

# HOW MEDICARE PLANS ARE RATED:

## *THREE TYPES OF PRICING*

### **Attained-Age Rated Plan—Most Common**

With this plan your rate is based on your current age and will continue to increase as you get older. The plan may also increase due to medical inflation.

### **Issue-Age Rated Plan**

With this plan your rate is based on the age you are first issued coverage. So if at 65 your plan's premium is \$120, it may stay at \$120 at 72. But if you were to enroll at 72 your plan's premium might start at \$165, and would not be increased by your age.

### **Community Rated Plan— This is very rare**

With this plan the “community” (meaning everyone on that plan with that company) will all be charged the same rate if enrolled in the same plan. So if you enroll in a plan at 65 or 72 you would be charged the same rate. Premiums can go up, but your actual age will not be a factor in an increased premium. Here is the catch that plans who rate this way almost NEVER TELL YOU: Premiums still may go up due to medical inflation. Sure, your plan will never increase because you had another birthday, but you can bet your last dollar your plan is still going up each and every year.

Most of you know that I was raised on a farm in northern Indiana and as they say, you can take the girl out of the farm but you can't take the farm out of the girl. *That is why I call the above system just plain BS.*

Companies like to say that their plan is the “best” because it is \_\_\_\_\_ rated and the inference is that it will never go up or go up very slowly. The reality is medical costs go up each and every year.



Sisters, Sylvia and Rebecca Gordon run the nation's largest FMO office where their team trains and supports over 10,000 agents in all 50 states.

**Has your doctor ever lowered his prices?** Nope. And your rates are not going to go down either, or even plateau out either.

Your rates, no matter what plan you buy, no matter what company you go with, will all go up, UP, UP for the rest of your life. Some **go up faster, and hopefully the one you buys goes up slowly, but its going up whether you use it or not.** Such is the state of Medicare Supplements.

Most plans are attained age rated. Really, how a plan sets its rates is not as important to me as their past performance. Look at what the company's historical rate increases have been. There is more to this than just looking at a graph and here an experienced Medicare insurance agent can explain deviations in the graph due to changes in the law, underwriting decisions and changes in leadership or vision at a carrier.

Some carriers start out with higher rates, but they go up slowly. Most like to come in with the lowest rates at age 65—that is the battle ground for new retirees so most plans are very competitive at age 65-68. These plans often are not able to hold their competitiveness at the older agents because they were priced too low at age 65.

It's often the company that isn't the cheapest at age 65 who ends up with the best price by age 70 because they took lower rates increases each year.

**Still Confused?** Give your marketing team at Gordon Marketing a call 800-388-8342 or email me with your questions. If you are a Medicare beneficiary, we can recommend an agent near you!

Thanks,

*Sylvia*

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PS. Medicare Advantage and Part D drug plans are community rated. Everyone pays the same monthly premium regardless of age.