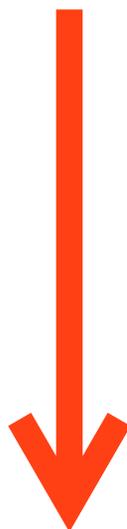




2. EDUCATING AND INCREASING TRUST

After you qualify that the senior's **health** status allows them to pass underwriting, and before putting together a comparison quote to qualify the **budget**, you should educate or reconfirm with the senior how Medicare Supplements function and address the implications of switching to the same plan with a different company, by explaining:

- A. That all Medigap plans are standardized by federal law, which means they all have the same benefits from insurance company to insurance company; the only difference is the price the senior pays for a supplement.
- B. How billing works when it comes to supplements. The doctor bills Medicare, then Medicare decides whether the bill is a covered expense, then Medicare sends the bill to the consumer's insurance company to pay whatever Medicare didn't pay. The supplement company cannot decide to cover Medicare approved expenses on a per-item basis. However, the supplement company can decide not to cover any expenses from a preexisting condition for the first six months if the senior didn't have creditable medical coverage up to 63 days before enrollment.
- C. That there are no networks when using a supplement; seniors can go to any doctor that accepts Medicare as a form of payment. This also means they can go to any hospital in the country, as long as the hospital accepts patients who have Medicare.



Todd R. King cultivates trust and rapport by explaining how Medicare actually works, which distinguishes him from other agents who skip over this misunderstood subject:

"I simply educate the prospect on how their bills get paid by Medicare and the insurance company. Most will say they've never had that explained to them. That's where you really build trust explaining how billing and Medicare works."

If you can educate seniors on these three aspects of Medicare Supplements, then you've completed the majority of education they'll need to start comparing other insurance companies' pricing for the same type of Medigap plan they currently have. Through this education process, the agent continues building trust and credibility to prevent various objections later on.

Ron Van Deusen compares the standardization of Med Supps with shopping for appliances, to simplify the concept,

"I like to use the metaphor of shopping for a television,"

"If two stores have the exact same TV and one is \$400 cheaper than the other, which one will you buy? Then why not do the same smart shopping on your Medicare Supplement?"

Tom Massey educates Med Supp leads on the process of saving money on their Medigap plan insurance, just like auto and home – the senior has to re-shop it every two to three years.

"The benefits of a cheaper Medicare Supplement for a similar Plan F is the monthly savings. I ask prospects, "Why pay more for the exact same thing? Whether you're on a tight budget or just don't like overpaying for things, you might as well save money when possible." I explain that this is common practice with Medicare Supplements, to change about every three years. As the price of supplements go up, new ones with lower premiums come out."

MEDICARE EDUCATION: T65 VS. T67

There's a different amount of education needed with leads who are turning 65 and first entering Medicare, and possibly comparing the differences between a Medicare Supplement and a Medicare Advantage plan, as opposed to T67 leads who have been on a Medicare Supplement plan for some time and may be experiencing rate increases.

Of course, it depends whether the agent is AHIP certified and contracted to sell Medicare Advantage plans by any companies, if he'll be able to show the prospect actual plan comparisons. It's important to note that CMS forbids the use of telemarketing and cold calling to establish initial contact with Medicare Advantage and Part D prospects. If you get a referral from a telemarketed lead, like if the lead's spouse is aging into Medicare (turning 65), then you are allowed to present any Medicare Advantage plans you're qualified to sell, without fearing CMS penalties.

Agents can still illustrate general differences between a Medicare Supplement and a Medicare Advantage plan if they don't get into Medicare Advantage plan specifics. If the lead wants a Medicare Advantage plan, you can politely excuse yourself from helping that particular lead in order to stay compliant with CMS guidelines. An advanced agent may attempt to cross-sell the lead if he also sells Final Expense plans, but this may maximize the amount of effort needed to get the most out of his lead budget.

PLAN F VS. G VS. N

Agents looking for maximum savings for a senior might recommend Plan G or N if the senior is on Plan F. In Chapter 1, we described why Plan G and N usually offer a substantial savings because of the decrease in monthly premiums and typically lower rate increases compared to Plan F.

To illustrate the differences in rate increases, it's important to convey to the senior that Plan G and N require the senior to pay the annual Part B deductible before the plan starts paying toward any health care expenses.

Also, companies offering Plan G and N are not required to take seniors who are eligible for a supplement under Guaranteed Issue rights. So a senior could only qualify for Plan G or N one of two ways:

1. During the Initial Open Enrollment of a senior turning 65 and going on Medicare for the first time.
2. Passing the health underwriting requirements of the company offering Plan G or N.

Because Plans G and N make seniors responsible for paying the annual Part B deductible, it lowers the amount of money these companies pay in claims compared to what Plan F must pay to cover the deductible for seniors. The fact that Plans G and N theoretically could have healthier people enrolled is the reason why Plan G or N may have lower rate increases compared to Plan F. Plan N may have more monthly premium savings and lower rate increases because seniors are responsible for any doctor and emergency room co-pays, in addition to the possibility of excess

charges that a medical provider who doesn't accept Medicare assignment might bill above and beyond what Medicare covers.

TOOLS TO EDUCATE SENIORS ON HOW MEDICARE SUPPLEMENTS WORK

Robin Penrod educates Med Supp leads using the CMS Medicare Manual:

"I ask if they have the *Medicare & You* book, where I point out specific pages to discuss. If they have an email, I will email this to them. I use Wonder Bread as an example: Walmart may sell it for \$1.50, but Kroger may sell the same loaf of Wonder Bread for \$.99. Same bread, same packaging, same benefits, just a different price. It is a simple example, the senior crowd recognizes the name Wonder Bread, it is something they can relate to. Medicare Plan F allows you to see the same doctors, specialists, and hospitals just like Wonder Bread, just paying a better price, because I have shopped for you. No need to drive all over town to get the best price. I know which carriers have the lowest cost for the exact same item in their county."

The easiest way to educate a lead on how Medicare works is by using the official U.S. government Medicare handbook, [*Medicare & You*](#), or Medicare's Guide to [*Choosing a Medigap Policy*](#). Both are usually provided annually by CMS in electronic form at the [Medicare.gov](http://www.Medicare.gov) website.