



MEDICARE

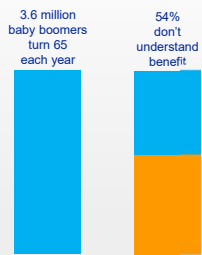
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What We'll Cover Today

- ▶▶ Medicare Basics
- ▶▶ What Do the "Parts" Mean?
- ▶▶ Costs
- ▶▶ Other Options



It's a Big Deal



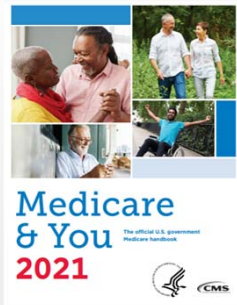
Source: Medicare Consulting Firm: 65 Incorporated

What is Medicare?

- ▶▶ National health insurance program for retirees
- ▶▶ Includes a combination of public and private insurance
- ▶▶ Enroll through Social Security Administration



Handy Reference Guide



<https://www.medicare.gov/pubs/pdf/10050-medicare-and-you.pdf>






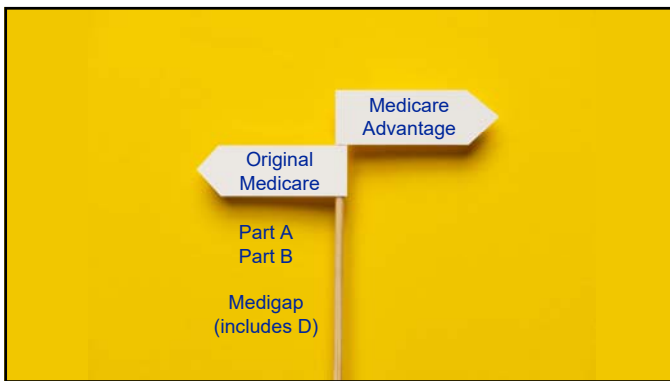
Eligible for Medicare at age 65

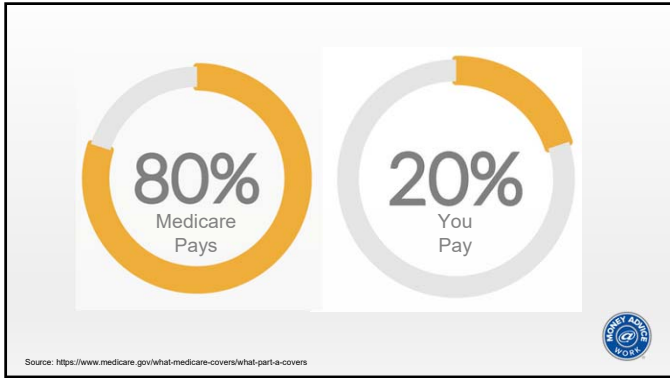


What the "Parts" Mean

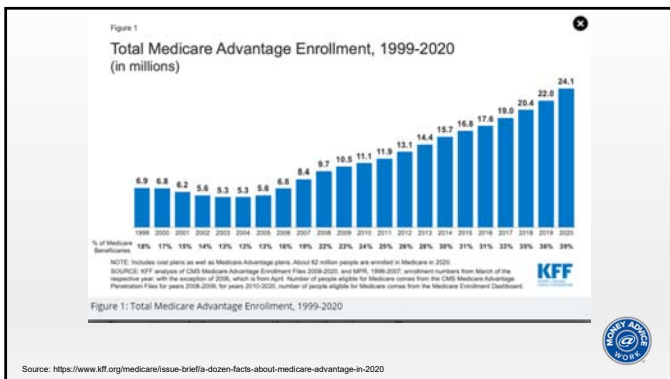
- Part A – Hospital Insurance
- Part B – Medical Insurance
- Part C – Medicare Advantage Plans
- Part D – Prescription Drug Coverage











Part A – Hospital Coverage

- ▶▶ Hospital
- ▶▶ Skilled Nursing Facility
- ▶▶ Home Health Care
- ▶▶ Hospice



Source: <https://www.medicare.gov/what-medicare-covers/what-part-a-covers>

Part A–Hospital Insurance

- ▶▶ \$1,556 deductible (2022)
- ▶▶ Days 1-60 - \$0 coinsurance
- ▶▶ Days 61-90 - \$371 coinsurance per day
- ▶▶ Days 91 and beyond - \$742 per lifetime reserve day (60 days in your lifetime)
- ▶▶ Benefit periods reset if you are out of the hospital for 60 consecutive days



Source: <https://www.medicare.gov/your-medicare-costs/part-a-costs>

Part A – Hospital Insurance

Costs for Part A

- FREE (no monthly premiums) if you're fully eligible for Social Security (40 quarters)
- Up to \$471 per month with less than 40 quarters of SS



