2026 Medicare Updates

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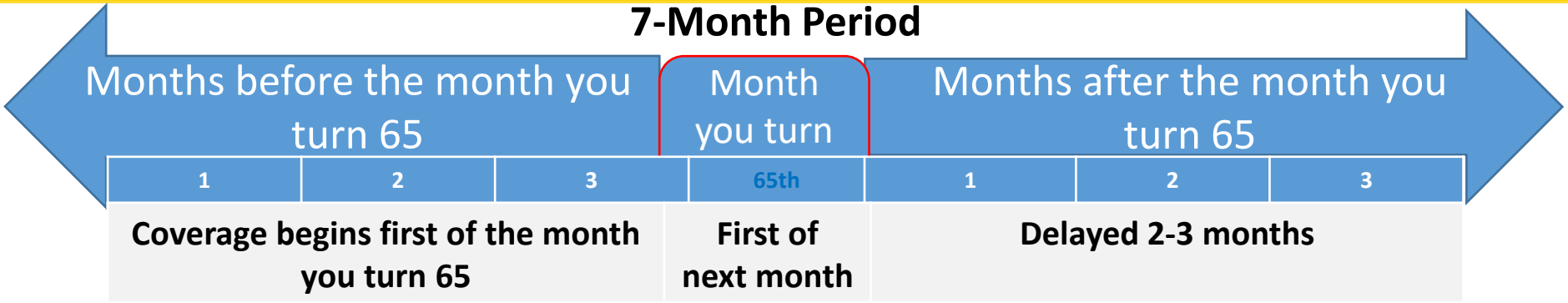
This presentation is for educational purposes only. Guidelines and plans may vary from State to State.
Disclaimer: We do not offer every plan available in your area.
Any information we provide is limited to those plans we do offer in your area.

The Goals of this Presentation; Today, we will…

Review	Review the main Parts of Medicare, including 2026 updates.
Define	Define the coverage gaps in the two main sides of Medicare
Reveal	Reveal resources to cover the gaps
Address	Address questions and concerns

Medicare Initial Enrollment Period (IEP)



-AEP, Annual Enrollment Period, October 15-December 7th with an effective date of January 1st.

-OEP, Open Enrollment Period, January 1st-March 31st. If/When you initiate changing plan. Applies only to Medicare Advantage.

-Birthday Rule/Anniversary Rule- For those with a Supplement you can shop your plan rate. (State Specific, not offered in every state)

-Look to the Sky! You just might have a special enrollment period.

No late enrollment penalties

Let's Review; What are the 4 Parts of Medicare?

Throughout this training, these icons are used to identify the part of Medicare being discussed.

Original Medicare

Part A
Hospital Insurance

Part B
Medical Insurance

Medicare Advantage Part C

Part A

Part B

Part D
(Usually)

Medicare Prescription Drug Coverage

Part D
Medicare prescription drug coverage

Medicare Drug Plan Costs—What You Pay In 2026

Part D
Medicare prescription drug coverage

- **Yearly deductible** ($615 maximum, if applicable)
- **Copayments or coinsurance**
  - Varies by plan, pharmacy & which drugs you are prescribed- Most plans have a deductible that goes towards the maximum out of pocket (Medicare offers an MP3 monthly payment plan through the carrier to smooth out the deductible and co-payments over the year
  - Pay regular copayment or coinsurance until you and your drug plan have spent a certain amount of money for covered drugs (2,100 in 2026) and you reach the Annual **Maximum out of pocket for RX for on-formulary drugs**
- **Monthly plan premium**
  - The Income Adjustment Monthly Amount (IRMAA) applies (see next slide)

Part D Cost Considerations

Part D
Medicare prescription drug coverage

- Plans have formularies (lists of covered drugs)
  - Must include range of drugs in each category
  - Include generic and brand-name drugs
- You can choose a plan and join
  - May pay a lifetime penalty if you join later and didn't have creditable coverage (no more than a 63-day gap)
- Costs vary by plan
- There's Extra Help to pay Part D costs if you have limited income and resources

RX Resources

"Did you know that every drug in America has to have a drug discount program- the trick is finding it!"

