

Taking Control of Your Health In Retirement

Present by:
Holly Gillespie
HKG Medicare Solutions

The History of Retirement Medicare & SS

- ▶ “We can never insure one-hundred percent of the population against one-hundred percent of the hazards and vicissitudes of life”
 - ▶ - Franklin D Roosevelt comments on signing The Social Security Act Aug 14th, 1935
- ▶ Social Security and Medicare go their separate ways
 - ▶ 1983 reform
 - ▶ 2008 no longer full retirement age for SS
 - ▶ People continue to work past age 65
 - ▶ And in 2020 more changes are coming...



Medicare Part A

INPATIENT Hospitalization



****Skilled Nursing*** ***(not custodial or long-term care)***



****Home Health Care***



****Hospice Care***



Monthly Premium = Typically \$0

Medicare Part B

OUTPATIENT Services

Office Visits



***E.R.
Urgent Care***

Surgeons



***Radiology
Labs***

Ambulance



Medigap Plans Alphabet soup

| Medicare Supplement Insurance (Medigap) plans | | | | | | | | | | |
|--|------|------|------|------|------|------|-----------------------------|---------|------|------------|
| Benefits | A | B | C | D | F* | G | K | L | M | N |
| Medicare Part A coinsurance and hospital costs (up to an additional 365 days after Medicare benefits are used) | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Medicare Part B coinsurance or copayment | 100% | 100% | 100% | 100% | 100% | 100% | 50% | 75% | 100% | 100% ** |
| Blood (first 3 pints) | 100% | 100% | 100% | 100% | 100% | 100% | 50% | 75% | 100% | 100% |
| Part A hospice care coinsurance or copayment | 100% | 100% | 100% | 100% | 100% | 100% | 50% | 75% | 100% | 100% |
| Skilled nursing facility care coinsurance | | | 100% | 100% | 100% | 100% | 50% | 75% | 100% | 100% |
| Part A deductible | | 100% | 100% | 100% | 100% | 100% | 50% | 75% | 50% | 100% |
| Part B deductible | | | 100% | | 100% | | | | | |
| Part B excess charges | | | | | 100% | 100% | | | | |
| Foreign travel emergency (up to plan limits) | | | 80% | 80% | 80% | 80% | | | 80% | 80% |
| | | | | | | | Out-of-pocket limit in 2017 | | | |
| | | | | | | | \$5,120 | \$2,560 | | |

Medicare Part D

Lower Drug Costs

Protect against Higher Costs



Understand Penalty

Compare Your Prescriptions

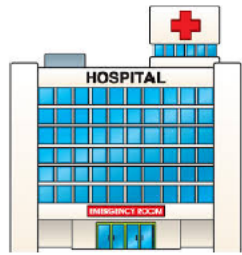
Advantage Plans

- ▶ Often the not discussed alternative option
 - ▶ Compliance requirements
 - ▶ Different Healthcare buying / insuring philosophy
 - ▶ “High Deductible Options”

Many Insurance Agents can't sell this option because they don't choose to keep up with the extra compliance portion.

Since they're not able to explain it, your clients aren't able to decide if it's the right plan for them.

Medicare Advantage Plans



**MEDICARE
PART A**

Hospital



**MEDICARE
PART B**

Doctors



**MEDICARE
PART D**

Pharmacy

ONE PLAN ~ ONE CARD

Comparing the two options

What Coverage is Best For You?

Original Medicare Plan

| Part A (Hospital) | Part B (Medical) |
|---|---------------------|
| Medicare provides this coverage. Part B is optional. You have your choice of doctors. Your costs may be higher than in Medicare Advantage Plans | |

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Medigap Policy (Medicare Supplement Insurance)

You can choose to buy this private coverage (or an employer/union may offer similar coverage) to fill in gaps in Part A and Part B coverage. Costs vary by policy and company.

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Part D (Prescription Drug Coverage)

You can choose this coverage. Private companies approved by Medicare run these plan. Plans cover different drugs. Medically necessary drugs must be covered.

OR

Medicare Advantage Plans like HMO's, PPO's and PFFS

Called "Part C" this option combines your Part A (Hospital) and Part B (Medical)

Private insurance companies approved by Medicare provide this coverage. Generally, you must see doctors in the plan. Your costs may be lower than in the Original Medicare Plan, and you may get extra benefits.

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Part D (Prescription Drug Coverage)

Most Part C plans cover prescription drugs. If they don't, you may be able to choose this coverage. Plans cover different drugs. Medically necessary drugs must be covered.

Additional things to consider

Items NOT covered by Medicare, Medicare Supplements, or Medicare Advantage

Custodial Care
*(Nursing Facility, Assisted Living,
Home Care, Adult Day Care)*

Dental/Vision/Hearing
(Covered by select MA plans only)

Hospital Co-Pays
(On MA Plans Only)

Final Expense

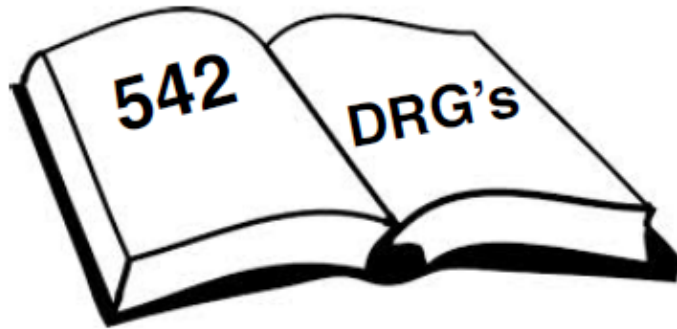
Cancer, Heart Attack, Stroke
(Out of Pocket exposure with MA Plans)

Nobody Ever Told Me That!

- ▶ Medicare doesn't always pay for extended care facility
- ▶ Medicare Advantage plans may not insure you at all if you use doctors or hospitals outside the plan's provider network
- ▶ Medigap insurers may not have to sell you a policy if you don't buy the first time you're eligible
- ▶ Original Medicare pays only 80% of doctor, equipment, and other outpatient expenses. You pay the rest. Forever
- ▶ To avoid penalties, sign up for a prescription drug plan when first eligible

Short Term Care

One of The Most Significant Changes in Medicare Since 1966 Occurred in 1983



Important Because: Hospitals are not keeping patients as long as they used to, and have to send them somewhere else to finish recovery.

Why choose Short Term Care?

Chances of Nursing Home Stay Very Likely.

- * **After age 65, “Americans have more than a 70% chance of needing some form of long-term care.”**

Source: <http://www.longtermcare.gov/ltc/mainsite/index.aspx>

- * **76.3% are six months or less**
- * **82.4% are twelve months or less**

Source: National Center for Health Statistics: National Nursing Home Survey: 2004 Overview

Qualify for benefits if:

- * **You cannot perform two or more of six ADL's**
- * **You have a cognitive impairment
(such as Dementia or Alzheimer's disease)**

Reviewing your Medicare Insurance Annually

- ▶ If you're healthy you can be underwritten each year and shop your medigap policy
 - ▶ Medigap plans are repriced based on the experience of that company's plan and how it ran
 - ▶ Do the math between a G, F and other options with out of pocket costs
- ▶ Make sure you're taking advantage of all the other added benefits
 - ▶ Gym memberships
 - ▶ Catalog discounts
- ▶ Are you traveling more in retirement?
 - ▶ Make sure you're covered

Presentation Reference Material

- ▶ Get What's Yours for Medicare
 - ▶ Philip Moeller the coauthor of Get What's Yours: The Secrets to Maxing out Your Social Security
 - ▶ Kellogg Insurance Marketing

Thank you!

► Q & A time