Source: <https://www.medicare.gov/your-medicare-costs/part-a-costs>

Part B – Medical Insurance

- ▶▶ Doctor's visits
- ▶▶ Outpatient Hospital Services
- ▶▶ Clinical Lab Tests
- ▶▶ Preventive Services



Part B – Medical Insurance

- ▶▶ Monthly premium deducted from SS check or bill sent if you haven't started SS
- ▶▶ Covers 80% after \$203 deductible
- ▶▶ No out-of-pocket limit so supplemental insurance is needed



Source: <https://www.medicare.gov/your-medicare-costs/part-b-costs>

Part B – Medical Insurance

Costs for Part B

- \$170.10 per month for most in 2022
- Higher income people pay more



Source: <https://www.medicare.gov/your-medicare-costs/part-b-costs>

Costs for Part B—Based on Income

If your yearly income in 2020 (or what you pay in 2022) was			You pay each month (in 2022)
File individual tax return	File joint tax return	File married & separate tax return	
\$91,000 or less	\$182,000 or less	\$91,000 or less	\$170.10
above \$91,000 up to \$114,000	above \$182,000 up to \$228,000	Not applicable	\$238.10
above \$114,000 up to \$142,000	above \$228,000 up to \$284,000	Not applicable	\$340.20
above \$142,000 up to \$170,000	above \$284,000 up to \$340,000	Not applicable	\$442.30
above \$170,000 and less than \$500,000	above \$340,000 and less than \$750,000	above \$91,000 and less than \$409,000	\$544.30
\$500,000 or above	\$750,000 or above	\$409,000 or above	\$578.30



Source: <https://www.medicare.gov/your-medicare-costs/part-b-costs>
 What is MAGI - https://www.ssa.gov/OP_Home/handbook/handbook_25/handbook2501.html

Part D - Prescription Drug Insurance

- ▶▶ Covers part of the cost of prescription drugs
- ▶▶ Offered through private insurers
- ▶▶ Need to shop for plans based on what medicines you take
- ▶▶ Monthly premiums increase as income rises



Part D - Prescription Drug Insurance

- ▶▶ Average beneficiary has a choice of 29 plans
- ▶▶ Premiums range from \$15 to \$132
- ▶▶ Deductibles up to \$445 (2021)
- ▶▶ Variable copays



Source: <https://www.medicare.gov/drug-coverage-part-d/costs-for-medicare-drug-coverage/yearly-deductible-for-drug-plans>

Costs for Part D

If your filing status and yearly income in 2020 was			
File individual tax return	File joint tax return	File married & separate tax return	You pay each month (in 2022)
\$91,000 or less	\$182,000 or less	\$91,000 or less	your plan premium
above \$91,000 up to \$114,000	above \$182,000 up to \$228,000	not applicable	\$12.40 + your plan premium
above \$114,000 up to \$142,000	above \$228,000 up to \$284,000	not applicable	\$32.10 + your plan premium
above \$142,000 up to \$170,000	above \$284,000 up to \$340,000	not applicable	\$51.70 + your plan premium
above \$170,000 and less than \$500,000	above \$340,000 and less than \$750,000	above \$91,000 and less than \$409,000	\$71.30 + your plan premium
\$500,000 or above	\$750,000 or above	\$409,000 or above	\$77.90 + your plan premium

Source: <https://www.medicare.gov/drug-coverage-part-d/costs-for-medicare-drug-coverage/monthly-premium-for-drug-plans>



Medigap Plans

- ▶▶ MUST HAVE with traditional Medicare
- ▶▶ Sold by insurance companies
- ▶▶ Average monthly premium \$152 but costs range widely (according to one study)

Source: <https://www.medicareadvantage.com/costs/average-cost-of-medicare-supplement>



It's Your Decision

Stay with plan for entire year

Medicare A, B, D
and
Medigap

or

Medicare
Advantage
Plan (Part C)
A & B (&D)



Medicare Advantage

- ▶▶ Bundled plan sold by insurance companies
- ▶▶ Still pay for Part B then a supplemental cost for everything else
- ▶▶ Can include coverage for things not covered by traditional Medicare (dental, vision, etc)
- ▶▶ May be lower cost



Source: <https://www.medicarefaq.com/facts/average-cost-of-medicare-advantage/>



May have physician choice restricted




Traditional Medicare favors travelers






Different Enrollment Periods

- Initial Enrollment**
(seven-month period surrounding your 65th birthday)
- Special Enrollment**
(only for those who delay due to other coverage)
- General Enrollment**
(ability to enroll annually)



Do I have to enroll if I still have employer coverage?



