



*In its continuing effort to serve our members and community at large, USAP proudly presents*

## **THINGS TO CONSIDER WHEN CHOOSING A HEALTH INSURANCE**

**Sunday, October 18, 2020 10:00 am**

[www.USAofPittsburgh.org](http://www.USAofPittsburgh.org)



Meeting ID: 857 2191 3993

Meeting PW: 2020

### **TOPICS**

- **Medicare Part A & B**
- **Medicare Part D**
- **Medicare Advantage**
- **Medigap Supplements**
- **Highmark and UPMC issue**
- **Enrollment Periods**
- **How to Enroll**
- **Where to go for help**
- **Also: Individual Health Plans for those under 65 and not on Medicare**



*HealthCare Plans, Premiums, Deductibles, Out of Pocket Maximum etc. change every year. Your situation may have changed too. You may find 2021 plans with coverage and features that better meet your needs than you currently have.*

**Please Join Special Guest-Speakers**

**Scott R. Lindstrom, CLU, ChFC**

**Halley-Dodson Insurance Advisors**

**Scott Lindstrom** is a graduate of the University of Pittsburgh with a degree in Mathematics and Economics. He has earned the professional designations of CLU (Certified Life Underwriter) and ChFC (Chartered Financial Consultant). **Scott** works with **Nayan Shah**, a member of his group.

Scott has diverse knowledge of the insurance industry and has worked for the Internal Revenue Service, Equitable-Axa Advisors, C.N.A Insurance, AAA Insurance, and ARMS Insurance Group. Scott holds his Health, Life, and Long Term Care Licenses as well as multiple company certifications.

**Nayan Shah:**

Nayan is an Independent Insurance Agent in Greater Pittsburgh Area for over 40 years offering Term & Life Insurance, Fixed & Variable Annuity, Health Insurance, and Disability Insurance, and Long Term Insurance.

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# 4 Parts of Medicare

## Part A

Hospital  
Insurance



## Part B

Medical  
Insurance



## Part C

Medicare  
Advantage Plans



## Part D

Prescription  
Drug Plans



# Medicare Summary 2020

## Part A

**In-Patient Expenses:** Hospital, Skilled Nursing, Hospice, & Home Care

No Premium if 40 Quarters: \$252/m 30-39 Quarters: \$458/m under 30 Quarters

### **Hospital**

You pay a \$1,408 deductible per hospital stay (benefit period) for days 1-60

You pay \$352 co-pay per day for days 61-90 (benefit period) \$10,560 for 30 days

You pay \$704 co-pay per day for days 91-150 (lifetime reserve days) \$42,240 for 60 days

You pay All costs after using your lifetime reserve days

### **Skilled Nursing**

Medicare pays 100% of costs for days 1-20

You pay \$176 co-pay per day for days 21-100, \$14,080 for 80 days

After 100 Days, You pay 100% of all expenses

### **Hospice & Respite Care**

You have limited co-pays and co-insurance for Hospice/Respite stays

### **Home Health Care**

Medicare covers most Medicare Approved home health care at 100%

You pay 20% for Durable Medical Equipment and Supplies

# Medicare Summary 2020

## Part B

**Outpatient Services:** PCP, Specialist, Lab Tests, X-Rays, Outpatient Surgeries

Part B Premium: \$144.60-2020, 135.50-2019 \$134.00-'18 & '17, \$121.80-'16, \$104.90-'15

Premium deducted from social security check or billed quarterly if not on social security

Higher Part B Premium if Income (AGI) is over \$85k Single or \$170k joint

Part B Deductible: Annual/Calendar Year Deductible \$198.00

Part B Co-Insurance: After deductible, Medicare pays 80% and you pay 20%

There is no out of pocket maximum on your 20% co-insurance

Part B Excess Charges: Physician may charge patient up to 15% add'l amount

States with No Excess Charges: PA, OH, NY, MA, CT, RI, VT, MN (8 states)

### **2 Types of Plans to help cover Medicare Out of Pocket Expenses**

1-Medicare Supplement or Medigap Plan


2-Medicare Advantage Plan


# Your choices — illustrated.

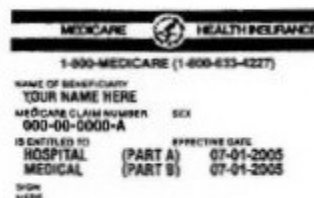
## Medicare Choices

### STEP 1 Enroll In Original Medicare.

**Original Medicare**  
Provided by the government

**PART A**  **Part A covers hospital stays**

**PART B**  **Part B covers doctor and outpatient visits**




### STEP 2 Decide if you need additional coverage. You have two ways to get it.


#### OPTION 1 — OR — OPTION 2

Add one or both of the following to Original Medicare:

**Medicare Supplement Insurance**  
Offered by private companies


 **MED SUPP** Covers some of the costs not paid by Original Medicare Parts A and B


**Medicare Part D**  
Offered by private companies


**PART D**  **Part D covers prescription drugs**

Choose a Medicare Advantage plan:

**Medicare Advantage (Part C)**  
Offered by private companies

**PART C**  **Part C combines Part A (hospital) and Part B (doctor)**

 Provides additional benefits

**PART D**  Most plans cover prescription drugs



## Medicare Supplement Plans Purchased on or after January 1, 2020 (Benefit Chart)

This chart shows the benefits included in each of the standardized Medicare Supplement plans.

Only applicants first eligible for Medicare before 2020 may purchase Plans, C, F, and High Deductible Plan F.

Note: A ✓ means 100% of this benefit is paid by the plan.

Benefits	Plans Available to All Applicants								Only those first Medicare-eligible before 2020	
	A	B	D	G*	K	L	M	N	C	F*
Medicare Part A coinsurance and hospital coverage (up to an additional 365 days after Medicare benefits are used up)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Medicare Part B coinsurance or copayment	✓	✓	✓	✓	50%	75%	✓	✓ *** plus copays	✓	✓
Blood (first 3 pints)	✓	✓	✓	✓	50%	75%	✓	✓	✓	✓
Part A hospice care coinsurance or copayment	✓	✓	✓	✓	50%	75%	✓	✓	✓	✓
Skilled nursing facility coinsurance			✓	✓	50%	75%	✓	✓	✓	✓
Medicare Part A deductible		✓	✓	✓	50%	75%	50%	✓	✓	✓
Medicare Part B deductible									✓	✓
Medicare Part B excess charges				✓						✓
Foreign travel emergency (up to plan limits)			✓	✓			✓	✓	✓	✓
Out of pocket limit (2020)					\$5,880**	\$2,940**				

\* Plan F and G also have a high deductible option which require first paying a plan deductible of \$2,340 before the plan begins to pay. Once the deductible is met, the plan pays 100% of covered services for the rest of the calendar year. High deductible Plan G does not cover the Medicare Part B deductible. However, high deductible Plans F and G count your payment of the Medicare Part B deductible toward meeting the plan deductible.

\*\* Plans K and L pay 100% of covered services for the rest of the calendar year once you meet the out-of-pocket limit.

\*\*\* Plan N pays 100% of the Part B coinsurance, except for a copayment of up to \$20 for some office visits and up to a \$50 copayment for emergency room visits that do not result in an inpatient admission.

## Medicare Advantage Plans Overview

Medicare outsources coverage to a private insurance company  
 The plan becomes your primary payor (you use your plan card-not Medicare card)  
 Medicare reimburses (pays) the insurance plan every month  
 Insurance plan takes over paying claims, billing, service, etc. from Medicare  
 Advantage plans are Network based plans HMOs or PPOs with Co-Pays  
 These plans replace traditional Medicare-you still pay Part B premium  
 Examples: Security Blue, Freedom Blue, UPMC for Life, Aetna/Advantra, UHC/AARP

### **Sample Advantage Plan**

#### Medical Benefits

Primary Care	\$0 to \$10 copay
Specialist	\$30 to \$40
Urgent Care	\$50 to \$60
Emergency Room	\$90 to \$120
Labs	\$0 to \$20
X-Rays	\$10 to \$30
MRIs/Scans	\$100 to \$300
Outpatient Surgery	\$225 to \$350
Ambulance	\$200 to \$300
Hospital	\$ per stay or \$ per days
Skilled Nursing	(\$0-20 days) then (co-pays to max 100 days)
Medical Max Out of Pocket	up to \$6700 per year
<i>does not count Rx costs</i>	

	<u>Part D Rx</u>	<u>Co-Pay</u>
Preferred Generic	Tier 1	\$0 to \$5
Standard Generic	Tier 2	\$0 to \$15
Preferred Brand	Tier 3	\$42 to \$47
Standard Brand	Tier 4	\$90 to \$100
Specialty Drug	Tier 5	33%

Most plans have preferred pharmacies with lower co-pays

<b>Coverage Gap</b>	\$4,020 in total drug costs	<i>- \$4130 2021</i>
Generics	25% cost share, 75% discount	
Brands	25% cost share, 75% discount	
<b>Catastrophic Level</b>	\$6,350 True out of pocket (Troop)	<i>- \$6550 2021</i>
Generics	\$3.60 or 5% coinsurance	
Brands	\$8.95 or 5% coinsurance	

