

**SPECIAL GOLDEN YEARS EDITION**

——— **Best Seller for Seniors** ———

# **THE** **Medicare** **Plan** **Answer** **Man** ✓

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**Who do you call when you need answers you can understand?**

**by Bob Little**

**Never Before Published**  
**Medicare Stories that**  
**Entertain and Enlighten.**



# The Medicare Plan Answer Man

Bob Little

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*First Edition*

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## Preface

I was inspired to write this book after a meeting I had with a potential partner in my business. It was a Friday night and I only had about 40 minutes of his time. In the weeks building up to our meeting I had made the ‘pitch’ to some really heavy hitters in the business world that were good friends of mine. I had all my numbers down pat, from the location, the build-out, the branding, the sales force, to the marketing, the staff infrastructure, and even lead sources on the city, county and state level. I went over ‘the then’, ‘the now’ and ‘the five-year plan’ earnings. He was impressed on what I had done on my own. I told him how there are over 50 million people on Medicare now and showed him the stats that show there are 300,000 people going on to Medicare every month. Opportunities all over the country. I showed him the math and it all added up, bigtime! Profitable, sellable, and scalable.

I could tell that he was sold, but he wasn’t ‘sold-out’. There’s a difference. It was like there was a coolness that had slipped in over my red-hot pitch. Or was it the coolness of the ‘pitch’ that kept him from moving forward? It felt different at the end with Jack then it did when I pitched my other friends. Jack and I are a couple of best friends from 35 years back, more like brothers even. He had always been the leader and I was just fine being shotgun, being his true council and his connection to a simpler existence. No matter how successful Jack has been over the years, I’ve always been offered an open door to his home, keys for the cars in his driveway and the food in his fridge at my pleasure. I have a home away from home in Ft. Lauderdale.

I could feel it. I had gone so far outside of my core business tenets that I sounded like any other pitch man trying to close a deal with a millionaire. I was all numbers, graphs, facts and figures. Jack looks through the pages of ‘marketing’ materials I had put together in the form of company profits, losses and forecasts. He didn’t look at any page with any more zeal than the next. He gave a quick glance at his watch. I knew my time was up. I had blown my chance. I went right to the money and skipped his heart.

“This looks great Bobby” he said. “I think you’re on to something.” The fact that he wasn’t asking any questions bothered me. Questions show interest. He stacked all my paperwork neatly and passed it over to me. “Let me think it over. Even if I don’t invest, I can help you build your team.” he said. He was on his way off to much bigger and better things with Grant, another multi-millionaire that hadn’t lost touch with the 10X grinders on the ground.

I prayed he would just tell Grant my numbers. Grant responded to numbers, period. Suddenly it clicked, even though Jack is all about the numbers as well, he was only truly moved by people’s lives being changed for the better. He needed to know how my work was as much my ministry as it was my mission. As we walked to our cars I figured I had nothing to lose and went for my wallet. “Let me show just one last thing before you go Jack”, I said as I pulled the folded and tattered index card from my wallet. I had written it over a year before and it was my guiding mantra for everything I did, everything my team did, hour by hour, day after day. It was my compass through the valleys. I knew it by heart and recited many times a day.

As he read it he started to smile. I could even see a slight twinkle in his eye like I had seen so many times over our life-long friendship. I had hit a place in his heart. “Come here bro”, he said. He wrapped me up in a big hug with a couple of big pats on the back. “That’s my man Bobby right there”, he said. After a long hug he gave a quick raise of his arm and twitch of his fingers. “Give me the numbers.” he said. I handed over the stack of papers. “While I go over these, I want you to tell me more about this.” he said as he held up the note. “I’ll keep this until I hear back from you”, he smiled and put the note in his pocket. He said, “I love you brother. You’ve done real good.” “Love you bro.” I said. We gave a last hug and departed. I had another chance to gain his partnership. On my weathered postcard read:

**Love God, Love People, Seek & Gain Wisdom, Serve & Protect. Nothing can stand against these. Love Rules.**

I treat all of my clients just like I would my own family. My clients are the Aunts and Uncles I didn’t have as a child. Like family, I love them and they either love me or just put up with me. One thing is sure, they will come put their hands around my neck if I don’t make everything crystal clear and be right by them if any problems do arise.

Our mission and ministry at MediPlan/Max is to make it safe and simple for everyone on Medicare to enroll in the right plan for the right reasons, every time, and, to help them maximize their benefits all throughout the year.

Also, to offer a platform for all of the independent licensed agents around the country who also desire to serve and protect those on Medicare. I’m coming to your town soon!

Bobby





## **Introduction**

Hello! Thank you so much for having me. I'm Bobby Little, 'The Medicare Plan Answer Man', and my goal in this book is to take away the fear of Medicare by educating you on the inner workings of the Medicare system, as well as showing you the options for your healthcare plan. If you are an agent or someone considering becoming a licensed health insurance agent, you will learn here what they will never teach you in a school. In this profession you are rewarded financially but more important you are rewarded by the words you receive from those you help. I am constantly humbled by this noble service to the folks that built this country, but are too many times tossed to the side. I'll ask you, who is marching for the seniors?

I know that if you are turning 65 soon then you are already being bombarded with phone calls from all over the country. Your mailbox is stuffed daily with flyers, letters and big colorful packages from all of the insurance companies available in your area. It's not just one or two companies to choose from, there may be many different plans in your area to choose from. In the Houston and surrounding area where I work, there are over 20 Medicare Prescription Drug Plans, over 50 Medicare Advantage Plans, and a multitude of Medicare Supplement Insurance Plans available. There is a lot of information to go through.

I have had face to face Medicare meetings with over 2000 people on or entering the world of Medicare. The fear is in the 'not knowing'. It always is. Your doctor is plenty smart but he or she can't educate you on Medicare and which is the best plan fit for you personally. The pharmacist can't

help you understand, and they are smart like the doctors, right? I would guess that your financial advisor cannot tell you which is the drug plan that could save you \$1000 on your prescriptions next year. This is important stuff, not to be taken lightly. You have good reason to be on edge.

I've had folks much smarter than me show up to one my seminars with their 'Medicare and You' book full of different color memos and page markers and underlining. Four different highlighters are used to note the different aspects of a part or a plan. I do these things myself. I hear stories of folks trying to figure it out themselves by going online. There are over 42 million results for 'understanding Medicare'. Who has the time to go back to school at 65?

Even the word 'Medicare' has added a little weight to the bag of burdens you carry. The clouds above are a little darker. You're not totally sure you know all that you need to know, to not make a bad decision. You've heard about parts and payments and penalties. You may be helping someone and you just can't connect the dots.

Until today. Have you ever watched a movie then a day or so later you pick up on some of the hidden or underlying messages? This is not like that. This is straight through the steps of Medicare as I would give them at one of my Medicare Seminars. Over the last 9 years I have held close to a thousand seminars in diners, hotels, bingo halls, senior centers and in people's homes. As I state in my website video made back in my early days, "I'm a local agent providing personal service just like it should be. I carry all the plans, I know them inside and out, and I can best help

my clients find the plan that fits them personally best.” It’s the way I was brought up under Gary and Misty.

The brokerage in which I’m a partner, McCunis-Fox Insurance Brokers, (Gary McCunis-Misty Fox McCunis) is and has been one of the top producing brokers in Texas since 2010. We have a clientele of over 10,000 Medicare beneficiaries. These aren’t online clients who live across the country, these are face to face meetings with tens of thousands of folks 65 and older and those who are otherwise qualified to be on Medicare due to a disability. We know Medicare, we know the people, we know the plans. It is our mission and our ministry to make it safe and simple for every person on Medicare to enroll in the right plan for the right reasons, every time.

To that end I have opened the first One-Stop Medicare Superstore, called MediPlan/Max. We are open all year and will hold over 500 free seminars over the next ten months. MediPlan/Max is a Medicare Only Education Center and Enrollment Office in Sugar Land, Texas, Fort Bend County. On top of the seminars, our team of local licensed agents will go to thousands of seniors homes this year to help them understand Medicare, understand their options, and enroll them in the best fit plan for them personally. It’s a short and personal Medicare seminar at your home. We hear all the time, “I didn’t know there were people like you.” Now you know! We’ve had our nose to the grindstone, positioning our people, building our processes, setting our plans to reach and serve one million seniors, face to face, across the country, in five years. Enjoy the stories as you subconsciously receive a lesson in Medicare.



## **Me, Mom and Medicare – A Phone Call**

**Mom:** ... “well, he said they offer transportation.”

**Me:** “Ma, why are you even calling insurance companies in August? You know you’re not gonna be able to change plans until AEP anyway. Besides, I know that Plan and ...”

**Mom:** “What’s AEP?”

**Me:** “That’s the Annual Enrollment Period. October 15<sup>th</sup> to December 7<sup>th</sup>. That’s when you can change plans. The new plan starts on January 1<sup>st</sup>.”

**Mom:** “I have to wait until then to get off this plan?”

**Me:** “Yes, Mommy dearest. It’s that way every year.”

**Mom:** “Watch yourself kiddo. I may be 86 years old and five foot nothing, but I can still slap your jaws off your face. I may have to stand on a chair to do it...”

**Me:** “I know mom. I think I learned my lesson forty plus years ago from the Hotwheel track whippings you gave me.”

**Mom:** “Oh no, I never whipped you with a Hotwheel track, that was Kenny’s mom. Your Dad and I preferred the ‘Hearing Aid’.”

**Little Side Note:** The ‘Hearing Aid’ was a very thick ping-pong paddle with the rubber removed. My Dad wrote across the paddle in big letters, ‘Hearing Aid’. It stayed on

the fireplace mantle. If he had to tell me and my brother anything twice, he would use the 'Hearing Aid' on our backside. It didn't take long until we heard very well.

**Me:** "I remember the Hearing Aid very well."

**Mom:** "Now that you mention it, does my plan cover hearing aids?"

**Me:** "It certainly does."

**Mom:** "You said I have to wait until October 15<sup>th</sup>?"

**Me:** "Yes ma'am."

**Mom:** "It seems I remember you enrolling me in a plan when we moved a few years ago. It was the middle of the summer. Why didn't I have to wait until AEB?"

**Me:** "It's AEP. Annual Enrollment Period."

**Mom:** "They should call it Annual Enrollment Bullsh..."

**Me:** "Okay, okay Ma. That summer you had what is called a Special Enrollment Period due to the fact that you moved to an area where your old plan wasn't offered."

**Mom:** "You lost me at special, Bobby Lane. Have I told you lately how much I love you and how proud I am of you, even if you don't call me?"

**Me:** "Yes, Mom. I love you too."

**Mom:** “So why don’t I have transportation?”

**Me:** “Ma. The plan that was the best fit for your doctors, your drugs and your personal situation, is the plan that I have you in. It doesn’t have transportation. When we do your annual review this year, I’ll see about transportation. Is there something wrong with your car?”

**Mom:** “No. It’s just that your Aunt Pat keeps bragging about her plan having transportation. I had to know more before I called her back. So, I don’t have transportation, but my plan is better than hers, right?”





## **Chapter 1**

### **The Seminar - Medicare Basics A, B & C**

The morning sun came through the windows, warming and illuminating the quiet restaurant. It was Medicare time. This would be seminar 1 out of 133 that I would hold over the next 10 weeks. Time to do what I do.

A rather handsome but humble gentleman, (me), dressed quite dapperly, greets the 64-year old and up crowd as they come through the heavy glass door. They need some early morning encouragement that this may be the only Medicare meeting they have to attend this year.

As the first guest walks in, the staff heads off to the kitchen to make final preparations for the lunch crowd. “Good morning folks, how are you today? Excellent, good to hear. I’m Bob Little, I’ll be doing the presentation today. You can have a seat right over there where I have the booklets on the table. Yes sir, the bathroom is right back there. No ma’am, no rush, you’ve got plenty of time. We’ll get started right at ten.”

