



Avoiding Medicare Mistakes in Retirement



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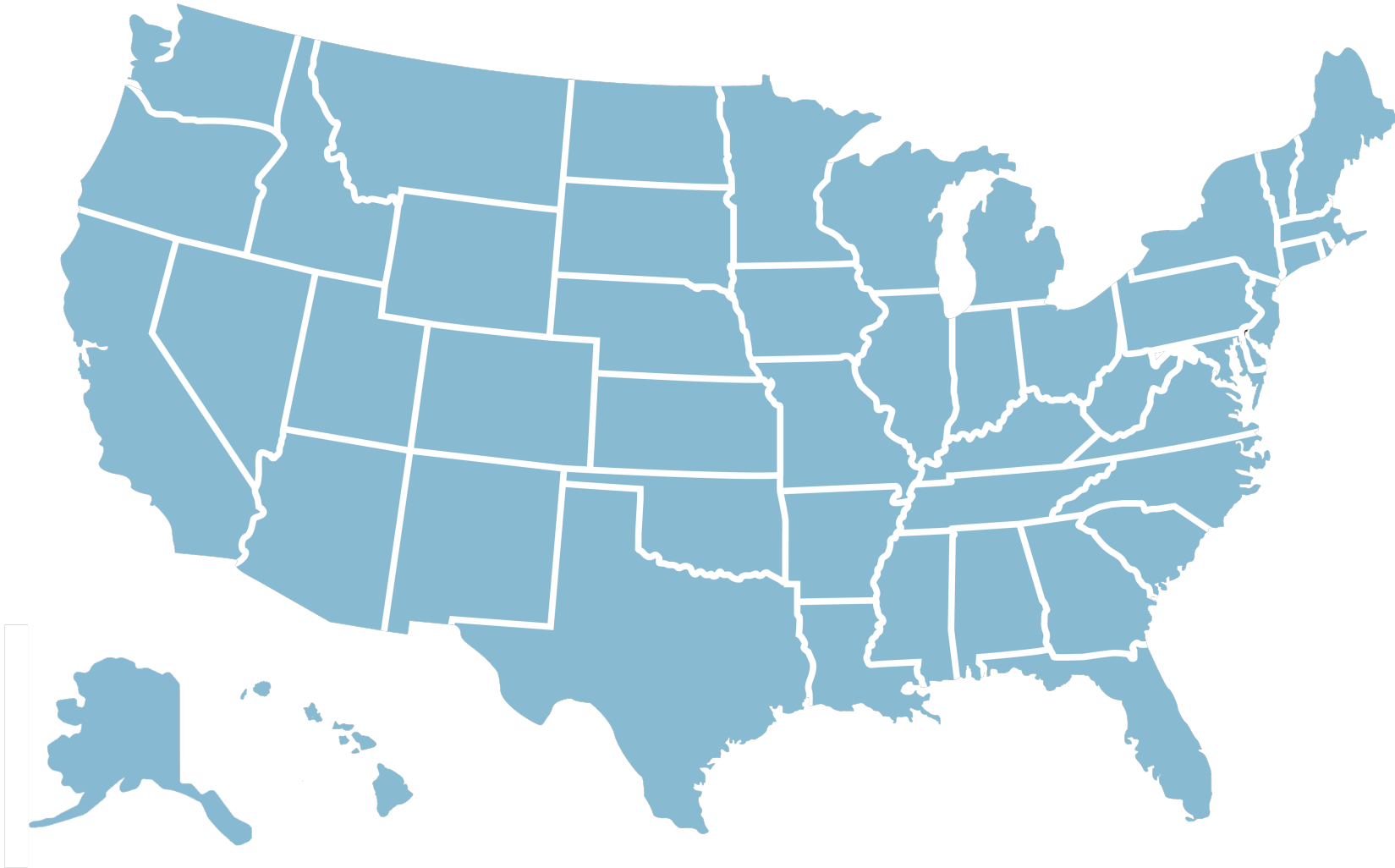


