Social Security and Medicare Education Meeting
Agenda

- Introduction
- History of Social Security
- Social Security Planning
- History of Medicare
- Medicare A,B,C’s (and D)
- Supplemental Coverage
- Medicare for Employees & Retirees
- Enrollment Process
- Questions and Next Steps
Hi, I’m Andrew Flittner.

Introduction

- Independent Consultant
- Health Policy from IU School of Medicine
- J.D. with Health Law Concentration from IUPUI
- 13 Years Advising Experience
- 8 Years Independent Agent Experience
- Certified by AHIP
- Member of NAHU
- Focus on Individual Business
- Married with 1 child
Historical Moments in Social Security

Washington, D.C.
White House Cabinet Room

• FDR Signed the Social Security Act
• “Social Insurance for General Welfare”
• Safety net to keep people out of poverty
• Monthly payments were to start in 1942
• Payments were based on contributions
• Workers were allowed to collect at age 65
• Created the Social Security Board
• Began the monumental task of assigning SSN

August 14th, 1935
Social Security Planning

• When can I take Social Security?
  • Unless disabled or widowed: Age 62
  • Full retirement: Age 66 if you were born between 1943 and 1954
  • Maximum benefit: Age 70

• How much will I get?
  • Maximum Benefit: Age 70 and $3680 for 2018
  • Minimum Benefit: As little as $50

• Other considerations
  • Collect on your spouse and let your benefit grow?
Social Security Planning

- Q: When should I take Social Security?
  - How long are you going to live?
  - Are you currently working?
  - What tax implications will occur?
  - Spousal benefit?

- There is no “right” answer but there are “wrong” answers
  - Seek advice from:
    - Social Security Administration (Good for data)
    - Your financial advisor (Knows your financial picture)
    - Your peers (remember each situation is different)

- When to take Social Security is a personal choice that needs to meet your goals
Historical Moments in Medicare

**Independence, Missouri**
Truman Library

- Medicare was part of “The Great Society”
- Designed for End of Life Care
- Established Rules for Medicare Eligibility
  - Work for 10 years or 40 quarters OR
  - Married to someone who worked 10 years or 40 quarters AND
  - Reach age 65
- Who was a 65 year old in 1965?
  - Life Expectancy 70 years
  - Retired for 10 years
  - Used a primary care doctor for care

**Washington, D.C.**
Constitution Hall

- Medicare Modernization Act of 2003
- First Major Change to Medicare since 1965
- Added Prescription Drug Coverage (Part D)
- Allowed Private Insurance Companies to compete
- Created Medicare Advantage Plans (Part C)
- Created Open Enrollment which is now October 15- December 7 each year
- Introduced Special Enrollment Periods
- Created the Low-Income Subsidy
Medicare Part A

- Hospital Coverage
  - Inpatient Care
  - Skilled Care after a Hospital Stay
  - Hospice Care
  - Some In-home Health Care
- Free of Charge for Most Beneficiaries
- Auto-enrollment if you turn 65 and are drawing Social Security
- You may defer and continue to contribute to HSA

Inpatient Hospital Costs
- $1340 Deductible for the First 60 days in the Hospital
- $335 Copay for Days 61-90
- $670 Copay for Days 91-150 (Lifetime Reserve Days)

Skilled Nursing Costs
- First 20 Days are $0
- Days 21-100 are $167.50 Copay Per Day

Hospice
- No Charge
- Respite Care Included
Medicare Part B

- Medical Coverage
  - Doctor and Specialist Visits
  - Outpatient Surgeries and Services
  - Cancer Treatments
  - X-rays
  - ER Visits (when not admitted)
- Auto-enrollment if you turn 65 and are drawing social security
- You may defer Part B and have “Part A Only” benefits

- Medicare Part B costs $134.00 for most beneficiaries
- Medical Costs with Part B
  - $183 annual deductible
  - 80/20 plan
  - No Maximum Out-of-pocket
- Part B Only Increases in Price IF COLA occurs
- Medicare Does Not Cover
  - Acupuncture
  - Chiropractic (besides basic adjustment)
  - Cosmetic Surgeries
  - Physical Exams (Depending on Coding)
Medicare Part D

• Prescription Drug Coverage
• Medicare Modernization Act of 2003 created Part D
• Plans began offering coverage January 1, 2006
• Includes coverage for
  • Brand Name and
  • Generic Drugs on
  • Plan Formulary
• Offered Exclusively by Private Insurance Companies
  • Plan Designs Formulary
  • Price varies from $19 to over $150 per mo.
  • Quantity Limits, Step-Therapy, Prior Authorization
Medicare Part D

