



Planning for Change

What Medicare's Annual Enrollment Period Means for Your Clients

United
Healthcare

Compliance

- This presentation is designed to give a general overview of the Medicare program, with a focus on consumers with income and assets who would typically engage financial planners or advisors. It does not cover all possible situations you may encounter in your practice.
- The information in this presentation is not intended to provide specific advice or guidance to any practitioner about any particular client. Like financial advice, Medicare plan recommendations depend on many factors, including health history, chronic conditions, medications, lifestyle, financial situations, and personal preferences.
- Financial practitioners do not need to hold any special license to discuss the basic features of the federal Medicare program or to refer a client to a government or private resource to explore or obtain coverage. Discussions or recommendations of particular products or plan benefits, in most cases, requires appropriate licensing, contracting, and annual certification.
- The federal Medicare program and related insurance plans or programs can and do change frequently. Always consult with an appropriately trained, licensed, and certified professional for specific questions.





Why Medicare? Why Now?

Why you?

The Landscape



Aging and Retiring Baby Boomers are turning to new sources for Medicare help and information.



The Financial Advice industry continues to evolve; consumer expectations, technology, new competitors, and fee pressure will continue to challenge advisors/planners.



The healthcare delivery system is also undergoing major changes, adding complexity to an already complex environment.

Advisors must continually evolve and add value!



The Opportunity

- 10,000+ Boomers turn 65 every day, continuing through 2030.
- Boomers control most of the wealth in the US (2X Gen X; 10X Millennials).
- Retirement planning is not complete without addressing healthcare needs; Advisors/Planners are in the perfect position to help.
- The result: Greater client satisfaction, retention, and growth.

Adding Medicare discussions to your practice differentiates you from robo-advisors and other competitors.



The Health/Wealth Connection

60% Agree it's important to **discuss health care costs** with financial advisors

81% Who discussed health care costs found the **conversation very helpful**

18% **Have discussed** health care costs with a financial advisor

Clients want and expect you to help them with their Medicare questions.





Medicare Basics

Yes, it is confusing.

The ABDs of Medicare

Let's start with Original Medicare:



Original Medicare **Part A**

Covers inpatient hospital and skilled nursing care



Original Medicare **Part B**

Covers outpatient care (doctors, clinics, labs, tests, etc) outside a hospital setting

Original Medicare is great, but:

- There is no maximum out-of-pocket limit on the 20% cost share, which can be substantial for even affluent individuals and families.
- No coverage for self-administered prescription drugs.
- Limited or no coverage for vision, hearing, or routine dental.
- Generally, no coverage for care received outside of the US (some limited exceptions)

Only 1 in 10 Medicare beneficiaries rely solely on Original Medicare



Filling in the gaps of Original Medicare



Prescription Drug Plans **Part D**

Covers approved self-administered prescription drugs



Medicare Supplement (or **Medigap**)

Pays for some or all approved out-of-pocket costs not covered by Original Medicare



Medicare Advantage **Part C**

Combines Hospital, Doctor, and usually Drug coverage in a single plan.



To Summarize:

Option 1

OR

Option 2

Add one or both of the following to Original Medicare:

Choose a Medicare Advantage plan:

Medicare Part D Plan

Offered by private insurance companies



Helps pay for prescription drugs

Medicare Supplement Insurance (Medigap)

Offered by private insurance companies



Helps pay some or all of the out-of-pocket costs that come with Original Medicare

Medicare Advantage (Part C) Plan

Offered by private insurance companies



Part C

Combines Part A (hospital insurance) and Part B (medical insurance) in one plan



Part D

Usually includes prescription drug coverage



May offer additional benefits like vision and dental coverage



Key Dates: Medicare Moments



- Clients who qualify for Medicare leaving a group plan: 63 days
- Clients turning 65: 7-month window; 3 months before birthday month, birthday month, 3 months after birthday month
- Clients already 65 and on Medicare: Annual Enrollment Period (AEP): October 15th through December 7th. (these folks will be bombarded with marketing starting October 1)



Initial Enrollment Period



Parts A, B, C and D initial enrollment: **65** 3 months before and 3 months after

Medicare Supplement open enrollment: 6 months



Annual Enrollment Period



Medicare Supplements and Guaranteed Issue

- Medicare Supplement is not always guaranteed issue, unlike other products
- Specific periods with specific triggers, such as:
 - Original Medicare + employer group plan that is ending
 - Plan is leaving Medicare or service area change
 - Consumer moves out of service area
- Complex, important to speak to a licensed agent for guidance

**Guaranteed Issue:
Enroll in a Medicare
Supplement plan
without consideration
of pre-existing
conditions, age, etc.**

Medicare Enrollment A is always GI switching Med Supp isn't





IRMAA & Medicare Penalties

Are your customers “Prepared”?

What is IRMAA?