#### Additional benefits possible (not provided by traditional Medicare)

Vision-Eye Exam	\$0 to \$25 copay	
Eyeglasses	\$100 to \$250	
Dental (preventive)	2 visits/year	
Dental (comprehensive)	basic, major	
Hearing Exam	0-\$25 copay	
Hearing Aids	co-pay or discount	
Silver Sneakers	free basic gym membership	
Over the Counter	\$20 to \$45/m	from catalog
Medical Rides	\$0 Medical Trips	Access type rides
Meals after hosp. stay	7 to 14 meals	

# Medicare Overview 2021

21<sup>st</sup> Century Cares Act allows those with ESRD to change MAPD plans  
You will no longer see the ESRD question on MAPD apps  
Prior to this, those on ESRD were basically trapped in their plan  
Now they are free to move to any MAPD plan in their service area

New Insulin Program will provide \$35 copays through the initial and coverage gap stages  
Not all plans will Participate in this program  
None of Highmark or Aetna's Advantage plans will participate  
All of the UPMC & United Health Care Advantage plans will participate

Medicare is urging people to use telehealth and virtual health visits when possible due to Covid 19  
Also, to meet with agents or company reps via phone, internet, virtual meetings.

## MAPD Plans

### Highmark

Highmark has new Community Blue Complete PPO with UPMC In Network  
Highmark Community Blue HMO will be out of network with UPMC  
All members in the Distinct PPO from last year will be mapped to the Complete Plan  
The Complete PPO will have the Network Sharing benefit (national coverage)  
Security Blue & Freedom Blue have mostly become Legacy Products

### UPMC

MOOPs (Annual Max out of Pocket) are going up to \$7,550 per year for all plans  
The Premier (Limited) Network plans now have full Network Access  
Increases in Dental and Ancillary benefits  
Plans participate with Insulin Savings Program

### Aetna/Advantra

Level Premiums or Reductions on all plans  
Increased Dental and other ancillary benefits  
OTC benefit switched to quarterly from monthly  
Prime Plans all remain \$0  
New Eagle Plan without Rx has Part B credit of \$40 to attract veterans

### United Health Care

UHC will have a new PPO (the Complete PPO) that will replace the current Plan 3  
All current members in the HMO Plan 3 will be mapped to Plan 2  
All plans will have national network access  
New PPO has a \$500 deductible that applies to most services other than doctor visits

### Humana

Choice PPO has the same co-pays In or Out of Network  
UPMC is still not In Network with Humana  
Lower out of pocket max makes this an attractive product



## Medicare Supplement Plans-2021

With all supplements, Medicare is the primary payor regardless of plan or company

When first going onto Medicare, you have a 6 month open enrollment period (guaranteed issue)

During this period, you can apply for any supplement plan with no medical questions (underwriting)

Clients do have a Trial Right for 12 months to try a supplement plan with rights to go back

Those who turned 65 prior to 2020 can still get Plan C or F

Those who turned 65 1-1-20 or later cannot get Plan C or F

Aetna, Cigna, Humana, and United are all competitive depending on age, area, zip code

\*\*Med Supp rates are somewhat high compared to Advantage plans

This is tempting many people to consider changing from Supp to Advantage

Supplements have much lower out of pocket maximums and national coverage

\*\*Highmark is offering a the like plan to like plan guaranteed issue offer

App must be submitted before 12/31/2020 for 1-1-2021 effective date

Clients must be those enrolled at age 65 or older (no clients issued on ssdi prior to 65)

If you have high premium supplement, this could provide savings

\*\*United AARP will offer dental discounts in their supp plans starting 1-1-21

To get United Med supp client must be a member of AARP, (does not apply to MAPD or PDP)

United Med Supp will still have Silver Sneakers, MAPD is moving to Renew Active

\*\*Aetna Underwriting has been fast and efficient. If client does not answer yet to any questions or have a drug on the auto decline list, client will be issued in nearly all situations.

\*\*Humana Achieve have competitive rates but do not include Silver Sneakers

\*\*Cigna has reduced rates to be more competitive

## Part D Rx-2021

### **Envision Elixir Rx**

Envision Rx has changed their name to Elixir Rx  
They will offer 2 plans for 2021, the Plus at \$15.60m and the Secure at \$35.00/month  
All clients in the current Plus plan will be mapped to the \$35 Secure Rx plan  
All of these clients need to be re-enrolled in the \$15.60 Plus plan

### **Aetna-Silver Script**

Offering an exceptionally low premium plan for \$7.30/m  
Designed for those who take no drugs or preferred generics  
Tier 1 has no deductible, Tiers 2-5 are subject to \$445 deductible  
Copays for tiers 2 to 5 are rather high

