UI Retiree Medicare Options
Presented by Kevin Ward-UI Retiree and Volunteer SHIIP Counselor at Iowa City Senior Center

800-351-4664
www.shiip.iowa.gov
What Is SHIIP?

Objective Information Source

• Free and confidential service of the State of Iowa Insurance Division

• Volunteers provide information and assistance to help Iowans understand their Medicare and health insurance options

• Volunteers do not advise or make decisions for clients served, nor recommend or endorse specific companies, products or agents
Today’s Objectives

• Raise awareness of your options for receiving Medicare benefits, particularly those options beyond the UI Retiree Group
• Explain the significance of “guarantee issue” period for those currently enrolled in UI Choice and UI Select
• Highlight some of the common considerations in making choices about health coverage
• Offer resources for assistance
Why review Medicare options now?

- University annual open enrollment to change among the four UI Retiree Group options (ends December 7)
- Medicare annual open enrollment to enroll in publicly available Medicare Advantage plans (ends December 7)
- *For UI Choice/Select enrollees only, special, one time “guarantee issue” enrollment period for traditional “Medigap” supplements and Part D drug plans (ends March 4, 2023)*
Medigap “Guarantee Issue”
Enrollment Period

• First six months following effective date of Part B coverage (age 65 or end of employer coverage)

  • OR

• Two months following triggering event (UI Choice/select benefit change)

• No consideration of health conditions
  • Cannot be turned down for insurance
  • Cannot be charged a higher premium (lowest rates based on plan selected, age, and gender)
  • No waiting periods related to health conditions
Individual Considerations in Selection of Medicare/Health Insurance Options

• Importance of provider choice, access and portability (all types of covered providers)
• Current and anticipated health care needs, short and long term, based upon your personal health and family history
• Prescription drug coverage and costs
• Budget resources and cash flow
• Ability to manage potential “risk” of unanticipated out-of-pocket costs
• Peace of mind
Basic Medicare Costs

• **Part A Hospital Insurance** (Inpatient Hospital, Skilled Nursing Facility, Home Health Care and Hospice)
  - **Free** with 40 quarters of work credit

• **Part B Medical Insurance** (Doctor Services, Outpatient and Emergency Room, Home Health Care, Durable Medical Equipment, Other Services and Supplies)
  - **2023 - $164.90/month** or **$1,978.80/year**
  - Pay regardless of other health insurance choices
  - IRMMA - Higher rates applied for incomes above $97,000 single/$194,000 joint tax return (modified adjusted gross income)
UI Retiree Medicare/Health Insurance Options

• UI Retiree Group
  • UI Choice/Select – Employee “carve out” plans, Medicare is primary payer
  • Health Alliance HMO/PPO – Medicare Advantage plans

• Traditional Medicare
  • Original Medicare Parts A & B
  • Supplemented by “Medigap” and Prescription Drug Supplements – Part D

• Medicare Advantage Plans
  • Part C
  • Publicly available Medicare Advantage plans
Four UI Retiree Group Options

- **Employee Plans** — (Single Coverage Rates)
  - UI Choice-$1008/month - $12,096/year
    - ($720/month - $8,640/year if eligible)
  - UI Select-$907/month - $10,884
    - ($619/month – $7,428/year if eligible)

- **Health Alliance-Medicare Advantage plans** (no change from 2022)
  - PPO-$320/month - $3,840/year
  - HMO-$60/month - $720/year

- **Side by side comparison provided in recent mailing and online**
UI Choice/UI Select

- Highest premium cost options
- UI Choice covers any Medicare provider in US
- UI Select coverage does not cover non-emergency care outside of Iowa
- Comprehensive coverage
  - After $226/year Part B deductible, Medicare providers that accept assignment as full payment cannot charge for insurance plan deductibles or co-pays
- Exceptional drug formulary with out of pocket maximum per year for drugs ($1600/2000)
Health Alliance Medicare Advantage Plans

• All benefits managed by Health Alliance
• Two managed care models
  • HMO-Health Maintenance Organization (in network services only) for $60/month (no premium increase)
  • PPO-Preferred Provider Organization (with out of network benefits) for $320/month (no premium increase)
• Networks (available online) include most community primary care providers and some specialists, in addition to UI Health Care
• PPO includes out of pocket maximums of $2000 for health and $1100 for prescription drugs (similar to previous UI Choice plan)
• Prescription drug formulary is more conventional to marketplace; only preferred generics are free (formulary available online)
• Does include wellness incentive and virtual health options
• Some coverage of vision and hearing exams, hearing aids
• See plan website for more information: https://www.healthalliance.org/IA-Retirees
UI Retiree Group Parameters

• By university policy, can elect any of the four options each year during annual open enrollment.

