

This is Not Your Mother's Medicare

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Learning Objectives

- Learn about Medicare Benefits
- Get answers to questions
- Feel confident making Medicare decisions

Agenda

- ▶ Social Security Overview
- ▶ Basics of Medicare
- ▶ Medicare Part D Redesign
- ▶ Resources
- ▶ Q&A

What is your dream retirement?

What is Your Dream Retirement?



economy welfare
income government old-age benefits
employment proposal definitions
disability unemployment
Social responsible
desposits
health
Social Security protection retirement patterns
categories program poverty
tax program benefit insurance pensions
survivors programs

Social Security Overview

- Consists of retirement, disability and survivor benefits.
 - Can start receiving benefits as early as **age 62** or as late as **age 70**.
-
- Reduction in benefits if you start drawing any time before your “**full retirement age**”.
 - Full retirement age depends on your date of birth.
 - The longer you wait, the higher your monthly benefit will be.
 - Monthly benefits are reduced permanently if you start them any time before full retirement.
 - You can get social security retirement benefits and work at the same time.
 - Contact **ssa.gov** for additional information and to create your Social Security account (*mySocialSecurity Account*)

Age To Receive Full Social Security Benefits

Year of Birth	Full Retirement Age
1937 or earlier	65
1938	65 and 2 months
1939	65 and 4 months
1940	65 and 6 months
1941	65 and 8 months
1942	65 and 10 months
1943--1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67

Note: If you were born on January 1 of any given year, refer to the previous year for your full retirement age.

Source: SSA.gov

Age to Receive Full Social Security Benefits



What Medicare IS?



- A federal insurance program
- Individual health insurance
- Administered by the Social Security Office

What Medicare is NOT?



▶ A family health plan

▶ Social Security

▶ Medicaid

▶ FREE!

Who is Eligible?

- Age 65 or older

- Younger than 65 with a qualifying disability
- Worked at least 10 years
- You are a U.S. citizen



When can I enroll in Medicare?

Initial Enrollment Period (IEP)

7-month period around your 65th birthday

The month you turn 65 years old



3 months before

3 months after

Where Do I Enroll?

- Apply on Social Security website (SSA.GOV)
- Visit your local Social Security Office



Where Do I Enroll (Continued)

- Call 1-800-772-1213
- *CALL ME!*



Will Medicare Contact Me Or Sign Me Up?

▶ NO!

▶ UNLESS you are already collecting
social security

What If I'm Working Past 65?

- No worries
- **Special Enrollment Period (SEP)**
- Another option....
(because It's Not Your *Mother's Medicare!*)

Special Enrollment Period: Working Past 65

Month after the last month of employment or employee health coverage



8 months to enroll in Parts A and B



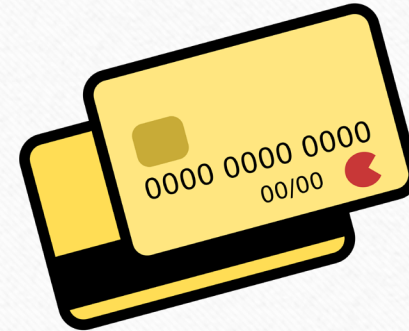
2 months to enroll in Parts C and D

COBRA and retiree health coverage don't count as creditable current employer coverage.

HSA Accounts: Working Past 65 - Continued



Contribute to HSA up to 6 months before enrolling in Medicare



Can continue to withdraw money from HSA to pay for medical expenses while on Medicare

NOW, WHAT THE HECK IS IT?

A

Hospital, Skilled Nursing, Hospice

- ❖ Deductibles and coinsurance (80/20% plan)
- ❖ Receive at 65, if paid into for 40 quarters

B

Medical: Doctor Visits, Labs, Tests...etc.

