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WHAT COMES NEXT:

Stacking Strategies

Smart Plan Design

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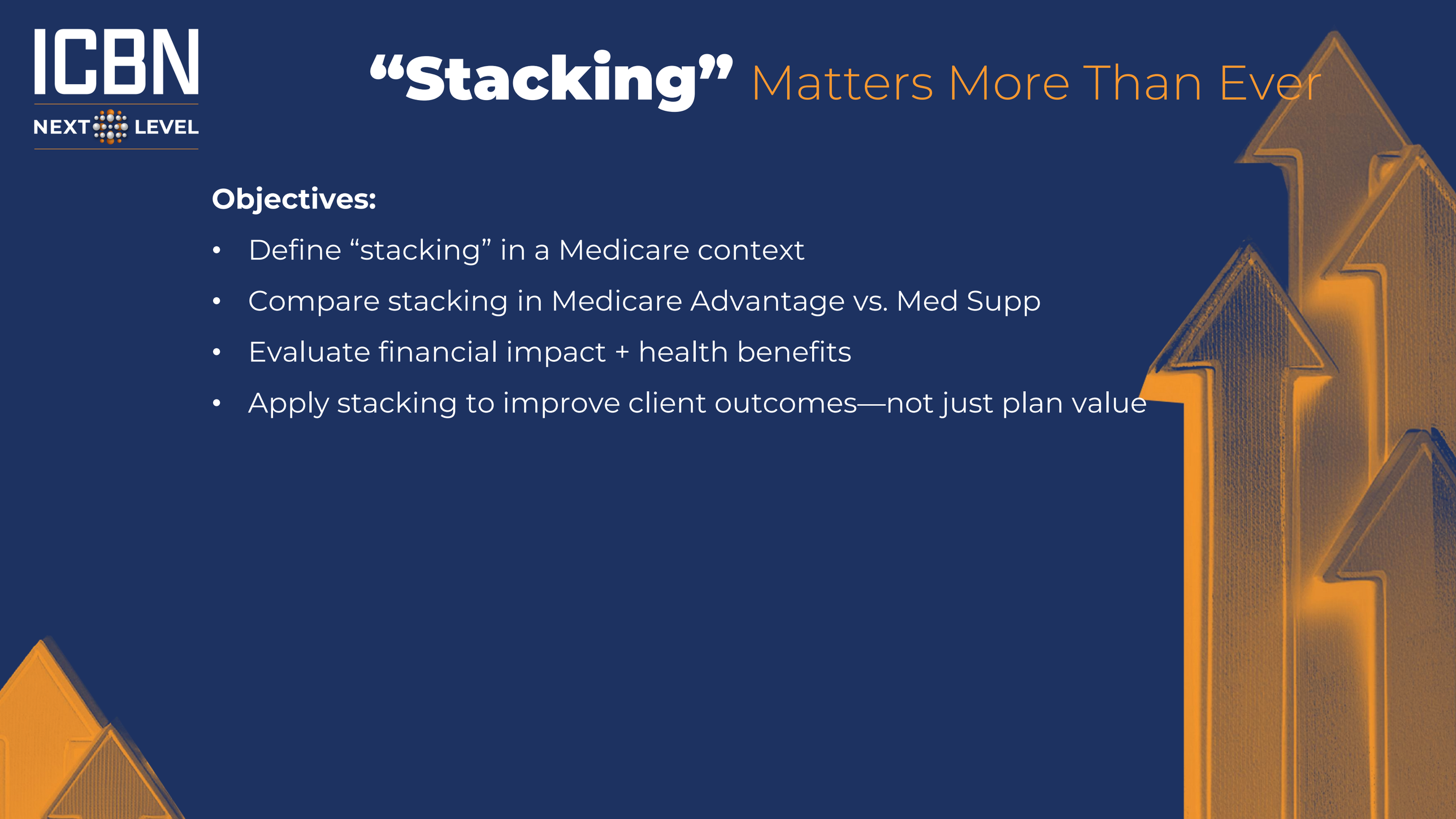
“Stacking” Matters More Than Ever

Objectives:

- Define “stacking” in a Medicare context
- Compare stacking in Medicare Advantage vs. Med Supp
- Evaluate financial impact + health benefits
- Apply stacking to improve client outcomes—not just plan value



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The Fundamentals

STEP 1 SIGN UP FOR ORIGINAL MEDICARE

Part A
Federal Government
Inpatient Hospital Care

Part B
Federal Government
Outpatient Care & Doctor Visits

STEP 2 SELECT AN OPTION FOR ADDITIONAL COVERAGE

OPTION 1

MEDICARE SUPPLEMENT
Private Insurance Company
Secondary coverage for
Out-of-Pocket Medicare costs

MEDICARE PART D PLAN
Private Insurance Company
Prescription Drug Coverage

OR

OPTION 2

MEDICARE ADVANTAGE
Private Insurance Company

Part C
Combination of Part A
& Part B coverage

Part D
Some plans include
prescription drug coverage

May offer benefits not
covered by Original Medicare

But What About...

