

2024 MEDICARE BASICS – THE A, B, & D'S

BEN HUDSON

*Training Director, State Health Insurance
Assistance Program (SHIP)*

OCTOBER 16, 2024



ROAD TO
RETIREMENT

PLANNING YOUR RETIREMENT
FROM INDIANA UNIVERSITY



Housekeeping

- **Session will not be recorded**; however, 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 all questions in the Q&A** box. Do not put any questions related to a personal situation in the Q&A.
- At the end of today's session, you will be asked to complete a brief 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 past 65 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 now 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 at 65
 - 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-MOST COMMON
 - 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.~~

We recommend applying for Medicare 30-60 days prior to when you want it to begin.

Original Medicare

ORIGINAL MEDICARE

Monthly Premium Costs (Per Person/Month):

- **Part A** - free for most people
- **Part B** premium in 2024 **\$174.70** (possibly higher due to high income)
- **Part D** national average of \$34.70
- Medicare Supplement Plan (G)
 - **\$100-\$165, avg of \$125** at age 65

OR

- **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
 - Can go to any provider that accepts Medicare across the US

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

CHOICES

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

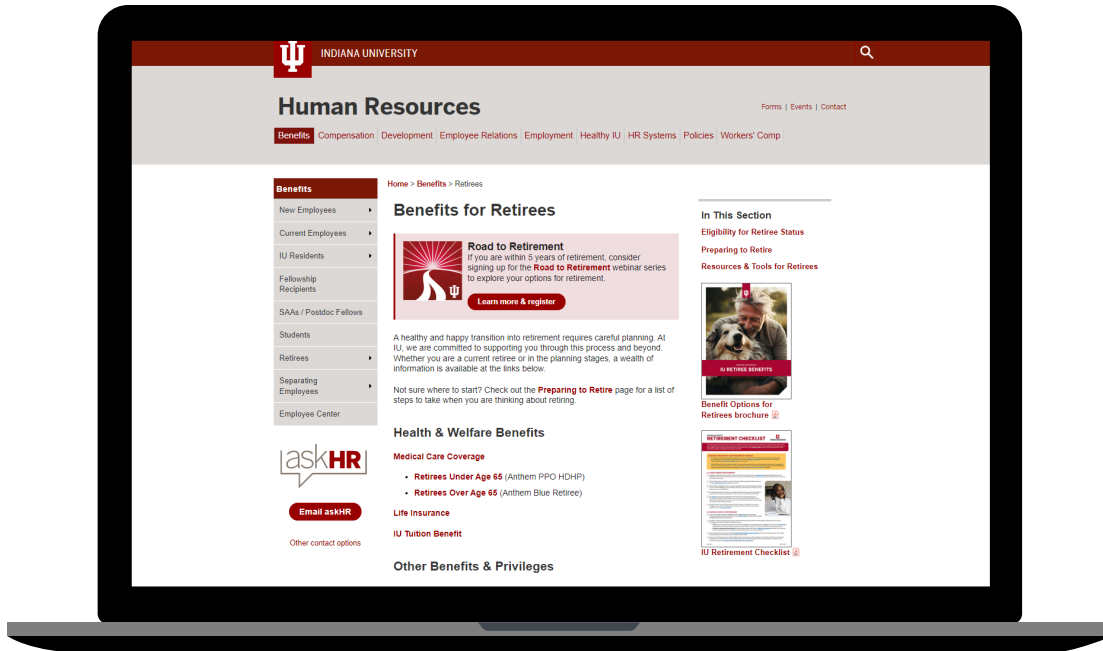
- Fall Open Enrollment
 - *October 15th-December 7th*
- Can make changes to your Medicare Plans, such as:
 - Switch from an Advantage Plan back to Original Medicare
 - Switch from Orig. Medicare to an Advantage Plan
 - Pick a new Part D plan
 - Enroll for a Part D plan for the first time

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

Ben Hudson bhenriquezhudson@idoi.in.gov 317-437-0366

IU Resources



Upcoming Road to Retirement Sessions

Oct 17 – Navigating Medicare Part D Coverage

Oct 18 – Prepare for the Reality of Healthcare in Retirement

Oct 22 – Social Security Overview

Dec 3 – PERF—Understanding the Millie Morgan Option

Dec 4 – PERF—Understanding the Millie Morgan Option

Register at:

hr.iu.edu/benefits/road-to-retire.html



IU HUMAN RESOURCES

askhr@iu.edu | 812-856-1234 | hr.iu.edu

The background features a large, stylized 'IU' logo in a dark red color, positioned on the left side of the slide. The letters are composed of thick, blocky shapes with a slight shadow effect.

THANK YOU

Questions?