Thirty minutes later and a number of people have come in and seated themselves. I glance at my watch and see that 10 o’clock is approaching. I take a quick look at the crowd and then duck behind the counter to chug down a full cup of coffee I poured myself thirty minutes earlier. I never did get that first sip when it was hot. Cold is better than nothing. I straighten my tie, tuck my shirt in a little better in the back, check my zipper, polish off the top of each of my shoes with a quick wipe on the back of the

opposite calf, put on my ‘are we having fun yet?’ smile and briskly yet gracefully make a B-line towards the awaiting guests.

I start to speak and reawaken the folks as I make my way to the front. “Good morning everyone. Thank you so much for coming out today. I first want to thank Luby’s and their wonderful staff, who have allowed me to hold Medicare Seminars here since 2010. Since then I have held over two thousand Medicare meetings in diners, hotels, motels, senior centers, bingo halls and in people’s homes. I’m your local and personal, independent licensed agent, and I have contracts with most all of the Medicare insurance companies. Medicare is all I do!”

I take my place up in front. “It’s right at 10 o’clock now. I can usually get this wrapped up in about 2 hours... I’m kidding! We need to be done, and on our way out of here before they open at 11. However, I do recommend getting right in line when we’re finished, for the fresh classic meat loaf, that is the manager’s special today, and it is delicious!”

“Again, I’m Bob Little, you have my card there in front of you. MediPlan/Max, Your One-Stop Medicare Store, is my company. My Medicare Education and Enrollment Center is right up the road, right next door to Randall’s grocery store. All we do is Medicare, and we are open all year long to serve any and everybody that is on Medicare. There is never a charge for our services, even if we need to come to you at your home. Yes, we make house calls too. My team and I carry all the plans in the area, and we know them inside and out. We only do Medicare Plans.

Medicare Supplement Insurance Plans, Medicare Prescription Drug Plans and Medicare Advantage Plans. Before we get into the ABCs of Medicare, does anyone have any questions? “That’s why we’re here Mr. Little”, Virginia, a current client, said with a little smile on her face, just like she did at her first seminar, six years earlier. Oh yeah, she’s a riot. One of my favorite Aunts!

“Ok, we’ll start with, ‘When are you eligible for Medicare’?”. You are eligible for Medicare Parts A and B if you are at least 65 years old, or you’re under 65 and you qualify on the basis of a disability or other special situation. Also, you have to be a U.S. citizen or legal resident who has lived in the United States for at least five consecutive years. I have clients that are under 65 years old that are on Medicare due to a disability. If you’re on disability for 24 months you are automatically eligible for Medicare.”

“When can you enroll in a Medicare Advantage or prescription Drug Plan? You have different enrollment periods. You have your Initial Enrollment Period when you turn 65 or otherwise become eligible for Medicare. Your Initial Enrollment Period begins three months before and ends three months after the month of your 65<sup>th</sup> birthday (a seven month window). If you have employer coverage when you first become eligible, you won’t need to enroll until you retire or otherwise lose that coverage. Prescription drug (Part D) coverage must be credible or you may be subject to a late-enrollment penalty when you enroll in a plan with Part D benefits. I’ll talk more about that later.” (Chapter 4)

“Then you have the Annual Enrollment Period, or it may be called. Open Enrollment Period. October 15 – December 7<sup>th</sup>. During this time, you can add, drop or switch your Medicare plan coverage. “

“You also have what are called Special Enrollment Periods. Some individuals may qualify for a Special Enrollment Period. Depending on certain situations, you may be able to enroll in a Medicare plan during what is called ‘Lock-In’. This is the time outside of the initial enrollment or open enrollment time frames. You may qualify for a Special Enrollment Period if you retire or lose your employer coverage. If you move out of your plan’s service area, receive assistance from the state, or if you have been diagnosed with certain qualifying disabilities or chronic health conditions, you may qualify for a Special Enrollment Period.”

“Finally, you have had what is called the Medicare Advantage Disenrollment Period. The most recent one was between January 1<sup>st</sup>, 2018 and February 14<sup>th</sup>, 2018. At that time, you were able to disenroll from a Medicare Advantage plan and return to Original Medicare.”

“Ok next we’ll do a quick overview of the A, B, C and D of Medicare and your 3 Options. “

1. Just Original Medicare with a Medicare Prescription Drug Plan.
2. Original Medicare with a Medicare Drug Plan and a Medicare Supplement Insurance Plan to cover what Medicare doesn’t.

3. A Medicare Advantage plan that may or may not include the Part D coverage. (usually with D)

“You may want to take a few notes here. When you turn 65 or if you are on disability for 24 months, you qualify for Medicare. You have Part A which is your hospital coverage and Part B which covers doctors, outpatients surgeries, labs, x-rays, ER, etcetera. Basically everything that is not hospital. Your Part A is zero per month. You paid into that by paying taxes for at least 10 years.”

“Your Part B for 2018 is \$134 per month. Some people may not pay any Part B at all. Other people may pay a lot more for their Part B. I will touch on this a little later. (Chapter 8) For the most part, you will pay \$134 per month. If you are turning 65 soon you should expect a letter from Social Security with your new Medicare card. The Part A and the Part B will start on the first day of your 65<sup>th</sup> birthday month.”

“Hey Bob, what if I’m not drawing social security yet? I’m holding off so I can get more money when I do retire”, came a voice from the back.

“That’s a great question”, I continued. “If you ARE drawing social security but let’s say you are still working and have good and affordable company insurance, and you don’t need or want to take your Part B, then you sign the form and send it back to social security and they will not start taking the \$134 from your social security check.”

“Won’t we get penalized if we don’t take Part B when we qualify? That’s what I read”, came a voice from the left side.”

“Hold on now, let me get us caught up”, I said. I acknowledge the man with the previous question. “I’m about to answer your question too, give me a second. If you still have insurance and it includes ‘credible’ drug coverage, most company plans do, then you will not be penalized for not getting Part B. If you were to go onto Medicare and you did not have other insurance, then you would be charged a 10% penalty for every twelve month period that you do not enroll in Part B. Got it? Everybody clear on that?” I asked. No response so I keep talking.

“Ok, so now if you’re NOT drawing social security, but you want to enroll in Part B, you will need to go online and enroll. That’s something we help clients with all the time. It is a very easy and quick online application. Or you could get in line at a local social security office and enroll there. Either way, since you are not drawing a social security check for them to get their \$134, they will send you a bill to pay that will be in quarterly payments. So if your Part B is \$134, then you will receive a bill for \$402. Mail in the check or take advantage of some other ways they allow you to pay.”

“Moving right along. You have your Part A and Part B. Now you need Part D which is your Prescription Drug Plan. Let’s put an average at \$26 per month for a drug plan. You have A, B and D. You are compliant and have medical and prescription drug coverage.”

“Ok Bob”, says a little lady in the back, “we know what we pay for it, what do we get out of it? Where’s the benefits?” Somebody else yells out, “Yeah, where’s the beef on this government insurance Bob?”

“Here’s how it breaks down. If you go into the hospital you have a Part A deductible of \$1,340. That \$1,340 deductible is for a 60 day period. That doesn’t mean you can only stay 60 days. It’s like this, let’s say you go in the hospital for a few days. You will have to pay the deductible. Say you end up going back in the hospital 40 days later or any time within 60 days of your first admittance. You would not have to pay the deductible again. But, if you were to go back say 75 days later, maybe a few months later, maybe only 65 days later, you would be required to pay the \$1,340 deductible again. On top of the deductible you may be required to pay 20% of some bills from your hospital stay.”

“Bob”, Virginia calls out, “is there any point where Medicare would stop charging me the deductible and the 20%, like a maximum out of pocket amount?” “No”, I replied, “there is no cap on Medicare charges.” “Wow”, says the man who has been half asleep all morning as he shakes his head in disbelief. The crowd starts to mumble, grumble and stir.

I get us back on schedule knowing that I will make it all very clear with some stories from the field once I get through the basics. I can’t just wing it. The big carriers as well as Medicare itself, or CMS, the Center for Medicare and Medicaid Services, will send undercover observers to make sure that agents are providing correct and compliant

information to the seniors. Most agents are fearful of doing seminars because of the intense compliance regulations. I love it. Like most things, the harder it is then the fewer that will even attempt it. More seminars for me to hold. More clients that get the best presentations.

“So, then you have your Part B deductible. To be clear, a deductible is what you pay before Medicare pays for anything. If you go to a doctor or have any outpatient medical services performed, you will pay a \$183 Part B deductible. This is only one time per year. After the \$183 deductible you will simply pay 20% of your medical bills.”

“Keep in mind, everyone that is on Medicare gets to go in for an annual wellness visit for no charge. In the past, folks wouldn’t even go in for a check-up because they had to pay a deductible, and then they had no idea usually how much the 20% would be. They wouldn’t see the doctor until they were really sick and then it was too late and damage had been done. It was costing the government and the insurance companies a ton of money. Now that the preventive check-up is free, everyone is starting to see the benefits of preventive care.”

“Your first option is just to stay on Traditional Medicare which is what I have explained here. You pay \$134 per month and have deductibles and 20% co-insurance, and you also purchase a Medicare Prescription Drug Plan (PDP) from a private insurance company.”



“Your second option is a Medicare Supplement Insurance Plan. Now most folks when they are going on to Medicare say, “I need a supplement”. A Medicare Supplement Insurance Plan is specific insurance plan that you pay for monthly. It gives you the freedom to see any doctor that accepts Medicare. Depending on the ‘Plan’, you will pay little to no deductibles or co-insurance. The Plan with the most coverage is the Plan F. Let’s say the Plan F is \$150 per month. There are some companies that charge less and some that charge more”. (That is another important discussion to have should you choose to go with a Medicare Supplement Insurance Plan.)

“So, you pay Medicare your \$134 per month, your drug plan \$26 per month, and your Plan F at \$150 per month. With your drug plan you may have a deductible (up to about \$400) and then you will pay co-pays for your drugs. With your Plan F, you are covered on all medical.

Say you walk in to the doctor’s office or hospital and you lay down your red, white and blue Medicare card. They ask you how you want to pay your deductible and co-insurance, cash or charge? You whip out the Plan F card and drop it on their desk like a hot microphone. BAM! The \$1,340? PAID by the insurance company! The \$183? PAID by the insurance company! The 20%? PAID by the insurance company!”

“Mr. Little” came a call from ‘taking tons of notes Tobie’. “I heard they are going to discontinue the Plan F and you will only be able to get Plan G. can you tell us a little bit about that please?”

“Absolutely!” If she hadn’t asked the question I would have soon posed it myself. I said, “Come January 2020, someone who is not already 65 will not be able to purchase a Plan F. I’ll shine some light on this for all of us. The next Plan after Plan F is Plan G.” “That’s what I have now and it works great. I don’t pay anything when I go to the doctor”, Ms. ‘85 and Feisty’ shouts out. I quickly responded. “What is your name ma’am?” She replied, “Autumn”. I continued, “Ms. Autumn you said you don’t pay anything, did you have to pay a few of the bills at first?” “Well”, she tilted her head and looked into thin air to grab a memory, “You know, I did have to pay the first \$150 or \$200 it seems, for something, but then after that I never have paid a dime.” “Yes ma’am”, I said as I noticed a few others had connected the dots.

“You have the Plan G. It is generally 15-20% less than a Plan F, and the only difference is that on Plan G you are required to pay the Part B deductible of \$183 for the entire year. Your Plan G covers the Part A deductible at 100% and it covers all of the 20%.”

“Can I say something Bob?” I had seen this lady at my seminars for the last 5 years. She was on a plan when I first met her and it has served her well. I never put her on a different plan because there was no good enough reason to bounce her off a plan that was a good fit for her. I think it was time. “Please do”, I encouraged her. “Folks this is Jennifer, she has come to my seminars for about 5 years now. She hasn’t become my client yet because she has always been on a plan that fit her well and I don’t shake people out of plans that are right for them. Thank you for your input Jennifer”.

