Is Medicare Renewed Automatically Each Year?

Description

Medicare Parts A and B:

Once you are enrolled in Medicare Parts A and B, you never have to renew them. You can â??stopâ?• Medicare Part B if you wish to do so (i.e. if you get a job that offers group insurance and want to disenroll from Medicare). But if you do nothing, Medicare will always continue without a need for annual, or periodic, renewal.

Medicare Advantage and Part D:

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These plans renew their contract with Medicare each year â?? Medicare must approve the plan design each year. If it is approved by CMS (Medicare), and you want to keep the plan, you do not have to do anything. But the plan contract with Medicare IS renewed annually. You will receive a notice each year around late September/early October about the planâ??s status for the following calendar year. This also contains information about how the plan is changing (premiums, coverage, etc) for the following year. See below for more information about what happens if/when your plan is not renewed for the following year. What are the differences in Medigap and Medicare Advantage

Medicare Supplement (Medigap) Plans:

Medigap plans renew each time the premium is paid. If you pay monthly, they are renewed monthly. You do not have to do anything annually to renew them, and there is no annual open enrollment period for Medicare Supplement plans. They have the benefit of being â??guaranteed renewableâ?•. It will continue indefinitely unless you donâ??t pay the premium. However, if your policy does lapse, you will generally have a grace period and/or a reinstatement period. It is very easy for this to occur if for instance, you are traveling for an extended period, you are moving to a new location, you are experiencing a long illness, or changing your autopay source. Your Medigap carrier cannot drop you from your plan or make changes to your plan (i.e. downgrade your benefits) because of any changes in health.

IMPORTANT: Just because Medigap plans have the benefit of renewing indefinitely, does NOT mean that you should put them on auto-pilot and never check pricing. In fact, the opposite is true. Rates go up on Medigap, considerably so with some companies, and it is always prudent to check pricing annually or bi-annually. You can request 2020 Medigap rates here.

What Happens If My Medicare Advantage Plan or Medicare Part D Plan Are Not Renewed?

If your Medicare Part C (Medicare Advantage) or Prescription Drug Plan (Part D) plans are not renewed (in other words, they are no longer approved/offered in your area), you will have a **Special Election**

Period (SEP). During a SEP for a Medicare Advantage non-renewal, you can sign up for a Medicare Supplement plan or change your Medicare coverage to a new Medicare Advantage plan. If your Part D plan non-renews for the next year, you can choose a new Part D plan â?? if you donâ??t do so, you may be without drug coverage for the following year. Besides the SEP granted to people in a non-renewing plan, there are also different SEPs applied to different circumstances. Listed below are a few SEP scenarios and their corresponding time frame:

- **You moved and your plan is not offered in your new service area** â?? if you notify your plan prior to your move, you can switch the month before the month you move; it continues for 2 full months after you move. But, if you tell your plan after you have moved, you will be able to switch plans beginning the month you tell your plan, plus 2 more full months.
- **The Medicare contract for your plan is not renewed for the upcoming year** â?? December 8 to the end of February.
- **Your plan leaves the Medicare program in mid-year** â?? your SEP begins the month in which you are notified and continues for two more months.
- **Medicare terminates its contractual agreement with your plan** â?? you have two months before and one full month following the end of the contract.

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In addition to the above situations, there are life changing events that would allow for SEPs. Each qualifying life event has a different SEP. For more information about SEPs, call 1-800-MEDICARE (1-800-633-4227). TTY users can call 1-877-486-2048, or go to www.Medicare.gov.

Even if you do not need to renew your Medicare coverage, it is prudent to review your coverage every year. Your plan benefits may change. In addition, provider and pharmacy networks may be added or taken off your list. Drug formularies may change too. This especially may have a big impact on the cost effectiveness of your plan along with cost sharing. These can all change from year-to-year and affect your out-of-pocket costs. Comparing plans on an annual basis is an excellent idea to ensure that your coverage continues to be in alignment with your budget and your health needs.

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Category

1. Medicare Part D
2. Medigap Plans

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