NAHU National Association of Health Underwriters - National Conference 2020

RX Resources

www.Blinkhealth.com
www.costplusdrugs.com
www.honeybeehealth
www.rxoutreach.org
www.rxcut.com
www.goodrx.com
www.needymeds.com

- Conduct a Google search with the name of your drug and the keywords “generic, coupons, discounts, trials, Canada, international”

* try 90day meds from Canada
www.canadianmedstore.com
Amber-1-800-683-6210

ADS-Advanced Diabetes Supply
Ivy- 1-866-422-4866

Regulatory Headwinds for 2026 and Beyond…

Inflation Reduction Act

Increased drug (Part D) costs for health plans & other CMS annual rule changes increase plan costs through 2034

Lower monthly Revenue

CMS MA revenue rates reduced from 2024 to 2025 while 2026 increased slightly

STARS model changes

Structural & measure changes from CMS make achieving 4+ Stars ratings more difficult

Risk Adjustment Changes

Transition to a new risk adjustment model creates revenue challenges (ex AI)

2026 Medicare Update Overview

CMS's latest Medicare Advantage Risk Adjustment Model

- Adjusts Payments to MA Plans to account for the health status and expected costs of their members
- Affects star ratings, plan benefits, premiums and extras with emphasis on medical coverage and sustainability- **It's a medical plan!**
- Adjusts plan benefits, disease management (promotion of year long enrollment of chronic condition plans] and supplemental offerings
- Lowers reimbursement & raises carrier utilization to take corrective action
- Reduces Service area with Plan Exits opposite of previous years' expansion with retraction especially in rural areas.
- Impacts Lead generators and Call centers through huge marketing efforts where brokers have been recognized by over 13,000 testimonials as the most trusted source for consumers on Medicare issues.

Member Experience- Here's What Changes

-Shifting Benefit designs. *Look for emphasis on Medical*.

-Anticipate more targeted supplemental benefits and a reduction in "cash-like" benefits (OTC, Co-pays & Flex Cards)

-Part D changes due to specialty drug utilization and minimum of two drug per category increasing appeals and AI claims processing

-Market disruptions mean greater member movement between plans-and a heightened need for knowledgeable broker guidance

How Do We Prepare?

Let’s look at the gap of original medicare with a supplement

Original Medicare

Part A
Hospital Insurance

Part B
Medical Insurance

Medicare Advantage Part C

Part A

+

Part B

+

Part D
(Usually)

Medicare Prescription Drug Coverage

Part D
Medicare prescription drug coverage

Original Medicare: What does Part B Cover?

Part B
Medical Insurance

Part B—Medical Insurance helps cover medically necessary

- ✓ Doctors' services
- ✓ Outpatient medical and surgical services and supplies
- ✓ Clinical lab tests
- ✓ Durable medical equipment (may need to use certain suppliers)
- ✓ Diabetic testing supplies
- ✓ Preventive services (like flu shots and a yearly wellness visit)
- ✓ Home health care

Rehab/Skilled Nursing Facility (SNF)

Part A
Hospital Insurance

Part B
Medical Insurance

- If you have Medicare Advantage Plan it offers short term rehabilitation in a skilled nursing facility.
- If you have Original Medicare with a Supplement or Medicare Advantage **CUSTODIAL CARE IS NOT COVERED**.
- If you have Original Medicare with a supplement, pay attention…

1. When you are hospitalized as inpatient, you are covered under Part A.
2. When you are hospitalized as outpatient, you are covered under Part B.
3. The observation designation can be expensive for those with a Medicare Supplement when transitioned to a Rehab/Skilled Nursing Facility.
4. **CMS recommends that every Medicare beneficiary have the choice to discuss a Hospital Indemnity plan- It is on every Scope of Appointment**

Your 2 Main Medicare Coverage Choices

Option 1: Original Medicare

This includes Part A and/or Part B.

Part A
Hospital Insurance

Part B
Medical Insurance

You can add:

Part D
Medicare prescription drug coverage

You can also add:

Medigap
Medicare Supplement Insurance\

(Does not include any extras)

Option 2: Medicare Advantage (Part C)

These plans are like HMOs or PPOs and typically include Part D.

Part A
Hospital Insurance

Part B
Medical Insurance

Part D
Medicare prescription drug coverage

(Includes Extras)

What are the Extras?

Option 1: Original Medicare plus supplements	Option 2: Medicare Advantage (Part C)
Extras are NOT included	Extras ARE included depending on your Plan Choice
• Dental • Vision • Hearing • Over the Counter • Gym Membership* • Meal Delivery • Transportation	• Dental • Vision • Hearing • Over the Counter • Gym Membership • Meal Delivery • Transportation

Dental, Vision and Hearing Savings

" Almost 2/3 of Medicare beneficiaries, that's (65%), or nearly 37 million people do not have dental coverage…
Almost 1 in 5 Medicare beneficiaries who use dental services spent more the $1000 out of pocket on dental care."

KFF Kaiser Family Foundation

- Did you know that you can have more that one plan for Dental, Vision and Hearing Insurance ?
- Yes, you can have a combination of plans for Dental, Vision and Hearing
- There are differences between a " up to policy " and an "indemnity" policy.

What are the most expensive areas not fully covered by Medicare?