Client variables:

- TriCare for Life
- VA
- Eligible for Part A only
- Eligible for Part B only
- Late Enrollment Penalties (Part B / Part D)
- No enrollment period available until GEP

Stack products around these people's needs

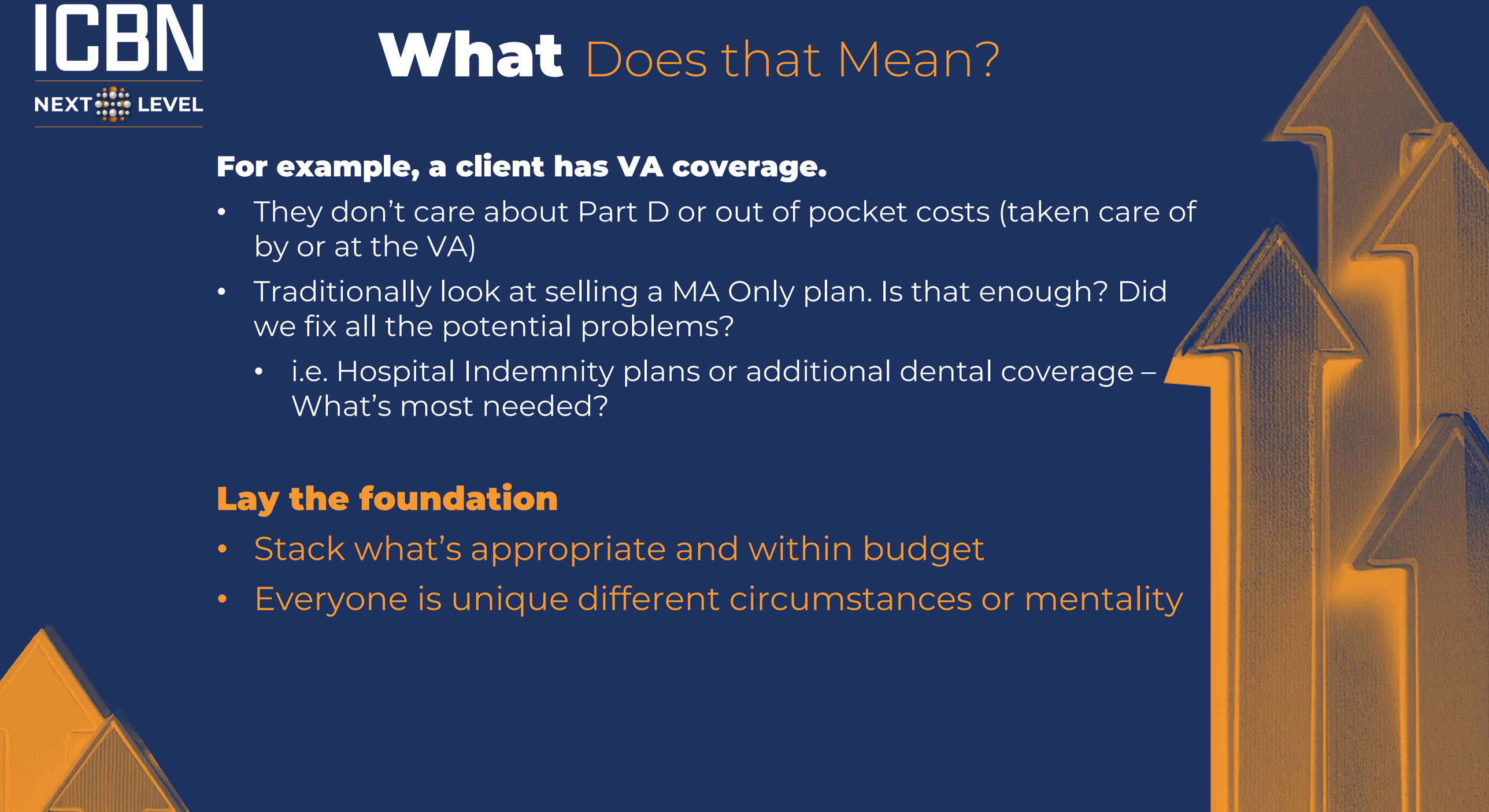
What Does that Mean?