“Thank you Bob”. She looks around a bit to see who has their ears open. “I had the Plan F for a couple of years. The one I was on was about \$140 per month at the time, then it went up to \$152 the next year. I heard Bob give this information a few years back and I did the math, and went to a Plan G. The Plan F cost me over \$400 more per year than the Plan G and all it was saving me was the \$183. I was basically throwing away \$217 for the year. That’s why I think they are taking away the Plan F. If people can’t figure it out for themselves how they can have just as good of coverage and spend less money, then the government is going to help them see the savings by taking away the Plan F option.” She had a few folks nodding their head in agreement, a sure sign of understanding, or, as likely, a sign of acting as though one understands. I see it all and I can tell who really gets it.

“Ok. So someone may say, “Hey Bob, I don’t like Option #1. I don’t want the government being my insurance company with the deductibles and 20% and the no cap on bills, no way. I try to keep healthy Bob. I don’t like Option #2 either. I don’t go to the doctor enough to be paying \$150 a month, or even \$125, for a Medicare Supplement Insurance Plan. And, I really don’t like having to buy a drug plan when all I take is one generic drug. What else do you have?””

“I’m glad you asked”, I replied. “Your 3<sup>rd</sup> option is a Medicare Advantage Plan. These are HMO and PPO plans and such, a lot like I have now and like many companies have, but the ‘Medicare’ HMO and PPOs are much, much, better than what I have. With just traditional Medicare it is the government playing insurance company

with the doctors, the hospitals, the billing, the administration of an insurance company, etc. Government in the ‘insurance’ business. With a Medicare Supplement, it is government and the insurance company getting your bills paid and the government is still playing like an insurance company.”

“With a Medicare Advantage Plan, your insurance benefits are being administered by a company that specializes in, you guessed it, insurance. They have the doctors, the hospitals, the labs, the surgery centers and more already in their book of business. They have worked together for years. The private insurance companies are efficient and profitable or they are not in business long. The government is happy to have them on board.”

“With an Advantage Plan you still have Part A at zero per month, you still have Part B at \$134 per month. You still have Medicare and do not lose it. But now, the government will take a portion of the \$134 that you send to them and pass it on to the private insurance company, every month. The insurance companies, in their extreme efficiency, and in their quest to have your business so they can get paid by the government every month, offer many of these Medicare Advantage Plans at ZERO per month. You simply pay your Part B premium to Medicare.” (whether you are on just Medicare, a Medicare Supplement, or a Medicare Advantage Plan, you will always be required to pay your Part B premium).

“The insurance company is getting paid every month whether the member goes to the doctor or not. I can tell

you with my list of clients, there are plenty that haven't been to the doctor in years. Not even for their free check-ups and shots. The insurance company gets paid every month regardless. Most plans don't have any medical deductible at all. On these plans, you just pay co-pays when you go to the doctor or hospital. Each plan is different in co-pays and coverage, but, EVERY plan has to offer, at a minimum, everything that Medicare offers. If Medicare covers it, the plan has to cover it."

"So Bob, you said you carry all of the plans. Which one is the best?", asks 'Sleepy'. "What is your name sir?" I ask. "Matt" he replies. "It all comes down to your doctors, your drugs, and your personal situation Matt." I reply. "I have households where mom is on an Aetna Medicare HMO advantage plan, dad is on a United Healthcare Supplement Plan with a Humana prescription drug plan, Aunt Betty is on a Blue Cross PPO, and Uncle Ken is on a Texan Plus HMO-POS. People say, 'Bobby that's crazy!'. I say, "No, it's not crazy at all. That is the exact fit for each of them, for their personal needs, for that year. Come October, we will run an annual plan review and see if they need to stay with what they have or change to something else." Me and my team are all over it. Turning over every stone so none of my folks get surprised by any rattlers.

"Mr. Little. Mr. Little." It's one of the older cooks that had been listening in from the edge of the kitchen. "Yes ma'am?" I reply. He asks, "What if I am still working, but qualify for Medicare, should I change from my work insurance?" "That's a great question. What you want to do is get me the information on your current work insurance plan so I can do some research. Include the

monthly premium, deductibles, and co-pays for common medical services such as doctor visits, outpatient surgery, and hospital stay. I will compare to what is available to you in the Medicare market. The numbers will speak for themselves. I will make a recommendation on what I believe your best move would be.” “Thank you”, she replied and went back into the kitchen. She knew she would see me many more times throughout the next 10 weeks. With that, I was ready to wrap up the presentation.

“Ok folks, that is the end of the official presentation. I want to open up the floor to questions.” All at once they shouted out their questions.

“Is Medicare better then the plan I have at my job?”

“Is a supplement better than a Medigap plan?”

“Did you say something about a Part D Penalty?”

“Why is everyone worried about the donut hole?”

“What is better for me, Medicare or an Advantage Plan?”

“Bob, is there any way to find out if I can get some help?”

“Does my previous income have anything to do with it?”

“Should I be concerned about my coverage changing?”

“What if my prescription drugs are not covered?”

...and even more questions! I am thrilled to have the questions hurled at me. I want the folks to have the truth, the plain truth and nothing but the truth. That being said I will now drop this disclosure: All the things written here may not be exactly to the dime correct on price, perception or language. I welcome corrections and will duly make corrections as applicable. Otherwise, welcome to My Wonderful World of Medicare and the People I serve. I hope you too will be served by the stories within.

## **Chapter 2**

### **The Company Plan – Do You Need a Medicare Plan?**

2009. I was new in the business. I wasn't new to health insurance, but I was new to Medicare insurance and very new to getting leads directly from the top. I received a call from Aetna asking me if I could go see a lady out in Cleveland, Texas. Knowing myself, I would bet that I accepted the 'house call' before even looking on my map to see exactly where the heck Cleveland was.

As long as I always took the call, went out on the call no matter where it was, and made a great presentation, all the big carriers would keep calling me first with the out-of-town leads. When they saw that I was closing at a much higher rate than many of their 'seasoned' agents, they started calling me for leads closer to home so I could see more people in a day. Aetna, United, Humana, Blue Cross, Texan Plus, and more, they'd all call me for the in-home presentations. I built my book as a rookie traveling far and wide to serve seniors who were getting on or on Medicare.

These are some of the towns that you'll find my Medicare insurance clients bragging on me: Houston, Sugar Land, Stafford, Richmond, Rosenberg, Katy, Missouri City, Kingwood, Galveston, Galena Park, Sweeny, West Columbia, Angleton, Alvin, Lake Jackson, Deer Park, Dickinson, Pearland, Santa Fe, Bay City, Chappell Hill, New Waverly, Wharton, Boling, Damon, Pasadena, Huffman, Oyster Creek, Rosharon, Baytown, Lovelady, Navasota, Hull, Cedar Lake, Spring, Bryan, Groveton, Palacios, Hitchcock, Brenham, Sheridan, Livingston,

College Station, Cleveland, Magnolia, Conroe, the Woodlands, New Baden, Clute, Ganado, Richards, Brazoria, Hockley, Freeport, Weimar, Meadows Place, and more. I think of the days I would see three and four cities in a day. One of my favorite meetings took place on a porch swing while my clients' grandkids laughed and played in the yard with their new puppy.

Cleveland is a little over an hour away from my neck of the woods in Sugar Land. I'm about 20 minutes southwest of Houston and Cleveland is about 35 minutes northeast of Houston. The catch was getting on the road at the right time to avoid massive Houston traffic. Once I was outside of Houston, it would be a nice little country drive.

After Aetna called me with Rosie's in-home presentation request, I immediately called her. I could tell by her light almost fragile voice that she wasn't just turning 65, but I opened the conversation with the basic, "So, I hear you're turning 65 soon". "Oh no, I turned 65 a long time ago. I'm about to turn 70 in a couple of months", she said. I explained to her that I was an independent agent and that I'm contracted with Aetna and that they use me as a field agent for folks who need more than just a bunch of information over the phone. "Ok." she said, but still with a little hesitation in her voice. I tried to make it clearer.

"When folks like yourself call the big carriers, if they can't educate you and enroll you over the phone, then they refer you to a field agent, that's me, an independent licensed agent that comes to you. The best news for you is that I



contract with all of the major insurance carriers, so ultimately, I can give you a wide unbiased comparison and make a specific recommendation for your personal situation.” “Oh, ok then.” she agreed. I didn’t need to dig for much more information, or so I thought at the time. This was in my early days of Medicare only clients. I figured, I have every plan’s enrollment kit in my trunk, so when I do discover her needs, her doctors, her drugs, pharmacy etc... I’ll have what I need to get her signed up and covered before I leave. I was the Medicare Man with all the Plans.

I arrive in the neighborhood in right at an hour, and I’m 15 minutes early. I drive a couple of blocks up the road to sit tight at the gas station. I always give myself plenty of margin when I’m going on an appointment so I’m in the neighborhood early. There is always work I can do from my car until the appointment time. That way I show up right at our scheduled time. I amaze people, by showing up on time. It’s important to me. They appreciate the consideration of their time, as well as my professionalism. It makes for a great first impression. It baffles me how many so called ‘professionals’ don’t answer their phone and don’t show up on time. Those are the basics. Bobby Ray and Mary Ann Little taught me early in my job search, at about 8 years old; get up, suit up, show up, on time, every time. That will get you paid, and, if you want to make a lot of money, solve a lot of problems. I was more than blessed to be adopted by the Littles. We didn’t have any money but there was plenty of love in the house for me and my older brother Boyd who had been adopted four years before me.

Rosie's home is pretty dark as she walks me from the front door to the small dining room table. Like most seniors that

are starting Medicare coverage, or are already on Medicare, the mail just never ceases and within one week it can overtake a small breakfast table. Every year of your life after 65, you will receive stacks of insurance junk mail. All the different companies are represented on the table. There are highlighters and index cards, and notebooks full of notes. I could feel her pain. I've seen it hundreds and hundreds of times. Over two thousand times, I have sat face to face with a senior that is completely confused about their Medicare options. I know I'll lift the burden. She will add ten pounds to her recycling bin after I leave. This is my Ministry. Educate, Enroll, Serve and Protect, for Life!

Then I look up, "What a great collection", I announce as I see a wall full of framed wine bottle labels in the small dining area. For the next 30 minutes I'd be all ears. She went on to tell me about her husband, Luis, that had recently passed away. They had taken labels they carefully peeled off bottles of wine they shared at different locations all over the country and framed them. It was so cool. As she told me of specific dates she started to tear up, and I did too. "He got so sick, so fast Bob" she said lightly.

"Oh Bob, he was such a good man. He was a hard worker and very strict about doing the best job he could every time, every day. He was a diesel mechanic. He worked as a mechanic in the Navy when he was 16 years old. He lied about his age, so he could serve his country alongside his two older brothers. I miss him so much".

She tried to pull herself together and turn off the memories, but I persuaded her otherwise. "Go ahead, tell me about Luis" I said as I gave her a light touch on her hand.

She went from talking about wine labels, to festivals, to amusement parks, to now telling me about her boys and how well each of them was doing. One was serving in the Navy like her husband did, and the other was a mechanical engineer in Dallas, doing really well, with two daughters that were absolutely precious. She regretted that she didn't get to see them very much. They moved to Dallas after her first granddaughter was born a few years back.

Rosie and Luis used to take drives up to Dallas five times a year when he was alive, but she didn't do much driving herself. Just to the grocery store and doctor's office, maybe the YMCA. I would ask her questions along the way to help bring back good memories. "So, I bet those boys had some great birthday parties when they were young", I'd say, or something like that.

"Bob, we had so much fun with those boys when they were little. Luis was their biggest toy. He always made time for his boys." There was that happy glow I was hoping to pull out of her! Eventually, she ended a story with a smile across her face, a stare into space that was recalling a better day, and an exhale of breath I think she had been holding for months. "We keep moving on, right Bob?" she asked, having already settled that line of action in her mind. "Yes ma'am Rosie, we keep moving on."

She looked at my cup and quickly grabbed it and jumped up. "Bob, I am so sorry, your cup is empty, I've been rambling on and on and I know you must be ready to talk insurance.", she said as she refilled my cup with coffee. "It's no problem at all.", I said in all truth. "You've warmed my heart today. Luis sounds like a fine man, a lot

like how I tried to be with my kids, and your boys sound like a couple of fine men.” “They are Bob”, she said as she cleared the table for our meeting. “They really are.”

