

Wisdom at Work.



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Welcome.

Sweet 65
Understanding Medicare

*Presented to the Valued Clients and
Friends of SilverStone Group*

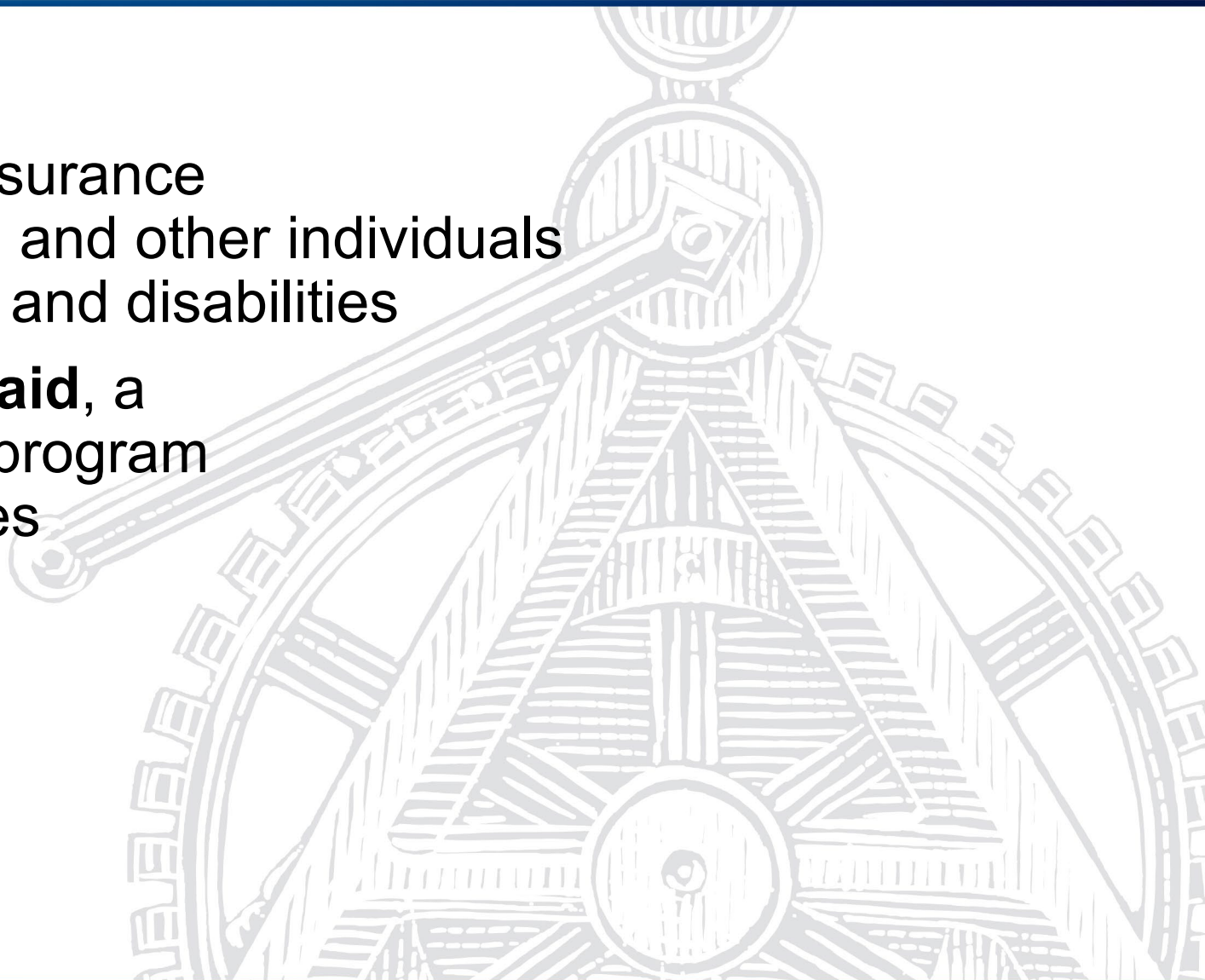


What Will We Talk About Today?

- Defining Medicare and its parts
- Enrolling in Medicare
- Medicare and HSA rules
- How will I pay for healthcare when I'm retired?
- Transitioning from employee to retiree

What Is Medicare?

