

## CMS Mandates Medicare Communications Changes Beginning Oct. 1

Please be aware that as of Oct. 1, phone conversations and Zoom meetings with the MDA Insurance office regarding Medicare will be different. The Centers for Medicare and Medicaid Services (CMS) has implemented a very far-reaching Final Rule (422.2274) that originally was only meant to focus on Third Party Marketing Organizations (TPMO). These rules require the publication and vocalization of certain statements, along with recording of electronic meetings at which Medicare is discussed.

Why is this occurring? A little background is needed. TPMOs are the organizations who call you on the phone, text you, and advertise on television and radio in an attempt to get you to switch Medicare plans or enroll in one of the Medicare Advantage plans they are pushing. The tactics and marketing efforts of many of these TPMOs and call centers have left a lot to be desired when it comes to truth in advertising and professionalism. That is why CMS decided to step in and issue new regulations. That was a good thing.



Unfortunately, CMS got overzealous in who they should be targeting instead of focusing on who has been guilty of these continuous infractions and surging consumer complaints. As a result, CMS chose to also include TPMOs and individual Medicare agents and brokers, such as your MDA Insurance Medicare team that has not been guilty of any of these types of violations. Nevertheless, MDA Insurance now must include the following government-mandated statement in all printed Medicare material, emails, on our website, etc.:

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“We do not offer every plan available in your area. Please contact Medicare.gov or 1-800-MEDICARE to get information on all your options.”

In addition, we must verbally make that statement in the first 60 seconds of every Medicare phone conversation and Zoom meeting beginning Oct. 1. We also must record every phone conversation and Zoom meeting and then store the electronic recording in a HIPAA-compliant manner for 10 years.

Very few insurance agencies offer every Medicare plan that is available in their area, state or region. That would create a great deal of confusion for consumers. Some plans are also brand new in a given year, and have not yet been assigned Medicare star-ratings, have no track record of coverage, service, or claims payments. MDA Insurance would never offer those untried plans.

Additionally, the MDA Insurance Board of Directors passed a policy many years ago mandating that MDA Insurance can only contract with insurance companies that have an A. M. Best rating of A- or better. So, for the benefit of our members, we also do not offer plans from companies that do not have an A.M. Best rating.

Can you imagine if car dealerships, grocery stores, electronics and appliance stores, to name a few, had to

announce that they do not carry every product offered in their respective industries and then had to refer potential customers or existing customers to the federal government for further information on all of the remaining options? Can you imagine if employees in those industries had to record every conversation and maintain those files for 10 years in the event the government or their appointed entities come knocking to conduct an audit?

Equally important, what are these federal Medicare employees going to tell folks when they call to get information about all plans in their area? These federal employees are not even licensed and certified agents. Are they going to go over the details of every Medicare plan that is offered in Michigan? Are they going to invest the time with you that we pride ourselves on when we assist you? Are they going to be concerned about which plan is the most appropriate fit for you based on your needs, goals, health status, etc.





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Unfortunately, the real culprits who are responsible for the majority of consumer complaints will not actually be targets of these new regulations. Not much will change regarding consumers being harassed by incoming calls and texts from unsolicited sources whose originating phone numbers and locations change constantly. This is because these call centers, many of which are located outside the U.S., are not directly affiliated with a particular insurance company. Their goal is to harass someone long enough that they will finally give in and consent to being transferred to a TPMO like GoHealth or SelectQuote. Once the TPMO receives the transferred call, their agent presents a Medicare Advantage plan. This is how they skirt the “unsolicited contact” regulation which prohibits the contact of a Medicare beneficiary without having received prior permission.



Since MDA Insurance is not a perpetrator of these consumer complaints and we are not a TPMO, we strongly object to this government over-reach impacting individual agents. We will continue to actively work to overturn this regulation. But until then, all of us will have to deal with this mandated statement and the recording of our conversations relating to Medicare.

Thank you in advance for your understanding, patience, and cooperation when we talk with you beginning Oct. 1.

## Inflation Reduction Act

There are several items in the recently passed Inflation Reduction Act that will impact Medicare. Several of these changes will be phased in over the next few years:



- The 5% coinsurance in the Catastrophic Coverage phase of the Medicare Part D Cost Sharing Structure will be eliminated but not until 2024.
- The Part D annual out-of-pocket maximum will be reduced to \$2,000 beginning in 2025.
- The federal health secretary will be able to negotiate the prices of certain expensive medications each year for Medicare. This will begin in 2026 with 10 drugs and will increase to 20 drugs by 2029.
- Starting in 2023, if drug companies raise the prices of their drugs faster than inflation, they will have to pay a rebate to Medicare.
- Medicare beneficiary cost-sharing on insulin will be capped at \$35 per month beginning in 2023.