Now is when the rubber will hit the road. Really easy. What does she have now? How is that working out for her? What are her complaints? What other options does she have? Is there a better option? Should she stay with what she has or change plans? I’ll show her what Aetna has to offer and see if it is a right fit for her.

Most of the time these days, 2018, if someone is on a company plan or employee plan at all after they turn 65, it will be extremely expensive. Then again, maybe not. I never assume anything when it comes to my seniors’ health insurance needs. In the case of Aunt Rosie, the insurance she had through Luis’ previous employer was a great plan. She had her Medicare Part A that was 0 per month. She had her Medicare Part B which was right at \$100/month at the time. Then she had her plan from the company Luis had worked for. The plan only cost her \$40 per month; there were no deductibles, her co-pays were very low for her medical procedures, hospital visits and prescription drugs.

I went over her doctors and drugs and they were a great fit. Her list of seven doctors all accepted the plan, each of her prescriptions were covered and some were even less than they would be on a Medicare Prescription Drug Plan.

I told her she needed to stay right where she was on her current insurance plan. “But Bob, the man at Aetna told me I could save a lot of money going onto his plan”, she said, still feeling anxious about what to do. I replied, “I know all

of Aetna's plans inside and out, and none of their plans can touch what you have now. She quickly came back with, "But Bob, the lady at Blue Cross Blue Shield said I should..."

"Rosie", I cut in. "I carry all of the plans available to you in this area. Humana, Aetna, Blue Cross, United Healthcare, Care Improvement Plus, Texan Plus, WellCare and a few more. I know these plans inside and out. If there was a better plan for you, believe me, I would be writing up the paperwork right now. That's how I get paid."

I continued talking as I gathered the materials on the table that were no longer relevant to Rosie's situation. "Not only are you in the best plan for you from what is available, but if you were to enroll in something else and leave the plan you're on, I can bet two cases of fine wine that you would never be able to get back on it. Most company plans won't let you back on if you drop them. I don't want that for you, and Aetna doesn't either. None of the companies do. They want you on the plan that fits you best, that's why they send me. The last thing they want is you on the wrong plan."

She sat quietly as if she felt some relief but still a tad confused. "So, I should just stay with what I have?" she asked for final confirmation. "By all means", I responded then stayed quiet. End of analysis. "Ok then. So, well, uh." she hesitated to say, "how much do I owe you?" she finally said with a tone of despair. "You don't owe me anything", I quickly answered. She started to carry on, "Oh Bob, you have spent so much time driving here and listening to me go on and on, I must owe you something, you have to get paid." She started to pull out her pocketbook. "No, it's all

good”, I said. “Do you feel like a giant burden has been lifted off your shoulders?”, I asked. “Yes Bob, you don’t even know, this has been eating away at me for weeks”, she said with a relieved tone of voice.

“Then I’ve done my job. I see it like this, if I get paid I call it service, if I don’t get paid I call it ministry. I’m good with both. My business thrives, because I happily do both.” I told her, “Before I get 20 miles up the road, I’ll probably get a call from someone who was referred to me by a friend. They’ll say they already have an application filled out and want to drop it off at my office. That enrollment will take me all of 5 minutes to record and submit to the carrier.” I continued, “My business is successful, not because I get every enrollment, but because I take care of people just like I would my own family. I carry multiple plans. I know these plans inside and out, and I can best help people enroll in the plan that fits them personally best. For now, you are already on the best plan fit for you.”

“Thank you, Bob, you are an answer to my prayers. Truly sent by God. Thank you so much!” she said as we stood up. “Ok Rosie, you are family to me now even if you are not my client. I’m adopting you! You call me if you ever have any questions at all. I’m always glad to help my Aunt Rosie. And please, do not make any insurance moves without talking to me first. I’ll keep you safe.” I said as I went to shake her hand.

Instead, Rosie opened her arms wide and came around the table to give me a big hug. “Thank you so much for coming to see me, Bob. You don’t know how much your visit meant to me today”, she said as her eyes started to swell up

with big Sweet Little Old Lady tears. I gave her a big hug, left her my card and one of my pens. My seniors just love my pens. Mission accomplished. I was on my way back to Sugar Land. The traffic had cleared up wonderfully.

About five minutes down the road, I got a call. I let it go to voice mail. I knew I would be pulling over soon to regroup and check my multitude of emails, texts and phone calls. I pulled into the Quick Stop and hit the voice messages button.

“Hi Bobby, this is Angela Miller, one of your clients, well, my husband Scott is one of your clients. My time has come; I’m turning 65 and ready to get on the same plan as Scott. I had the extra application from when you signed him up, and I have already filled it in and will drop it off at your office tomorrow. We have the same doctors, and I have already checked my 2 generic drugs that are both covered, and both are 0 per month. Yay! Ok then, call me when you get this. Let me know if I missed anything. Bye!” Another adoptee, Aunt Angela.

I offer these things: Max Love, Max Wisdom, Max Service, Max Protection. Business chases me down.

## This image shows a single sheet of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There are approximately 20 lines visible. The paper has a slight shadow on its right side, suggesting it's resting on a surface.



## Chapter 3

### The Medicare Supplement Insurance Plan (Medigap)

I get a call one afternoon. "Hey Bob, my name is John Brown, I got your number from a friend of mine who said you can help me with getting signed up on a Medicare insurance plan." John started the phone conversation. "I certainly can. Who can I thank for sending you my way?", I asked. "Linda Riley", he replied. "My wife stages most of the homes she sells." "Oh, Linda, great. She's great isn't she?" I said as I quickly googled Linda, so I could see some of John's wife's work.

"She's a rock-star Bob. She will sell more homes this year than most of the agents in her office put together", he brags. "I agree, she's incredible, and super down to earth." I kind of said off the top of my head as I pulled up the homes Linda had listed on har.com. She always has some beautiful homes listed, and in our market, they sell fast. "So, your wife stages homes, that's interesting. I know for a fact that a staged home will bring a faster sale and a bigger offer." I said. John came back, "Yeah, Linda said you sell homes during the day and help out us old folks at night."

"She spoke very highly of you, and that means a lot coming from Linda, and Todd, as well". "Well, I appreciate their confidence in me", I said, "They know I'll take great care of you. Helping folks on Medicare is my mission. Real estate is my hobby. I just happen to excel in both."

“Ok Bob, so my head is spinning just looking through this book that Medicare sent me. Can you explain the A and B, then it looks like there is a Part D and a Part C, then you have the Medigap stuff with Plan F and N and G. This is crazy!” John said in contempt of the not-so-easy to understand ‘Medicare and You’ booklet. “Help me out here Bob. Excuse my French, this is f..ing ridiculous! Who has time to read through all this s..t?!” He was serious!

“I know John, but you don’t have to worry my friend”, I said, now knowing that John wasn’t afraid to get a little fired up. “You know why John?” I asked him. “I got a feeling you’re about to tell me”, he said with a little sarcasm. “I’ll tell you why John, because I’m the A B C D F N G-Man, who knows the Parts, the Plans, the Benefits and the Bulls..t, inside n’ out, and I’m gonna make it nice n’ easy for you to understand. When can we meet?” Boom. John was going to love having me as his personal Medicare man! I was invited out to John’s house a few days later.

“What insurance do you have now, John?” I ask as we take a seat at the breakfast table looking out into this immaculate beautiful backyard that led out to an amazing golf course. “I’ve got something through the company, but that will be ending next month when I turn 65. It will be ending the end of the month, you know.” John answers then continues, “It’s costing me about \$800 per month right now just for me. It’s another \$575 for Joanne. We’ll need to get her on a plan of her own. She’s another year away from getting on Medicare.” I know in my head I’m about to make his day, his year even. I usually don’t even ask how much someone is paying for their current insurance.

For the most part, when you are in that 60-64 age range, the price of health insurance is crazy high (very expensive).

“Ok John, let me give you a quick little class on the ABCs of Medicare.”, I said as I tore a piece of blank paper from the back of the enrollment kit I brought in with me. John had already made some phone calls and got himself enrolled in a Medicare Prescription Drug Plan. I looked over the price and the costs of his medications. He only took a couple of generic drugs at the time and the plan he happened to trip into was actually a pretty decent one. It would be good enough to get him through the rest of the year. Before Annual Enrollment, I would run a new Plan Analysis and make some comparisons to make sure I had him in the right plan for the right reasons, for the following year. Medicare drug plans can be the trickiest to choose.

I went through the basics; Part A covers your hospital stays, B covers doctors and outpatient services, D is for your drug plan and C is the Medicare Advantage Plan. Your options are Medicare Supplements vs Medicare Advantage Plans. The easy way to remember the difference is that with Medicare Supplement Insurance Plans, you pay monthly, so you pay little or nothing at the doctor's office. You can see any doctor that accepts Medicare. He wasn't paying much attention as much as waiting for me to stop.

On Medicare Advantage Plans, you pay little or nothing monthly, and then pay co-pays at the doctor's office. You may have network requirements or pay higher co-pays to go out of network, like many company insurance plans. Since many of your benefits are coordinated in the best interest of your overall health, the private insurance

companies can afford to offer many additional benefits that are not covered by Medicare or Medicare Supplement Insurance Plans. You must have Medicare Part A and Part B to enroll in a Medicare Supplement Insurance Plan or to enroll in a Medicare Advantage Plan. You cannot be enrolled in a Medicare Supplement and a Medicare Advantage Plan at the same time. Only one or the other.

“Bob, let’s just start at the top, and we’ll work our way down from there.”, John said, “Cut through the fog and get this plane landed.” “Yes sir.”, I replied. “John, the best you can get would be the Plan F, as in Frank. It’s right at \$150 per month. It covers just about everything that Medicare doesn’t, and all of your doctors accept it with big smiles on their faces.” “Why is that Bob?”, he asked. “Because the doctors know they are most likely not going to have to ask you for any money; therefore, you may just get into the doctor more often.”, I answered. “\$150 per month?” he asked. “Yes, you will add that to your Part B premium, which is \$110 per month”, (this was in 2012 I believe) I paused for him to acknowledge but he didn’t, “You’re familiar with that right, John? The \$110 for your Part B?”

“Yes, oh the Part B premium, yes”, he continued, “I’m not taking my social security yet, so they sent me a bill for 3 months of premiums. I’ve got it here somewhere”, he says as he tries to sort through the massive stack of Medicare envelopes, packages, booklets and glossy colorful trash that covers the table. “That’s okay”, I say to try to cut his search short, “I don’t need to see the bill. As long as it’s for about \$330 you’re good”. John pulls the lost needle from the haystack, “Here it is. Yes, \$330.”

I try to summarize and wrap it all up, “So you have the \$110 per month for your Part B. You have the \$150 for your Medicare Supplement for all of your medical. And you have the \$25 per month for your drug plan. \$285 per month total. You don’t pay any co-pays or co-insurance for your doctor and hospital services, and you’re going to pay about \$5 per month total for your prescriptions. You’re all in at \$290 a month.

“\$290, for everything? Come on Bobby, where’s the catch?”, he asks in disbelief. “Yes sir, no catch.” I reply with calm assurance. “Ok then, Bob, what is the next step up?”, he asked. “There is no step-up, John. Original Medicare, with a Medicare Supplement Insurance Plan F, and a Medicare Prescription Drug Plan. There is no more coverage available. “Sign me up!” John exclaimed. “But let me tell you something, Bob, I know where to find you and I will track you down. As a matter of fact, I wouldn’t have to track you down, Joanne would. Then you really got a mess on your hands”, he said with a little snicker, but with a look in his eyes that said he was actually serious.

I signed John up and was on my way. A month later, he turned 65 and his plan went into effect. I sent him a little birthday card like I do all my clients. Usually I write something corny. I figured with John he’d give me a call back and thank me for the card or whatever. He was one that could see that I went the extra mile for my clients just like I would for my family. He knew talent and appreciated it. I was definitely on his good side, I thought. John knew how top producers operated. He was glad to have me as part of his professional retirement team. I could tell!

