

# **F & J Deductible Announcements**

## **October 2018 Announcement**

### **Deductible Amount for Medigap High Deductible Options F & J for Calendar Year 2019**

#### **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, 2019, the annual deductible amount for these two plans is \$2,300. 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-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 2017 to 2018 is 2.7%, which results in a deductible of \$2,300 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.

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>.