For example, a client has VA coverage.

- They don’t care about Part D or out of pocket costs (taken care of by or at the VA)
- Traditionally look at selling a MA Only plan. Is that enough? Did we fix all the potential problems?
  - i.e. Hospital Indemnity plans or additional dental coverage – What’s most needed?

Lay the foundation

- Stack what’s appropriate and within budget
- Everyone is unique different circumstances or mentality



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Stacking Defined

"Stacking" = combining multiple products to **optimize coverage, reduce risk, and control total cost of care**

Core Idea: Not just *what plan*, but *how plans work together*

Primary Approaches:

- **Pre-Stacking in advance of Medicare**
- **Medicare Advantage stacking**
  - Built-in benefits + optional add-ons
- **Med Supp stacking**
  - Lower-cost base plan + ancillary products

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The Real Risk Clients Face

Where Medicare Falls Short:

- Short-term care / skilled nursing beyond limits
- Inpatient hospital cost exposure
- Recovery periods (home health, rehab transitions)
- Non-medical costs (transportation, lodging, caregiving)

Key Idea:

- Clients don’t go bankrupt from premiums
  —they go bankrupt from events

Important Distinction:
- Not selling “more products”
- Designing **complete coverage**

Set the Conversation Table

You're trained

- Use your Needs Assessment – Use it to find the base insurance fit **AND** it gives you clues/ideas to other potential insurance solutions
- Hear your client's circumstances - Help your client recognize the issue
- Diagnosis what they need; Don't assume
- Prescribe a solution – Connect solution to your client's physical reaction
  - Circle their emotional response again
  - Pitch to Pain

1. **Find deficiencies in coverage**
2. **Create an emotional response**
3. **Pitch solution –** Ensure solution makes more emotional sense (vs intellectual "nod" and go along)

Why Stacking Works

What a Client Receives :

- Sense of Security/Stability – Cost predictability
- Peace of Mind for self and family – Risk mitigation
- Reassurance about Quality of Care – Access to enhanced benefits

From a Broker Perspective:

- Customization = higher client retention
- More touchpoints for annual review
- Aligns with value-based care trends

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MA Stacking Framework

Base Plan Includes:

- Hospital + Medical (Part A & B)
- Often Part D (MAPD)
- Extras: dental, vision, hearing

Stacking Opportunities:

- Hospital indemnity
- Cancer/critical illness
- DVH upgrades (if weak)

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The MA Coverage Gap Reality

Even strong MA plans have:

- Daily hospital copays (e.g., $300/day days 1–5)
- Skilled Nursing Facility (SNF) copays after day 20
- MOOP exposure up to ~$9,400 In-Network &
  $14,000 In & Out of Network

Hidden Gap:

- Cash flow during recovery

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Hospital Indemnity as a Core Layer

What It Does:

- Pays **cash directly to client**
  - Covers:
    - Hospital stays
    - ICU
    - Skilled nursing
    - Short-term care stays

Example:

- MA hospital copay: $1,500 total
- HI plan pays:
  - $300/day × 5 days = $1,500

Result:

- Hospital stay effectively **neutralized financially**

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Short-Term Care Coverage

Critical Use Case:

- Client leaves hospital → enters **skilled nursing facility (SNF)**

MA Plan:

- Days 1–20: often covered
- Days 21–100: copays (e.g., $150–$200/day)

Plan Can Pay:

- Daily indemnity during SNF stay
- Helps cover:
  - Facility costs
  - Personal expenses
  - Family support needs

Key Insight:
This is where stacking delivers **real-life value clients understand immediately**