- ❖ Deductibles and coinsurance (80/20% plan)
- ❖ Pay monthly from Social Security, EFT, Credit Card

C

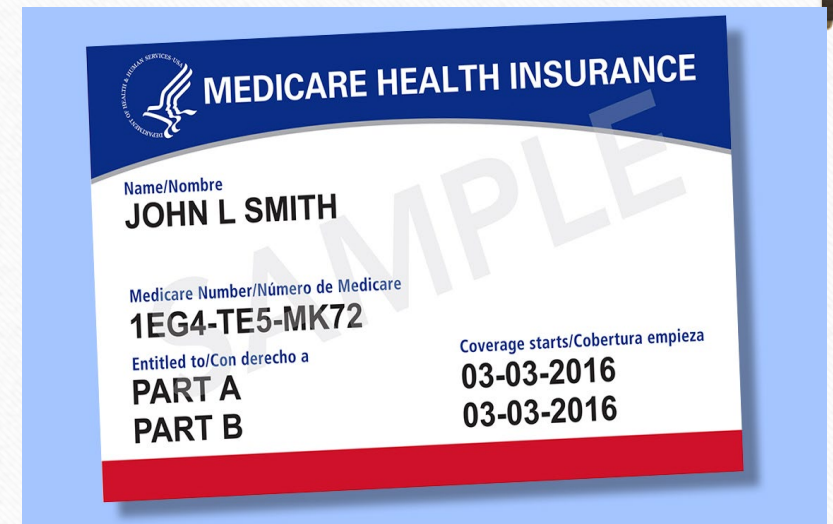
Medicare Advantage Plans

- ❖ Co-pays
- ❖ Maximum out-of-pocket

D

Prescription Drug Plans

- ❖ Formulary
- ❖ Tiers
- ❖ Penalty for not joining when eligible



Late Enrollment Premium Penalties (LEP)

COVERAGE	PENALTY
Medicare Part A	<ul style="list-style-type: none">• None if qualified for premium free• Otherwise 10% Medicare
Medicare Part B	<ul style="list-style-type: none">• None if qualified for Special Election Period (SEP)• Otherwise 10% for each full 12-month period
Medicare Part D	<ul style="list-style-type: none">• None if less than 63 days without creditable coverage• Otherwise 1% of current average premium for each month

What Medicare Covers

Original Medicare has two parts:



Part A: Inpatient hospital care, home health services, skilled nursing facility care, and hospice care.

- Premium free
- Deductibles and Coinsurance (80/20% plan)
- Can't be denied coverage



Part B: Physician visits, outpatient services, preventative services, medical equipment, and some home health visits.

- Monthly premium adjusted for income
- Deductibles and coinsurance (80/20% plan)
- Can't be denied coverage
- Pay monthly from Social Security, EFT, credit card or check
- Premium penalty for late enrollment

What Medicare Doesn't Cover



Prescription drugs



Routine dental



Eyeglasses and contacts



Hearing aids



What Medicare Doesn't Cover



Long-term or custodial care (help bathing, eating, dressing)



Excess charges by doctors who don't accept Medicare assignment



Care received outside the U.S

(certain exceptions)



How much does Medicare cost?



Here's What You Will Pay for Part B

You'll pay the higher premium if your modified adjusted gross income, as reported on your IRS tax return from 2 years ago, is more than:

- \$103,000 or less in 2022, if you file an individual tax return or are married and file separately
- \$206,000 or less in 2022, if you are married and file a joint tax return

Social Security will tell you if you have to pay a higher premium because of your income.



Income Individual Return 2022	Income Joint File Return 2022	Income Married and Separate File Return 2022	Your Premium Cost in 2024
\$103,000 or less	\$206,000 or less	\$103,000 or less	\$174.70
above \$103,000 up to \$129,000	above \$206,000 and up to \$258,000	N/A	\$244.60
above \$129,000 up to \$161,000	above \$258,000 up to \$322,000	N/A	\$349.40
above \$161,000 up to \$193,000	above \$322,000 up to \$386,000	N/A	\$454.20
above \$193,000 and less than \$500,000	above \$386,000 and less than \$750,000	above \$103,000 and less than \$403,000	\$559.00
\$500,000 or above	\$750,000 + above	\$397,000 + above	\$594.00

