

# Balancing Retirement Healthcare Quality & Cost

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**Wealth Advisor Making the Complex Simple**

- Created **two national AICPA podcast series - Retirement Readiness and Women and Wealth.**
- A **TEDx presenter** on **Retirement: Longevity and Security.**
- Regularly published and quoted in national and local publications, including **The Wall Street Journal, CNBC, US News & World Report, Kiplinger's, The Business Journal, The Tax Adviser, Journal of Accountancy, NCACPA Interim Report, How Stuff Works** and more.



- AICPA ENGAGE Advanced Personal Financial Planning Conference Investment & Risk Management Committee Leads
- AICPA Personal Financial Specialist (PFS) Credential Committee Member
- Greensboro Estate Planning Council Board Member
- Society of Financial Service Professionals (SFSP) Board Member and Foundation Board Chair
- NCACPA Triad Women's Initiatives Group Chair
- Women's Professional Forum Financial Divas Chair
- Plenteous Financial Forum Chair and Founder

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# Getting It Right

**Timely Enrollment in Medicare**

**Choosing the Right Private Insurance**

**Planning for Higher Healthcare Costs in Retirement**

# Funding Sources for Health Care in the U.S.

## Before Age 65:

- Employer-sponsored group health insurance
- Retiree health insurance
- COBRA (Consolidated Omnibus Budget Reconciliation Act)
- Individual health insurance
- Other sources

## After Age 65:

- Medicare is the primary payer (unless you or your spouse are still working and covered by an employer group plan with 20 or more employees)
- Other insurance pays second

**Important Note:** Unless you are covered by an employer group plan with 20 or more employees, you must enroll in Medicare when you turn 65. This coverage must be based on the current employment of either yourself or your spouse.

# Medicare vs. Medicare Advantage

## **Original/Traditional Medicare:**

- Part A Hospital Insurance
- Part B Medical Insurance
- Supplemental Medigap Insurance
- Part D Medicare Prescription Drug Coverage

## **Medicare Advantage:**

- Part C Medicare Advantage

# The Enrollment Periods

## Initial Enrollment Period

- Eligibility:** For individuals turning 65 who are not covered by an employer-sponsored group plan with 20 or more employees.
- Best Time to Sign Up:** 3 months before your 65th birthday.
- Coverage Start Date:** The 1st day of the month you turn 65.

## Special Enrollment Period

- Eligibility:** For individuals over 65 who are covered as a current worker or as the spouse of a current worker under a large group plan (20 or more employees).
- Best Time to Sign Up:** Before your current coverage ends.
- Coverage Start Date:** The 1st day of the month you enroll (if you enroll no later than the month after your coverage ends) or the 1st day of the month following your enrollment if you enroll later.

## General Enrollment Period

- Eligibility:** For individuals over 65 who missed the initial enrollment period.
- Enrollment Window:** January 1 – March 31.
- Coverage Start Date:** The month after you enroll.



## Who Signs up for Part A During the Initial Enrollment Period?

About everyone who turns 65... If continuing to work and covered by a large ( $\geq 20$  employees) group health plan, check with benefits administrator.

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## Who Signs up for Part B During the Initial Enrollment Period?

People who are not covered by a comprehensive employer-sponsored group health plan that covers 20 or more employees when they turn 65. This includes people who are:

- Not working
  - Self-employed
  - Employed by a company with <20 employees
  - On COBRA
  - Receiving retiree health benefits
  - Employed by a company whose health plan is less comprehensive than Medicare
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## Who Signs up for Part D During the Initial Enrollment Period?

People who have signed up for Parts A and B and want prescription drug coverage, either now or in the future.