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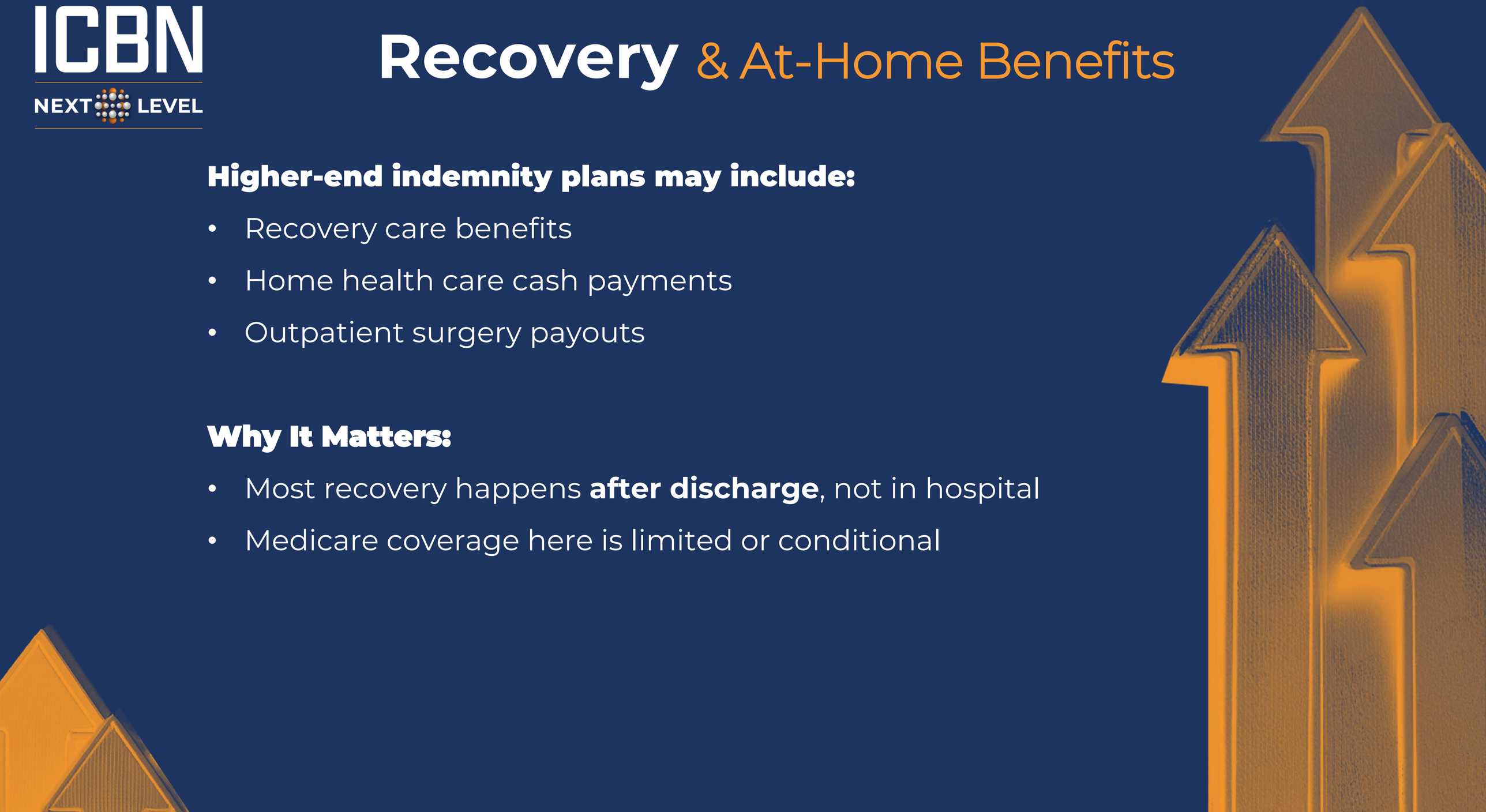
Recovery & At-Home Benefits

Higher-end indemnity plans may include:

- Recovery care benefits
- Home health care cash payments
- Outpatient surgery payouts

Why It Matters:

- Most recovery happens **after discharge**, not in hospital
- Medicare coverage here is limited or conditional



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MA Case Study

Client:
- 72, average health

Event:
- 4-day hospital stay
- 18 days in skilled nursing

Without Stacking:
- ~$4,000 out-of-pocket

With HI Plan ($45/mo):
- ~$3,000 paid in benefits

Outcome:
- Financial stress dramatically reduced

Rethinking Med Supp Strategy

Traditional:

- Plan G = “full coverage” mindset

Reality:

- High premium
- No added living benefits

Stacking Approach:

- Lower-cost plan + targeted protection layers

Plan N + Stacking Design

GET THE BASICS DONE FIRST!!!

Client: *I really like Option 1, but I've got a limited budget...*

Determine how to maximize coverage while meeting your client's specific needs.