Original Medicare Costs



Part A – Hospital Coverage

- No Premium
- Deductible
- Copay/coinsurance
- No out-of-pocket limit

Part B – Medical Coverage

- Premium
- Deductible
- Copay/coinsurance
- No out-of-pocket limit

**Where can I get more
coverage?**

Options for More Coverage

OPTION 1 ----- **OR** ----- **OPTION 2**

Add one or both of the following to
Original Medicare (1965)

Medicare Supplement Insurance Plan (Medigap)

Offered by private companies (1980)

Helps pay some of the out-of-pocket costs that
come with Original Medicare

Medicare Part D Plan

Offered by private companies (2006)

Part D - Helps pay prescription drugs

Choose a Medicare Advantage plan.

Medicare Advantage Plan

Offered by private companies (1997)

Part C - Combines Part A (hospital insurance) and
Part B (medical insurance) in one plan (HMO/PPO)

Part D - Usually includes prescription drug
coverage

⊕ May offer additional benefits not provided by
Original Medicare, i.e., dental, vision, hearing, gym
membership

What is Medicare Supplement Insurance (Medigap)?

- Helps fill "gaps" in Original Medicare
- Premium
- Deductibles, copays and coinsurance
- Standardized Plan A-N
- No provider network
- Does not include prescription drug plan

Medigap Policies Don't Cover Everything



Prescription drugs



Routine dental



Eyeglasses and contacts



Hearing aids

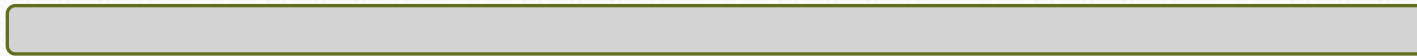


Long-term or custodial care
(help bathing, eating, dressing)



Medicare Supplement (Medigap) Initial Enrollment Period

65 or older and enrolled in Part B



6 months after the month you're 65 or older and enrolled in Part B

- No medical underwriting if you enroll during this time
- May enroll in a plan later but could be denied or charged more based on health history

What is Part C?

Medicare Advantage Plan

- You're still in the Medicare program
- Enroll in a private health plan
- Offers additional benefits not provided by Original Medicare

\$0 premium Medicare Plans
Medicare Advantage Plans May cover these and more



Prescriptions



Dental



Vision



Wellness



What is Part D?

Prescription Drug Plan

- Covers outpatient prescription drugs
- Offered through private insurance companies
- Stand alone plan
- Advantage plan

What is Part D?

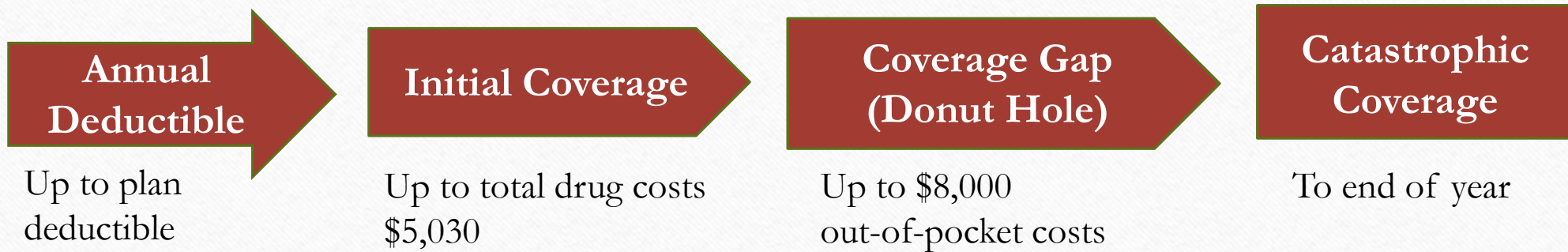
Medicare Prescription Drug Plan



- Formulary
- Tiers
- Network Pharmacies
- Premium / Deductible / Copays

Part D Coverage (Donut Hole)