So, I don't hear from John. I give him a call and leave a message. Ok, busy guy, I'm thinking, he'll get back to me. I don't hear from him for a couple of days. I don't hear from him for a week. Now I'm thinking, hmmm. I know he would call me if he had any problem with the plan. I call and leave him another message. Again, no call back. Ok, I figure he'll call me when he needs me I guess. I go about my business.

About 5 months later I get a call. I see on my caller id that's it's John. "What the heck?", I'm thinking. "Hello, this is Bob.", I answer. "Hey, Bob, it's John Brown. You remember me? You helped me with my Medicare plan earlier this year", he said. "Hey! Johnny Brown!" I said. I was glad to hear from him and I wanted him to know it.

"Of course, I remember you. I tried to call you a few times and left you some messages. I figured you were off in the Bahamas or something and left your phone at home. Where've you been?" I asked, as a friend. "Bob, you're not going to believe this. I was in the hospital for 5 months.", he said. I could tell by just the smallest subtleties in his voice, in just those two sentences, that he was a man who was thankful to be alive. "No way!" I told him, "What in the world happened to you?"

"Well, Bob", he said, preparing himself again to go through his traumatic story. "I had waited to get my colonoscopy until I was all set on my insurance. I called to set the appointment and, you were right, they welcomed my insurance with open arms. Everything seemed to be going as it should. They knocked me out and went about their

business of getting up in my business, if you know what I mean.” “Right”, I respond, to let him know I’m listening.

“Well, they ended up puncturing my colon, and the sh.t hit the fan.”, he just managed to get the words out as his voice trembled, then he took a gasp of air and slowly exhaled. “Hey man, you’re talking to me now, John.” I barely get out his name before I start to feel his pain and feel my own eyes start to fill up. “You have just made the number one spot of clients that made my year by calling me. Are you better now? Are you home?” I asked. “Yes.”, he said in between short breathes and sniffles. He went on, “They called my kids, one up at Penn State and the other who is in Florida, and told them to get home...”

Again, he was overwhelmed by emotion, and this time he didn’t try to hold back. “They told them... my wife told them... the doctor told her, that I was probably not going to make it.” “What was going on?” I asked, trying to imagine what would cause someone to be in the hospital for 5 months.

“I kept getting infections. They would put me on some power drug that would work for a little while, then I would get worse. They would try something else, it would work for a little while, then it would stop working. I mean they had the big guns working on me, Bob. I spent time in 3 different hospitals.” He was starting to regain his composure. I know men like Johnny Brown, and they don’t break down unless they have very good reason, and they don’t break down in the company of other men unless they have a great amount of trust that they can be vulnerable. One of the best calls I had that year. So glad to be available.

We spoke again a week or so later. “Bob, I keep waiting for the doctor and hospital bills to start coming in. I just want to make sure I can get a hold of you when they do.”, he said, with authentic Johnny Brown, ‘I like you a lot, but you better have shot me straight, or else’ tone of voice. “I can’t imagine how much this will cost me.”

Another week or so later John called me again. “Thanks for the ‘Get Well’ card, Bob. I’m guessing the Bed, Bath and Beyond gift card was for Joanne?” he asked. I said, “that was actually for you, so you could give it to Joanne. How are you feeling?” “Not bad, Bob, I’m coming back a little faster than the doc expected so that has to be worth something, huh?” I replied, “Absolutely!” “So, Bob, am I to assume that since I have been home over a month now and haven’t received any bills that I will not be receiving any?”, he proposed.

I answered back, “I can’t tell you about the business of billing departments and postal workers, but I can tell you that since you have Plan F, you shouldn’t be receiving any bills.” John never did receive any bills. They were all paid by his insurance company through his Medicare Supplement Insurance Plan.

I help John with his Medicare Prescription Drug Plan with an annual review, recommendation and enrollment as needed. John will never get off his Medicare Supplement Insurance Plan. John is in my testimonial video. In his first part he is asked what he likes about his agent Bob Little and he replies, “He always returns my calls.”. At the very end, when asked if folks getting on Medicare should call Bob Little, he replies “It’s a No-Brainer!”



## Chapter 4

### Part D, the Late Enrollment Penalty and the VA

If you are going onto Medicare, you are required by law to purchase a Medicare Prescription Drug plan (PDP). This is Part D, the newest part of Medicare, added in 2006. It provides prescription drug coverage. If you do not purchase a Medicare Prescription Drug Plan when you enroll in Medicare, you will be penalized, IF, you do not otherwise have what is called ‘credible coverage’. Credible coverage means that the insurance is as good as you would get from a Medicare Prescription Drug Plan. I have found that most company or teacher or small business plans usually have coverage for your prescription drugs that would be considered credible coverage. Things like Rx discount cards or discount clubs, I have found generally are not considered credible coverage.

The penalty for not enrolling in a Medicare Prescription Drug Plan is 1% of the national average of one-month premium of a Medicare Prescription Drug Plan. The average that is used by CMS (Center for Medicare and Medicaid Services) is \$35. So, the penalty would be? That’s right, 35 cents. BUT, you will be penalized .35 for *each month* that you did not have credible coverage.

Example: I had a client that I met at one of my seminars, Wally, that was there to enroll in a Medicare Advantage plan. He liked what he heard, and we found his doctors in network. He didn’t take any drugs at all. The plan I presented that day was a great fit for him. He was 70 years old. He had been on just Medicare for the last 5 years. I

asked him if he ever purchased a Medicare Prescription Drug plan and he said, “Nope, didn’t need to. I don’t take any drugs.” I told him; nevertheless, he would be penalized for not purchasing a Medicare Prescription Drug plan. I told him now that he was enrolling in a Medicare Advantage Plan that had the Part D (Prescription Drug coverage) included, Medicare would be notified.

His enrollment would also send up a red flag to CMS that he hadn’t had a drug plan for 5 years. Wally will receive a letter asking him to show proof he had ‘credible’ drug coverage over those last 5 years. If he can’t provide proof, he’ll be penalized. He hadn’t had any drug plan at all.

I found out that he had been on Medicare for just one month short of 5 years, and never had a drug plan. So, now take that 35 cents and multiply it times the number of months that he didn’t have credible coverage, 59 months.  $59 \text{ months} \times 35 \text{ cents} = \$20.65$ . CMS will let you slide for about 60 days then they start counting. Here’s where the pain comes in. Medicare will add that \$20.65 to his Part B monthly premium, every month, forever. Well, not forever, just until he dies.

**BUT WAIT!** Wally told me he’s a Veteran! He has had drug coverage through the VA. The **Veterans Benefits Administration**. **That qualifies as credible coverage. Wally will not be charged the late enrollment penalty.** Now Wally will be able to utilize the VA, and he will be able to go outside of the VA on his Advantage plan. Wally says he usually doesn’t have any problems getting in to see a doctor at the VA, but he is thrilled to know that with his new Medicare Advantage Plan, he will have access to

1000s more doctors and facilities, at a very low cost. It's a Win Win Win for Wally!

**On the other hand**, let's assume Wally had NOT had VA drug coverage. He would have been taking a big risk not having drug coverage. If he had had a surgery or some stay in the hospital that required drugs after he was released, he may have had to pay hundreds of dollars just to get the drugs he had to have to live or at least heal. I always recommend having drug coverage. There's a 'best fit' Medicare Prescription Drug Plan for everyone.

In my area, there are Medicare Prescription Drug Plans for under \$20 a month, and some for almost \$200 a month. Some plans have a deductible, and some plans don't. You've got to get a Medicare Prescription Drug Plan (PDP) or a Medicare Advantage Plan that includes prescription drug coverage (MAPD).

Here's the 'keep in mind' strategy when it comes to drug plans. You must know, before your plan even starts, how much your plan premiums will add up to for the year, from the start of your plan until December 31<sup>st</sup>.

You must also know how much your prescription drugs will cost, each month, until December 31<sup>st</sup>. Don't forget to consider the Donut Hole. (...and I'm not talking Shipley's, I wish I was). If you are working with an agent, make sure they show you the total amount, and monthly amount, of your Rx throughout the year. I run an analysis using each pharmacy that is covered, every prescription drug plan that is offered, different variations of each drug, different variations of the dosages used, and run all the possible

scenarios. Hundreds of potential matches, good, bad and ugggggggly. Same drugs could cost you \$50 or \$550. Ouch!

You could end up easily paying thousands of dollars more than you should have if you end up in the wrong Medicare plan. On top of that, you're locked in for the year. You must do more than due diligence to protect yourself. You don't want to have any surprises. These drugs are crazy expensive these days. I can help you! Soon I will have MediPlan/Max agents in your town.

Saving my clients money on their prescription drugs is a major part of my business. Every senior that takes even just a few medications is entering at their own risk when it comes to choosing the right agent and the right plan. It doesn't matter who you are, or what plan you had the year before, you better realize that you can win if you keep this book by your side come October and call me for answers.

The folks with low-income will usually qualify for 'Extra Help'. I'll get into that soon. (Chapter 7) My middle-income clients are seeking every way to save every dollar on their prescription drugs. They tell me flat out that they break them in two or skip days altogether. Even the rich clients I have cringe when I tell them what they could have been paying for their drugs had they met me before they ever got onto Medicare. I don't mean to be too rough on folks here, but it's that important. It is foolish and outright irresponsible to not have an annual review of your Medicare plan!

## **Chapter 5**

### **The Coverage Gap (or Donut Hole) Calculated**

I think of Bonnie on occasion, and a smile spreads across my face. A sharp and feisty one she was and is. She just didn't have ALL the facts. Bonnie came to one of my seminars on the ABCs of Medicare in late 2016. Last year, I held one hundred and one, yes, 101, seminars just in the Fort Bend county area. Just during the 10 weeks of Open Enrollment. Not working on Sundays. Insane 100-hour weeks back to back to back. That's another story.

It's the hundreds of house calls that have built my business and my love for my clients. Anyway, back to Bonnie's mistake. I see this all the time. It's not always as easy as it seems. I shine the light and these folks become my clients.

She had made phone calls to 3 different Medicare Drug Plan companies and went through hours of frustrating conversations to give each of them, each of her 9 prescription drugs. It was madness. She couldn't understand them; they couldn't understand her. Eventually she would call out the names of the drugs, then the dosages, tell them how many she took daily, and then they would tell her the price.

She had her little spiral notebook where she wrote the lists of all her drugs, dosages and daily intake. Then 3 columns lined out neatly beside them so that she could write in the prices per drug per company. Next, she would tally up each column, multiply it times twelve, and have her side by side comparison of her annual Rx expenses.

There wasn't much to analyze, she thought to herself. It seemed a lot easier than her friends at the senior center led on. She called the insurance company that had the lowest total Rx expense for the year, (or at least the one she thought had the lowest), and she was enrolled over the phone within 30 minutes. What Bonnie didn't consider was this:

### **The Coverage Gap, also known as the Donut Hole.**

This is the time where there is a 'gap in your prescription drug coverage'. Or, where you have eaten through half of a donut and have come to the 'donut hole', and there is nothing there. That should explain it enough, right? We'll keep moving on now. Just kidding!

I have held thousands of Medicare meetings. For the folks that have two or three generic drugs that they take, maybe one name-brand drug, the donut hole most likely will never even come into play. Otherwise, it can be a giant hit to your bank account, right when the holidays are around the corner. For some people, they hit the Donut Hole before March! Let's look at a hypothetical situation.

### **Bonnie has 9 drugs**

Two of them are name-brand. We'll call them Brand 1 & Brand 2. Brand 1 has a retail price of \$400. Brand 2 has a retail price of \$300. Seven are generic drugs. We'll call them G7. Together they have a retail price of \$50. The total retail price of her prescription drugs is \$750/month. Bonnie, without consulting with me, enrolled into a

Medicare Prescription Drug plan. We'll call it Yellow PDP. The plan is \$35/ mo.

Her co-pay on Brand 1 and Brand 2 drugs are each \$35/month and her co-pay for the seven generic drugs, G7, total is \$5/month. Total Rx costs \$75/month. (most months)

Carol's total monthly expense for prescriptions is \$75 + \$35 for the plan = \$110/mo. She multiplied the \$110 x 12 months and had her annual Rx calculated, \$1,320.

