free Part A** because they have paid Medicare taxes for the required amount of time (40 quarters). For those who do not qualify, they should expect their premiums to increase slightly.



Nearly **99%** of Medicare beneficiaries qualify for premium-free Part A.

Medicare Part B

(outpatient, physician services)



The standard monthly Part B premium is increasing from \$134 to **\$135.50**. This cost is based on a beneficiary's income (called income-related monthly adjustment amounts). If yearly income exceeds \$85,000 (single) or \$170,000 (joint), beneficiaries will see a higher monthly premium. **This affects roughly 5 percent of recipients.**

Beneficiaries who file individual tax returns with income:	Beneficiaries who file joint tax returns with income:	Income-related monthly adjustment amount	Total monthly premium account
< \$85,000	< \$170,000	\$0.00	\$135.50
\$85,000 - \$107,000	\$170,000-\$214,000	\$54.10	\$189.60
\$107,000-\$133,500	\$214,000-\$267,000	\$135.40	\$270.90
\$133,500-\$160,000	\$267,000-\$320,000	\$216.70	\$352.20
\$160,000-\$500,000	\$320,000-\$750,000	\$297.90	\$433.40
> \$500,000	> \$750,000	\$325.00	\$460.50

Annual Part B deductibles will also be increasing from \$183 to **\$185**.

Note:

Some enrollees have supplemental coverage that pays their Part B deductible (including Medicaid, employer-sponsored plans, and Medigap plans C and F). Those Medicare Supplement plans that include Part B deductible coverage can only be sold through 2019—after that, beneficiaries can retain Plans C and F if they're already enrolled in them, but new enrollees will no longer be able to buy plans that cover the Part B deductible.

Medicare Part D

(prescription drug insurance)



For the second year in a row, base Part D plan premiums will decrease (fall from 2018's \$33.59 to \$32.19 in 2019).

It's important to understand that, while average basic premiums are declining, most people opt for additional coverage and the overall average of Part D premiums is higher than that number.

There is significant variation in the actual premiums people pay for Medicare Part D; in 2018, plans ranged from under \$11 a month to \$156 a month.

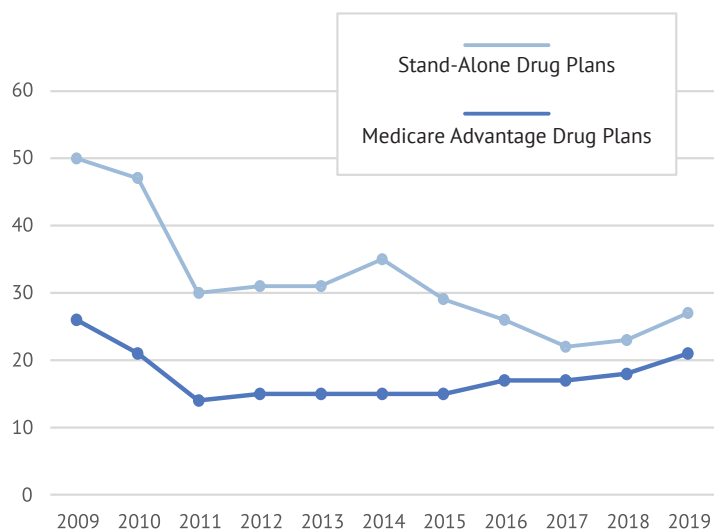
In 2019, Part D beneficiaries with higher incomes will also pay an income-related premium surcharge, **ranging from \$12.40 to \$77.40 per month**, depending on income.

There will be a **15 percent increase in PDP plans** offered nationwide. In 2018, there were 782 stand-alone options; 2019 will have 901.

This is likely due to the Centers for Medicare & Medicaid Services' removal of certain requirements, such as requiring plans to "meaningfully differ" from each other. It is expected that this will help increase competition and keep costs at bay.

In 2019, **215 Part D stand-alone plans will be available without a premium** for enrollees in the Low-Income Subsidy program. This is the lowest number of plans that have been offered since the start of the Part D program in 2006 (which had 408).

The Centers for Medicare & Medicaid Services has also taken steps to include more available pharmacies for enrollees by increasing competition among pharmacies by clarifying the "any willing provider" requirement.



(continued) Medicare Part D (prescription drug insurance)



2019 Part D Pricing Changes:

One of the biggest changes in 2019 is the closing of the brand-name Donut Hole. The Donut Hole refers to the coverage gap between initial coverage and catastrophic coverage. Prior to this change, enrollees covered 35 percent of out-of-pocket costs for brand-name drugs. That number is now 25 percent. The Donut Hole is considered “closed” because the out-of-pocket percentage is now the same as that in the initial coverage stage.

Part 1: \$415 Deductible

The initial fee. Note: Only 52 percent of PDP plans in 2019 will charge the full \$415 deductible.

Part 2: Initial Coverage

After you meet your deductible, you will pay your plan’s cost share of medication (typically 25 percent) until you reach your plan’s limit. The limit for initial coverage out-of-pocket costs is \$3,820, an increase from 2018’s \$3,750.

Part 3: The Coverage Gap

After the initial coverage limit is met, beneficiaries cover 37 percent of generic drug out-of-pocket costs, and 25 percent of brand-name drug out-of-pocket costs. In 2020, the gap for generic drugs will also be closed.

Part 4: Catastrophic Coverage

This coverage comes into effect when a beneficiary has spent over \$5,100 for prescription drugs. For total drug costs above this amount in 2019, beneficiaries pay either 5 percent out-of-pocket costs or \$3.40/\$8.50 for each generic and brand-name drug, respectively.

Conclusion



By working with **United Medicare Advisors**, our clients have instant and reliable access to all the latest Medicare news and insights.

Our team of licensed agents and knowledgeable staff work diligently to make sure that, despite annual federal modifications, our clients' coverage is still perfect.

We execute annual policy reviews with our clients to ensure they're still pleased with and fully understand their coverage year after year. We are fulfilled knowing our clients have the most accurate and complete understanding of their options, and are proud to have helped them get there.

Please know: This is not intended to be a full depiction of everything Medicare offers. To get the complete picture of your healthcare options, call one of our licensed agents. They will be happy to assist you moving forward.

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Questions? Speak with a licensed agent: 855.756.3943

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