- **Medicare** is a federal health insurance program for the 65+ population and other individuals with certain medical conditions and disabilities
- It is often confused with **Medicaid**, a federal-state health insurance program for people with limited resources



The Basics of Medicare

- It was created to help pay medical bills:
 - Started in 1965 and run by CMS
 - Mostly for 65+ population
 - Medicare Modernization Act of 2003
 - Affordable Care Act of 2010
- For more information, refer to:
 - “Medicare & You” booklet
 - “Choosing a Medigap Policy” booklet

What Are the Different Parts of Medicare?

- Part A – Hospital insurance
 - Part B – Medical insurance
- **Original Medicare**
- Part C – Medicare advantage plans
 - Part D – Prescription drug coverage



2019 Part A Benefits

- Hospital inpatient benefits
 - You have a benefit period deductible of \$1,364
 - After it's paid:
 - Medicare will pay 100% for the first 60 days
 - Medicare will pay all but \$341/day for days 61 to 90
 - Medicare will pay all but \$682/day for days 91 to 150
 - Medicare pays \$0 for days 151 and beyond

Amounts shown are for 2018 and are subject to change

2019 Part A Benefits

- Skilled nursing facility care
 - Must meet Medicare's requirements
 - Hospital stay of at least three days
 - Enter a skilled facility generally within 30 days after leaving the hospital
 - Must need skilled nursing care seven days a week or skilled therapy services at least five days a week
 - Medicare pays:
 - 100% for days 1 to 20
 - All but \$170.50 for days 21 to 100
 - \$0 after 100 days

Part A Benefits

- Additional benefits
 - Blood
 - Benefits after the first three pints
 - Home healthcare
 - Benefits for medically necessary skilled care and medical supplies
 - Hospice
 - Benefits for inpatient respite care and related outpatient drugs



Part B Benefits

- Medical benefits
 - “Welcome to Medicare” visit
 - Preventive services
 - Inpatient and outpatient doctor services
 - Surgical services and supplies
 - Speech and physical therapy
 - Diagnostic tests
 - Durable medical equipment
 - Ambulance services

Part B – Preventive Services

- “Welcome to Medicare” visit
 - One-time review of your health
 - Receive education and counseling about preventive services
 - Go within the first 12 months of Part B coverage
- Annual “wellness” visit
 - Yearly wellness visit to develop or update your personalized prevention plan
 - Provided free, one-time every 12 months (not subject to the deductible)
 - Not a physical exam

Part B Details

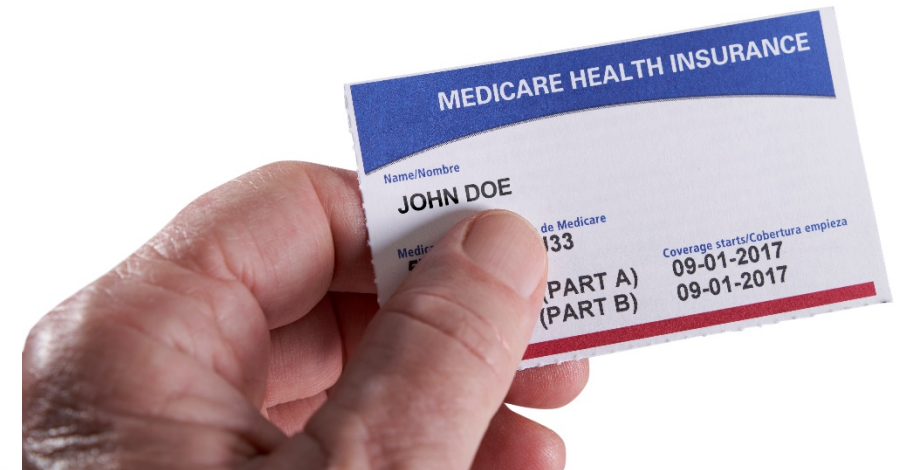
- \$185 annual deductible for 2019
- After you meet the deductible, Medicare pays:
 - 80% of eligible covered charges
 - 100% of Medicare-covered clinical laboratory services (blood tests for diagnostic services)
 - Varying amounts for covered preventive services
 - Nothing for any charges in excess of the Medicare-approved amount