Steinlage Agency Services

FREE GUIDANCE ON HEALTH INSURANCE

- ✓ Free Medicare Advice
- ✓ Group vs Medicare Cost comparisons
- ✓ Navigating ACA*
- ✓ Discussing Retirement, Cobra and transitioning to Medicare
- ✓ Medicare Annual Enrollment Period check ups and reviews
- ✓ IRMAA determinations-high wealth individuals
- ✓ Prescription drug reviews every year October 15 - December 7th

Servicing Medicare clients Nationwide





What We'll Cover

1. Who is eligible for Medicare
2. What is Medicare and how do we differentiate between the various parts and plans
3. Upcoming regulation changes and IRMAA appeals



Who is eligible for Medicare

01

Anyone turning 65

- Enroll 3 months prior to turning 65

02

Older than 65, retiring and or leaving active employment/employer coverage/spousal benefit

- Furloughed, Laid-off, or retiring after 65
 - Medicare B enrollment can take up to 90 days to process-advise acting quickly and early to avoid delays and gaps in coverage
-

03

Under 65 and on Disability 2+ years

04

Under 65 and diagnosed with End Stage Renal Disease

Working after 65

- If turning 65 with plans to continue working, the size of the employer (or spouse's employer) determines whether Medicare is required (Parts A/B).
- **NOTE** - COBRA IS NOT DEEMED ACTIVE COVERAGE
- Does the employer offering group coverage have
 - 20+ Employees, then Medicare Part A/B is **optional**
 - Compare group plan to Medicare
 - Factors we consider – RX copays, IRMAA/Medicare premiums, younger spouse/children on the group plan, etc.
 - HSA **red flag** and 6 month look back,
 - Under 20 employees then Medicare A/B is **required**



What is Medicare?

DEDUCTIBLE

The amount you pay before Medicare pays.

Part A Deductible
\$1,676/
60
day-occurrence

Part B Deductible
\$257/ year

ORIGINAL MEDICARE PREMIUMS

Part A Hospital
\$0/month

+

Part B Medical
\$185/month

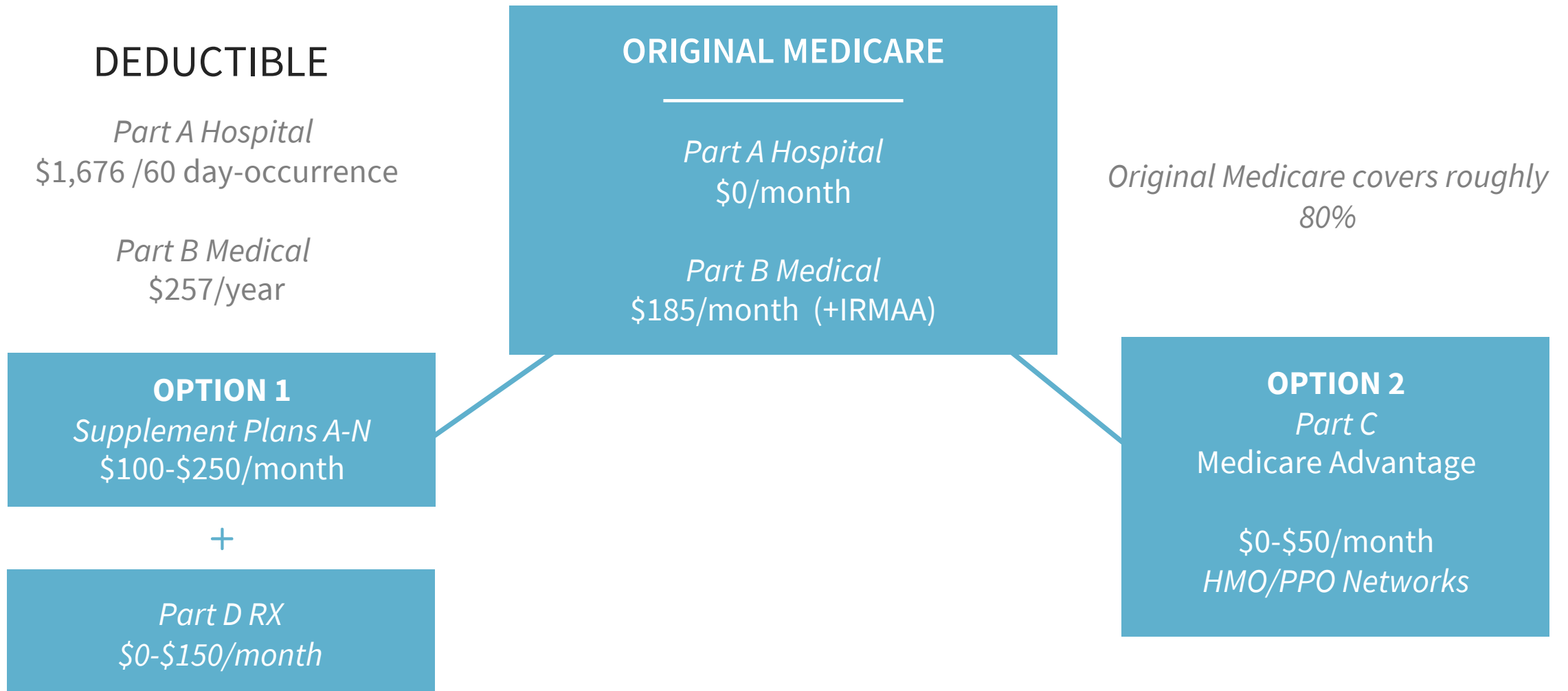
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IRMAA for B/D