Special Enrollment Period

- ▶▶ Those with employer coverage have until 8 months after employer coverage ends
- ▶▶ Next annual election period October 15 – December 7 with coverage beginning on January 1

Source: [Medicare.gov/sign-up-change-plans/joining-a-health-or-drug-plan#~:text=When%20you%20first%20become%20eligible,switch%2C%20or%20drop%20a%20plan.](https://www.medicare.gov/sign-up-change-plans/joining-a-health-or-drug-plan#~:text=When%20you%20first%20become%20eligible,switch%2C%20or%20drop%20a%20plan.)



Annual Open Enrollment

- ▶▶ October 15 – December 7
- ▶▶ Current Medicare beneficiaries who want to start, switch or drop a Medicare Advantage or drug plan
- ▶▶ Changes take effect January 1

Insurance companies can change premiums at any time, so check every year!

Source: [Medicare.gov/sign-up-change-plans/joining-a-health-or-drug-plan#~:text=When%20you%20first%20become%20eligible,switch%2C%20or%20drop%20a%20plan.](https://www.medicare.gov/sign-up-change-plans/joining-a-health-or-drug-plan#~:text=When%20you%20first%20become%20eligible,switch%2C%20or%20drop%20a%20plan.)



If You Fail to Apply

- ▶▶ Part A: No penalties since Part A is free
- ▶▶ Part B: 10% penalty for every 12-month period you could have had Part B, **paid for as long as you have Part B (the rest of your life)**
- ▶▶ Part D: You owe a late enrollment penalty if there is a period of 63 or more days in a row where you didn't have Part D or other credible prescription drug coverage.

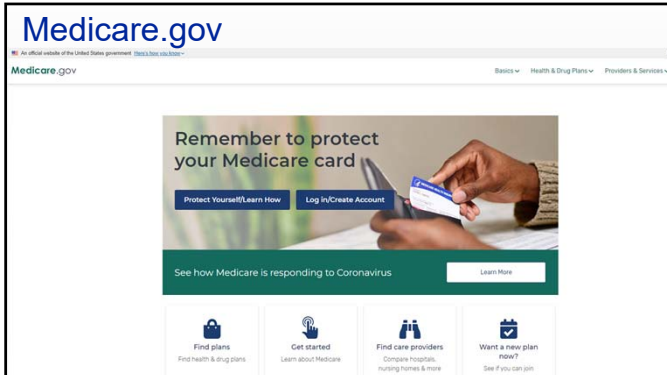
Source: <https://www.medicare.gov/pubs/pdf/10050-medicare-and-you.pdf>. Example for illustration purposes only.

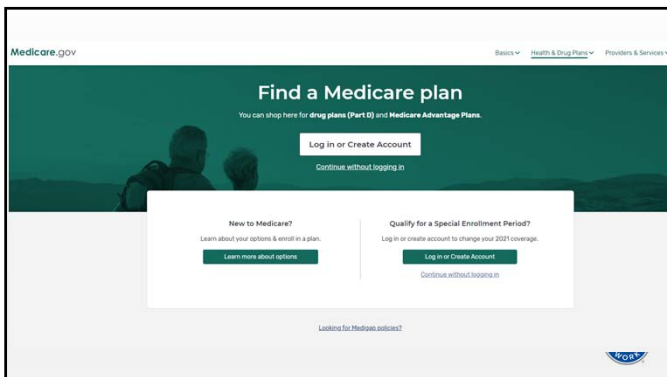


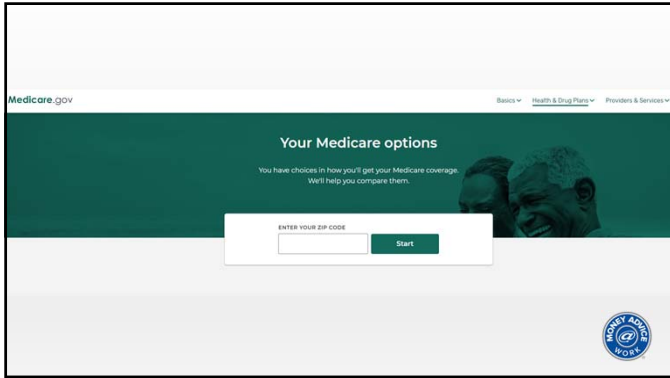
How to Apply

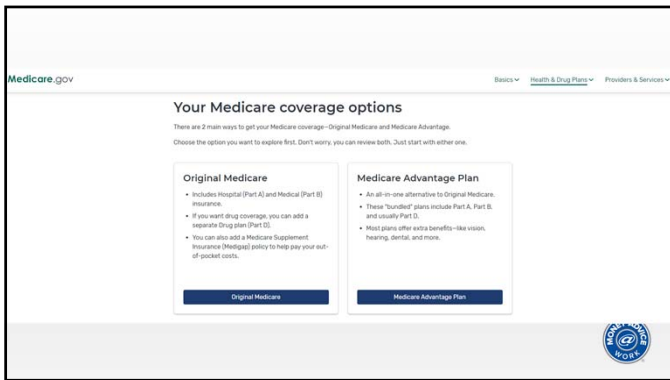
- ▶▶ Go to www.ssa.gov
- ▶▶ Click on "Apply for Medicare Benefits"
- ▶▶ Call Social Security at 800-772-1213

