



Ancillary Insurance 101

4/29/21



Training Objective

To provide Spark Navigators with a high level overview of the agent pitch process for additional coverage options for members in order to identify gap coverage areas, explain coverage options and communicate member needs to Spark agents.



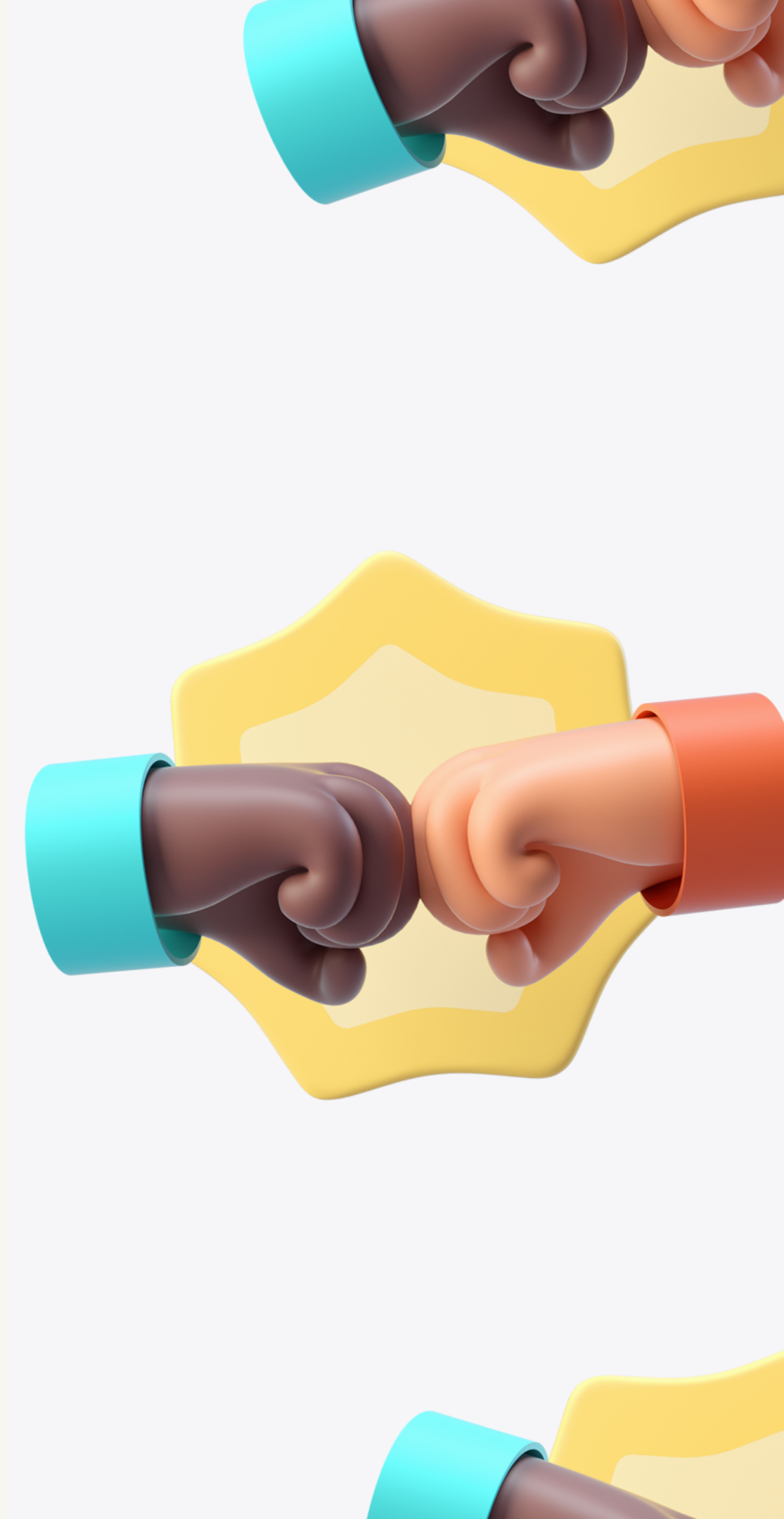
What is Ancillary Insurance?

Ancillary insurance is “extra” insurance that fills the gaps of Medicare health insurance plans

Types of Products

Below are some examples of ancillary insurance products that can supplement Medicare coverage. A single individual may be able to benefit from having multiple ancillary insurance policies

- Dental, Vision & Hearing
- Hospital Indemnity
- Cancer, Heart Attack & Stroke
- Critical Illness
- Short-Term Care
- Long-Term Care



Dental, Vision & Hearing (DVH)

Dental, Vision & Hearing

Dental, vision, and hearing (DVH) insurance is a type of product that provides coverage for preventative, routine, and emergency DVH services and supplies.

What DVH Covers?

- Dental, vision and hearing exams
- Dental cleanings, fillings and crowns
- Glasses or contacts
- Hearing aids

Product Highlights

Traditional Medicare and Med Supps simply don't cover basic DVH exams and services; while MA plans do offer some DVH coverage, it isn't extremely comprehensive; therefore, MA enrollees could benefit from having a DVH plan as well.



Dental, Vision & Hearing cont.