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# Monthly Premiums

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- Part A Paid to Medicare
  - \$0 if self or spouse paid into Social Security  $\geq 40$  quarters (10 years)
  - \$278/mo. if 30–39 quarters SS
  - \$505/mo. if  $< 30$  quarters SS
- Part B Paid to Medicare
  - \$174.70/mo. in 2024
  - Plus income-related adjustment if applicable
- Part D Paid to Private Insurer
  - Varies with plan
  - Plus income-related adjustment paid to Medicare if applicable

# Monthly Premiums for Parts B & D Including Income Related Adjustment Amounts

MAGI Single	MAGI Joint	MAGI Married filing separately and living with spouse	Part B monthly premium paid to Medicare	Part B IRMAA paid to Medicare	Part D IRMAA paid to Medicare	Total Parts B & D premium
≤\$103,000	≤\$206,000	≤\$103,000	\$174.70	\$0.00	\$0.00	\$174.70
\$103,001– \$129,000	\$206,001– \$258,000		\$174.70	\$69.90	\$12.90	\$257.50
\$129,001– \$161,000	\$258,001– \$322,000		\$174.70	\$174.70	\$33.30	\$382.70
\$161,001– \$193,000	\$322,001– \$386,000		\$174.70	\$279.50	\$53.80	\$508.00
\$193,001– \$500,000	\$386,001– \$750,000	\$103,001–\$396,999	\$174.70	\$384.30	\$74.20	\$633.20
≥\$500,000	≥\$750,000	≥\$397,000	\$174.70	\$419.30	\$81.00	\$675.00

These do not include premiums for Drug Plans, Medicare Supplement, or Medicare Advantage plans

# Deductibles (Amount You Pay)

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- Part A \$1,632 per spell of illness
- Part B \$240 per year... Waived for some preventive services such as flu shots, some mammograms and Pap smears, bone mass tests, prostate screening, diabetes tests, some others
- Part D \$545 per year

# Coinsurance (Amount You Pay)

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## ➤ Part A

- HOSPITAL: \$408 for days 61–90 | \$816 for days 91–150
- SKILLED NURSING: \$204 for days 21–100

## ➤ Part B

- ASSIGNED CLAIMS: 20% of Medicare approved rate
- UNASSIGNED CLAIMS: 20% of approved rate + balance of actual charge up to an additional 15% of the approved charge

## ➤ Part D

- Under the standard drug benefit, once you and your plan spend \$5,030 combined on drugs (including deductible) in 2024, you'll pay no more than 25% of the cost for prescription drugs until your out-of-pocket spending (including certain payments made on your behalf, like through the Extra Help program) is \$8,000.

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# Medigap Plans

✓ = Plan covers 100%

✗ = Plan doesn't cover

% = Amount the plan covers

Medigap plans

Benefits	A	B	C	D	F	G	K	L	M	N
Part A coinsurance & hospital costs	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Part B copays/coinsurance	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Blood (first 3 pints)	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Part A hospice	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Skilled nursing facility	✗	✗	✓	✓	✓	✓	50%	75%	✓	✓
Part A deductible	✗	✓	✓	✓	✓	✓	50%	75%	50%	✓
Part B deductible	✗	✗	✓	✗	✓	✗	✗	✗	✗	✗
Part B excess charges	✗	✗	✗	✗	✓	✓	✗	✗	✗	✗
Foreign travel emergency	✗	✗	80%	80%	80%	80%	✗	✗	80%	80%
							\$7,060	\$3,530		
							Out-of-pocket limit in 2024			

## Notes:

- Plan F & Plan G also offer a high deductible plan in some states.
- Plan K & Plan L show how much they'll pay for approved services before you meet your out-of-pocket yearly limit and Part B deductible. After you meet these amounts, the plan will pay 100% of your costs for approved services.
- Plan N pays 100% of the costs of Part B services, except for copays for some office visits and some emergency room visits.

# What Medicare Does Not Cover

- Long-term care
- Care delivered outside the U.S.
- Dental care
- Vision care
- Hearing aids
- Cosmetic surgery
- Acupuncture and other alternative care
- Amounts over Medicare-approved amount
- Amounts not covered by deductibles and coinsurance (20%)

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# Typical Medicare Budget Today

Insurance Premiums

Expenditure	Monthly amount
Part B premium	\$174.70
Supplemental Medigap premium	\$200.00
Part D drug plan premium	\$40.00
Total	\$414.70

*For illustrative purposes only.*

# Typical Annual Health Care Budget Today

Insurance Premiums and Out-of-Pocket Costs

Expenditure	Annual amount
Insurance premiums: \$414.70 x 12	\$4,976.40
Prescription drugs: out-of-pocket costs	\$650
Dental out-of-pocket	\$450
Vision out-of-pocket	\$300
Alternative care out-of-pocket	\$200
Total	\$6,576.40

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Let's Connect!

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# Questions?

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