

ucare

The ABC's of (Group) Medicare?

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What is Medicare?

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The four parts of Medicare

Part A Hospital insurance

Part B Medical insurance

Part C Medicare Advantage

Part D Outpatient prescription drug coverage

Original Medicare

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Part A: Hospital insurance

What it costs
\$0 for most people

What it covers

Hospitalization

- First 60 days: \$1,600 deductible
- Days 61-90: \$400 per day
- Days 91-150: \$800 per day

Skilled nursing facility care (after a 3-day qualifying hospital stay)

- Days 1-20: Paid in full
- Days 21-100: \$200 per day

Home health care and hospice care

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Part B: Medical insurance

What it costs
\$167.90 for most people

What it covers

Doctor Visits

Outpatient Surgery and Procedures

Ambulance

Medical Equipment and Supplies

- Deductible: \$226
- After deductible: 20% co-insurance

No out-of-pocket max

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Part C: Medicare Advantage

Private health plans that contract with Medicare to administer Medicare Part A and Part B benefits

Plans include all Medicare Part A and Part B benefits

Most offer extras
Coverage for dental, vision, hearing, fitness, a routine physical and eye exam, and Part D prescription drug coverage

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Part D: Outpatient prescription drug coverage

There are two ways to get Part D

- Medicare Advantage plan
- Stand-alone prescription drug plan

Stages of coverage

- Deductible
- Initial coverage phase
- Coverage gap (donut hole)
- Catastrophic coverage

No out-of-pocket max

Costs
Monthly premiums, deductibles, copays and formularies differ by plan

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Original Medicare is limited coverage

Part A
Hospital insurance


Part B
Medical insurance

Does not cover

- Preventive dental and other dental services
- Routine eye exams and eyewear
- Routine hearing exams and hearing aids
- Routine physical exams
- Fitness club memberships
- Care in a skilled nursing facility without a 3-day qualifying stay
- Outpatient prescription drugs

No out-of-pocket max


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Plans that work with Medicare

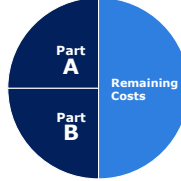
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Overall Medicare Health Costs

Original Medicare covers about 50% of your overall health care costs




To help cover the remaining costs, there are choices:

- Medicare Supplement (Medigap) plan
- Medicare Advantage plan
- Medicare Cost plan

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Choices for Medicare Plans in the Marketplace

- Medicare Supplement Plans - Medigap**
 - Two payer of claims – plan pays after Medicare
 - Part D drug coverage not included, purchased separately
- Medicare Advantage Plans**
 - Single payer of claims – plan pays all claims
 - Plans can add additional benefits – like Part D, vision, hearing, and more
- Medicare Cost Plans**
 - These plans were phased out in many parts of the state and country in 2021
 - The only cost plans left in MN are outside of the metro area,

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History of Medicare




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The IDEA of Medicare is Born




- 1912 – Teddy Roosevelt had a national health insurance plan in his platform
- 1945 – Harry Truman calls for the creation of national health plan but was unsuccessful



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The 1960's




- 1962 – John F Kennedy learns that 56% age 65+ do not have health insurance
- 1965 – Lyndon B Johnson signs into law Medicare (name of act) for those age 65 and older only
- 1966 – First Medicare beneficiaries are Harry Truman and his wife Bess, 19 million join when it rolls out



Harry and Bess Truman

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TRIVIA BREAK – 1960's 


In which year did the Woodstock Festival take place?

- A. 1967
- B. 1968
- C. 1969

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Answer C: 1969 

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The 1970's and 1980's 

- Medicare Part A is expanded to cover Home Health Care
- Medicare Part A is also expanded to cover Hospice
- Qualified Medicare Beneficiary program starts, provides financial aid to those below 100% FPL (Federal Poverty Level)
- Group Medicare Plans are created for retirees of unions/employers

 **1988 –Medicare Catastrophic Coverage Act**
 Included a true out-of-pocket limit to A and B services and had some drug coverage, however, the act was repealed the same year.
 There is no limit to this day!

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TRIVIA BREAK – 1980's 


What year was the first Back to the Future movie?

- A. 1980
- B. 1983
- C. 1985
- D. 1988

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Answer B: 1985 

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The 1990s 


- More financial aid rolls out to those up to 135% of FPL to help pay for the costs of Medicare
- Medicare Advantage plans are created – these plans could add on benefits, like drug benefits and more
- Group Medicare plans start to gain more ground nationally



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The 2000's



- Those with ALS are now eligible to join Medicare, regardless of age.
- Part D prescription drug coverage rolls out to Medicare Advantage plans only.
- Later, Part D drug coverage rolls out as a stand-alone product
- Part D include stages of coverage, that are related to drug cost

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TRIVIA BREAK – 2000's

The term "Y2K" was originated from:

- A. Microsoft
- B. IBM
- C. David Kelly
- D. David Eddy

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Answer D: David Eddy

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The 2010's



- Income-Related Monthly Adjustment Amount
 - Called IRMAA
 - Higher incomes pay more for Parts B and/or D
 - Sliding scale set by Medicare each year
- The Affordable Care Act
 - Plans allowed to offer supplementary benefits
 - Eliminates the "donut hole" over time.