• University contribution toward insurance premium ($288/month) only applies to UI Choice/Select for those eligible.

• If decide to enroll in any other Medicare/Health Insurance plan, you cannot return to four UI Retiree Group options

• Spouse/partner can only remain in UI Retiree Group if the former university employee remains in one of the four options

• UI Retirees and spouse/partner can continue Delta Dental through UI for $46.50/mo./pp regardless of whether you continue UI Retiree group health care coverage
Your Other Medicare Options

**Traditional Medicare**
- Part A Hospital Insurance
- Part B Medical Insurance
- Medigap Supplement Coverage
- Prescription Drug Coverage – Part D

**Medicare Advantage**
- Combines Part A & Part B
- May include Prescription Drug Coverage – Part D
- May include additional coverage or benefits
Gaps in Medicare Parts A & B

Note: Parts A & B alone do not cover prescription drugs, dental care, routine vision and hearing exams, eyeglasses or aids.
“Medigap” Supplement Insurance

• Designed to cover some of the “gaps”
• 10 standardized policies
  • Plans A, B, C, D, F, G, K, L, M, N
• May use any Medicare provider (US)
• Only those eligible for Medicare before January 1, 2020 can buy a policy that pays the $226/yr. Part B deductible (2023): Plans C and F
# Ten Standard “Medigap” Plans

## Ten Standard Medicare Supplement Plans

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Part A Hospital</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Day 61-90 Coinsurance</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Day 91-150 Coinsurance</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>365 more days – 100%</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Part A Hospice coinsurance</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>50%</td>
<td>75%</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Part B Coinsurance or Copay</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>50%**</td>
<td>75%**</td>
<td>X</td>
<td>X</td>
<td>X****</td>
</tr>
<tr>
<td>Parts A &amp; B Blood</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>50%</td>
<td>75%</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td><strong>Additional Benefits</strong></td>
<td>A</td>
<td>B</td>
<td>D</td>
<td>G</td>
<td>K</td>
<td>L</td>
<td>M</td>
<td>N</td>
<td>C</td>
</tr>
<tr>
<td>Skilled Nursing Facility</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coinsurance Day 21-100</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Part A Deductible</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>50%</td>
<td>75%</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Part B Deductible</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>50%</td>
<td>75%</td>
<td>50%</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Part B Excess</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Foreign Travel Emergency</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Out-of-pocket annual limit</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

|                          | 6,620  | 3,310  |        |        |        |        |        |        |                               |

**X** = Supplement pays 100%  
50% and 75% = the amount the supplement pays  
* Plans F and G have an option called high deductible Plan F or high deductible Plan G. The deductible is $2,490 in 2022.  
** Plans K and L pay 100% of the Part B coinsurance for preventive services.  
*** Plans K and L pay 100% of your cost for Part A and B after the annual out-of-pocket limit is reached.  
****Exceptions: You pay up to $20 for an office visit and up to $50 for an emergency room visit before the plan pays. The emergency room co-pay will be waived if you are admitted to the hospital.
Medigap Supplements

• Sold by private companies; identical plan benefits regardless of company issuing policy
• If Medicare pays the claim, the Medigap policy will also pay
• Guaranteed renewal
• Ability to purchase a policy may be subject to medical screening if enrolling outside of a guarantee issue period
Comparing “Medigap” Carriers

• Premium rates vary by plan, company, your location and by age, gender

• Premium rate increases and age (rating type):
  • Attained Age policies – premium increases annually as you age (most common)
  • Issue Age polices – considers age at time of purchase
  • Community rated policies – do not use individual age as a factor in setting premium