Signing Up for Part A

- You are automatically enrolled for Part A when you're receiving Social Security benefits and you turn 65 years old
- If you're not taking Social Security and you're 65 years old, you need to sign up for Part A by contacting your local Social Security office

Signing Up for Part A

- If you need to sign up for Part A, you can sign up during the following times:
 - Initial enrollment period
 - General enrollment period
 - Special enrollment period
- If you don't buy Part A when you are first eligible, your monthly premium may go up 10%



Signing Up for Part B

- If you get Social Security benefits, you will automatically get Part B starting on the first day of the month you turn age 65
 - Open enrollment for Medigap
- If you don't want Part B, follow the instructions that come with the card and send the card back
- If you didn't sign up for Part B when you first became eligible, you may be able to sign up during one of these times:
 - General enrollment period
 - Special enrollment period

Signing Up for Part B

- If you are age 65 or older after you sign up for Part B, you have a six-month Medigap open enrollment period which gives you a guaranteed right to buy a Medigap policy

Part B Premiums

- Deducted from Social Security
- Premium is indexed to beneficiaries' earnings

Individual Tax Return	\$85,000 or less	\$85,001 to \$107,000	\$107,001 to \$133,500	\$133,501 to \$160,000	\$160,001 to \$500,000	Above \$500,000
Married File Jointly	\$170,000 or less	\$170,001 to \$214,000	\$214,001 to \$267,000	\$267,001 to \$320,000	\$320,001 to \$750,000	Above \$750,000
Monthly Premium	\$135.50	\$189.60	\$270.90	\$352.20	\$433.40	\$460.50

Amounts shown are for the 2019 calendar year for new Part B enrollees and are subject to change each year. A different premium rate chart is available for those who filed a separate return from their spouse and lived with their spouse at some time during the taxable year. Other guidelines may apply.

Part C – Medicare Advantage (MA) Plans

- Once enrolled, you are removed from Original Medicare (Parts A and B)
- Private health plan, not supplemental insurance
- Normally come with network restrictions
- Optionally renewable every year
- Your out-of-pocket costs can change over time
- You cannot purchase Medicare Supplement Insurance to cover extra costs

Part D Explained

- A prescription drug option run by private insurance companies approved by and under contract with Medicare
- Helps cover the cost of prescription drugs
- May help lower your prescription drug costs and help protect against higher costs in the future

Medicare and My HSA

- You may not contribute to an HSA account if ANY Part of Medicare is active
- Your Employer may not contribute to your HSA if ANY Part of Medicare is active
- You may use HSA funds to pay for:
 - Medicare Part B premium
 - Medicare Part D premium
 - Out-of-pocket expenses such as copays and deductibles

Medicare and My HSA

- If you wait to elect Medicare after age 65:
 - Part A will be effective six months prior to Part B effective date
 - Stop contributing to HSA six months prior to Medicare effective or retirement date. HSA contributions will need to be prorated for that year
 - When you elect Social Security, you will be auto-enrolled in Part A

Medicare and My HSA

A practical example:

- Employee is retiring at year-end December 31st and is 67 years old
- Employee elects Medicare for January 1, 2020
 - Part A will be effective July 1, 2019
 - Part B will be effective Jan 1, 2020
- To be compliant with IRS, both Employee and Employer HSA contributions need to stop June 30, 2019

How Will I Pay for Healthcare When I'm Retired?

- Original Medicare
- Original Medicare + Medicare Supplement Insurance
- Privatized Medicare (Part C)
- Prescription Drug Expenses (Part D)

Transitioning From Employee to Retiree

- When am I eligible for Medicare?
- Can I start Medicare when I go on Social Security?
- What are my options if I retire early?
- What happens if I keep working past age 65?
- If I go on Medicare, what happens to my spouse if he or she is not yet eligible?



**Helping You Navigate Your
Medicare Decisions**

Call this number: 1.866.312.3535

Provide our company name:



Any Questions? _____

- Please pick up some additional resource materials before you leave
- We welcome any additional questions you may have, so please feel free to contact us



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or
402.964.5591



Information from: 1. "Medicare & You, 2016," Centers for Medicare & Medicaid, 2016;
2. "Choosing a Medigap Policy: A Guide to Health Insurance for People With Medicare," Centers for Medicare & Medicaid Services (CMS) and the National Association of Insurance Commissioners (NAIC), 2014

Thank You.