Pitch Example

1. Introduce DMV Insurance

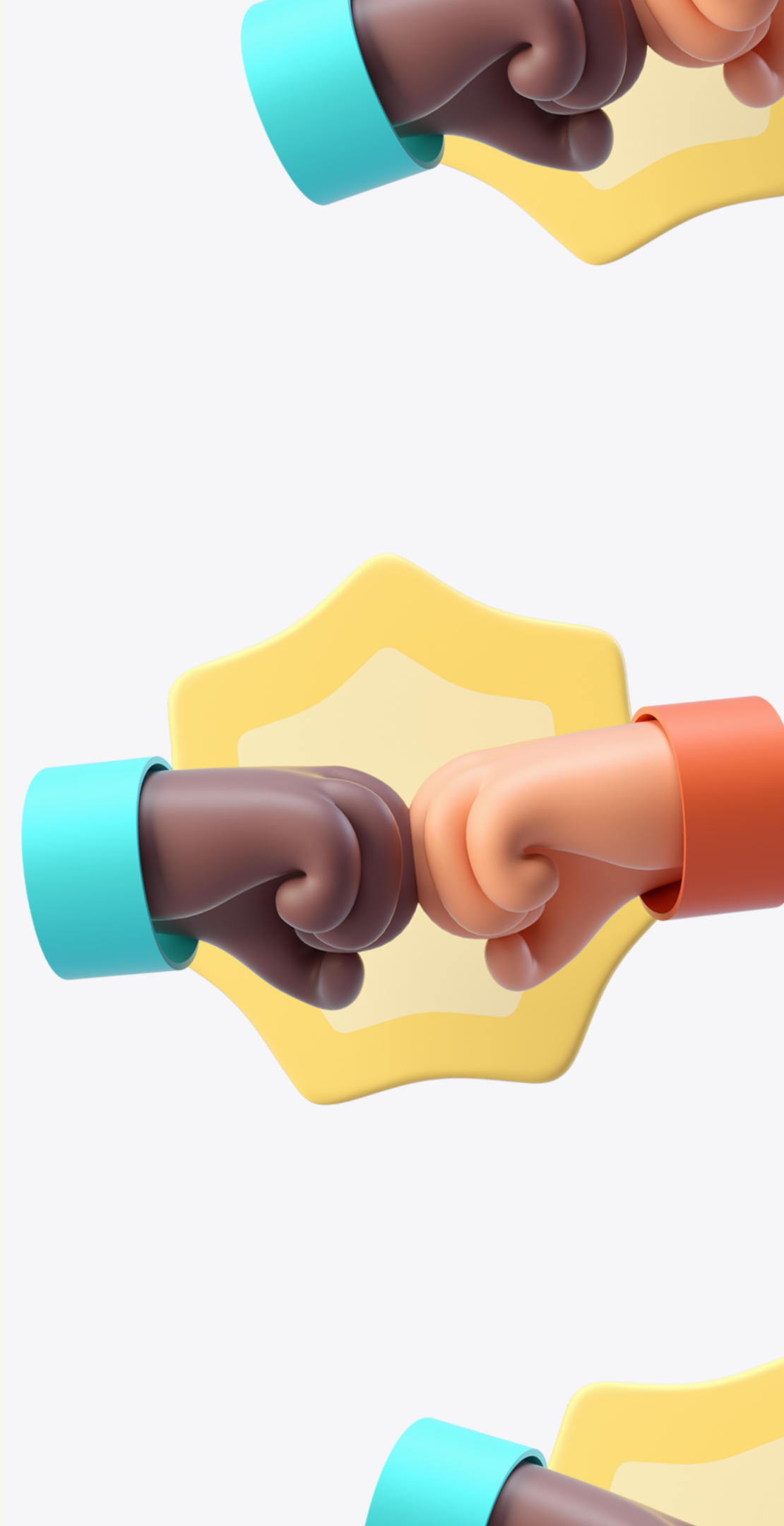
- After you've ensure a Medicare client is still satisfied with their current coverage, try asking these questions: (Do you regularly visit the dentist or eye doctor?)

2. Find out what DVH coverage your client has (or thinks they have)

- Ask your client what DVH coverage they have and who they have it through.

