

2024

Medicare Overview

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**ROAD TO
RETIREMENT**

PLANNING YOUR RETIREMENT
FROM INDIANA UNIVERSITY

Quick Housekeeping Items

Before we get started...

- Session are *not* recorded.
- A PDF of the slides is available on the Road to Retirement website at hr.iu.edu/benefits/road-to-retire.html.
- All attendees have been placed on mute. If you have technical issues, please message an IUHR representative in the chat for assistance.
- Watch the chat for helpful links to additional information.
- **Please put QUESTIONS in the Q&A BOX.** Please do not put any questions related to a personal situation in the Q&A.
- At the end of today's session, you will be prompted to complete a short survey.





SHIP

Navigating Medicare

WHAT IS SHIP?



Federally Funded-Administration on Community Living (ACL)



Unbiased information and assistance on Medicare



No affiliation with any insurance company



All services provided for free



Staffed by over 400 Volunteers

4-day training-Certified by Indiana Dept Insurance

MEDICARE – WHAT IS IT?

- Health insurance for people
 - Age 65 and older OR:
 - Under age 65 on Social Security Disability OR:
 - Any age with End-Stage Renal Disease (ESRD)

A-B-C-D

Medicare has four parts

- **Part A** – Hospital Insurance (inpatient)
- **Part B** – Medical Insurance (outpatient)
- **Part C** – *Medicare Advantage Plans* (alternative to Original Medicare)
- **Part D** – Prescription Drug Coverage

**Minimum Coverage
Once Eligible***

Must have:

Original Medicare
-Part A
-Part B
-Part D or other
creditable drug
insurance.

*Medicare enrollment can be delayed if covered under you (or your spouse's) employer group health from a company larger than 20 employees (100 employees if on Medicare due to disability).

Option 1

Must have:

Original Medicare
-Part A
-Part B
-Part D

Optional:

Medicare Supplement (Medigap) OR other type of secondary insurance coverage. **Such as IU Retiree Blue Plan**

Option 2

Medicare Advantage Plan (MA)

Must be enrolled into Medicare Part A and B (benefits provided by Advantage plan)

Most plans will include a Part D plan built-in.

*If you choose a plan without Part D, you will need to have creditable drug insurance from outside of Medicare.

WHEN TO ENROLL IN MEDICARE

You can first enroll during your Initial Enrollment Period (IEP), which lasts 7 months



- **Note:** Can enroll in *premium-free* Part A anytime after IEP begins
- Can only enroll in Part B (and premium Part A) during IEP and other limited times
- May have a lifetime penalty if you don't enroll during IEP
 - or during a **Special Enrollment Period (after retirement)**

Reminder: You can postpone Medicare if you have insurance from a company larger than 20 employees.

DO NOT SIGN UP FOR MEDICARE IF YOU WANT TO CONTRIBUTE TO YOUR HSA

▪ HSA (Health Savings Account)

- Can only be used in conjunction with a high-deductible health plan
- Medicare is NOT a high-deductible health plan
- By having both Medicare **Part A** and an HSA you lose the tax-free benefits of HSA contributions
 - EX: Instead of contributing \$1,000 to your HSA account **tax-free**, with an HSA and Medicare, \$1,000 contribution is treated like income and taxed accordingly.
 - **Note:** Only contributions made while enrolled in HSA and Medicare will be taxed
- Recommendation: If you have an HSA, stop contributions up to 6-months prior to anticipated Medicare enrollment (loss of employer ins., retirement, etc.)
 - **OR Remove Excess Contributions for 6 month period prior to Medicare enrollment**

MEDICARE – *ENROLLMENT*

When to enroll

- Initial Enrollment Period
 - If you are receiving Social Security you will be automatically enrolled.
- General Enrollment Period (GEP)
 - January 1 through March 31 each year
 - Coverage effective 1st day of next month after applying
 - Premium increases 10% for each 12-month period you were eligible but did not enroll
- Special Enrollment Period
 - You have a Special Enrollment Period to sign up for Medicare ***any time*** as long as you or your spouse is working, and you're covered by a group health plan through the employer OR up to 8-months after.