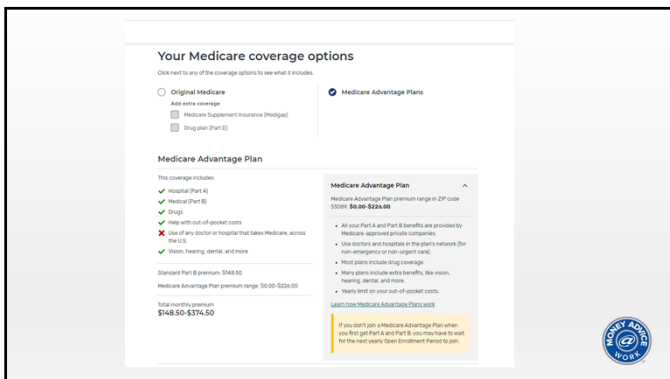


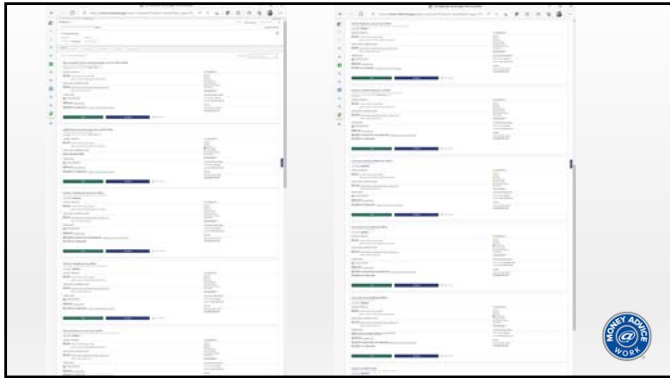













What About Before Age 65?

- ▶▶ National Marketplace (Obamacare)
- ▶▶ COBRA
- ▶▶ Employer Insurance
- ▶▶ Private Insurance (underwriting is required)



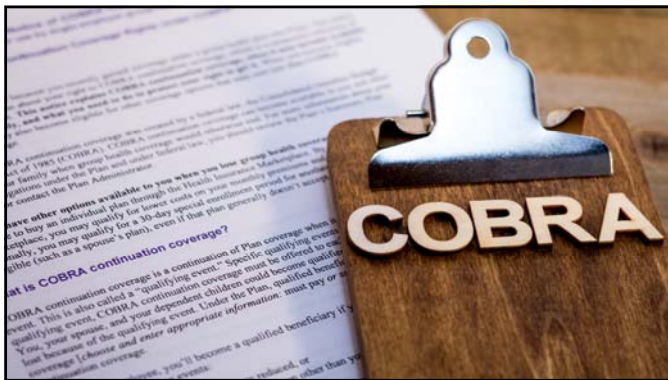


Tax Credits for Lower Wage Earners

Household income for the year must be at least 100% but no more than 400% of the federal poverty line for their family size.



Source: <https://www.healthcare.gov/lower-costs/>



COBRA

- » Employee must end employment or have reduced hours
- AND
- » Employee became eligible for Medicare less than 18 months before then
- THEN
- » COBRA coverage for spouse and dependents can last 36 months after the date the employee is entitled to Medicare

Source: <https://www.doi.gov/sites/doi.gov/files/ebsa/about-ebsa/our-activities/resource-center/faqs/cobra-continuation-health-coverage-consumer.pdf>






Stanford Retiree Health Care
<https://cardinalatwork.stanford.edu/benefits-rewards/health/retirees>

Rule of 55 You were hired before Jan. 1, 1992, and you are at least age 55, and you have at least 10 years of benefits-eligible service.	Rule of 75 Your age + years of benefits-eligible service equal at least 75, and you have completed at least 10 years of benefits-eligible service.
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Contact HR/Benefits with specific questions
(Contact the University HR Service Team for assistance at 877-905-2985 or 650-736-2985, Monday through Friday, 8 a.m. to 5 p.m. PT, except on holidays.)



Questions?
Answers!



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