3. Educate your client on the value of good DVH coverage

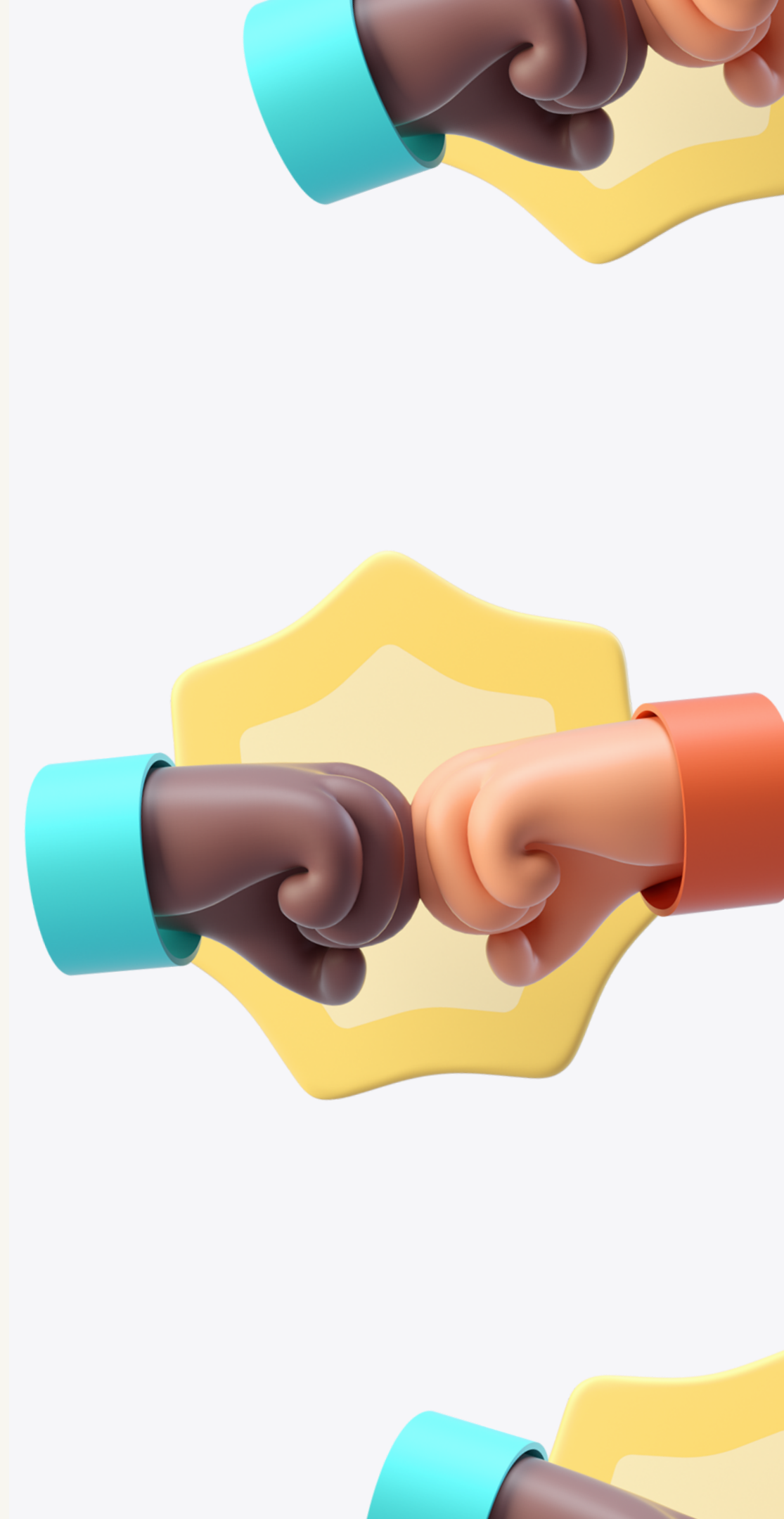
- Let your client know that good DVH coverage is important because it can help them maintain healthy teeth, eyes, and ears.
- Coverage for routine dental services and most dental supplies (e.g., cleanings, exams, fillings, extractions, etc.)
- Coverage for routine eye and hearing exams and treatments
- The freedom to choose the provider of your choice



Dental, Vision & Hearing cont.

Aetna Dental Example [\(link\)](#)

Aetna Dental Direct Preferred PPO	Aetna Dental Direct Core PPO
Monthly Premium: \$66.52	Monthly Premium: \$57.60
Deductible: \$50	Deductible: \$50
<p>Plan Benefits:</p> <ul style="list-style-type: none">• Preventative services (oral exam, cleanings) at no cost• Basic services (maintenance, extraction) at 20% cost• Major services (oral surgery, crowns, root canal, dentures) at 50% cost	<p>Plan Benefits:</p> <ul style="list-style-type: none">• Preventative services (oral exam, cleanings) at no cost• Basic services (maintenance, extraction) at 50% cost• Major services (oral surgery, crowns, root canal, dentures) at 50% cost



Dental, Vision & Hearing cont.

United Healthcare Vision Example

Plan A (Link)	Plan B (link)
Monthly Premium: \$11.40	Monthly Premium: \$15.70
Plan Benefits: <ul style="list-style-type: none">• Eye exam \$10 copay• Frames \$150 allowance• Lenses \$10 copay• Contacts (instead of glasses) \$0 copay	Plan Benefits: <ul style="list-style-type: none">• Eye exam \$10 copay• Frames \$150 allowance• Lenses \$10 copay• Contacts (in addition to glasses) \$0 copay