Plan N + Stacking Design

Base: Plan N

- Lower premium
- Some cost-sharing

Add:

- Hospital indemnity
- Dental/Vision/Hearing (DVH)
- Optional recovery care products

Goal:

- Create **broader real-world coverage than Plan G**

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Short-Term Care in Med Supp Strategy

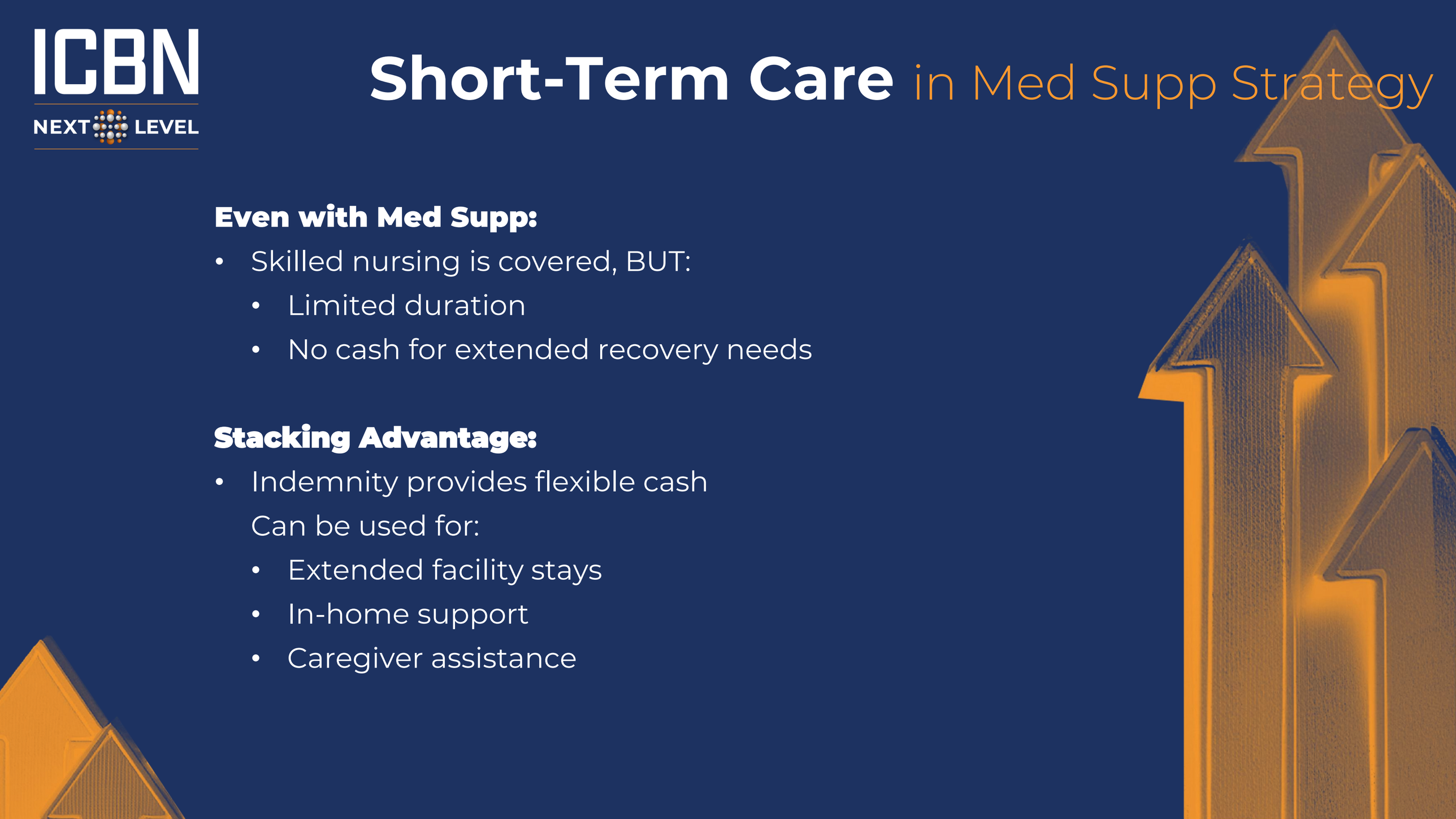
Even with Med Supp:

- Skilled nursing is covered, BUT:
  - Limited duration
  - No cash for extended recovery needs

Stacking Advantage:

- Indemnity provides flexible cash

  Can be used for:
  - Extended facility stays
  - In-home support
  - Caregiver assistance



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Financial Comparison

Plan G:

- $180/month = $2,160/year
- Minimal flexibility beyond medical coverage

Plan N Stack:

- Plan N: $130 = $1,560
- HI: $40 = $480
- DVH: $25 = $300
  Total: $2,340

BUT:

Adds: Cash benefits, Dental/vision, Recovery flexibility

Key Message:

- Slightly higher cost, significantly **higher usable value**

All prices are estimates, not actual values. For presentation purposes only.