NOTE

Once you meet your deductibles, Original Medicare covers roughly 80% of your Hospital and Medical costs.

How to fill the gaps in Medicare



Option 1: Medicare + Supplement + Part D

DEDUCTIBLE

Part A Hospital
\$1,676 per 60-day occurrence

Part B Medical
\$257/year

OPTION 1

Supplement Plans A-N
\$100-\$250/month

+

Part D RX
\$0-\$150/month

ORIGINAL MEDICARE

Part A Hospital
\$0/month

Part B Medical
\$185/month (+IRMAA)

Original Medicare covers roughly 80%

- Medicare is primary payor, Supplement is Secondary payor. This combo gives close to 100% coverage.
- Supplement plan covers the gaps after Medicare pays. Allows use at any Medicare provider.
- Foreign care coverage.
- Add a stand-alone Part D policy to cover prescriptions. Rx plans changing premiums, formularies, and coinsurance due to Inflation Reduction Act.
- Add a dental and or vision policy.
- Cons – high monthly premiums regardless if you need care.

Standardized Supplement

Medigap Plans A-N										
Medicare Supplement Insurance Plans	A	B	C	D	F ¹	G	K ²	L ²	M	N
Basic Benefits*	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Part B Coinsurance	✓	✓	✓	✓	✓	✓	50%	75%	✓	Copay ³
Skilled Nursing			✓	✓	✓	✓	50%	75%	✓	✓
Part A Deductible		✓	✓	✓	✓	✓	50%	75%	50%	✓
Part B Deductible			✓		✓	X				
Part B Excess					100%	100%				
Foreign Travel Emergency			✓	✓	✓	✓			✓	✓
Preventive Care Part B Coinsurance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

\$257/year
Part B deductible

Option 2: Part C Medicare Advantage

ORIGINAL MEDICARE

Part A Hospital
\$0/month

Part B Medical
\$185/month (+IRMAA)

