NYSUT Long Island Retiree Councils



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Retiree Health Options

What you Don't Know CAN Hurt you...



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Types of Retiree Health Insurance

- Insurance through employment or purchase
- Medicare Parts A (Hospital) and B (Doctor) Medicare part B premium (2021-\$148.50) High Income earners can be charged up to \$504.90 a month
- Medicare Plus Supplemental Coverage Extra Cost
- Medicare Advantage Medicare Part C replaces Part A and B coverage
- Drug Coverage Medicare Part D Extra Cost(from premium cost to premium cost + \$77.10 based on income)
- Combination of 1 and 2 above

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Criteria for Good Retiree Health Care

- Cost Premium, co-pay, co-insurance and deductibles
- Physician Network
- Mental Health Services
- Hospital Network
- Drug Formulary
- Ease of Use PPO network, gatekeeper, Denial of coverage for doctors and/or treatment wishes
- Ancillary benefits Drugs, Dental, Vision, Hearing, over the counter drugs, recovery of Medicare Part B costs, transportation and nutrition



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Which of the Criteria is Most Important to You



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Terms to Understand

- A copay is a set rate you pay for prescriptions, doctor visits, and other types of care.
- Coinsurance is the percentage of costs you pay after you've met your deductible.
- A **deductible** is the set amount you pay for medical services and prescriptions before your coinsurance kicks in.
- Out-of-pocket expenses are the medical expenses you must pay yourself. After you have spent the out-of-pocket maximum, your health care plan should cover 100% of eligible expenses.
- Generally, the lower your monthly premiums, the more out-of-pocket expenses you will have to pay before insurance begins to cover your bills.
- **Participating Provider** is a provider that accepts Medicare's approved amount for services as full payment
- **Network**: Doctors, hospitals and medical facilities that contract with a plan to provide services



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Insurance through Former Work or on the Open Market

- This is the ONLY option you have until you are 65, disabled or suffer from end stage renal failure
- Plans vary as do premium sharing costs (\$0-20% generally is the range) Coverage often cover family.
- Retirees under 65 have no other option
- % of premium may be different than when an active member
- Understandable plan as this is a continuation of coverage
- Continuation of Physicians you have been seeing and Rx you have been taking without change



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Medicare

- Established in 1965 under President Johnson with Parts A (hospital)and B (doctors) available only to those over 65. Expansion to parts C (Medicare Advantage) and D (Drug Coverage established under George W. Bush) were added later. The process to get to Medicare was started during the Truman Administration
- You are signed up automatically at age 65 if you are collecting SS. If not, you must sign up within a 7 month period of your 65th birthday (3 months prior to your 65th birthday month and 3 months after your 65th b'day month if you are not **ACTIVELY** employed) Actively employed does NOT count collecting COBRA Coverage.



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- **Medicare (2)** If you do not sign up during this 7 month period, if you are not actively employed, for part B you will be penalized 20% per month for as long as you have part B coverage
- Generally Medicare covers 80% of covered procedures after a deductible (\$1484 for part A and \$203 for part B)
- You may go to any doctor that accepts Medicare assignment. THEY DÓ NOT ALL TAKE ASSIGNMENT YOU MUST ASK BEFORE YOU GO.
- You will pay 20% coinsurance for covered services
- Not all services are covered. You will get a book Medicare and You The official US Government Medicare handbook yearly to check the services covered
- Presently no coverage for routine vision, dental or hearing at the present time aside from things like cataract surgery with basic lenses and eye disease



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Medicare Supplemental "Medigap"

- Provided through private insurance companies
- Designed to fill in the "gaps" in cost of traditional Medicare
- Average cost is between \$70 and \$270 per month. The cost determines how much of the deductibles, coinsurance and co-payments are covered
- Pays all or part of remaining costs after Original Medicare pays first
- The Premium charged is in addition to Part B Premium
- You may see any provider and use any facility that accepts Medicare



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Medigap (2)

- You do not need referrals to specialists
- Generally only covers Medicare Cost sharing. However it may cover costs Medicare does not cover at all, like 365 additional lifetime days for hospital care received when travelling abroad
- In most States, insurance companies must only sell you a policy at certain times and if you meet certain requirements. Call NYS Health Insurance Assistance program at 1-800-701-0501 with any questions



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Medigap (3) What is Covered - Mandatory

All policies must cover:

- Hospital co insurance
- 365 days additional days of full hospital coverage
- Full or partial coverage for the 20% coinsurance for part B coverage
- Full or partial coverage for the first 3 pints of blood needed each year
- Hospice coinsurance for drugs and respite care