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Med Supp Case Study

Client:

- Healthy, budget-conscious

Chooses:

- Plan N + HI

Event:

- Outpatient surgery + short rehab stay

Outcome:

- Copays + recovery costs offset
- Maintains lower premium vs Plan G

Stacking is Most Valuable When...

Ideal Clients:

- Concerned about **“what if”** scenarios
- Fixed income / cash flow sensitive
- Want control over how benefits are used

Key Trigger Questions:

- “How would you handle a 2–3-week recovery period?”
- “Do you have funds set aside for unexpected care?”

How to Position Stacking to Clients

Avoid Saying:

- “This adds more coverage”
- “This gives you cash when you need it most”
- “This protects your income during recovery”
- “This fills the gaps Medicare leaves behind”

How to Position Stacking to Clients

Instead Say Something:

- Uniquely based upon your client's feedback; tied to their concerns; Unique to their circumstances
  - This DVH is going to be great as it work in conjunction with your plan to give you this much more coverage
  - Spend $50 here will save you the $1500 max out of pocket later
  - Cancer plans – because they know someone or they themselves have survived it– the plan is going to do "x"

Note: Auxiliary plans have much higher disenrollment rates (not used, see money leaving acct); Personal reasons remind them why they have the plan in the first place – i.e. don't have to experience what I did with my parents.

Fix the problem and tie it to a core emotion or feeling.

Final Thoughts

Nothing is a perfect solution! Insurance is not foolproof.

- Position people to be covered at a level is compensatory to their need and their budget.

The Situation: Water will still come into the boat

The Goal: Don’t let the ship sink

The Solution: Stacking helps plug the coverage holes

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Final Thoughts

Get the basics first!!! Learn Auxiliary plans later. Don't jeopardy the primary product.

Auxiliary plans are dictated by your client's needs. Can be sold at a separate appointment.

Don't' confuse or overwhelm your client with information.
Keep It Simple & Straightforward!

Get the foundational plan set; Create an excuse to come back to the customer.

> "I was thinking about you…."; "you said x. To solve x,
> what if we did y". Already have a quoted solution available.
> Be prepared.

If plan needs to be paid for at the time of enrollment; writing too many check at one time can feel "salesy" and "daunting" to your client.

Remember: You don't have to close everything all at once;
Create multiple points of contact, proficiency;
Build credibility and competency,

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Final Thoughts

- Stacking = **gap coverage + financial stability**
- Hospital indemnity is the **cornerstone product**
- Short-term care exposure is a **major blind spot**
- Med Supp stacking = **value expansion**
- MA stacking = **risk reduction**

Clients don’t remember their deductible—
they remember whether they had cash when life happened.

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Thank You!

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Medicare Coverage Options

Traditional Medicare

+ Part D Drug Plan

Traditional Medicare

+ Part D Drug Plan

+ Medicare Supplement

Auxillary Benefits:

+ Hospital Indemnity

+ DVH

+ Cancer/Critical Illness

+ More

Medicare Advantage

May Include:

+ Drug Plan

+ DVH

+ OTC

Auxillary Benefits:

+ Hospital Indemnity

+ DVH

+ Cancer/Critical Illness

+ More

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Coverage Worksheet

	YOUR HEALTH PLAN OUT-OF-POCKET COSTS	BENEFIT	PREMIUM
Hospital Confinement Daily Co-Pay	_____x___days	_____x___days	_____
Emergency Care Co-Pay	_____	_____	_____
Ambulance Service Co-Pay	_____	_____	_____
Radiation/Chemotherapy Max Out-of-Pocket	_____	_____	_____
Skilled Nursing Facility Daily Co-Pay	_____x___days	_____x___days	_____
Outpatient Therapy Co-Pay	_____	_____	_____
Dental/Vision Average Monthly Costs	_____	_____	_____
Potential Out-of-Pocket Costs	**$**_____	**Premium**	_____
Max Out-of-Pocket Costs	**$**_____		

I have been informed of hospital indemnity insurance and how it can help cover my out-of-pocket expenses and co-pays. I have decided that I **do not** want to have this additional coverage at this time.

_____

Signature Date