COORDINATION OF BENEFITS- EMPLOYER INSURANCE

If, covered by an **IU Medical Plan** at 65 years old (or older), you can:

- Delay Medicare enrollment completely.
 - **Unless enrolled in Social Security (must take Part A)**
- ~~Sign Up for Medicare Part A and B (Medicare will pay secondary)~~
- ~~Sign Up for Medicare Part A only.~~

Original Medicare

ORIGINAL MEDICARE

- Go to any provider that accepts Medicare in USA

Monthly Premium Costs (Per Person):

- **Part A** - free for most people
- **Part B** premium in 2024 **\$174.70 (unless subject to IRMAA)**
- **Part D** national average of \$34.70
- Medicare Supplement Plan (G)
 - **\$100-\$165, avg of \$125** at age 65
 - **IU Blue Retiree Plan premium \$201.39 per participant for 2022**

MEDICARE PART A – *HOSPITAL COVERAGE*

- Part A premium is free for most people
 - You or spouse paid in FICA tax for 10 years cumulatively
- Less than 10 years/40 quarters of Medicare-covered employment can pay a premium to get Part A ~up to \$505/mo
- Part A Coverage
 - Hospital inpatient care
 - skilled nursing facility (SNF) care – No LTC (custodial care)
 - home health care
 - hospice care

MEDICARE PART B – *MEDICAL COVERAGE*

- **Doctors' services**
- **Outpatient medical and surgical services and supplies**
- Diagnostic tests
- Outpatient therapy
- Outpatient mental health services
- Some preventive health care services
- Advanced Directives Counseling
- Other medical services
- **Clinical laboratory tests**
- Home health services (not covered under Part A)
- **Durable medical equipment**
- Outpatient hospital services
- Blood Work
- **Ambulance** service, if other transportation would endanger your health


MEDICARE PART B – COST OF SERVICES

- On Original Medicare you pay (per person)
 - **\$174.70/monthly** premium
 - Yearly deductible
 - **\$240** in 2024
 - 80% covered by Medicare, **20%** co-pays for most services
 - No annual cap on 20% beneficiary is responsible

MEDICARE PART B – PREMIUM COST (IRMAA)

If your yearly income in 2022 was:

File individual tax return	File joint tax return	File marries & separate tax return	You pay (in 2024)
\$103,000 or less	\$206,000 or less	\$103,000 or less	\$174.70
above \$103,000 up to \$129,000	above \$194,000 up to \$246,000	N/A	\$244.60
above \$129,000 up to \$161,000	above \$246,000 up to \$306,000	N/A	\$349.40
above \$161,000 up to \$193,000	above \$306,000 up to \$366,000	N/A	\$454.20
above \$193,000 and less than \$500,000	above \$366,000 and less than \$750,000	above \$97,000 and less than \$403,000	\$559.00
\$500,000 or above	\$750,000 or above	\$403,000 or above	\$594.00



Is there a way to cover the out
of pocket costs I am
responsible for?

MEDIGAP - *OVERVIEW*

- Sold by private insurance companies, plans A through N
- Plans are Standardized from company to company
 - Not all companies sell all plans
- All Medigap plans must be approved by the IDOI
- Cover “*gaps*” in Original Medicare
- Costs and availability may vary by state
 - Age, Gender, Zip Code, Tobacco use

** or you can choose IU Blue Retiree plan

MEDIGAP PLANS

- **Guaranteed Issue Period**
 - **Starts when beneficiary is 65 years or older AND Medicare Part B begins**
 - **6 month enrollment window to purchase a Medigap GUARANTEED with....**
 - **No Additional Underwriting or probationary periods for preexisting conditions, cannot be denied, and you will pay the best standard premium for your age, gender, zip code and tobacco use.**

MEDICARE SUPPLEMENT PLANS

Medigap Plans A-N

Medicare Supplement Insurance Plans	A	B	C	D	F ¹	G	K ²	L ²	M	N
Basic Benefits*	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Part B Coinsurance	✓	✓	✓	✓	✓	✓	50%	75%	✓	Copay ³
Skilled Nursing			✓	✓	✓	✓	50%	75%	✓	✓
Part A Deductible		✓	✓	✓	✓	✓	50%	75%	50%	✓
Part B Deductible			✓		✓					
Part B Excess					100%	100%				
Foreign Travel Emergency			✓	✓	✓	✓			✓	✓
Preventive Care Part B Coinsurance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

■ Medicare Advantage

MEDICARE ADVANTAGE-

PART C

- An *alternative* to Original Medicare
- IU Retiree blue and Medigaps do not work with these plans
- Medicare administered by private health insurance companies
- Same coverages as Original Medicare, different costs
- Many plans include Part D coverage and additional benefits
 - Dental, vision, hearing, transportation, gym memberships
- Network of Doctors, Hospitals and SNF

MEDICARE ADVANTAGE- COSTS

COSTS:

- Monthly premium varies from company to company
- **~\$0-\$35/mo** extra, paid to insurance company
 - Includes drug coverage and other benefits
- Still pay Medicare Part B premium, **\$174.70**
- **You also pay additional copays and Co-insurance**
- Out-of-pocket maximum up to **\$8850/yr.**
 - Average max **~\$5,100/yr**

MEDICARE ADVANTAGE VS. MEDIGAP

- Advantage Plans:
 - **Usual candidates:**
 - Someone who comes onto Medicare healthy and does not go to the doctor or hospital often.
 - Assume they will continue to be healthy in the future
 - Financially cannot afford to pay high monthly premiums associated with Orig. Medicare and a Supplement.
 - Willing to stay in a smaller network of Doctors and Hospitals

MEDICARE ADVANTAGE VS. MEDIGAP

- Medigap Plans OR IU Blue Retiree:
 - **Usual candidates:**
 - Someone coming into Medicare with preexisting conditions and high medical costs
 - Someone not wanting to take the risk of high medical costs due to future diagnosis
 - Spend part of the year in a different part of the country and want the ability to see any Doctor that accepts Medicare.
 - Willing to pay higher monthly costs, in return have lower bills

Medicare Part D

MEDICARE PART D – *RX COVERAGE*

- Available for all people with Medicare
- Requirements to enroll:
 - Have Medicare Part A, Part B, or both
 - **Live in plan service area**
- Provided through
 - Medicare Prescription Drug Plans
 - Medicare Advantage Plans

MEDICARE OPEN ENROLLMENT

- Fall Open Enrollment
 - *October 15th-December 7th*
- Can make changes to your Medicare Plans, such as:
 - Switch from an Advantage Plan back to Original Medicare
 - Switch from Orig. Medicare to an Advantage Plan
 - Pick a new Part D plan
 - Enroll for a Part D plan for the first time

FOR MORE INFORMATION

- I-800-MEDICARE (1-800-633-4227)
 - TTY users should call 1-877-486-2048
- *Medicare & You 2024* handbook
- www.medicare.gov
- SHIP telephone: 1-800-452-4800
- SHIP website: www.medicare.in.gov

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IU Resources

hr.iu.edu/benefits/retirees.html

The screenshot shows the IU Human Resources website. The main navigation bar includes 'Benefits', 'Compensation', 'Development', 'Employee Relations', 'Employment', 'Healthy IU', 'HR Systems', 'Policies', and 'Workers' Comp'. The page title is 'Human Resources'. A left sidebar lists various employee categories: New Employees, Current Employees, Fellowship Recipients, Graduate Appointees / Postdoc Fellows, IU Residents, Retirees, Separating Employees, Students, and Employee Center. The main content area is titled 'Benefits for Retirees' and features a 'Road to Retirement' section with a 'Learn more & register' button. Below this is a 'Health & Welfare Benefits' section with sub-sections for Medical Care Coverage, Life Insurance, and IU Tuition Benefit. At the bottom, there is an 'Other Benefits & Privileges' section. The 'askHR' logo is visible in the bottom left corner.

The 'IU Retirement Checklist' is a document from Indiana University Human Resources. It is titled 'YOUR GOALS, YOUR CHOICES, YOUR RETIREMENT.' and provides a timeline of tasks for retirees. The checklist is organized into three main sections: '2-3 YEARS PRIOR TO RETIREMENT', '3-6 MONTHS PRIOR TO RETIRE', and '1 YEAR PRIOR TO RETIRE'. Each section contains a list of tasks with checkboxes, such as 'Attend a retirement education workshop', 'Contact IU Human Resources at 847.232.1122', and 'Review the Benefits After Separation Guide'. A large photograph of a smiling woman with curly hair is overlaid on the right side of the checklist. The IU logo is visible in the top right corner of the document.



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Upcoming Road to Retirement Sessions

Register at: hr.iu.edu/benefits/road-to-retire.html

February 15 – PERF—Understand the Two Parts of the Plan

February 16 – Retirement Planning Using your HSA and Considerations After Age 65

February 23 – Navigating Medicare Part D Coverage

March 1 – Prepare for the Reality of Healthcare in Retirement

March 7 – Social Security Overview

March 8 – IU Faculty: All You Need to Know about Phased Retirement, Supplemental Retirement Plans, and the Roth Option

March 22 – Fundamentals of Retirement Income Planning

April 5 – The Psychology of Retirement

May 15 – PERF—Understand the Two Parts of the Plan



IU Human Resources



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Thank you!
Questions?



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