



How to Close MEDICARE SUPPLEMENT Leads by Qualifying, Presenting & Dealing with Objections

One reason selling Medicare Supplements is a little different than selling Final Expense plans is that the order of qualifying is different. Usually when agents are selling Medicare Supplements, they qualify the senior's health first — whereas agents selling Final Expense qualify the need first.

1. QUALIFY HEALTH

Qualifying a Medicare Supplement lead's **health** before qualifying the **need** (which is the lead's assumed desire to want to save on Medigap premiums) accomplishes two things.

First, it helps agents manage their time more efficiently; there's no need to compare quotes for seniors if their health won't allow them to pass the insurance company's underwriting requirements. The second reason to qualify a senior's health is a "takeaway" sales technique, which is rooted in the scarcity principle. Taking away the possibility of qualifying for savings on a Medicare Supplement might make prospects take more interest in seeing if they qualify for the savings in the form of a lower monthly premium and/or lower future rate increases.

Joseph Smith qualifies the health before proceeding to budget qualification:

"What alphabet letter plan they have, their rate, height, weight, whether they are a smoker or non-smoker, then I ask five basic medical questions (diabetes, COPD, heart issues, cancer, and any upcoming surgeries)."

Tom Massey also qualifies the health before proceeding to budget qualification:

"I represent over 15 of the main Medicare Supplement companies and they all underwrite differently. I need to know what medications you take and what major health conditions you've been treated for in the past three years so I can see how much money I can save you for the exact coverage you have now."

When selling Medicare Supplements, agents qualify a prospect's health early in the process by confirming the senior's ability to pass underwriting. This may be more challenging or complex, for the reasons we'll explain below.



TYPICAL MEDICARE SUPPLEMENT UNDERWRITING

Medicare Supplements are tougher to qualify for than Final Expense plans because life insurance companies look at *mortality*, which is the chance of passing away at a certain age, while Medigap insurance companies look at *morbidity*, which is the chance of paying for services related to chronic health conditions.

Seniors may have comorbidities, or multiple chronic conditions like a combination of high blood pressure, high cholesterol, obesity, smoking, or diabetes. One of these conditions by itself wouldn't necessarily exclude a senior from coverage, but two or more might.

Major conditions like cancer, insulin-dependent diabetes, heart attack, stroke, being wheelchair bound, ALS, Multiple Sclerosis, or having an organ transplant within the last five years usually signal a decline for most companies. Being hospitalized twice or more in the past two years is another disqualifier. There are more conditions that are even rarer and harder to pronounce on the applications for coverage; agents should consult the most competitive companies in their area to see what other conditions may apply.

In addition to the conditions an application may screen for, be sure to consult the company's prescription decline list with any prescriptions the senior may be taking to rule out a decline.



There are three periods that are critical to seniors qualifying for Medicare Supplement plans (in order of importance):

1. Initial Open Enrollment (IOE)
2. Guaranteed Issue (GI)
3. Annual Enrollment Period (AEP)

Initial Open Enrollment usually happens when seniors turn 65 and first get on Medicare. During this period — which spans three months before their 65th birthday, the month of their 65th birthday, and three months afterward — seniors can get any Medicare Supplement plan from any company in their state, and the company cannot ask any health questions.



Seniors with more chronic health conditions should consider their choice of supplements, because once they get a supplement, there's no changing it due to underwriting restrictions. That's why it's important to go over the difference in premiums and rate increases between the plans and companies, so seniors understand any long-term implications.

Mark Barendt asks T65 leads:

"What is your biggest worry about Medicare? Do you have friends that have had big surprises because they didn't have this coverage? Are you worried about paying doctor's bills?"

The **Guaranteed Issue** period happens when:

- a. A senior moves out of a Medicare Select or Medicare Advantage plan's service area.
- b. A senior is dis-enrolled from Medicaid.
- c. A senior leaves his or her previous employer's plan (or COBRA plan), whether voluntarily through retirement or because the employer discontinued its medical plan.

Only during these times can a senior get a Medigap plan A, C, F, K, or L from any insurance company in the state. Although not all supplements are available for guaranteed issue, it's wise for agents to at least educate seniors on the differences between F and G to give them an option of lower monthly premiums and traditionally lower rate increases — plus the agent can earn full commission for enrolling a senior in Plan G, whereas commissions can be substantially reduced when enrolling a senior in a Medicare Supplement on a GI basis.

DUDE, WHERE'D MY COMMISSIONS GO?

An agent is typically paid little to nothing for guaranteed issue cases placed with companies. A company will either pay the agent a double digit commission and/or restrict renewals for a GI case. A smart agent will use this opportunity to still deliver meaningful service by helping the senior enroll, which might lead to possible cross-selling opportunities and referrals down the road.

The **Annual Enrollment Period** is a set time of year, October 15th through December 7th, when seniors can enroll in a Medicare Advantage plan or a Part D prescription plan (never both).

Many seniors confuse these three periods, so it's vital that agents educate their clients and prospects about what each period means for them. It's not uncommon for seniors to think that AEP is the only time they can change their supplements, when the opposite is true; they can only change supplements if they:



1. Can pass a company's underwriting requirements
2. Have a GI situation (see choice of plans above)
3. Enroll during IOE

SPECIAL STATES WITH ANNUAL EXCEPTIONS TO UNDERWRITING

The first type of annual exception to underwriting is found in two states: Oregon and California. These states' insurance departments have created rules allowing seniors the opportunity to shop their rates every year, in hopes that seniors save money and keep the insurance companies operating competitively.

The second type of annual exception to underwriting is Missouri's Medigap Anniversary Rule. On the annual anniversary of a senior's enrollment in a Medicare Supplement, the senior is allowed to shop the Medigap plan without having to pass underwriting.