

Syllabus for Continuing Education Program

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Event: Lunch & CE | In-person
Title: **Medicare Supplements: New Role in Medicare**
Speaker: Joshua Haberman, RHU
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Date: Thursday, May 7, 2026
Location: Midland Hills Country Club, 2001 Fulham Street, Roseville, MN 55113
Time: 11:30 AM Attendee arrival
12:00 PM Lunch served
12:10 PM Welcome and announcements
12:30 PM CE Presentation
1:30 PM Meeting ends

Attendance Fees: All Attendees: \$25
Sponsors: Per sponsor benefit package
Refunds: No refunds for cancellations received after 5/1/2026 or for no show attendees.

CE Credits: This educational offering is **PENDING** by the Minnesota Commissioner of Commerce as satisfying 1.0 hours of STANDARD classroom credit toward continuing insurance education requirements.
CFP: 1.0-hour Standard credit **PENDING**.
CLE: 1.0-hour Standard credit **PENDING**.
A certificate of attendance is available for individuals requesting CPE and PRP (Professional Recertification Program – formerly PACE) credits.

Who Should Attend: Estate planners, financial planners, investment advisors, insurance producers, retirement counselors, CPAs and JDs.

Level of Educational Complexity: Overview

Course Description

After covering the history of Medicare Supplements we will cover recent legislative changes in the US, emphasizing Minnesota and the upcoming changes to "open enrollment" and guaranteed issue policies.

Learning Objectives

- The limited financial risk for insurance companies (and consequently consumers)
- The limited range of options available to consumers and when criteria other than price should be used in policy evaluation
- How Medicare Supplements complement the alternatives, primarily Medicare Advantage to maximize benefits for consumers

Outline

Opening & Framing (3 Minutes)

- Introduce thesis:
 - Medicare Supplement (Medigap) is shifting from a static, one-time decision product → to a dynamic, re-evaluated coverage strategy
- Preview:
 - History → Structure → Risk dynamics → Market comparison → Legislative disruption (Minnesota focus)

Historical Role of Medicare Supplements (9 Minutes)

Origins & Purpose

- Medicare (1965): leaves uncapped out-of-pocket exposure
- Medigap emerges to:
 - Cover deductibles, coinsurance
 - Provide predictability vs. fee-for-service volatility

Standardization Era (1990s–2010s)

- Federal standardization of plans (A–N)
- Key feature:
 - Benefits standardized, pricing not
 - Commoditization of coverage

Enrollment Structure (Legacy Model)

- One-time 6-month open enrollment window
 - Begins at Part B enrollment age 65
- After that:
 - Medical underwriting applies
 - Coverage may be denied or priced higher

Implication (Set up Learning Objective #1)

- Medigap becomes:
 - A “buy it right the first time” product
 - With long-term lock-in risk for consumers

Financial Risk Structure (Learning Objective #1) (8 Minutes)

Limited Risk to Insurers

- Claims structure:
 - Medicare pays first (primary payer)
 - Medigap pays secondary, predefined gaps
- Result:
 - Highly predictable actuarial exposure
 - Low utilization management costs (no networks, no prior auth)

Limited Risk to Consumers

- Near “first-dollar” or capped exposure (depending on plan)
- No network risk; no referral constraints
- Stability:
 - Benefits do not change year-to-year

Key Takeaway

- Medigap is:
 - Low volatility insurance for both sides
 - Fundamentally different from Medicare Advantage risk-bearing models

Consumer Choice & Plan Evaluation (Learning Objective #2) (8 Minutes)

Limited Range of Options

- Standardized benefits → minimal differentiation
- Minnesota exception:
 - Unique waiver structure (Basic + riders vs. lettered plans)

When Price Is NOT the Only Factor

Introduce evaluation hierarchy:

1. Carrier stability
2. Rate increase history
3. Closed vs. open blocks
4. Household discounts / underwriting philosophy
5. Market presence in state

Decision Insight

- Since benefits are identical:
 - Selection becomes a long-duration pricing risk decision, not a benefit decision

Medigap vs. Medicare Advantage (Learning Objective #3) (10 Minutes)

Medicare Advantage (MA)

- Pros:
 - Lower premiums
 - Additional benefits (dental, vision)
- Cons:
 - Network restrictions
 - Prior authorization
 - Annual plan changes

Medigap + Original Medicare

- Pros:
 - Nationwide access
 - No prior authorization
 - Stability over time
- Cons:
 - Higher premiums
 - No embedded extras

Complementary Strategy

- Strategic positioning:
 - MA = cost-optimized / managed care
 - Medigap = access + predictability

- Use cases:
 - High utilizers → Medigap
 - Low utilizers / price-sensitive → MA
 - Switching historically constrained (key setup for next section)

Legislative Evolution (National & State Trends) (10 Minutes)

Federal Baseline

- No recurring Medigap open enrollment
- Guaranteed issue only in limited scenarios (e.g., loss of coverage)

State-Level Innovation

- “Birthday rules” and switching rights emerging in ~15 states
- Trend:
 - Increasing consumer mobility
 - Reduced underwriting barrier

Minnesota Case Study: Structural Disruption (9 minutes)

Pre-2026 Reality

- Similar to federal model:
 - One-time enrollment
 - Limited guaranteed issue triggers

2023–2026 Legislative Changes

- Minnesota creates:
 - Annual Medigap guaranteed issue window
 - Aligns with Medicare AEP (Oct 15–Dec 7)
- Effective:
 - August 2026 rollout

Additional Provision

- Ages 65–70:
 - One-time guaranteed issue opportunity during AEP
 - No underwriting

Market Impact

- Breaks historical lock-in:
 - Consumers can re-enter Medigap after MA
- Increases:
 - Carrier competition
 - Consumer flexibility
- Reduces:
 - Adverse selection barriers (but may shift pricing dynamics)

Real-World Catalyst

- Market disruptions (e.g., MA plan exits affecting >150k members)
- Highlight need for portable, stable coverage

Conclusion & Synthesis (3 Minutes)

Core Thesis Reinforced

Medicare Supplement is evolving into:

- A strategic, revisitable coverage option
- Not just a one-time enrollment decision



Tie Back to Learning Objectives

1. Limited financial risk
 - Predictable, stable structure for insurers and consumers
2. Limited options → smarter evaluation
 - Price is necessary but not sufficient
3. Complement to Medicare Advantage
 - Enables dynamic strategy across lifetime healthcare needs

Final Insight

- Minnesota is a leading indicator:
 - If replicated nationally, Medigap becomes:
 - A fluid, competitive market
 - Central to long-term Medicare planning strategy

Optional Add-On (if Q&A expected)

- How brokers should reposition Medigap conversations post-2026
- Pricing implications of expanded guaranteed issue
- Risk of adverse selection vs. market expansion

Total time: 60 Minutes

Instructional Materials for Registered Attendees: Handouts if any will be included in the confirmation email to registered attendees. **Examination & Answers:** No exam

About the Speaker



Joshua Haberman graduated from the University of MN with degrees in philosophy, accounting and finance. Since that time he has worked in the corporate world as well as operating several small businesses. Joshua entered the insurance business in late 2009. Since that time he has worked as an agent and as an agency leader. Alexander & Haberman is a MNSure Broker Enrollment Center with operations in 8 locations throughout MN. Subsequently he co-founded a more traditional agency with independent agents. More recently he has created and grown a field marketing organization called Lochloosa. He has served clients in the individual, Medicare, and small group markets. He is a past-president of the Minnesota Association of Health Underwriters which currently operates under the name NABIP Minnesota and NAIFA Minnesota. He lives in Saint Paul with his wife and four children.