Hospital Indemnity

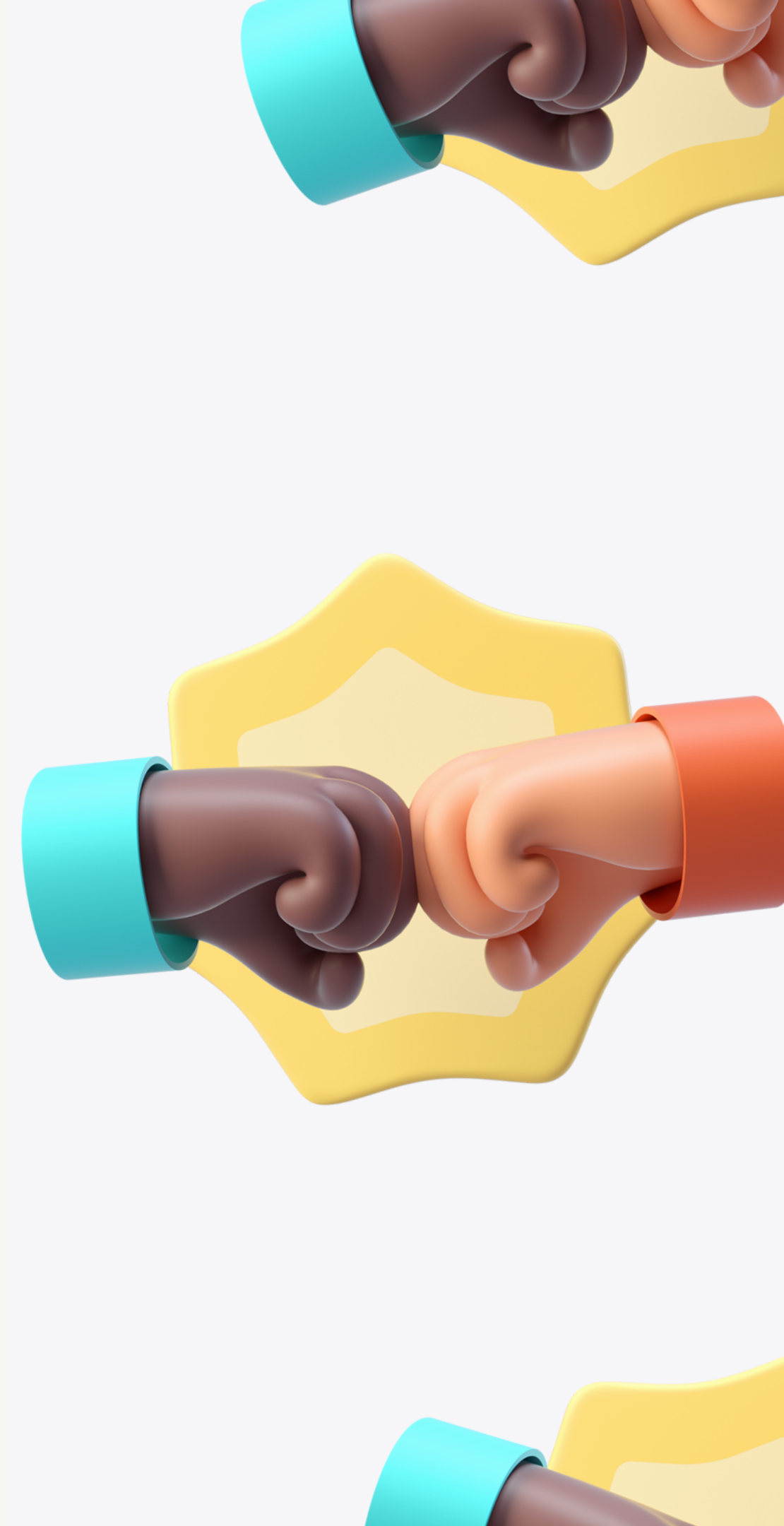
Hospital Indemnity

Hospital indemnity insurance provides beneficiaries with a pre-determined benefit that is paid directly to them when they are hospitalized.

- Benefit is provided directly to the policyholder, there aren't any network restrictions
- Policy holders can add riders to cover cancer, ambulance, or skilled nursing related costs
- Lump-sum options could be available to reduce the maximum out-of-pocket costs or cover deductibles entirely

A hospital indemnity plan can help in these situations.

- \$0-premium MA enrollees
- Low-premium MA enrollees
- Medicare MSA enrollees



Hospital Indemnity cont.

Pitch Example

1. Review your client's current benefits

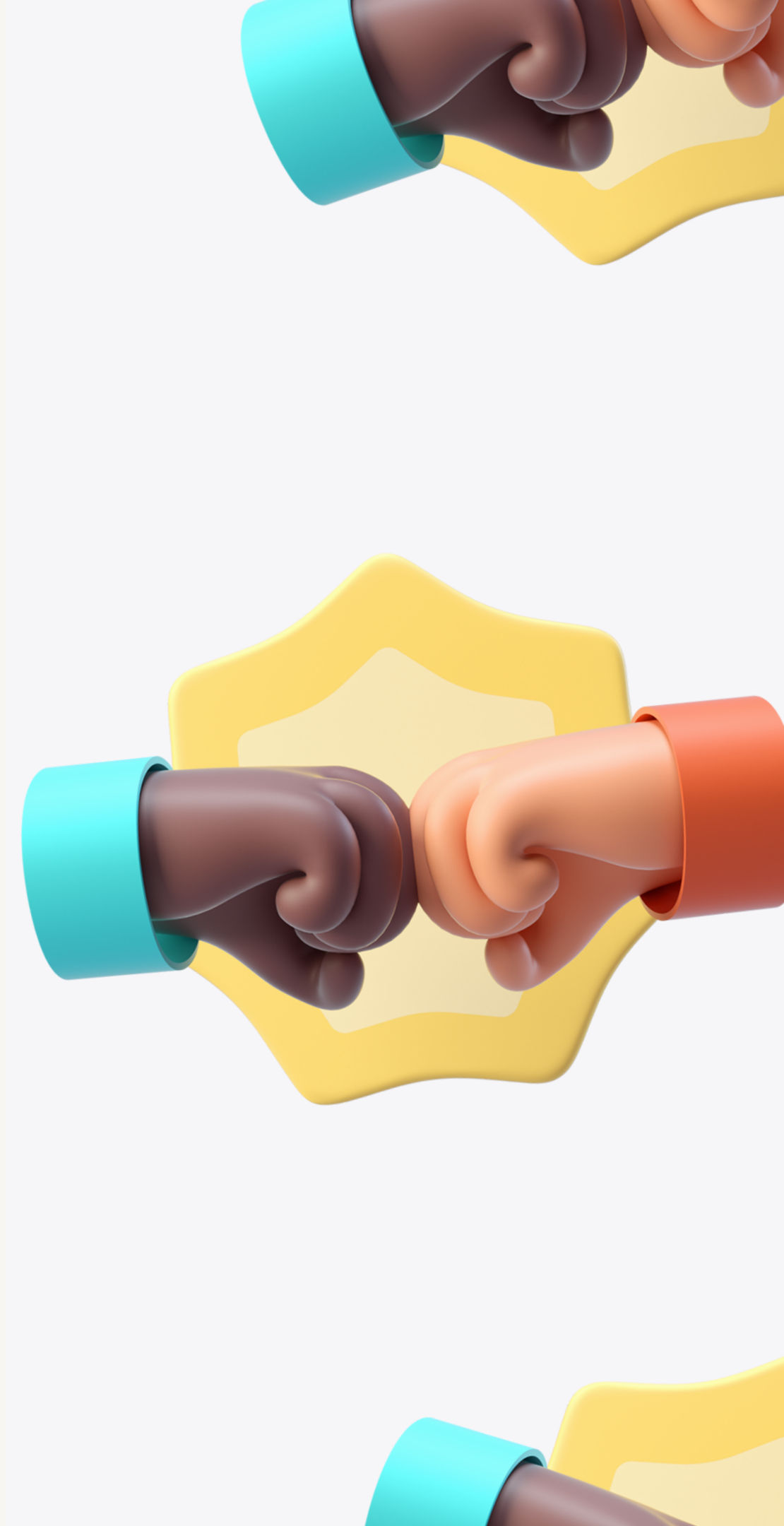
Make sure your client understands what hospital-related costs their current or desired plan does and doesn't cover (e.g., observation stays, hospital stays, ambulance rides, etc.)