• Rate increase history and projections
• Company discounts
• Company rating/stability
Medicare Part D

- Prescription drug coverage for those enrolled in Medicare Part A and/or Part B
- Potential penalties if fail to enroll in drug plan and are without drug coverage
- Plans sold by private companies
- Annual contracts; benefits and premiums can change from year to year
- IRMMA income-based premium adjustment may also apply
- Annual open enrollment period from October 15 - December 7 to change plans for January 1 coverage
- Limited Special Election Periods
Improvements to Medicare Drug Coverage – 2022 Inflation Reduction Act

• Effective 2023
  • Vaccines under Medicare Part D free
  • Cost of insulin capped at $35/month; no deductible

• Effective 2024
  • Eliminate 5% cost share of catastrophic level drug coverage (excess of $7,400 in 2023)
  • Part D premiums will not increase more than 6% per year
  • Low Income Subsidy expanded to 150% of federal poverty level ($20,385 individual)

• Effective 2025
  • Out of pocket drug costs capped at $2000 per year
Comparing Part D Plans

- Formulary – are your drugs covered?
- Pharmacy network-your preferred pharmacy?
- Total Cost per year: Premium Cost + Your Cost for Drugs – What will you pay for your prescriptions?
- Any Deductible? ($0-505 maximum in 2023)
- Restrictions on specific medications?
- Coverage in the Gap? (if applicable) - $4,660 total drug costs in 2023
- Travel? - (national availability)
Qualify For “Extra Help” With Prescription Drug Costs

- Helps pay drug plan premium, deductible and co-pays
- Monthly Income limits:
  - $1,718.75 individual
  - $2,308.75 couple

Resource limits:
- $15,510 individual
- $30,950 couple

[SHIIP can help you apply]
Traditional Medicare Example – Premium Cost Only

- Medigap Supplement $166.14 /month
  - (median rate- Plan F/female/75)
  - Your specific rate could be higher or lower
- Part D – Prescription Drug Plan $ 36.20/month*
  - (median rate, without cost of drugs)
  - Your specific rate could be higher or lower

Total Premiums (without cost of drugs) $202.34/month  $2,428/year

*Without IRMMA adjustment
Resources—Traditional Medicare

• Medigap Supplements:
  • SHIIP/Iowa Medicare Supplement & Premium Comparison Guide
  • SHIIP Counselors – Supplement Plan Finder

• Insurance company representatives
Resources—Traditional Medicare

• Part D Prescription Drug Plans:
  • SHIIP/Medicare Prescription Drug Coverage (general):
  • Medicare.gov Plan Finder (by county of residence)/Find Health and Drug Plans:
  • https://www.medicare.gov/plan-compare/#/?year=2022&lang=en
Medicare Advantage Plans – Part C

Medicare Advantage

- Combines Part A & Part B
- May include Prescription Drug Coverage – Part D and Additional Benefits
Medicare Advantage - A Private Solution

- Private insurance companies contract with Medicare to provide your benefits
- Required to provide Medicare Part A & B services, although not the same benefit levels
- Often include additional benefits, e.g. prescription drugs, dental, vision, hearing, wellness, etc.
- Use managed care models: HMO, PPO
- Zero premium, no deductible plans available
Medicare Advantage vs Original Medicare

What is the difference?

• You must live in the plan’s service area
• Must use a defined network of providers for non-emergency care to receive (maximum) covered benefits
• MA plan adjudicates all claims
• You pay out-of-pocket costs for services you utilize, based upon plan benefits
• Cap out-of-pocket costs per year (medical only until 2025)
• Typically includes pharmacy benefit
• Year to year contracts with annual open enrollment
When Can You Join or Change?