OPTION 2

Part C
Medicare Advantage

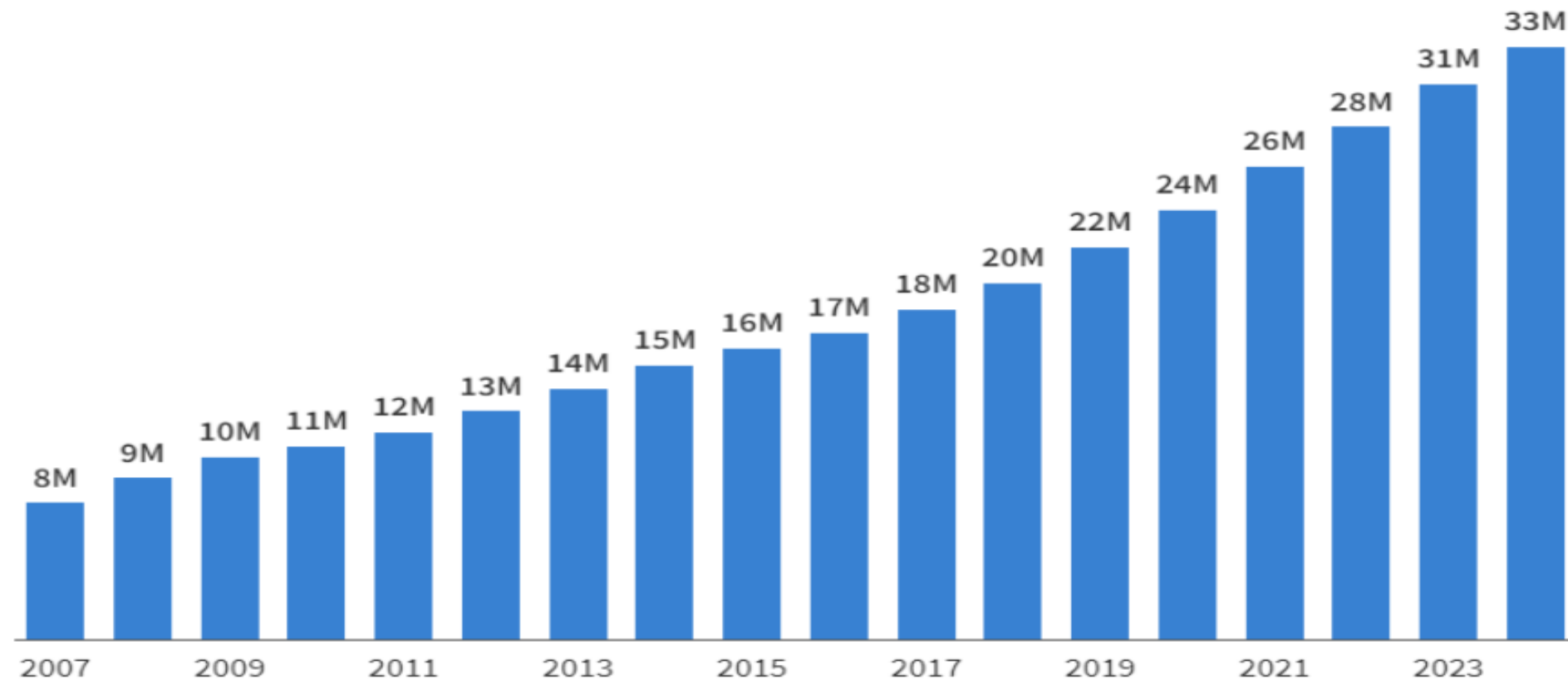
\$0-50/month
HMO/PPO Networks

- Medicare is no longer primary payor.
- Part C Medicare Advantage plan is primary payor and coordinates all care within its network.
- Includes Hospital, Medical, Prescriptions, and extras at no additional costs Dental, Vision, OTC, Hearing, Gym.
- Out of pocket maximum / cost cap --\$2,000-\$10,000/year.
- Many opt for an additional add on hospital indemnity plan for \$20/month.
- Keeps monthly costs low and allows policy holders to pay only when they utilize care.
- Cons – provider network and cost management tools like prior authorization.