2. Bring up hospital indemnity plans

Try tactfully asking your client thought-provoking questions about how they'd be able to handle paying for a medical emergency.

3. Help your client weigh their options

Many Medicare eligibles are attracted to MA plans because of their extra benefits and low, or nonexistent, premiums. While appealing for those reasons, \$0-premium MA plans have high copays and high deductibles. They can also have annual out-of-pocket limits as high as \$6,700.



Hospital Indemnity cont.

United Healthcare Example (link)

Hospital Safeguard Plan A	Hospital Safeguard Plan B
Monthly Premium: \$42.00	Monthly Premium: \$67.00
Plan Benefits: <ul style="list-style-type: none">• Inpatient \$1,000 per day (maximum of 31 days)• ICU \$1,000 per day (maximum of 10 days)	Plan Benefits: <ul style="list-style-type: none">• Inpatient \$2,000 per day (maximum of 7 days)• ICU \$2,000 per day (maximum of 7 days)



Critical Illness (Cancer, Heart Attack & Stroke)

Critical Illness

Cancer, heart attack and stroke, and critical illness insurances provide a lump-sum payment or graded benefit following the diagnosis of any critical illness listed in the policy

A Med Supp plan will not cover all of a beneficiary's drugs and treatments (e.g., experimental treatments), non-medical costs associated with the for the conditions listed above.

Product Highlights

A hospital indemnity plan can help in these situations.

- Any Medicare client
- People who have a family history of these conditions
- People whose lifestyle increases their risk for these conditions (e.g., if someone is a smoker or is obese)



Critical Illness cont.