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The 2020's and beyond...



- Changes to Medicare, some temporary, some permanent as a response to the COVID pandemic
- Inflation Reduction Act puts caps on insulin prices and no cost coverage for certain vaccinations
- Upcoming changes in the Act include an eventual true out of pocket max on drugs by 2026.

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What is Group Medicare?



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Medicare Group Plans – EGWP's



EGWP's
Employer Group Waiver Plans

- Called EGWP's (Employer Group Waiver Plans)
- Members must be enrolled in Medicare Part A and Part B
- Members must live in the carrier's service area
- Certain requirements are waived to provide additional or enhanced benefits, beyond what Individual Medicare plans can offer
- Can Enhance Part D to cover in Part D Coverage Gap for same copay

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Who is eligible for Group Medicare Plan?

- Medicare-eligible retirees and retired Medicare-eligible dependents
 Retirees: Lost/will lose employer coverage due to retirement
 Dependents: Lost/will lose dependent coverage due to spouse's retirement
 Note: may also become eligible when losing employer coverage due to a change in job status, like going part-time
- Common Scenarios with Retired Couples:
 ↓ Under 65 retiree and 65+ dependent (spouse): Dependent is eligible
 ↑ 65+ retiree and under 65 dependent (spouse): Retiree is eligible
- Early (under 65) Retirees/Dependents
 Upon reaching age 65, retirees and dependents are eligible



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Group Medicare Rules and Regulations

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The NO-NO's – Age Discrimination  

Active employees that are 65+ and eligible for employee coverage are **not eligible** for Group Medicare

- Employers may not drop 65+ active employees from employer coverage*
- Employers may not provide any incentive for 65+ active employees to leave employer coverage*
- Employers may not demote employees as an attempt to kick them off employer coverage*

* specific to companies with more than 20 full time employees

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The YES YES's- You can sell Group Medicare  

For those that sell Employer plans, you can sell Group Medicare

- You do not need to be Medicare-certified to offer Group Medicare to your clients
- Your client pays NOTHING to offer the plans
- Work with the Medicare Group Sales Team of any carrier

For those that sell Individual Medicare, you can sell Group Medicare

- There are different rules for working with prospects in Group Medicare
- No scope of appointment form needed
- You are allowed to do outbound calling
- Your phone calls do not need to be recorded

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**The big WHY
of Group Medicare**

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Employees get confusing messages



- They get **pounds** of mail about Medicare when turning age 65!
- Letters use scare tactics and threats of penalties, that may not apply to them
- Literally **hundreds** of Medicare plan choices
- Same question can yield different answers, because each person's situation is different

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Employees used to workplace insurance



- Employers do the insurance "pre-shopping" for them
- Limited choice of health care plans offered at work
- Limited knowledge of health insurance terms
- HR is the source for questions and concerns, often ill-equipped to answer Medicare questions.

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Benefits to your client



- Frees clients' time to focus on active employees
- Empowers employees nearing retirement to make smart decisions for themselves
- Positions client as an employer that cares for employees, from the first day into retirement
- Robust benefit package that includes retiree coverage works great for recruitment
- No cost to the employer, no extra work for them

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Employees feel good about your client 



- Employees feel valued, even into retirement
- Place to start given the overwhelming choices
- Better benefits than they can get on their own
- One stop shop for their retirement needs

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Benefits to you!  

- Bring value to you client, with no extra cost
- Just one Group Plan can yield many enrollees
- Partner with carrier to present to your client
- Your Group Medicare carrier is your SME.
- Let the carrier do the heavy lifting!
- Earn commission on every enrollee

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Group Medicare is a WIN-WIN-WIN! 




Great partnership with YOU, Your Client and Your Group Medicare carrier!

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LAST TRIVIA BREAK




In what year was the Medicare Coverage Catastrophic Act enacted and then repealed that same year?

- A. 1988
- B. 1992
- C. 1980
- D. 1985

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Answer A: 1988

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**The OPPORTUNITY
for Group Medicare**




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Three Easy Steps to get started






- 1. Collect Employer Information
 - Federal Tax ID
 - Demographics and contacts
- 2. Determine start date and enrollment window
 - Can start the first of ANY month
 - Enrollment window generally 3 months
- 3. Determine how to let retirees know
 - Special Enrollment opportunity for past retirees
 - Many ways to inform past and upcoming retirees





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Some ways to inform retirees

-  MAIL- Letters to past retirees and/or those aging to 65
-  PHONE - Retirees and pre-retirees call directly for one-on-one service
-  ONLINE - For employee website: Plan Details, Recorded Presentations
-  WEBEX - Host retiree meetings on Medicare, and/or the Plans
-  ON-SITE - In-person presentations, lunchroom fliers, Wellness and Benefit Fairs, information in HR office



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QUESTIONS?

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