Total Medicare Advantage Enrollment, 2007-2024

Medicare Advantage Penetration

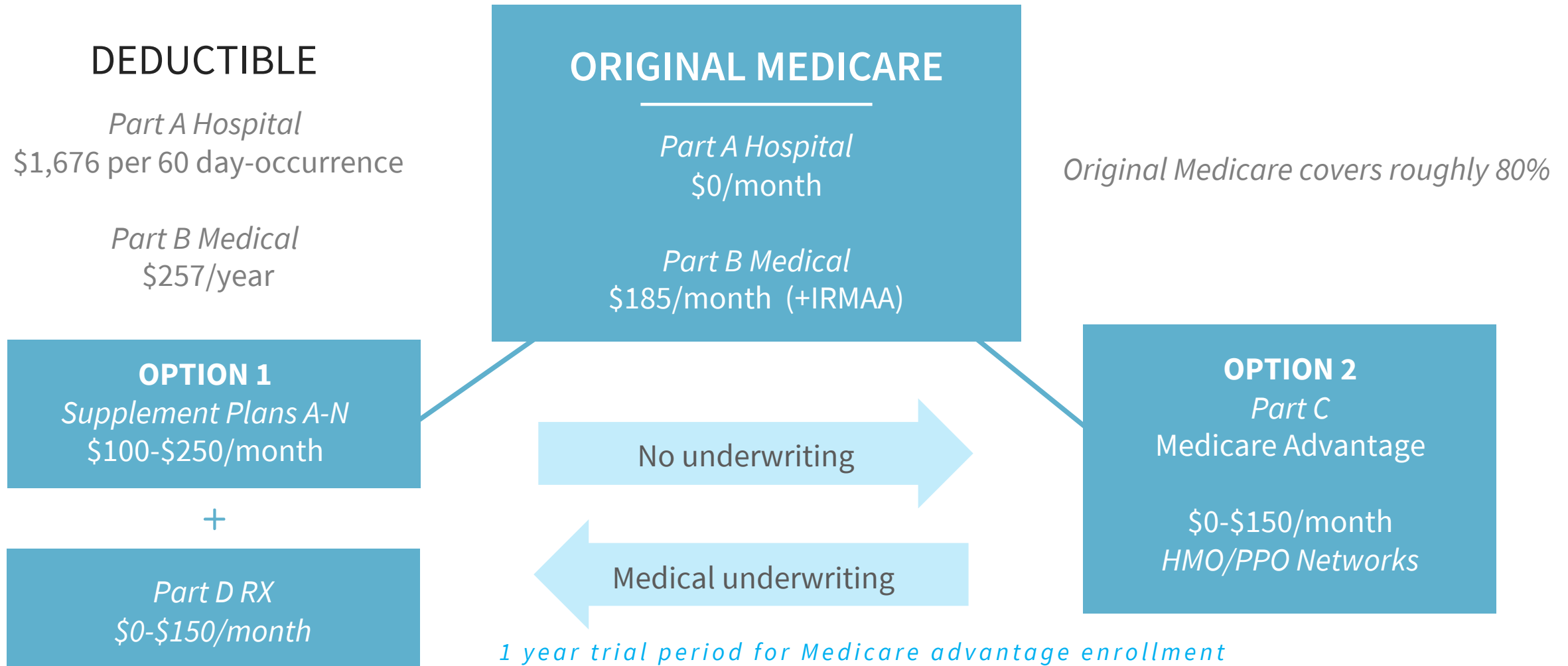
Medicare Advantage Enrollment



Note: Enrollment data are from March of each year. Includes Medicare Advantage plans: HMOs, PPOs (local and regional), PFFS, and MSAs. About 60.6 million people are enrolled in Medicare Parts A and B in 2024.

Source: KFF analysis of CMS Medicare Advantage Enrollment Files, 2010-2024; Medicare Chronic Conditions (CCW) Data Warehouse from 5 percent of beneficiaries, 2010-2016; CCW data from 20 percent of beneficiaries, 2017-2020; CCW data from 100 percent of beneficiaries, 2021-2022, and Medicare Enrollment Dashboard 2023-2024. • [Get the data](#) • [Download PNG](#)

Decide on a path



2025 Medicare Part D



DEDUCTIBLE PHASE

You are responsible for 100% of your prescription drug costs until your deductible* is met

*Your plan may have an annual deductible of no more than **\$590**

Plans may vary.