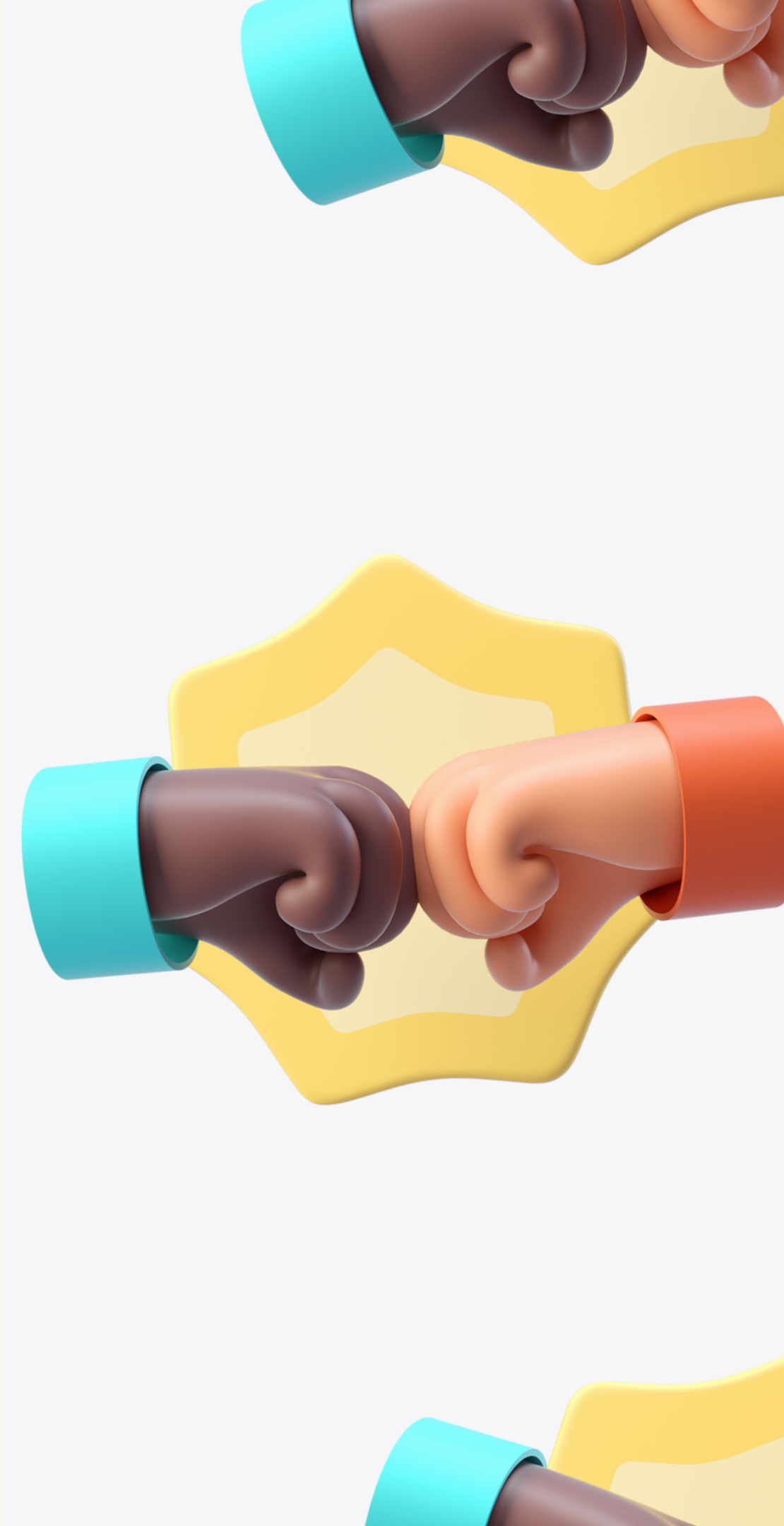
Pitch Example

1. Ask your client if they've considered cancer/critical illness protection

Asking “By the way, have you thought about critical illness?” is a good way to learn more about your client’s family health history and open the door to additional fact finding. Do certain conditions run in the family?

2. Be prepared to counter objections you may hear

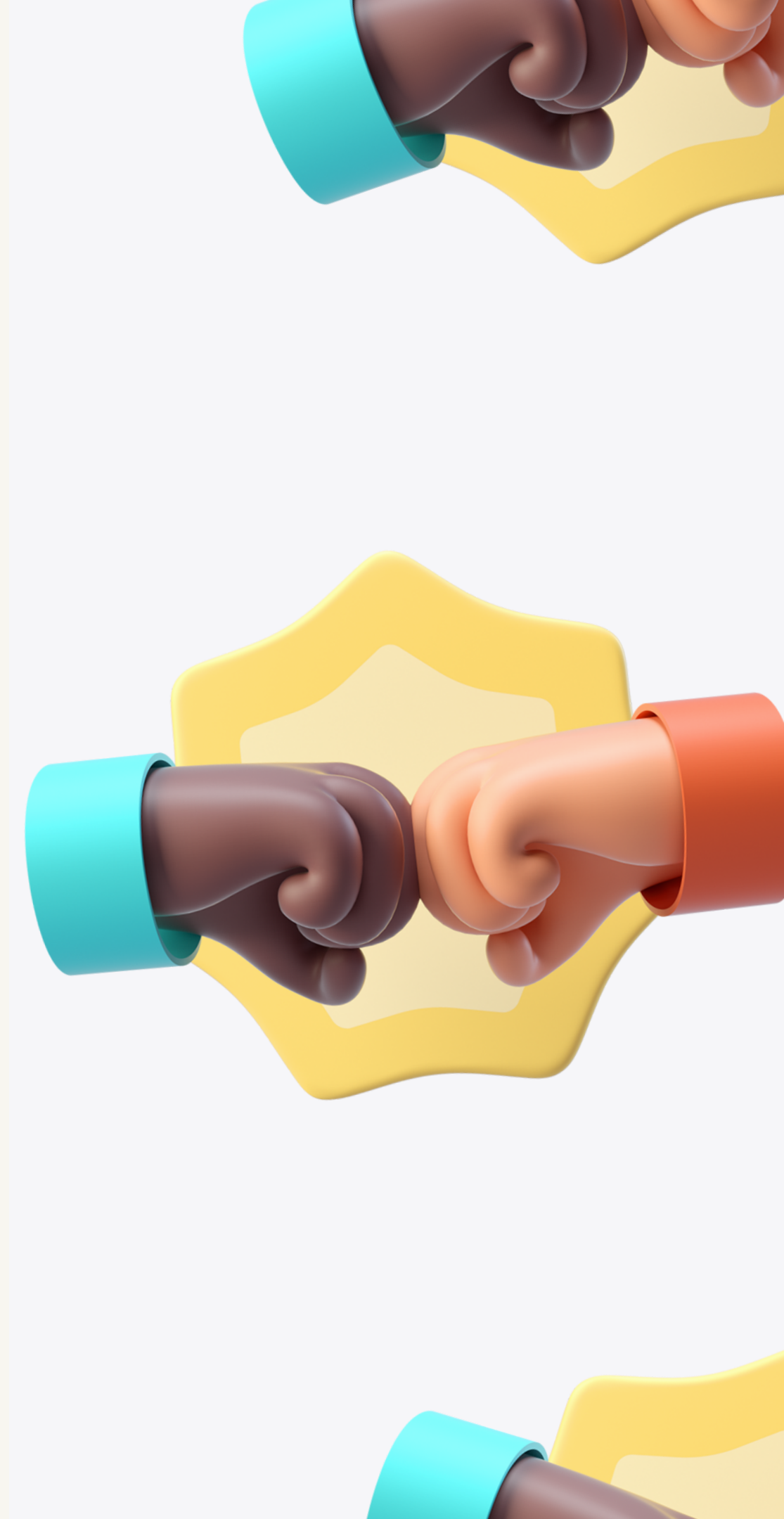
Nobody wants to pay for something they might not use, and people really don't like thinking they might be someone who has to deal with these maladies when they get older



Critical Illness cont.