- Medicare Drug Plans have Four Phases
- Open Enrollment Each Year from October 15th to December 7th
- 1% Late Enrollment Penalty

1. **Deductible**
   You pay all drug costs until you meet your plan’s deductible

2. **Initial Coverage**
   You pay fixed copays or coinsurance until you reach the $3,750 total drug cost limit

3. **Coverage Gap**
   You pay 50% for generics, 35% for brand names until you reach the $5,000 out-of-pocket limit

4. **Catastrophic Coverage**
   You pay the greater of Generics: $3.35 or 5%
   All other drugs: $8.35 or 5%
Medicare Supplemental Coverage

Medicare Supplements are Secondary Payers to Medicare

- Medicare Supplemental Plan Benefits
  - Most pay the 20% left by Medicare Part B
  - Most pay the Medicare Part A deductible and Copays
  - Most pay the remainder of Skilled Nursing Visits
  - Automatic Claim Filing
  - No Network Restrictions
  - Guaranteed Renewable

- History
  - In 1992, Medicare Standardized Plans in 48 States
  - In 2010, Medicare Modernized Plans
Medicare Supplemental Coverage

- Plans A through N Available in Indiana
  - Plan F is the most comprehensive
  - Plan N is becoming the most popular
  - Plan HDF is the value plan
- Rating Structure
  - Community Rating
  - Issue Age Rating
  - Attained Age Rating
- Price (Age 65)
  - Plan F averages $150/mo. from a top rated carrier
  - Plan N averages $110/mo. from a top rated carrier
  - Plan HDF averages $32/mo. from a top rated carrier
Medicare Part C

- Privatized Medicare Coverage called Medicare Advantage
- Medicare Modernization Act of 2003 created Part C
- Plans began offering coverage January 1, 2006
- Includes coverage for:

  - Offered Exclusively by Private Insurance Companies
    - Plan Designs Benefits with Medicare Approval Each Year
    - Plan is Paid a Fixed Price to Offer Coverage
    - Most Plans are Network Based (HMO or PPO)
    - All Members Pay the Same Cost
Medicare Part C

- Major Medicare Advantage Carriers:
  - Anthem Blue Cross Blue Shield
  - Humana
  - Indiana University Health
  - United Healthcare

- Open Enrollment Each Year from October 15th to December 7th

- Popular with New Enrollees for:
  - Low Premiums
  - Copays for Services
  - Extra Benefits
  - Network Options
  - First Dollar Coverage
Medicare For Active Employees

- According to Social Security, 97% of people 65+ are on Medicare

- The Remaining 3% include:
  - Active Medicare Eligible Employees
  - Veterans
  - Tricare and Federal Employees
  - Free Spirits

Did you know...

You **MAY** have Medicare **AND** continue to work
You **DO NOT** have to draw Social Security to have Medicare
Medicare For Active Employees

Benefits for Active Employees
• Low or No Deductibles
• Level Costs
• YOU Choose the Network
• Low Out-of-Pocket Cost

Disadvantages for Active Employees
• Does Not Work with Spouse Under Age 65 (Most Cases)
• Potential Medication Cost Increase for a Small Percentage of employees
• Not always competitive with Group Coverage on Price
  • THIS IS CHANGING MORE EACH YEAR!
Medicare For Retirees

• Most Retirees Enroll in Medicare
  • Reasonable Price
  • No other options
• As of 2017, 44 Million Americans have Medicare
• Projections show 79 Million Americans will have Medicare in 2030
• Medicare Enrollees Enjoy Many Plan options and Flexible Pricing
• First Dollar Coverage
• Employees have two major concerns when retiring:
  • Income
  • Health Insurance
• HSA Dollars can be used to pay for only: Part A, Part B, Part C, Part D
Enrollment Process
Let’s work together.

• Form 40B-E Enrolls your employee in Medicare Part B and Part A if needed
• Form L564-E Proves employees have credible group coverage
• Each employee and spouse must complete

• Check Your Medications!
• Enroll Over the Phone, Online or Paper Application

• We Compare all of the Plans!
• Enroll Online or Paper Application

We Check Doctors & Medications!
Enroll Online or Paper Application
Questions and Next Steps

For a free personalized Consultation, call:

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