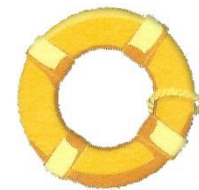


# Social Security and Medicare Education Meeting



**Independent Senior Insurance**

Your Lifeline for Medicare and Health Insurance Questions

# 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



# Introduction

Hi, I'm Andrew Flittner.

- 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

# 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

July 30<sup>th</sup>, 1965

- 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

December 8<sup>th</sup>, 2003

- 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 15<sup>th</sup> to December 7<sup>th</sup>
- 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

- Hospital Coverage
- Medicare Coverage
- Most Plans include Drug Coverage
- Other Benefits like Dental, Vision, Hearing and Gym Memberships

# Medicare Part C

- Major Medicare Advantage Carriers:
- Open Enrollment Each Year from October 15<sup>th</sup> to December 7<sup>th</sup>

- Anthem Blue Cross Blue Shield
- Humana
- Indiana University Health
- United Healthcare

- 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

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:

**Andrew Flittner**

**317-717-1085**

**[andrew@indianahealthpartners.com](mailto:andrew@indianahealthpartners.com)**