Cigna Example

Lump Sum Heart Attack & Stroke	Lump Sum Cancer
Monthly Premium: \$19.00	Monthly Premium: \$19.00
<p>Plan Benefits:</p> <ul style="list-style-type: none">Covers heart attack, stroke, heart transplant, angioplasty, coronary artery bypass surgery, and other heart-related procedures <p>Covers:</p> <ul style="list-style-type: none">Deductibles, coinsurance, and copaysPrescription drugsExtended hospital staysRehabilitationUnexpected expenses such as travelHousehold expenses such as monthly bills including rent or mortgage, groceries	<p>Plan Benefits:</p> <ul style="list-style-type: none">The cash benefits are paid if you are diagnosed with a covered cancer. <p>Use the lump sum benefit to help cover:</p> <ul style="list-style-type: none">Deductibles/coinsurancePrescription drugsRehabilitationExtended hospital staysExperimental therapy



Long Term Care

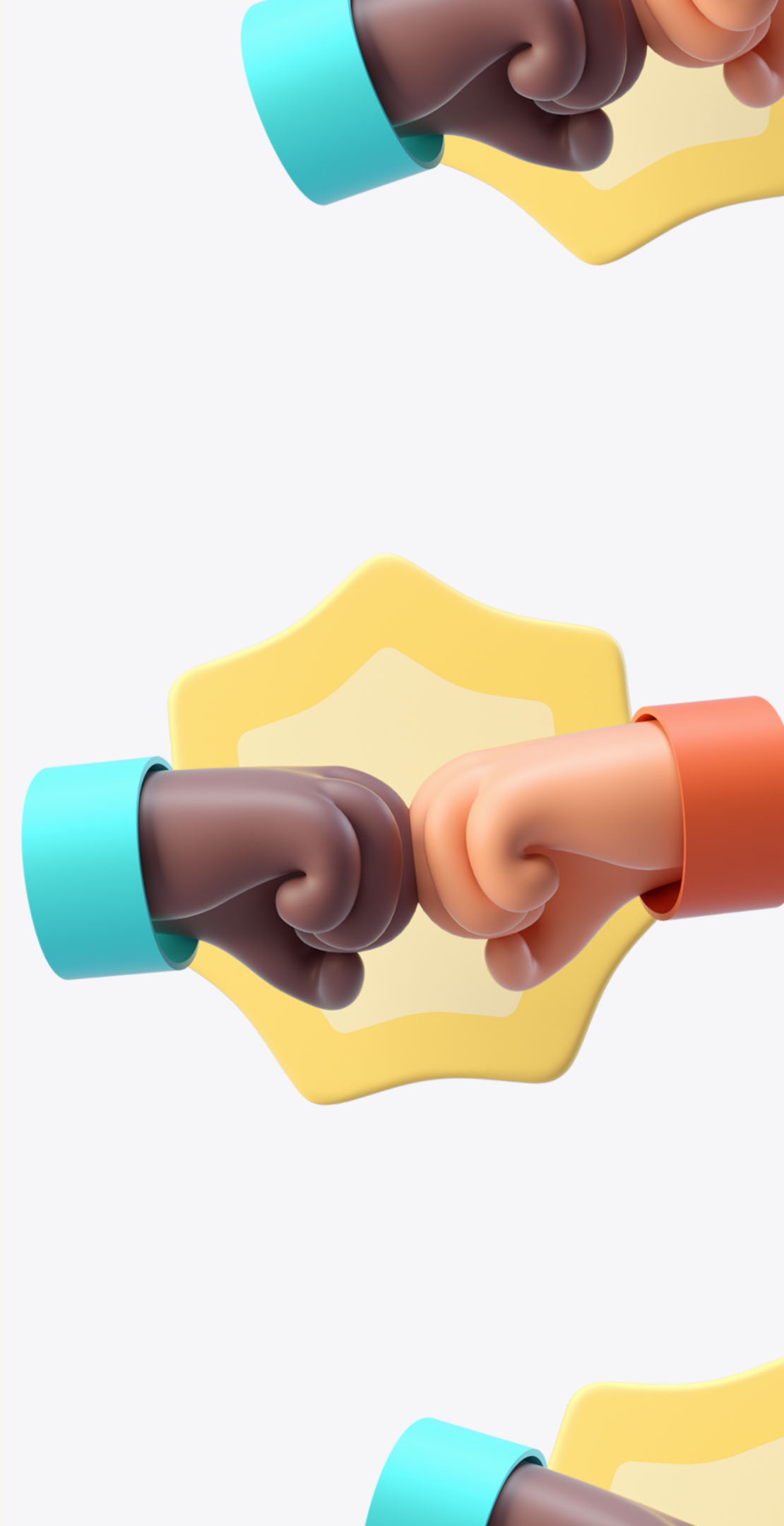
Long Term Care

Long-term care insurance (LTCi) is a type of insurance that provides coverage for long-term services and support, whether it's medical or custodial in nature. Types of products include:

- Traditional stand-alone LTCi (can add riders)
- Life insurance/LTCi combination products
- Annuity/LTCi combination products
- Life insurance + LTC or chronic illness riders

Perfect for:

- People nearing retirement
- Low-premium MA enrollees
- Women
- Married Individuals
- Are in reasonably good health
- Are upper or upper middle class



Long Term Care cont.

Pitch Example

1. Educate your client on what Medicare covers in regard to LTC

Many people mistakenly believe that Medicare will cover the costs of long-term care (Medicare typically only covers medically necessary care, like skilled nursing or rehabilitation, not assistance with daily living)

2. Ask your client how they'd pay for LTC services and support if they'd need it

As people age, one clear priority becomes wealth preservation – the desire to provide financially for their spouses, children, and future generations

3. Don't forget hybrid life and annuity LTCi products

Though they can be more expensive than traditional policies, non-traditional LTCi plans like hybrid life and annuity combination plans can guarantee something that “use-it-or-lose-it” stand-alone LTCi plans can't: paid benefits even if LTC coverage isn't needed. D



Long Term Care cont.