INITIAL COVERAGE PHASE

You pay up to 25% co-insurance under standard plan designs and medications covered in your plan's formulary. Less with Enhanced Designs

Max out of pocket **\$2,000**, then plan pays for all Formulary covered rx



CATASTROPHIC PHASE

After you reach your True Out-Of-Pocket (TROOP) costs for prescription drugs, you pay nothing and your medication is **100% covered**

Everything resets January 1st and you return to the deductible stage at the beginning of each year



IRMAA and Recent Changes

INCOME RELATED MONTHLY ADJUSTMENT AMOUNT (IRMAA)

The standard Part B premium amount in 2025 is \$185/month.

Most people will pay the standard Part B premium amount. If the modified adjusted gross income as reported on the IRS tax return from 2 years ago is above a certain amount, then standard B/D premiums increase. These premium adjustments are called, Income Related Monthly Adjustment Amount (IRMAA).

IRMAA is a surcharge added to the standard Part B premium and Part D premium.

If the 2023 modified adjusted gross income is above joint filing couple, then the 2025 Medicare costs are adjusted to reflect a higher monthly premium.

These readjust each year as of 1/1.

IRMAA Premiums

Medicare's *2 year look back*. The 2023 Modified AGI determines the Part B and Part D premiums owed for 2025.

2025 IRMAA (Income Related Monthly Adjusted Amounts)

Medicare premiums are income adjusted and use a 2 year look back. Your 2023 Modified Adjusted Gross Income (MAGI) determines what you would pay for Part B & Part D in 2025. The chart below shows the applicable costs for Part B & Part D with IRMAA added. If you had a qualifying event (IE Retirement) you can appeal the additional IRMAA fee. The amounts below do not include plan premiums.

If your yearly income in 2023 was as followed:

<u>File Individual Tax Return</u>	<u>File Joint Tax Return</u>	<u>File Married/Seperate Tax Return</u>	<u>Part B</u>	<u>Part B IRMAA</u>	<u>Part D IRMAA</u>	<u>Total Per Month</u>
\$106,000 or Less	\$212,000 or Less	\$106,000 or Less	\$185.00	\$0.00	\$0.00	\$185.00
\$106,000 - \$133,000	\$212,000 - \$266,000	Not applicable	\$185.00	\$74.00	\$13.70	\$272.70
\$133,000 - \$167,000	\$266,000 - \$334,000	Not applicable	\$185.00	\$185.00	\$35.30	\$405.30
\$167,000 - \$200,000	\$334,000 - \$400,000	Not applicable	\$185.00	\$295.90	\$57.00	\$537.90
\$200,000 - \$500,000	\$400,000 - \$750,000	\$106,000 - \$394,000	\$185.00	\$406.90	\$78.60	\$670.50
\$500,000 or More	\$750,000 or More	\$394,000 or More	\$185.00	\$443.90	\$85.80	\$714.70

For more information on IRMAA please visit: <https://steinlageagency.com/irmaa/>

Appealing IRMAA

If income has gone down due to any of the following situations, then we can successfully reduce the IRMAA.

- Recent marriage, divorce, or widow;
- Recently stopped work or reduced work hours;
- Lost income-producing property because of a disaster or other event beyond control;
- Experienced a scheduled cessation, termination, or reorganization of an employer's pension plan; or
- Received a settlement from an employer or former employer because of the employer's closure, bankruptcy, or reorganization.
- Appeal form <https://www.ssa.gov/forms/ssa-44-ext.pdf>

When to review coverage?

ANNUAL ENROLLMENT PERIOD (AEP)

- October 15 to December 7.
- Shop Part D or Medicare Advantage plan. Changes will take effect on January 1st.

OPEN ENROLLMENT PERIOD (OEP)

- January 1 to March 31.
- **Change your Advantage plan or drop your Part C and move to Original Medicare.**

MEDICARE SUPPLEMENT PLANS ARE NOT SUBJECT TO THE MEDICARE AEP OR OEP.

- May rate shop supplement plans anytime throughout the year. Most states require health questions and underwriting.





Miscellaneous

- Goodrx, cost plus drugs (Mark Cuban), Canadian Pharmacies.
- Dental plans are getting more competitive – many with no waiting periods and PPO access.
- Due to IRA - Many changes happening and market exits. Prudent to review coverage each year.
- Start the Medicare enrollment process early!

Thank you.



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