### **Humana**

They will still offer low cost Humana-Walmart Rx plan for \$17.30/m  
Preferred pharmacies are Walmart, Sams Club, & Mail Order

### **Wellcare**

Offer a number of good low premium Rx plans  
Some plans participate in the Insulin Savings Program  
Usually come up as one of the top 5 plans for most customers

### **Mutual of Omaha**

Will participate in the Insulin Savings Program  
Insulins copays will be \$25/m  
Plans normally cover brand drugs fairly well

### **New Indy Plans**

Plans are designed to work with Independent pharmacies and not the big chains  
Most Independent Pharmacies will be preferred while large chains will not  
Offer the lowest premium Rx plan without deductible at \$47/m

### **Points of Interest**

Shingles Shot: Zostavax or Shingrix (more popular recently)  
Generally Tier 3 with most companies meaning it is subject to deductible

Good Rx, Single Care, and other Rx discounts significantly reduce costs

Clients can generally use different insulins. If their insulin is not covered by the plans  
Have them check with their doctor about taking alternatives

Donut Hole (Coverage Gap) 2021: \$4,130 based on total cost of drug  
Catastrophic Level 2021: \$6,550 based on Troop (True out of Pocket expenses)

# Insulin Savings Program 2021

## Stand Alone Rx Plans

Wellcare	Wellcare	Mutual of Omaha	Humana	United
Wellness Rx	Value Script	Premier Rx	Premier Rx	Preferred Rx
<u>\$15.70/m</u>	<u>\$17.80/m</u>	<u>\$24.80/m</u>	<u>67.3/m</u>	<u>87.20/m</u>
Basaglar	Basaglar	Humalog	Fiasp	Humalog
Fiasp	Fiasp	Humulin	Lantus	Humulin
Levemir	Levemir	Lantus	Levemir	Lispro
Novolin	Novolin	Lyumjev	Novolin	Lantus
Novolog	Novolog	Toujeo	Novolog	Toujeo
Soliqua	Soliqua			Tresiba
Tresiba	Tresiba			
Xultophy	Xultophy			

## Medicare Advantage Plans

UPMC for Life	United Health Care
<u>All Plans w Rx</u>	<u>All Plans w Rx</u>
Basaglar	Humalog
Humalog	Humulin
Humulin	Lantus
Lantus	Levemir
Lyumjev	Lispro
Soliqua	Soliqua
Toujeo	Toujeo
Xultophy	Tresiba

2020

## How much does Part B cost?

The standard Part B premium amount in 2020 will be \$144.60. Most people will pay the standard Part B premium amount. If you modified adjusted gross income as reported on your IRS tax return from 2 years ago is above a certain amount, you'll pay the standard premium amount and an Income Related Monthly Adjustment Amount (IRMAA). IRMAA is an extra charge added to your premium.

If your yearly income in 2018 (for what you pay in 2020) was			You pay each month (in 2020)
File individual tax return	File joint tax return	File married & separate tax return	-
\$87,000 or less	\$174,000 or less	\$87,000 or less	\$144.60
above \$87,000 up to \$109,000	above \$174,000 up to \$218,000	Not applicable	\$202.40
above \$109,000 up to \$136,000	above \$218,000 up to \$272,000	Not applicable	\$289.20
above \$136,000 up to \$163,000	above \$272,000 up to \$326,000	Not applicable	\$376.00
above \$163,000 and less than \$500,000	above \$326,000 and less than \$750,000	above \$87,000 and less than \$413,000	\$462.70
\$500,000 or above	\$750,000 and above	\$413,000 and above	\$491.60

## Part D premiums by income

The chart below shows your estimated prescription drug plan monthly premium based on your income as reported on your IRS tax return. If your income is above a certain limit, you'll pay an income-related monthly adjustment amount in addition to your plan premium.

If your filing status and yearly income in 2018 was

File individual tax return	File joint tax return	File married & separate tax return	You pay each month (in 2020)
\$87,000 or less	\$174,000 or less	\$87,000 or less	your plan premium
above \$87,000 up to \$109,000	above \$174,000 up to \$218,000	not applicable	\$12.20 + your plan premium
above \$109,000 up to \$136,000	above \$218,000 up to \$272,000	not applicable	\$31.50 + your plan premium
above \$136,000 up to \$163,000	above \$272,000 up to \$326,000	not applicable	\$50.70 + your plan premium
above \$163,000 and less than \$500,000	above \$326,000 and less than \$750,000	above \$87,000 and less than \$413,000	\$70.00 + your plan premium
\$500,000 or above	\$750,000 and above	\$413,000 and above	\$76.40 + your plan premium



*Thank You!*