• During your Initial Enrollment Period – when you are first eligible for Medicare
• During a Special Enrollment Period
  • E.g. leave employer based plan
• October 15 – December 7 each year, annual open enrollment
• January 1 to March 31 – change plans (only) or return to Original Medicare
Checklist of Considerations

• Are your providers/facilities covered by the plan (if out of network, would they accept payment from PPO); would you consider changing providers?
• Are your medications covered? What pharmacies participate in the plan and at what cost?
• Does the plan require you to obtain referrals or prior authorizations for some services?
• Do you travel outside your county or state for periods of time that would require more than emergency/urgent care coverage?
• Are the extra benefits of the Medicare Advantage plan important to you, e.g. dental, vision, wellness benefits?
Resources – Medicare Advantage Plans

• SHIIP
  • Medicare Advantage & Other Health Plans in Iowa
  • Includes Things to consider before you Enroll in a Medicare Advantage Plan, Comparing Health Care Choices worksheet and Checklist for People Considering a Medicare Advantage Plan

• Medicare.gov
  • Find Health and Drug Plans (by county of residence)
  • https://www.medicare.gov/plan-compare/#/?year=2022&lang=en
Summary Observations

- Escalation in cost of UI Choice/Select increases your opportunity for cost savings with other Medicare options.
- Access to traditional Medigap supplement is generally more limited than the ability to enroll in Medicare Advantage plans annually.
- Special “guarantee issue” for Medigap supplements assures access to plans, regardless of health conditions, at best rates.
- Part D plans may result in a short-term increase in drug costs, to be capped at $2,000 in 2025.
Review: Timeline for Decisions

- University annual open enrollment to change among the four UI Retiree Group options (ends December 7)
- Medicare annual open enrollment to enroll in publicly available Medicare Advantage plans (ends December 7)
- For UI Choice/Select enrollees, one time “guaranteed issue” enrollment period for traditional “Medigap” supplements and Part D drug plan (ends March 4, 2023)
UI Retirees
Currently Enrolled in Medicare and
UI Choice or UI Select
Guaranteed Issue Right

UI retirees enrolled in Medicare and the UI Choice or the UI Select will see an increase in their cost share for certain copays and deductibles on January 1, 2023. Because these benefit changes may result in higher out-of-pocket costs for you in 2023, you will have a guarantee issue opportunity to purchase an individual Medicare supplement policy. Your Guaranteed Issue right means that the insurance company:

- Must sell you a policy
- Must cover pre-existing conditions
- Cannot charge you more because of past or present health problems

If you are currently enrolled in UI Choice or UI Select and you became eligible for Medicare prior to January 1, 2020, you can purchase any Medicare Supplement plan A, B, C, F, K, or L (including Medicare Select or high deductible choices) from any company selling these plans in Iowa. If you became eligible for Medicare after January 1, 2020, you can purchase any Medicare Supplement plan A, B, D, G, K, or L (including Medicare Select or high deductible choices) from any company selling these plans in Iowa. If you are under age 65 you must buy from companies that sell to people on Medicare because of disability.

You have 63 days from the day your coverage ends to apply for a Medicare Supplement policy. To receive this guaranteed issue right you must apply for a policy by March 4, 2023. If you drop your UI Choice or UI Select plan to purchase a Medicare supplement in the private market, there is no provision for rejoining the UI group insurance health plans at a later date.

If you decide to leave the UI retiree insurance you will also have until February 28, 2023, to enroll in a Medicare drug plan. However, if you enroll after December 31, 2022, your new coverage will not start until the 1st day of the month after you submit your application.
Contacting SHIIP/ SMP

• SHIIP can help you:
  • Set up a Medicare.gov account
  • Research options and compare plan benefits and costs
  • Enroll (Part D and Medicare Advantage Plans)

• Statewide: 1-800-351-4664 (TTY 1-800-735-2942)
• Website: shiip.iowa.gov
• E-mail: shiip@iid.iowa.gov
Individual SHIIP Counseling

• Available locally through the Iowa City Senior Center

• Appointments available at the downtown Senior Center, Mercer Park Recreation Center, North Liberty Library, by zoom or phone

• Schedule on line at:
  • Or call 319-356-5220

• “Welcome to Medicare” presentations offered monthly throughout the year
Protect Yourself & Medicare

**PROTECT**— Protect your personal information. Treat your Medicare and Social Security numbers like your credit cards. Never give these numbers to a stranger.

**DETECT**— Review your Medicare statements for mistakes by comparing them to your personal records.

**REPORT**— If you think you have been a target of fraud, report it 800-351-4664 or your local SHIIP/ SMP
Questions?