Here is where the donut hole occurs: When the 'retail' price of the drugs reaches \$3,750.

\$3,750 divided by her **retail** costs of Rx,  $\$750 = 5$ . After purchasing her drugs for five months, she will enter the coverage gap. Bonnie has only paid out of her pocket \$375. (Drugs only) The 'retail' cost of her drugs has reached \$3,750. Everything has been going as planned until she shows up at the pharmacy on month 6. I've talked to plenty of pharmacists. They are the ones that see the look of complete confusion, then anger, then despair, when someone on Medicare experiences 'the donut hole' for the first time. Usually they have no idea what has happened.

It is one of the heart crushing scenarios that have compelled me to fight like I do for my seniors. You see, when you get into the Donut Hole or Coverage Gap, you are now required to pay 35% of the retail price for your name-brand drugs. You will pay 44% of retail for the generics. It's so insane!! Brutal! (And... potentially... you read it here, the price of the drug, may change daily. This practice currently

under investigation. More information as it is available to me.) Meanwhile, I'll show you the math.

So in Bonnie's situation, when she shows up at the pharmacy on month 6, they will get her name, dilly around, do this and that, it's pretty busy, a lot of people on drugs, they bag up her meds, get them labeled, yada, yada, she's thinking about another \$75 she's about to put on her credit card, she knows it's okay because she has been good about using coupons at the grocery store, then BOOM, ..they tell her the new price to pick up her drugs. \$250.

"What?!!" she screams. "That can't be right". "Yes, it's right", the young man at the counter says as he shows her on the register screen the amount. She says, "I can see the amount, but that's not what I pay for my drugs!" It's on. I call it the donut hole dance. She could be there for another 30 minutes, heck, another hour. "Ma'am, you may want to call your insurance company", he says as he looks past her to the next person in line. She blew a fuse! "Oh no, oh hell no!" she starts to buck up a little. (Bonnie is not a small woman, or a quiet woman).

"You better get your manager over here because ain't no way I'm paying \$300 for medicine!" Bonnie ended up paying \$250 that day. She still didn't understand why.

### **When will she get out of the Donut Hole?**

Bonnie will get out of the donut hole when her total out-of-pocket costs reach \$5,000. Here is the math of what constitutes her total out-of-pocket costs.



The \$75/month she paid for her Rx months 1-5 (\$375).

The \$250/month she paid for her Rx while in the donut hole months 6-11 (\$1500).

The \$500/month balance of the retail price of the Rx while in donut hole that was paid by the insurance company and/or drug company discounts months 6-11 (\$3000).

Bonnie will be out of the donut hole mid-December. Her annual Rx expenses were more than double what she thought.

### **Catastrophic Coverage**

After the Coverage Gap \$5000, she will pay a small co-pay of about 5% for her drugs. Approximately \$35. Then it starts all over again in January of the next year. Come October, we'll do an annual review to find the best plan fit for her and her drugs for the next year.

Moral of the Story: Don't Blow a Fuse By Being a Before Bobby Bonnie. Call Bobby before you choose a drug plan.

## This image shows a single sheet of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

## Chapter 6

### The Medicare Advantage Plan vs Original Medicare

#### Client Call

**Lulu:** “Bobby, call me please, this is Lulu Wilson, one of your Medicare insurance clients. Thank you. Goodbye. Oh, I hope you can call me back today. Ok, call me back. If you can... I know it’s late, but you did call me back after 8pm last year... It was 7:30 or 8, I believe, when I called about my knee. Any who, this is Lulu Wilson, I should be in your syst.... (from a distance, ...muffled) Hang on Bobby. Hang on, I dropped my phone. (rustle, scratching noise, muffled) I’ll call you back, goodbye.” (scratch, scrape, rustle) “Well dammit! Where are you son of a... Oh, hell, arghhhh!” Beep. End of message.

#### Client callback

**Bob:** “Hi Lulu, it’s Bob Little, how are you?”

**Lulu:** “I’m pretty good, Bob, considering. I dropped my phone earlier, and I think I may have sprained my wrist reaching between my seat to get it. If I have to see a wrist specialist is that covered under my plan?”

**Bob:** “Yes ma’am. I hope you weren’t driving. I’ll have to get on you a little bit if you’re driving with that phone in your hand”.

**Lulu:** “Oh no, no sir. I don’t get on my phone when I’m driving. You know the other day some jerk came flying through my neighborhood and about ran me and down while I was walking Lola. Sure enough, he was on his phone. Idiot”.

**Bob:** “Yep. There are a lot of them out there. You gotta watch for ‘em.”

**Lulu:** “I had to practically yank Lola out of the way. You know she can’t run right now. Well, I guess you wouldn’t know, but yes, the lady that has groomed her for the last five years is no longer at Dapper Dawgs, and the new groomer clipped her nails too short. He said it was fine, but I know when Lola is faking, and this is for real. Her feet are hurting her.”

**Bob:** “Wow, when did that happen?”

**Lulu:** “Last Thursday. I set the appointment two weeks ago because I knew I would be picking up Alan’s pie at the bake sale at Nate and Cole’s school and needed time to go home before picking up the pie and heading to the party. So, I took her on Thursday. Oh, and by the way, thank you so much for Alan’s birthday card. He absolutely loved it.”

**Bob:** “My great pleasure.”

**Lulu:** “Well ok, Bob, I’ll let you get back to work. I know how busy you are.”

**Bob:** “Lulu, didn’t you call me about something?”

**Lulu:** “Oh, OH!! That’s right. I almost forgot. No, I did forget. It’s rough getting old Bob. Yes, I wanted to ask you something. Let me gather my thoughts here a second. Okay. When you first went over all of my doctors and drugs and hospitals and the things we talked about, that was over a year ago. Now I know we had a review in October before all the madness started with open enrollment and you double checked everything and recommended I stay with the plan that I was on, that I’m currently on now, correct?”

**Bob:** “Yes ma’am.”

**Lulu:** “Ok, I talked to a friend of mine, and she said if I was on just original Medicare and not on the Advantage plan you have me on, that I could see any doctor, anytime. Is that true? Should I just be on original Medicare? I know you know best, and I know how awesome you are and how you have probably explained this before. I’m sorry to bug you with this. Oh, and thank you for calling me back so late. I really appreciate all the help you give me.”

**Bob:** “Lulu, it is no bother at all. You call me anytime. You don’t need to be running around worried when something comes up. Always call me. It is no bother.”

**Lulu:** “Ok, Bobby, but she said I already pay the \$134 per month for my Part B so I don’t need anything else. I’m confused.”

**Bob:** “That’s all right. I’m going to make it all nice and clear. As far as the \$134 per month for your Part B, that is for everyone on Medicare. Low-income folks may pay

lower or nothing at all and high-income folks may pay more, but pretty much across the board its \$134.”

**Lulu:** “Ok.”

**Bob:** “Ok, so now let me give you two scenarios. Scenario one; you end up going into the hospital for a surgery. Let’s say you’re on just original Medicare. Ends up being a three day stay. You get out, you’re home recovering, you check the mail, there’s the first bill from the hospital. You can expect to see a bill for \$1340, that’s your Part A deductible.

Then you will probably see a few more bills come in for maybe \$5, \$10, \$20, \$25 etc. These bills will be for your Part A co-insurance, your part of the miscellaneous bills, the 20%. Medicare pays 80%, you pay 20%. Got that? \$1340 and maybe \$60 in miscellaneous, so say \$1400. That same 3 days in the hospital on the Advantage plan you have, would have cost you a flat \$350. So, \$1000 savings on the plan you’re on vs just Medicare.”

**Lulu:** “Wow, okay, so I would have paid \$1000 more if I was on just Medicare?”

**Bob:** “Yes, exactly.”

**Lulu:** “Wow.”

**Bob:** “Scenario two; you go to have an outpatient surgery, maybe knee surgery or cataract surgery. On original Medicare you would have a \$183 Part B deductible that you pay up front, one time for the year. Then you would pay 20% of your doctor bills after that. So, you go and

have a knee surgery and you pay the \$183 deductible then you pay the next 20%. Maybe it's \$50 maybe it's \$200, depends on the surgery."

**Lulu:** "At 20% it's gonna be a lot more than that Bob!"

**Bob:** "Well Lulu, keep in mind that it is 20% of the 'Medicare approved amount'. When doctors and hospitals say they 'take Medicare' it means they have agreed to be paid a lower amount than they would say on my insurance plan. A surgery that may be \$5000 bill on my insurance may be \$800 bill for someone with Medicare. Then you're paying 20% of that."

**Lulu:** "What would that same surgery be on the plan you have me on?"

**Bob:** "A flat \$150. The doctor, the nurses, the surgery and the drugs, everything, a flat \$150 on your plan."

**Lulu:** "Ok. I would have deductibles I would have to pay and then the 20% if I had just Medicare. So, you got me in the right plan. I knew you did Bob. You always look out for me, and for Courtney too. You know she's the one that told me about you. She met you when you called Bingo at the Mustang Senior Center out in Fresno. I think she also gave your name and number to Allison Green".

**Bob:** "Yes ma'am, I remember, and yes I was able to help Allison enroll in a great plan too."

**Lulu:** “Ok then Bobby. I’m sorry to keep you so long. Thank you so much for calling me back tonight. I sure didn’t want to go to sleep without talking to you.”

**Bob:** “No problem at all Lu. You call me anytime. You may want to have your friend call me too. I don’t think she’s quite sure how it all works.”

**Lulu:** “I will. I’ll tell all my friends. I’m so glad I can call you. Bye-bye now.”

**Bob:** “Anytime, call me when you need me. Bye-bye now.”

I tell all of my clients, ‘I don’t care if you see something on TV, if you get something in the mail, if one of your friends is telling you how you got in the wrong plan and you should have done this, that or the other, CALL ME. Right then. It is never a bother. I want to know if you have a problem because I want to solve it. I don’t care if it’s the insurance company, the doctor’s office, the hospital, a lab, the pharmacy, a billing department claiming you owe them money, CALL ME. Let me handle it for you. I’m the one with the answers and I know how to fight the battles when they come. If I find out you had a concern worrying you for a week or two and you are just now calling me, I’m gonna get on you a little bit. I don’t want you walking around stressed out and bringing everyone around you down as you make yourself sicker by worrying. Call me.’



## Chapter 7

### Extra Help with Drug Expenses and How to Apply

All Gary had coming in was about \$1400 per month on Social Security. After rent, utilities and groceries, he didn't have a whole lot left for doctor bills and prescription drugs. One of the ladies at the County clinic called and asked if I would come out and meet with him. I knew that he had too much income to qualify for Medicaid (folks receiving about \$1000 per month or under), but I knew he qualified for Extra Help. Gary lived in the south Houston neighborhood I grew up in 45 years earlier, Pamela Heights. It was a trip down memory lane to go back to my old neighborhood. It really hadn't changed much at all.

For the folks that are bringing in very little income, there are many days they must decide to take a pill or make a meal. Heck, even my middle-income clients are struggling with the prices of some of their prescription drugs. It's insane the price of some of these drugs. One of our greatest services is showing our clients how to save money on their drugs, every time, through many different strategies. We'll save our clients over \$50,000 in savings this year, easy.

Extra Help is actually the term used. If you meet certain income and resource limits, you may qualify for '**Extra Help**' from Medicare to pay the costs of Medicare prescription drug coverage and to help you afford to pay the drug co-pays.

It is also referred to as **LIS** for **Low-Income Subsidy**. I took my laptop with me so I could help Gary apply for his extra help online with him by my side. He qualified! He no

longer paid the \$134 per month for his Part B premium, and, his drug prices were reduced, bigtime.

In 2018, if you qualify for Extra Help, your costs are, at the highest \$3.35 for generics, and only \$8.35 for each brand-name covered drugs. I can tell you from experience that almost all your generics will be 0 co-pay. It's crazy though, you'll have some generic drugs come on the market that are still bringing \$20-30. Name-brand drugs on the other hand may cost you anywhere from \$20 to \$300 if you don't have 'Extra Help' or 'LIS'.