Cigna Life Insurance Example

Term Life Safeguard

Monthly Premium: \$28.00

Plan Benefits

- Policies can be issued from ages from 50 – 85 and can include coverage for you and your spouse.
- Our Individual Whole Life Policy accumulates a cash value, starting in the third year, that can be accessed by either a policy loan or cash surrender.
- Guaranteed premiums - your premiums will not increase



Short Term Care

Short Term Care

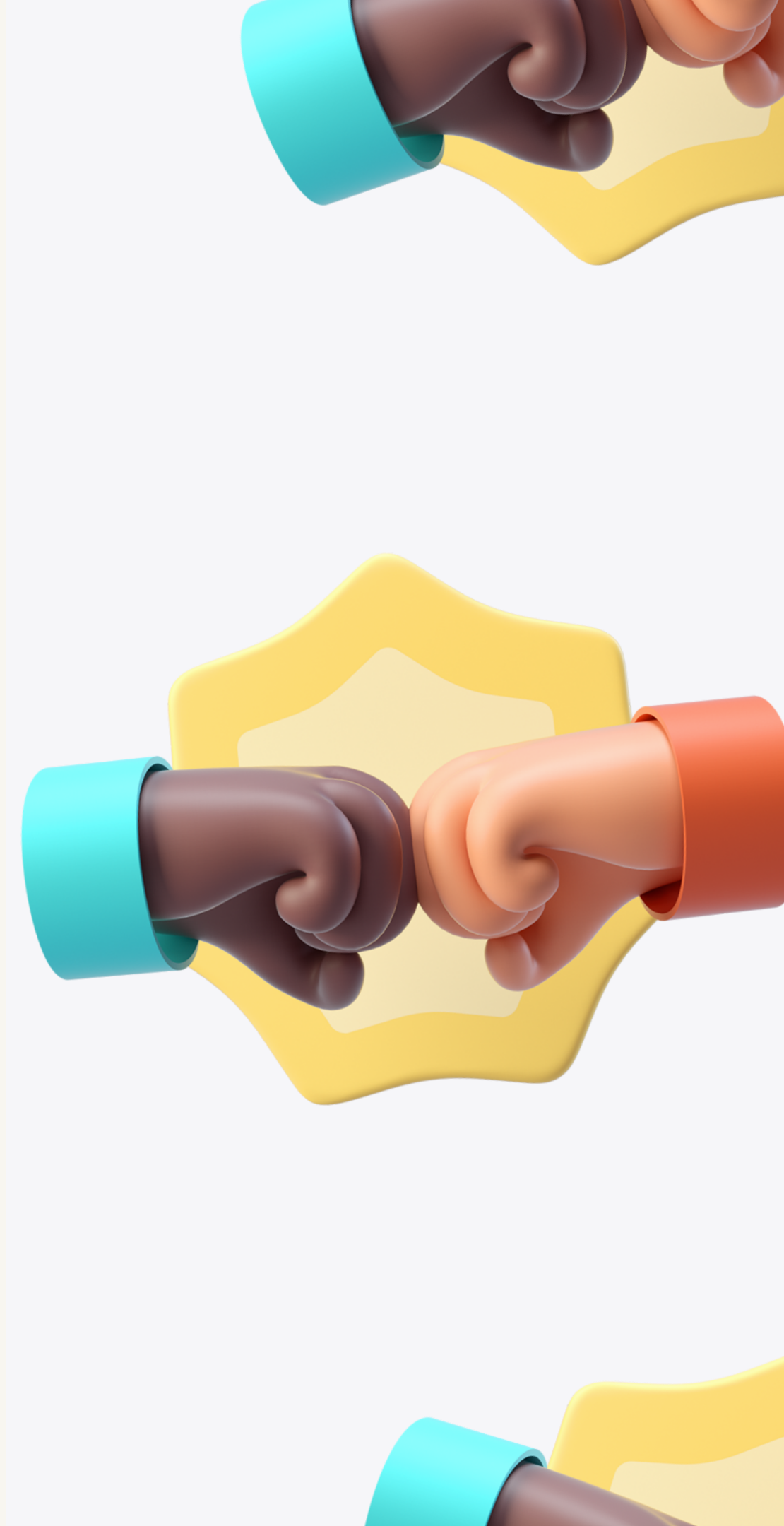
Short-term care insurance (STCi) usually offers coverage for one year of qualifying care or less for nursing home stays, assisted living, and home health care.

Product highlights:

- Premiums can be funded with existing assets (CDs, savings, annuities, IRAs)
- Return of premium option
- Clients can add an inflation protection rider to policies
- STCi rates aren't gender-based like LTCi rates

Perfect for:

- People who desire a cheaper alternative to LTCi
- Are too old to qualify for LTCi
- Have health issues • Have been declined for LTCi
- Are single women • Individuals looking to cover MA copays for nursing home stays or home health care costs



Short Term Care cont.

Pitch Example

1. Review what nursing home care Medicare covers with your client

beneficiaries think Medicare will cover any nursing home care they may need, which isn't the case

2. Help your client understand the value of STCi (as opposed to LTCi)

STCi plans are a great middle ground for seniors who don't qualify or can't afford their Medicare or LTCi options.

If you're stuck deciding between LTCi and STCi, always look at your client's age, health, and budget to figure out which is the best option.



Short Term Care cont.

United Healthcare

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