Coverage stages



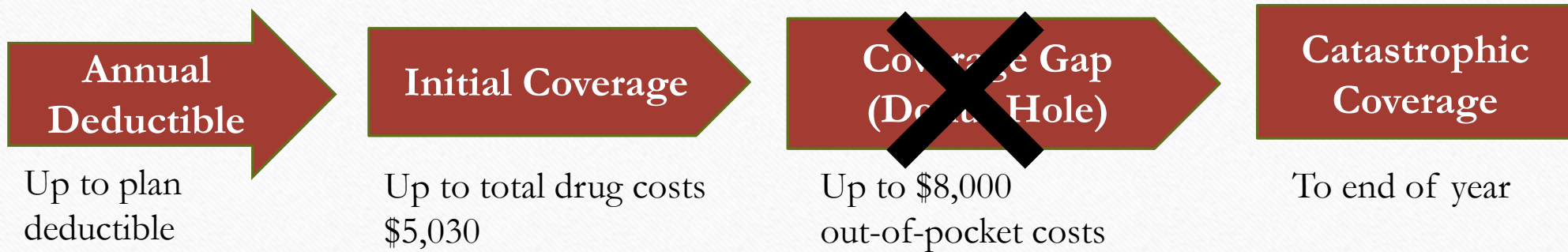
- Amount paid for prescriptions depends on stage
- Dollar limits can change each year
- Not all plans have a deductible
- Many people never reach the coverage gap
- Cycle starts over on January 1 each year

The Inflation Reduction Act of 2022 (IRA)

- Most significant change to the Medicare Part D program since the creation of Medicare Part D in 2006.
- Every Medicare beneficiary will be affected by these changes.
- Many provisions are designed to help make health care more affordable.
- Changes will take effect January 1, 2025

2025 Part D Redesign

Coverage stages



- Coverage Gap (Donut Hole) is eliminated.

2025 Part D Redesign

Coverage stages

Annual Deductible

Up to plan deductible

Initial Coverage

Up to **\$2,000** out-of-pocket cost

Catastrophic Coverage

To end of year

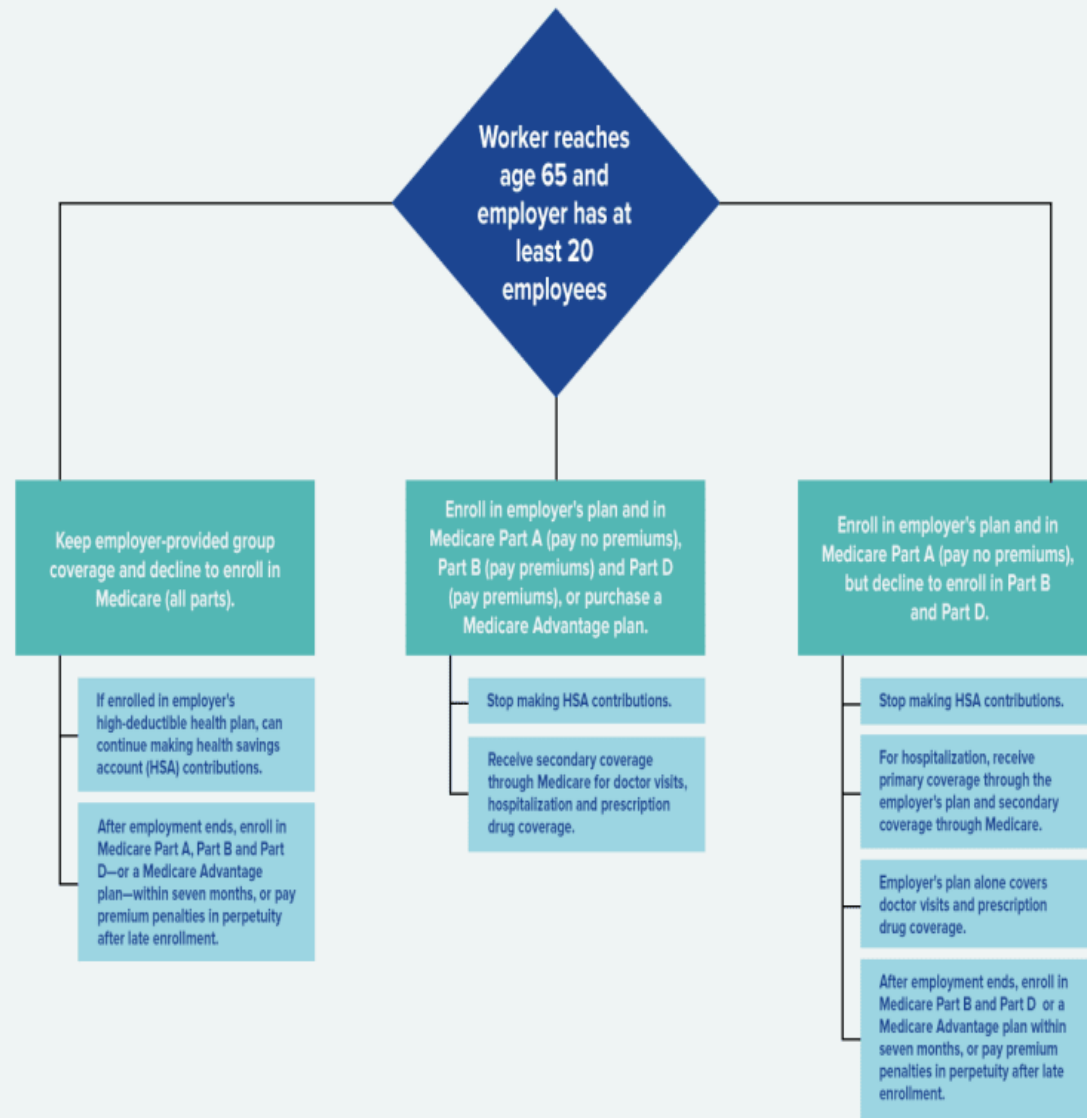
- Reduces coverage stages to three stages instead of four
- Lowers the out-of-pocket cap from \$8,000 to \$2,000 per year