IRMAA is a surcharge added to monthly Medicare Part B and Part D Premiums, based on yearly income (MAGI)



Social Security Administration (SSA) uses income tax information from two years ago to determine if an IRMAA is owed in addition to monthly premium



The surcharge amount paid depends on factors like your income bracket and how taxes filed



IRMAA

Yearly income in 2019: individual	Yearly income in 2019: married, filing jointly	Yearly income in 2019: married, filing separately	Part B monthly premium for 2021
≤ \$88,000	≤ \$176,000	≤ \$88,000	\$148.50
> \$88,00–\$111,000	> \$176,000–\$222,000	—	\$207.90
> \$111,000–\$138,000	> \$222,000–\$276,000	—	\$297
> \$138,000–\$165,000	> \$276,000–\$330,000	—	\$386.10
> \$165,000–< \$500,000	> \$330,000–< \$750,000	> \$88,000–< \$412,000	\$475.20
≥ \$500,000	≥ \$750,000	≥ \$412,000	\$504.90



Medicare Penalties

Medicare Part A

If a consumer has to buy Part A, and doesn't buy it when first eligible for Medicare, the **monthly premium may go up 10%**. That consumer will have to pay the higher premium for twice the number of years they didn't sign up. **IRMAA relates to income related monthly adjust amount.**

Medicare Part B

If a consumer didn't get Part B when first eligible, their monthly premium **may go up 10% for each 12-month period they could have had Part B**, but didn't sign up.

Medicare Part D

If there's a **period of 63 or more days in a row** when a consumer doesn't have Medicare drug coverage or other creditable prescription drug coverage, Medicare adds a penalty of **1% of the “national base beneficiary premium x the number of uncovered months.**





Medicare and Your Practice

Now you know why; let's talk about how

Offering Medicare Assistance To Clients



- Identify appropriate clients.
- Let them know you can assist them with Medicare and inviting them for a review.
- Identify expert resources to work with.
- Include Medicare and health related discussions in your annual client reviews.
- Provide seminars, webinars, or videos on Medicare topics during key times of the year.
- **Don't wait to be asked!** If your Medicare eligible clients are not talking to you, who are they talking to?



Refer or Sell? Different models to fit most practices



Refer to trusted agents or other resources.

Fee-only

Complexity of products

Required annual certification for each company represented

Relatively low compensation



Separate insurance licensed employees **on staff**



Become licensed, contracted and certified to sell.



Seminars or other marketing efforts on Medicare.





Medicare Moments

Annual Reviews for 60+

- Does the client's company offer post-retirement healthcare or subsidies?
- Is there a spouse or children on the plan that will lose coverage upon retirement? Does the spouse have a group plan available to him/her?
- Is the client planning on moving post-retirement?
- Are there specific chronic conditions or special health needs to consider?
- The closer to age 65 and retirement, the more details are needed.



Client is retiring and wants to review finances

- Leaving their group plan
 - What's the plan for the spouse, what's their plan
- Confirm the information from those previous annual reviews is still true
- Understand COBRA options and costs
- Gather key information such as current medications, chronic conditions, current providers, preferred hospitals (or have agent do this)





Client tells you about an upcoming move

- Healthcare is very local.
- Medicare Advantage Plans are based on service areas, often vary county by county.
- Medicare Supplement plans are not accepted by all providers.

Annual Review for Medicare eligible

- Review for changes:
 - Health conditions
 - New medications
 - New providers
 - Lifestyle changes – moves or travel
- Plans can and do change annually:
 - Premiums, co-pays, co-insurance, formulary
 - Benefits and coverage
 - Network **CHANGE TO PROVIDERS**





Find more resources:
UHCforAdvisors.com

Additional questions:
FPAInfo@uhc.com



UHCforAdvisors.com

- Find additional resources:
 - Tips for adding Medicare to your practice
 - Medicare concepts directed at planner and advisors
 - Medicare educational materials to download and provide to your clients
- Get connected to UHC's advisor-dedicated team via phone or email

Add Medicare Guidance to Your Practice

Today's clients and prospects have questions about retiree health care and how it impacts their long-term financial goals. Medicare is central to that discussion. More than ever, today's advisors need to constantly add value beyond investment management to keep and grow their client base.

- Helping a retiring Boomer with Medicare questions is a big value-add that differentiates you from other advisors and firms.
- Your Medicare-eligible clients must make annual decisions around their coverage. If they are not talking to you about it, who are they talking to?
- Learn more in our Education section below, or reach out to our Advisor-dedicated team for one-on-one assistance by clicking the button below or emailing MSInfo@uhc.com

Ask a Question



For Financial Planners and Advisors: Resources to Drive Medicare Conversations

Medicare Concepts for Financial Advisors

Download

Adding Medicare Guidance to Your Practice

Download

Original Medicare vs Medicare Advantage

Download

5 Tips for Choosing a Medicare Plan

Download

Delayed Retirement and Medicare Enrollment

Download

Medicare Education for Your Clients

Getting Started with Medicare

Download

Medicare Basics

Download

Medicare Quick Tips

Download

Medicare While Working

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