In 2018, you may qualify for Extra Help, if you have annual income of \$18,210 or lower (\$24,690 for a married couple) and have no more than \$14,100 in resources (\$28,510 for a married couple). Countable resources include: money in checking or savings account, stocks and bonds. They do not count: your home, your car, burial plots, up to \$1500 for burial expenses if you put that money aside, furniture, other household and personal items.

You can apply online, over the phone, in person or Medicare can mail you the form to complete and mail back. It does not take long to complete and is pretty easy to do.

Call Medicare at (800)633-4227. If there is a long wait they will ask if they can call you back. I usually choose that option. They will call back right on the time they tell you and you will have someone's undivided attention. Have your last couple of years of income information on hand as well as any current sources of income amounts.

## Chapter 8

### Then There's the IRMAA

If you were to ask the people that got on Medicare in the last 6 months how much they pay for their Part B premium, most would say \$134 per month. However, you may find some that say they don't pay anything at all for their Part B. You may then talk to another person and they tell you that they pay almost \$350 every month for their Part B premium. Some people may pay over \$500 per month!

It has to do with income. Not just the current year income, but the income from the previous two years. Ouch!! You do all you can to prepare for retirement and find out that since you made a few dollars more than the average worker, you get to pay A LOT more for your Medicare.

If you have a higher income, you may be required to pay the **Income Related Monthly Adjustment Amount (IRMAA)**. Here's a good indication of what you'll pay depending on your status and tax bracket.

If your yearly income in 2016 was			You pay (in 2018)
File individual tax return	File joint tax return	File married & separate tax return	
\$85,000 or less	\$170,000 or less	\$85,000 or less	\$134
above \$85,000 up to \$107,000	above \$170,000 up to \$214,000	not applicable	\$187.50
above \$107,000 up to \$133,500	above \$214,000 up to \$267,000	not applicable	\$267.90
above \$133,500 up to \$160,000	above \$267,000 up to \$320,000	not applicable	\$348.30
above \$160,000	above \$320,000	above \$85,000	\$428.60

\*from medicare.gov

One of my client's, Cindy, was turning 65 and was retiring from selling real estate. Cindy knew years and years ago that there was not a pension plan for Realtors unless you built it and funded it yourself. She bought a home that she would rent out for over 12 years. She dealt with all the ups and downs weekly never being paid for her sweat equity.

Approaching 65, she decided to sell the rental property for her eventual retirement. It was all the nest egg she had.

Since the property was free and clear from any liens, she was able to take \$100,000 and put it in the bank. All her calculations confirmed her budget was in line with her income, but, she was figuring Part B to be \$134 per month.

Cindy had also earned about \$60,000 that year helping folks buy and sell homes. That brought her total gross income to over \$160,000. So, will Cindy be paying \$134 per month like most folks going on to Medicare? No. Oh no. As you will see in the chart, an individual filing tax return of above \$160,000 will have to pay \$428.60 for her Part B Premium. Wow!

Additionally, if you made some money over the last few years, you may be required to pay IRMAA on the prescription drug end as well. Here's a chart of what you'll pay depending on your status and tax bracket going two years back. Add another \$74.80 to the \$428.60 for a total of \$503.40. That's what Cindy had to pay for her Part B.

After the income goes down, the government will restructure everything right away, so it ends when the income goes down. As of today, they are going back two years on gross income. After 2 years Cindy's Part B went to \$134.

Many of my clients do not have a 'financial advisor'. The ones that do say they have never received help from theirs with Medicare. I highly recommend having a personal agent that carries all the plans and knows the business well.

This chart is for the Part D IRMAA. For individual tax payer that earned less than \$85,000 or for those who file joint return of \$170,000 or less, there is not any IRMAA.

If your yearly income in 2016 was			You pay (in 2018)
File individual tax return	File joint tax return	File married & separate tax return	
\$85,000 or less	\$170,000 or less	\$85,000 or less	Your plan premium
above \$85,000 up to \$107,000	above \$170,000 up to \$214,000	not applicable	\$13.00 + your plan premium
above \$107,000 up to \$133,500	above \$214,000 up to \$267,000	not applicable	\$33.60 + your plan premium
above \$133,500 up to \$160,000	above \$267,000 up to \$320,000	not applicable	\$54.20 + your plan premium
above \$160,000	above \$320,000	above \$85,000	\$74.80 + your plan premium

## Chapter 9

### The Annual Medicare Plan Review

2017. Eddie had been in his Medicare health plan for 3 years. It was a good fit for his doctors and his prescription drugs. A couple of poker friends of Eddie's, my current clients, Dominic and Mose, reminded him just before the Annual Enrollment Period ended that it would be wise to have a local and knowledgeable insurance agent perform an Annual Medicare Plan Review to make sure Eddie was in the right plan for 2018 since the plans, the doctors and the drug prices are prone to change every year.

Eddie contacted me and then emailed a list of his doctors and drugs, so I could compare his current plan against all the other plans, since we carry all the plans from all the companies. Upon research, we found that Eddie had two prescription medications that were covered by his current plan in 2017, but not covered for 2018.

- In **2017**, his brand name drug Zolpiderm ER was \$35 co-pay for a 30-day supply.
- In **2017**, his brand name drug Zaleplon was \$11 co-pay for a 30-day supply.
- In **2017**, his 5 other generic prescriptions totaled \$24 co-pay for a 30-day supply.

- In **2017**, Eddie paid **\$70/month** total for all 7 of his prescriptions.
- 
- In **2018**, the Zolpiderm ER will not be covered by his current plan. His new cost \$128/mo.
  - In **2018**, the Zaleplon will not be covered by his current plan. His new cost \$112/mo.
  - In **2018**, his 5 other prescriptions would be covered. His cost \$10/mo.
  - In **2018**, if he stayed on same plan, his Rx costs would be **\$250/month**.

**Headline: Sugar Land Man Skips Annual Medicare Plan Review and Pays 3 Times More for His Medicine!**

That would have been the case. Let me paint the picture for you. Eddie will be out getting his groceries one evening, picking out a good tomato or avocado or something healthy. Eddie tries to eat healthy. He did make the mistake of going to the grocery store while he was hungry, so he will end up picking up a few extra items. Maybe something he can snack on now. He usually wouldn't buy a jar of peanuts. He gets his fill over at the Five Guys hamburger joint where he treats himself to a good old bacon cheeseburger once, ok maybe twice, a month.



But, nevertheless, he heads straight to the ‘nuts and stuff’ aisle and grabs a can of peanuts off the shelf. He’s starving. He pops the plastic cover off, then struggles to get his stubby finger under the little tin ring. He finally pulls back the sharp tin sheet, trying not to slice himself, and digs into the nuts that he now owns for about \$8. He’s not thinking, he’s hungry.

He gets a few groceries, some extra stuff he probably didn’t need then heads to the pharmacy so he can pick-up his drugs really quickly and get home and eat. There’s a little bit of a line at the pharmacy counter. Eddie would be looking around. Probably a little antsy. Eddie is a good size guy. A little bit intimidating when you first meet him. Looks a little like Bruce Willis. Really a super nice guy.

Eddie knows the line moves fast, except he sees two people in the back that are talking. “You got six people in line and one lady at the counter, you wanna help us out here folks?” he thinks to himself, but he would never say aloud. I take that back, I could see Eddie saying that out loud. They have the blue coats on so they gotta be working, he figures. Are they talking about filling prescriptions or are they talking about facegram and instabook?

“Next”, the pharmacist calls out to Eddie. “Ok, let me see here.”, the man in the blue coat says with his eyes already glued to his computer. “Are you still with ‘blank’ plan?” the pharmacist will ask. “Why, yes I am fine sir.”, Eddie might reply. “Great, give me just a minute.”, Eddie is told. “Ok.” Eddie finishes off his peanuts, which ended up being cashews, honey covered or something, not \$8, more like \$11. The pharmacist returns. “That will be \$250, please.

Credit or debit?” he asks. Eddie’s world would have come tumbling down. Even worse, he would have that same bill every time he came for his meds. “This can’t be right.”, Eddie tells the pharmacist. “It’s like three times more than I paid last year.” Eddie would then pull out his insurance card and call to find out why his prescriptions are so expensive. He would find out things have changed. He would have to pay \$250 for his drugs or just not get them.

We diligently searched through the over 50 plans available in Eddie’s area. We turn over every stone so there are no surprises. We double check the doctors and triple check his prescriptions through numerous plan and pharmacy configurations. Every plan with every drug and every pharmacy is considered and analyzed to find the perfect fit for each client individually and personally, every year.

Boom boom! That is what people around me hear me say when a problem has been solved. We came, we thought, we searched, we solved. We found the RIGHT plan, for the RIGHT reasons, for the Right season, 2018, for Eddie.

THIS, is why an ANNUAL REVIEW, of your MEDICARE PLAN, is SO IMPORTANT! This is how Eddie’s New Plan for 2018 ended up. Boom boom!

#1. All his doctors accept the plan and the co-pays are about the same as his 2017 advantage plan.

#2. His Zolpiderm ER is \$15/month on his new plan.

#3. His Zaleplon is \$2/month on his new plan.

#4. His other 5 generics total \$19/month on his new plan.

Eddie's monthly Rx total is \$36/month for a 30-day supply of all 7 of his medications on his 2018 Advantage Plan.

Fast Eddie went from paying \$840 for the year for his drugs in 2017, to ALMOST having to pay \$3000 for the year, to paying just under \$450 for the year for 2018, AND got to keep all of his doctors, AND there is still no charge for his plan! He just pays his Medicare Part B monthly premium of \$134 that comes straight out of his social security check.

**YOUR ANNUAL MEDICARE PLAN REVIEW IS  
DETRIMENTAL TO YOUR HEALTH, HAPPINESS  
AND HOUSEHOLD FINANCES. GET IT DONE!**

My Doctors \_\_\_\_\_  
\_\_\_\_\_  
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My Prescriptions	Dosage	Times Daily
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**CONTACT MEDIPLAN/MAX (832)788-9888**  
**FOR YOUR FREE MEDICARE PLAN REVIEW**  
**[www.mediplanmax.com](http://www.mediplanmax.com)**

## **Chapter 10**

### **Save Money with The Drug Exception Letter**

“Bob!”, she cried out, “We have a big problem with my insurance. They’re telling me at the pharmacy that my drug costs \$100!” I knew who it was on the voice mail before she even mentioned her name. “I can’t afford that Bob! Call me as soon as possible, please. I need your help!”

I called ahead to the office and told my store manager Tony to pull Rachel’s file. I knew that if they were charging her \$100 it was a Tier 4 drug. It was a good time to throw Tony into the ring. He knew the Medicare and the insurance sales end just fine, but he wasn’t familiar with the service that was required to take care of a book of over 800 clients and still make each one seem like the only client I have at the time. I react to a client phone call just as if one of my own family members called me. I get it handled, asap, completely. I filled him in on the details and told him to call me when he had the file in hand. Then I gave him Rachel’s number. He was going to call her. If he told her he worked for me, she’d know he was as ready and able to get problem solved.

Here’s the story; ‘Preferred’ Generics are usually Tier 1 with Generics being Tier 2, ‘Preferred’ Name Brand drugs on Tier 3 and Name Brand drugs on Tier 4. Specialty drugs are on Tier 5 and the prices on those could be over a thousand dollars for a 30-day supply. Different insurance companies have some of the same drugs, in different

categories, and on different Tier levels. They're very tricky. You have to turn over every stone to avoid trouble.

Since it was in the middle of the year, it shouldn't be a shock to her unless it was the first time. If it was the first time, it meant she had either entered the Coverage Gap, (or Donut Hole), or, maybe it was a drug that was recently prescribed to her for the first time. I would know as soon as Tony had her file in hand.