New Medicare Prescription Drug Payment Plan

- MPPP or M3P aka “Smoothing”
- Option to spread out-of-pocket prescription drug costs
- Capped monthly payments instead of all at once at the pharmacy.
- Members with a \$600 drug cost are *likely to benefit* from the new prescription plan
- M3P plan changes the timing of the payment; not the cost of the medications





DECISIONS FOR MEDICARE-ELIGIBLE WORKERS

- Workers who are turning age 65 and work for an organization with fewer than 20 employees must enroll in Medicare as their primary health insurance.
- Those working at organizations with 20 or more employees may choose whether to enroll in Medicare before retiring.

Which coverage is best for me?



Which Coverage is best for me?



Medicare Advantage Part C

- Low monthly premium
- Carry one card
- Must use network
- Maximum out-of-pocket limit
- Part D prescription drug
- Extra benefits

Medicare Supplement (Medigap)

- Higher monthly premium
- Carry 3 cards
- No network
- No out-of-pocket limit
- Does not include prescription drug plan
- Value added benefits

**When can I change my
coverage?**

Medicare Annual Enrollment Period (AEP)

October 15 – December 7

- Switch from Original Medicare (Parts A & B) to a Medicare Advantage plan (Part C), or vice versa
- Switch from one Medicare Advantage plan to another
- Join, switch or drop a Medicare prescription drug plan (Part D)



What to do next? Still Working

- Don't panic!
- Sign up with SSA
- Check out [Medicare.gov](https://www.Medicare.gov)

What to do next?

Current Medicare Beneficiaries

- **Recommend** you do an annual review of your prescriptions because of the possible changes to the drug formularies.
- **Review** the Annual Notice of Change (ANOC) for your plan in September.
- **Remember** Medicare Annual Enrollment is October 15th through December 7th.

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Resources

Medicare

1-800-MEDICARE(1-800-633-4227), TTY 1-877-486-2048

Medicare.gov

Social Security Administration

1-800-772-1213, TTY 1-800-325-0778

SSA.gov

State Health Insurance Assistance Program (SHIP)

Shiptacenter.org



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