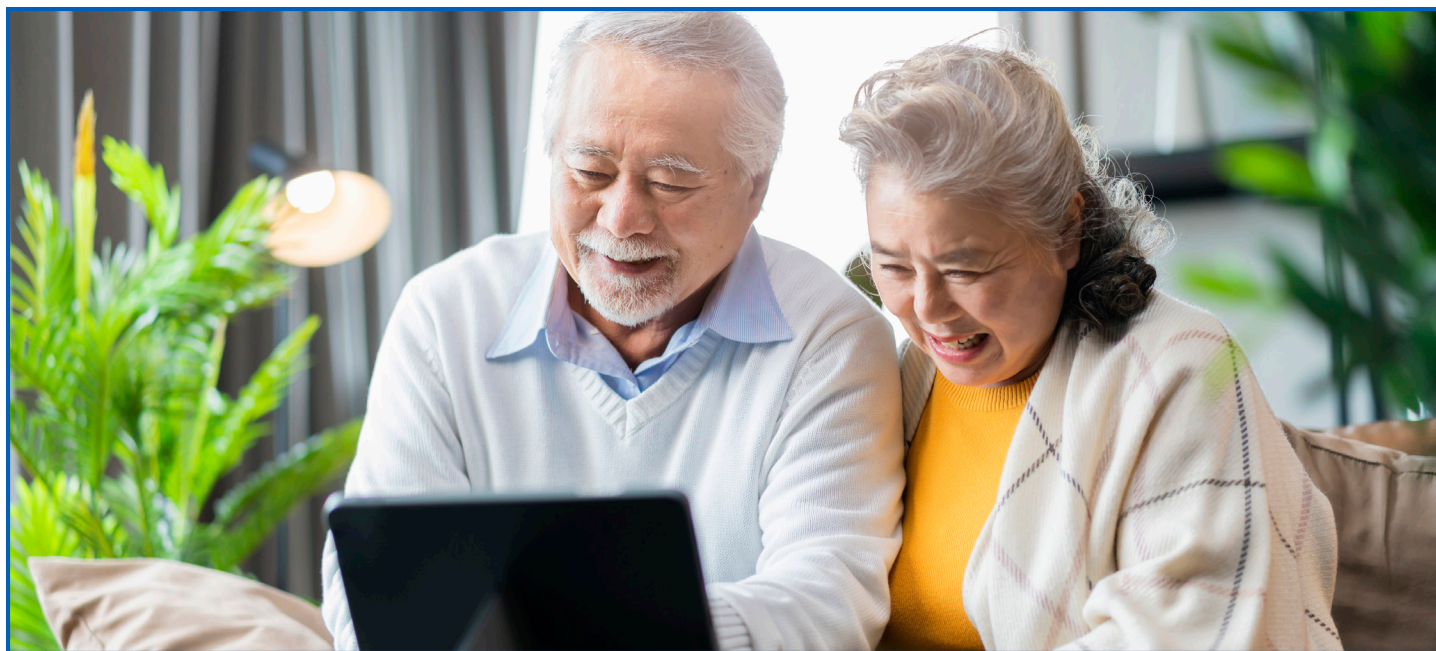
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## Medicare's Annual Election Period (AEP) will begin Oct. 15

Medicare's AEP begins Oct. 15 and will run through Dec. 7. This is when beneficiaries can change Medicare Advantage plans, Part D prescription plans or leave Original Medicare and enroll in a Medicare Advantage plan.

If you like your current plan and it is working well, you do not need to do anything. The plan will simply roll over into 2023. If you have added or dropped medications in 2022 and want to make sure your Part D plan is still a good fit for 2023 you can email Rick Seely at [rseely@mdaifg.com](mailto:rseely@mdaifg.com) or Steve Fulger at [steve@mdaifg.com](mailto:steve@mdaifg.com) to request a Prescribed Medication form to complete and return to MDA Insurance so that we can conduct a medication and plan review.

Please also contact us early if you need or want to schedule a telephone, Zoom or in-person meeting in the MDA office. We will not have access to 2023 plans and rates until Oct. 1, nor are we permitted to meet with members to discuss 2023 plans until then.



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