

F & J Deductible Announcements

November 2017 Announcement

Deductible Amount for Medigap High Deductible Options F & J for Calendar Year 2018

Summary:

Medicare supplemental (Medigap) Plan F can be sold with a high deductible option. Before June 1, 2010, Medigap Plan J could also be sold with a high deductible. Effective January 1, 2018, the annual deductible amount for these two plans is \$2,240. The deductible amount for the high deductible version of plans F and J represents the annual out-of-pocket expenses (excluding premiums) that a beneficiary must pay before these policies begin paying benefits. CMS updates the deductible amount for plans F and J each year, after release of the August Consumer Price Index for all Urban Consumers (CPI-U) figures by the Bureau of Labor Statistics, which generally occurs in mid-to late September.

Calculation of the Deductible:

The deductible for plans F and J is determined in accordance with section 1882(p)(11)(C)(i) of the Social Security Act. This provision prescribed a deductible of \$1,500 for 1998 and 1999 and directed that the amount increase each subsequent year by the percent increase in the CPI-U, all items, US city average. The increase in the applicable CPI-U from 2016 to 2017 is 1.6%, which results in a deductible of \$2,240 after rounding to the nearest \$10 in accordance with section 1882(p)(11)(C)(ii) of the Social Security Act.

For Further Information:

Contact: Elizabeth Hale at 410-786-7604 for actuarial issues or Derrick Claggett at (410) 786-2113 for policy issues. If you need help regarding enrollment in a Medigap plan please contact your local State Health Insurance Assistance Program (SHIP).

Find your local SHIP on Medicare.gov at <https://www.medicare.gov/Contacts/#resources/ships>. You can find Medigap plans available in your area on Medicare.gov at <https://www.medicare.gov/supplement-other-insurance/index.html>.