

## 2018 PRE-LICENSING CHANGES

**NOTE: THE PEARSON VUE CONTENT OUTLINES FOR 2018 ARE NOT CHANGED FROM THOSE OF 2017.**

**THE ONLY CHANGES OFFERED TO YOU ARE FOR TAX AND FEDERAL CHANGES TO VARIOUS PLANS AFFECTING ONLY:**

**THE ACCIDENT AND HEALTH INSURANCE EXAM AS FOLLOWS:**

- **6) Flexible Spending Account (FSA) (PAGE 13):**

The limit on **health care** FSA contributions is **\$2,650 per year** (2018).

- **7) High-Deductible Health Plan (HDHP) and Related Health Savings Accounts (HSAs) (PAGE 14)**

Currently (2018), the plans are all similar in the fact that HDHPs **have deductibles that range from \$1,350 and \$6,650** for singles, and from **\$2,700 and \$13,300** for families.

Annual contribution levels for 2018 HSAs are as follows:

- **Maximum annual** HSA contribution for an **eligible individual with self-only coverage is \$3,450.**
- **For family coverage, the maximum HSA contribution is \$6,900.** These limit ranges and contribution levels can change from year to year, so consult your carrier or account for specific details for any given tax year.

- **Medicare Parts A, B, C, D (PAGE 31)**

■ **Medicare Part A – Hospital Insurance** – Coverage, with a deductible, is listed below (please note the daily deductible can change annually for inflation, and the following figures are based on 2018 limits). The amount is not important but rather understanding the concept that significant amounts of money can be owed by insureds is the main point. **Part A is considered to be *premium free* if the recipient is fully insured under Social Security (40 quarters) and receiving benefits, while all other parts are optional. This premium free status is enjoyed by about 99% of those participating in the Medicare Part A program.**

Enrollees age 65 and over who have **fewer than 40 quarters of coverage** and certain persons with disabilities **pay a monthly premium** in order to receive coverage under Part A. Individuals with 30–39 quarters of coverage may buy into Part A at a reduced monthly premium rate, which is \$232.00 in 2018, a \$5.00 increase from 2017. Those with fewer than 30 quarters of coverage pay the **full premium of \$422.00 a month.**

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- **The Coverages of Part A include:**
- **Hospital care** – All covered services for 60 days **except in-hospital deductible charge (\$1,340) due for each benefit period.** After 60 and up to 90 days, the **daily deductible** amount is \$335, and for the 91st day and thereafter, \$670 is charged daily to the insured (up to day 150, when all Medicare Part A lifetime days are exhausted and a supplement covers hospital charges after this limit is reached).

**Inpatient skilled nursing** facility care as medically necessary – **All covered expenses first 20 days**, then next 80 days with a \$167.50 daily deductible. (After 100 days, Medicare no longer pays for nursing home expenses)

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- **Medicare Part B – Medical Insurance** – Part B helps to pay **physician’s bills, home health service, psychiatric care, and other medical and health services. A deductible is paid (\$183 for 2018), and then cost is split 80%/20%; that 20% does not end (expenses that are *medically necessary*). Part B will also cover *preventive services* (e.g., flu prevention).** Unlike Part A, **Part B coverage is not mandatory**, although most people covered under Plan A also have Part B coverage (an additional premium is charged by the government). The insured must have Part A to receive Part B coverage.

**The insured under Part A must opt for Part B, which requires the insured to pay a monthly premium, to be eligible to purchase a Medicare supplement policy.** In 2018, this monthly amount equals \$134 for the lowest income tier (at or below \$85,000 for singles and at or below \$170,000 for married filing jointly).

There are five tiers of premium cost based on the insured’s income level. The **lowest tier is for less than \$85,000 income** (the cost cited in the previous paragraph) while the highest tier level is \$214,000, at which level the monthly cost of Part B is \$428.60.

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**Once the insured spends \$5,000 out of pocket in 2018, he or she is out of the coverage gap of Medicare prescription drug coverage.**