"Okay, file in hand. What do you need?" Tony asked. "Look on her drug list and see if there are any Tier 3, 4 or 5 drugs.", I told him. "No.", he replied, "four drugs, all generics." Now I knew it wasn't a Coverage Gap issue. "Ok great, what's that tell you?" I asked him." He replied, "It's not a coverage gap issue. I know what to do." Now to call Rachel before the fire grew any bigger. I knew what had to be done next, and I was confident Tony knew too.

"Hi Rachel, my name is Tony, I work with Bob Little. I heard your pharmacist is about to give you a heart attack.", "Hi Tony, thank you for calling me back so fast. Did Bob tell you they're trying to charge me \$100 for my pills?" Tony tried to reply, "I...", but Rachel continued. "I cannot afford to pay \$100 for medicine. I will not! This is ridiculous." "I hear you Rachel. Don't worry, I'll get to the bottom of it.", he said. "I hope so, Tony. If not, I'm marching right back into my doctor's office and telling him to put me on something else. Ain't no way I'm spending \$100 on drugs. No damn way!" she exclaimed.

"I'll get it handled.", he said, knowing that whatever the situation is, he and/or I, will get it handled, to the best of

our many abilities, and to our client's great satisfaction. "What is the name of the drug, Rachel?", he asked. She told him. Myrbetriq. It wasn't the first time Tony had heard of it. Tier 4 drug for sure, on most Medicare plans anyway. That is a big problem in seniors trying to figure out plans on their own. They can be very tricky. You may have one plan where Drug A is a Tier 3, and on another plan, it is a Tier 2. Then you may have Drug B that is a Tier 3 on one Plan and a Tier 4 on another plan. Regardless, he knew what needed to be done, and fast. "Hey Rachel, can you wait a few days to get the drug?" he asked. "I'm not going to get it at all if they keep talking about \$100!" she replied.

"Ok, can you stop by the office today or tell me when you'll be around the house? I need you to sign something really quick, then I'll take it from there." I said. "Oh, I can be at your office in 10 minutes. Will Bob be there?" she asked. "No, he won't." he said. Tony had learned to answer a question and not get into details unless asked or necessary. "I'm coming around the corner about to pull up to the office now. I'll be ready for you in ten minutes when you get here."

The insurance companies want to keep their members healthy. If they are healthy, they don't get sick as much and spend less time in the doctor's office. They have thousands and thousands of members. They can't make exceptions for every single member, and they are not expected to. However, they can certainly find it in their best interest to help folks on a one-on-one basis, hence, the Drug Exception Letter. A little known, but very helpful resource.

It may be used on several different situations that regard getting the drugs you need to keep you as healthy as possible, without paying an arm and a leg for them.

I have handed out examples of the letter below to many pharmacies, as well as other tools and resources for seniors, so they can advise and greatly assist their Medicare customers who were paying high prices for their prescription drugs. Some pharmacists acted like it wasn't their job to counsel seniors on how to save money on their drugs and barely accepted my business card. Others were very grateful and already had people in mind that could use the help and sent them to me. We tell them to let their clients know if they have any problem, or even if they would like us to print the letter for them, we are happy to do so.

We have printed up plenty and have heard back from folks who were absolutely thrilled to see their drug prices go DOWN, some as much as 50% lower! All our clients are made aware of the strategies we can use to help them lower the costs of their prescription drugs. In case we never meet, here is an example, just fill in the blanks with your information.

I have found it to be more successful if you have the prescribing doctor's name and phone number on the letter, so they can confirm your Rx needs. In Rachel's case, the doctor would confirm that she had tried the generic and it wasn't working.



## **What You Need for the Letter**

- Your member ID#
  - Drug name and dosage
  - Current and Requested drug Tier levels (if unsure, call and ask your insurance member services)
  - Prescribing Doctor's name and phone number.
  - You should call the member services phone number on the back of your insurance card and ask for a fax or mailing address to send a Drug Exception Request Letter.
  - Some companies will take your request over the phone.
- 

**[Name as on your Member ID Card]**

**[Address]**

**[City, State Zip code]**

**Member id: [123456789]**

**[Date you will mail or fax the letter]**

**Request for Exception to move my [prescription drug]  
from a Tier [current Tier Level] to a Tier [next lower  
Tier Level]**

**To Whomever Can Help!**

I am on a very fixed and tight household income. Fortunately for me, I'm not at such a place as to where I need assistance from the government, city or county. However, I am looking for any way to find help with my

ever-increasing prescription drug bills. When I first enrolled with **[your insurance company's name]** was **[at seminar, home appointment, over the phone, online]**. I was told that that **[your insurance company's name]** offers drug exceptions. The person that helped me explained how **[your insurance company's name]** was strong enough to be able to help seniors out when they could. They can't make an exception and change drug Tiers for everyone, but they can certainly help their members as individuals when the need arises. I have friends that are in plans that have much lower price on **[prescription drug you need the exception on]**. I was told those plans do not give me the coverage I need considering my doctors and drugs overall. I am satisfied with my medical plan. I am satisfied with my agent. I have not contacted them regarding my need. I am somewhat embarrassed to ask for help, but I need help. I ask that you please consider giving me this exception so that I can relieve some of the pressure for the long year ahead of me as it pertains to my prescription drug costs.

Thank you so much,

Name

Prescribing doctor: **[your doctor's name and phone number]**.

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## **10 More Frequently Asked Questions**

### **FAQ #1 What makes MediPlan Max different?**

At MediPlan/Max, we are specially trained independent agents who are skilled at helping you understand your Medicare Plan options and to help you choose the right plan for your unique needs. We treat you like family by listening, learning, and advising on what would be the best fit for those unique needs taking into consideration your lifestyle, your doctors, your medications and your budget.

Unlike a captive agent (one who works directly for one insurance company) who will only be able to offer you ‘their’ plans, whether they fit your needs or not, we can serve your best interests by giving you an unbiased recommendation that takes into account all of the plans that are available to you. You could call every insurance carrier available in your area and still not have the info you need to make a wise choice. We take all the Insurance companies and the plans available in your area and find the ONE plan that fits your needs best.

### **FAQ #2 When is the Annual Enrollment Period?**

The Annual Enrollment Period is between October 15, 2018 and December 7, 2018. During this time, those Medicare beneficiaries that are on a health plan have a chance to stay on their current plan for the following year or change to a different plan that will start the first day of January 2019.

### **FAQ #3 When is the Medicare Advantage Plan Disenrollment Period?**

The Medicare Advantage Plan Disenrollment Period was from January 1, 2018 to February 14, 2018. During that time, if you were enrolled in a Medicare Advantage Plan, you could drop it and go back to only Medicare. You would be given an SEP or Special Enrollment Period at that time that would allow you to purchase a Medicare Prescription Drug Plan. You could also, at that time, purchase a Medicare Supplement Insurance Plan. This could change for 2019. Stay connected for more information!

### **FAQ #4 Can I change plans during the year?**

No and Yes. If you are already on a plan and could not or did not take advantage of the Medicare Advantage Plan Disenrollment period, you cannot change plans during the year. You are in what is called the Lock-In Period. You will not have a chance to change plans until Open or Annual Enrollment October 15, 2018 through December 7, 2018.

However, if you have an eligible SEP or Special Election Period, you CAN change plans. There are many different SEP qualifiers. To see if you might qualify for a Special Election Period, contact MediPlan/Max or your local independent licensed agent.

### **FAQ #5 How much do you charge for your services?**

There is never a charge for our services. We are paid by the insurance companies. All the companies pay us the same amount per enrollment as to meet guidelines established by

the Center for Medicare and Medicaid Services. Our focus is on making all your options clear, making our recommendation, getting you enrolled in the Right Plan for the Right Reason, and standing beside you all year long!

### **FAQ #6 How many different plans do you carry?**

We carry a multitude of plans depending on the city, county and state, so that we can, without bias, compare and enroll you in THE plan which suits your needs best. Some of our choices include: United Healthcare, Aetna, Humana, Blue Cross Blue Shield, Memorial Hermann, Texan Plus, AARP Medicare Supplement Plans, Care Improvement Plus, Cigna HealthSpring, Well Care, Mutual of Omaha, and more.... Additionally, if our review was to ever lead to the conclusion that a plan that we DO NOT CARRY was the best fit for you, we will instruct you on how to get enrolled in that plan, and you still would not be charged for our services. We know the plans in and out, we know each different plan's local management team, as well as knowing the folks at corporate. We are certified and contracted.

### **FAQ #7 How can I save money on my prescription drugs?**

1. Have an annual review performed by an independent licensed agent that carries multiple plans. This is the best time to take an overview of your drug expenses throughout the upcoming year and put together a strategy that will guarantee you pay the least amount for your drugs.

2. Purchase your prescription drugs at your plan's Preferred Network Pharmacy.
3. Submit a request for a drug exception or drug Tier level exception.

If you are a MediPlan/Max client, **we perform a FREE annual review** including Prescription Drug Cost Comparison, doctor search, and strategies to Guarantee that you pay the least amount for your prescription drugs!

**FAQ #8 Do I have to keep the same Primary Care Physician (PCP) for the entire year on a HMO Plan?**

No. Medicare and the insurance companies want you to be able to change doctors to find one that you like. Simply call the number on the back of your insurance card and let them know the new doctor's name. They will send out a new card with the new doctor's name on it within 5 business days. Generally, you will be able to start seeing that doctor on the first day of the month following the change.

**FAQ #9 If I move, will I lose my insurance coverage right away?**

No. Your current plan will continue to cover you for 60 days. You will have an SEP, or Special Election Period, that will allow you to search, compare and enroll in a new plan from the plans available in that county. If you move to an area where only the same plans are available that are available to you now, you will not qualify for a Special Election Period and will continue with your current plan.

**FAQ #10 Do I lose my Medicare if I enroll in a Medicare Advantage Plan, a Medicare Supplement Plan or a Medicare Prescription Drug Plan?**

No. In each case you actually must have Medicare to be enrolled. You must have Part A and Part B to enroll in a Medicare Advantage Plan or a Medicare Supplement Insurance Plan.





## **Until I Come to YOUR Town**

### **MediPlan/Max to Open 21 More Locations by 2019!**

Ok, so I'm not quite there yet. Once we have a location in your town, your problems will be solved because you will have a local agent providing personal service just like we do in Sugar Land, Houston and cities and towns all over South and Central Texas. There will be offices and agents branded by MediPlan/Max and committed to Max Love, Max Wisdom, Max Service and Max Protection all over the country, all year long. Until then, I want you to be safe and discerning in looking for the person who will help you compare plans, enroll in the right plan, for the right reasons, and help you maximize your benefits, and minimize your hassles throughout the year.

There are great, smart, and caring agents in every town. Thousands of them all over the country. I can find an agent in your town, interview them, do some background research and make sure they are THE local and licensed personal Medicare insurance agent for you. I want them on my team and your team!

Give us a call at (832)788-9888, and let me see how my team may be able to help YOU! If you're anywhere near the Houston area, take a little trip southwest out to Sugar Land and stop by the MediPlan/Max Medicare Education and Enrollment Center, it was built just for you!

**Max Love,**

**Bobby**

## **Acknowledgements**

Trust in the Lord with all your heart and lean not on your own understanding; acknowledge him in all your ways, and he will make your paths straight. Thank you Father.

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Most Special thanks to my Mom, Mary Ann. The Boss.

Last but not least, thank you, the reader. May your burdens be lifted, your insight sharpened and your decisions clear.

Until next time, please don't keep me a secret, tell a friend!



**This book is full of answers every senior should read before signing up on Medicare. You'll learn that one call is all it takes to get with the right plan, doctors & drugs.**



*"I don't mind getting out to where most agents won't. My Clients live all over Texas."*

**-Bob Little**

## **Things My Medicare Clients Have Said**

***"The person you can call to answer all of your questions without a doubt would be Bobby Little."***

***"I think you better talk to Bob, my insurance agent."***

***"He was very informative, Bob told us everything we needed to know."***

***"The big difference is the agent."***

***"He answered all my questions."***

***"He helped us a lot."***

***"I'll put it this way, he can hook you up."***

***"He was able to answer every question."***

***"Bob was very helpful."***

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**Author & Medicare  
Plan Answer Man,  
Bob Little**