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Medigap Add ons

Depending on premium the following may be covered

- Hospital deductible
- Skilled nursing facility coinsurance
- Part B deductible* (newly eligible on or after 1/1/20 cannot purchase plans that pay part B deductible
- Emergency care outside US
- At home recovery
- Preventive care that Medicare does not cover
- Excess physician charges



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Medicare Advantage Medicare Part C

- Medicare + Choice signed into law in 1997 by President Bill Clinton designed to save costs by managed care
- The name changed to Medicare Advantage in 2003
- Medicare Advantage plans automatically cover Medicare parts A and B, except hospice services
- Medicare advantage is provided by Insurance Companies and sold by insurance agents who know little about healthcare
- Medicare Advantage plan benefits and fees vary widely and are generally geared to healthy people
- If you live in the designated service area of a plan and have parts A and B (or are becoming eligible) you may join the plan
- Your can switch back to original Medicare during the annual open enrollment period or the Medicare Advantage open enrollment



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Medicare Advantage (2)

- Cost Sharing varies by plan. Usually pay a co-pay for in network care. Make sure to compare a particular plan's costs sharing to original Medicare
- Plans may charge a monthly premium in addition to the part B premium. (Typically \$25-30 per month without drug coverage and \$65 with drug coverage)
- You typically may ONLY see in network (of the insurance company) providers.



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Medicare Advantage (3) In Network providers

- Generally speaking the network is geographically enabled. When you go out of your area in the US or out of the country there is no network to choose.
- Generally the more "popular" doctors (Ones people WANT to see) are not in MA networks because they don't need to be.
- Network doctors, hospitals and clinics can change at any time. Basic Medicare not so much



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Medicare Advantage (4)

- May cover additional services including vision, hearing and dental (additional benefits may increase your premium or other out of pocket costs) These are what are highlighted because they entice you to purchase the insurance;
- You may use the fall open enrollment period (October 15-December 7) to pick a new Medicare Advantage program or switch between Original Medicare and Medicare Advantage. That is why you are inundated with calls, mail, texts and e mails at this time of year



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Medicare Advantage (5)

- President Trump enhanced Medicare advantage payments to companies and allowed more benefits to be given by MA as a way of privatizing healthcare
- Different areas have different Medicare Advantage programs and Medigap programs. One size does NOT fit all. For help in sorting through these plans call the NYS Health Insurance Assistance Program at 1-800-701-0501 or your NYS county office for the Aging or look in the Medicare and You 2022 "The official US government Medicare Handbook" appendices pages 124-124t Medicare Advantage and Medicare Prescription Drug Plans pages 129-129b



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Negotiated Retiree Health Plans

These plans are designed to enhance Medicare

- Negotiation means negotiating the "plan" not negotiating a plan.
- Negotiation includes trying to address the limitations/downsides of Medicare Advantage while trying to enhance Original Medicare
- The goal is to improve coverage for retirees covered by Medicare
- The title of the negotiated plan is immaterial look beyond it.



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Examples of Negotiated Retiree Health Plans

NYC Medicare Plus Plan – Negotiated by the Municipal Labor unions Highlights/Promised:

- Still no Retiree Premium and continued Medicare Part B reimbursement
- Equivalent provider access. You will not have to stop seeing your doctors
- Same Rx Benefits as currently
- Annual out of pocket now capped at \$1,470 vs no cap now
- Nationwide Service (No proprietary network)
- Improved in patient hospital and optional Medicare D drug rider
- Additional services (meal delivery, fitness/mobility programs, transportation program, a fitness tracking device , hearing aids and incentivizing healthy behaviors



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AFL-CIO Anthem Group Medicare Advantage Plan Through Union Plus Credit Card

AFL-CIO Mutual Benefit Trust – Sponsor, Anthem – Health Carrier, Benistar – TPA and Union Plus

- Group Retiree health benefit for union members that lack access to negotiated benefits
- Nationwide access to doctors no restricted network. If a doctor takes Medicare Assignment they are covered
- Mirrors Medicare advantage in benefits and cost
- Similar to NYC plan

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Getting More information

- Go to a knowledgeable source with nothing to gain. Going to an insurance agent not a good idea both because of knowledge level and things to gain
- Governmental sources are often good and are able to analyze YOUR needs and the products that best address them
- Pick someone with a working knowledge of all the options and combinations of options
- When you sit down with the person bring all conditions to the table (Drugs taken, physicians, illnesses existing, travel, current health care costs etc.)



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Specific Resources

- NYS Office for the aging look up your county office
- NYS Health Insurance Assistance Program (SHIP) 1-800-701-0501 or <u>https://aging.ny.gov/health-</u> insurance-information-counselling-and-assistance
- Center for Medicare Services medicare.gov or 1-800-medicare (633-4227)
- NYS Health Department



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