Original Medicare=

In-Patient Rehab after an observation hospital stay

MAPD Part C=

Hospital, Rehab, Outpatient surgery,
Ambulance, and Outpatient therapy/Chiropractic

Both sides of Medicare=

- **Homecare** =
  Recovery at Home with or without RX reimbursement
- **Long Term Care**=
  Traditional vs. Hybrid
- **Cancer**=
  Lumpsum, Per service per diem, including outside of network biopsy for genome testing and counseling

Home Health Care Coverage

CMS defines Home Health Care Coverage as:

Part A
Hospital Insurance

- Home Health Care is required part time for immediate intermittent skilled services while your health is improving.
- Certain rules apply – Pure Custodial care is NOT covered.
- Palative Care is provided when you are not improving nor declining. You are maintaining status quo.
- Hospice Care is available for terminally ill patients – focus is on comfort and pain relief, while you are declining.

What this really means is…

- Since 2013, Medicare has been cut by $716 Billion to fund the Affordable Care Act.
- Also, in 2013, $78 Billion and counting has been cut from the Medicare home health care budget
- 2020 cuts have resulted in a loss of Medicare Homecare Providers due to the restricted reimbursement from Medicare
- Typically, Medicare at home is a 21-day episode with a RN initial visit, unless you need wound care or an infusion, and twice a week visits for 28 minutes each with a physical therapist; you **must** be home-bound and you **must** show improvement

How is Ancillary/Additional Insurance filling this gap?

- Short Term Home Health Care policies that pay “up to” or indemnity (pay you directly)
- Plans can pay day 1 without any elimination period and up to 360 days with restoration of benefits
- ”Relaxed Underwriting” (**The health questions are not as stringent as Long- term care and Life insurance)
- Some of the plans will give you a reimbursement for RX receipts every year up to $600 a plan
- You can have more than one plan and many over age 65 do this (However plans can begin as early as age 40)
- Depending on age, state and medications, you could attain $0 net cost plans with restoration up to $278,000 in benefits for a combination of skilled care and custodial care

Medicare Does NOT Cover Custodial Care –Short Term Home Health Care Plans Do

Long Term Care

Long Term is defined as needing to have care for more than 90 days. (If it's less than that, it is considered short term care)
"Average stay in a nursing home is between 3.7 and 4.3 years…when it's a couple, one will need Long Term Care." AARP

- Long term care can cover Care coordination, extended in home care, adult day care, assisted living and nursing home care & respite care
- Long Term care funding sources; Private Pay (Your pocket!) VA, Medicaid or a Private Plan defined as traditional Long-Term Insurance, Hybrid Life insurance and Hybrid Annuities
- Traditional Long Term care insurance has a typical 90–100 day elimination period (the wait before the policy starts to pay)
- For the past two decades, the #1 reason people planned for Long Term Care is… **They do NOT want to be a burden on their spouse or children**

How does Medicare handle the big “C”?

Medicare Advantage Plans have a 20% copay up to their plans Maximum out of Pocket

- The latest and greatest Cancer drugs are typically not covered under part D or are listed in the highest expense category
- Medicare provides biopsies for DNA (genome sequencing) at Stages 3 & 4 **only** and only tests 400 genomes
- Medicare does not pay for travel. All providers are limited to your plan. Concierge care is not covered. Alternative medicine is not covered. Custodial care is NOT covered
- Hospice is only offered when the Hospitalist and your Dr agree you could expire within 6 months (you must show a decline)

How is Ancillary/Additional Insurance filling this gap?

“1 in 2 people will develop cancer in their lifetime.” The Medical News Today

- Those that have been cancer free for five years can apply for cancer policies
- Most Cancer plans now pay in a lump sum and are indemnity
- Older Cancer plans pay benefits as “up to” or per diagnosis/description limit
- Most Cancer plans can cover re-occurrence. They can also cover heart attack and stroke. The benefits typically range from $5,000 - $100,000.
- You can have more than one plan
- You can choose to get a plan that would test 19,000 genomes at Stage 1 where coordinated counseling is also included

Summarizing Coverage Gaps Discussed Today

- Prescription Drugs w/Medicare Advantage & Medicare Supplement Plans
- Extra Benefits - Dental, Vision and Hearing
- Homecare (Short-term custodial recovery at home)
- Long Term Care
- Cancer/ Heart Attack Stroke

Additional Information

Government Contact Information:

- 1-800-MEDICARE (1-800-633-4227), TTY: 1-877-486-2048
- www.Medicare.gov

Missouri State Government Contact Information:

- 573-751-4126
- www.insurance.mo.gov

Questions?

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Would you like to continue this conversation?

Text me Now 314-302-5743