

The Medicare Marketplace

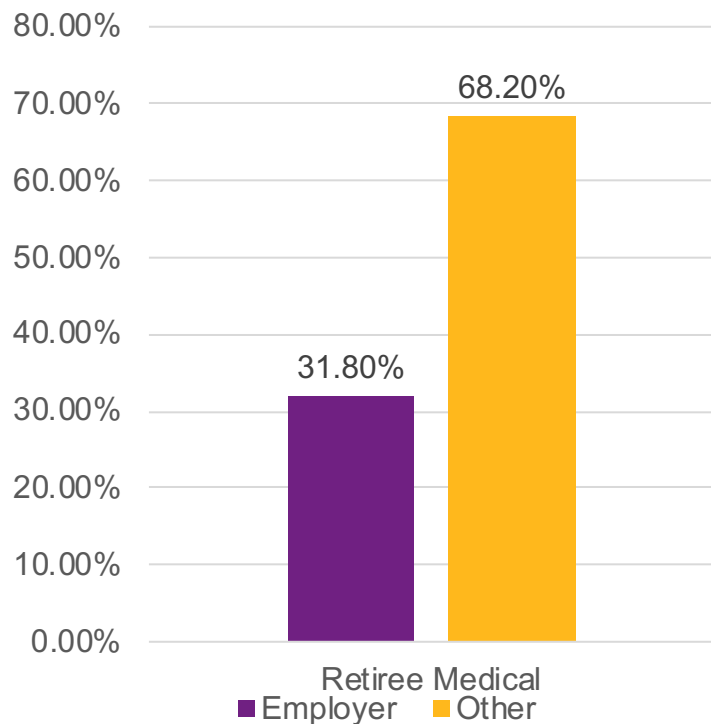
October 2021

Agenda

- Where do retirees get coverage?
- Basics of Medicare Parts A to D
- Medigap vs. Medicare Advantage
- Added Benefits in Medicare Advantage Plans
- Prescription Drug Coverage (Part D)



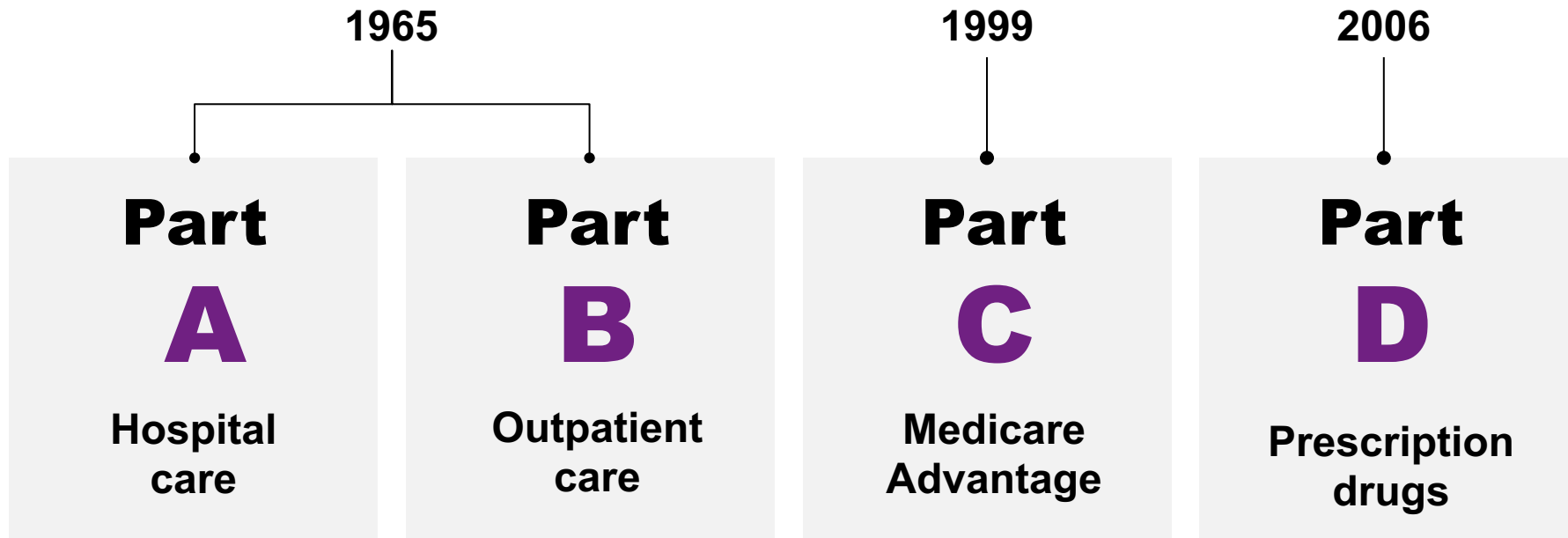
Where do retirees get coverage?



Source: 2021 Willis Towers Watson Benefits Data Source

- A vast majority of employers today do NOT sponsor retiree medical plans
- Of those that do, most do not subsidize the cost, so the retirees pay the full cost of the premiums
- Most retirees buy supplemental coverage on the open market or through employer-sponsored “retiree exchanges” that use the individual marketplace as means of providing coverage
- The individual Medicare market is well developed and regulated and provides very competitive products to supplement (or as an alternative to) traditional Medicare

Basics of Medicare



Part A – Original Medicare

Hospital inpatient

- Inpatient hospital care, short-term skilled nursing facility care, some hospice care, some home health
- Premium-free if worked at least 10 years (40 quarters); otherwise, you will pay some premium
- Typically covers 80% of hospital costs
- Has daily hospital deductibles



Part B – Original Medicare

Medical outpatient

- Doctor visits, outpatient care, home health care, durable medical equipment, medical services, some preventive care
- Enroll when you turn age 65 **if you are no longer covered by employer health care**
- Pay monthly premium based on your income. Typically pays 80% of costs and has an annual deductible



Part C – Medicare Advantage

Stands in place of original Medicare

- Medicare health plans offered by private insurance companies
- Must provide coverage that meets or exceeds Part A and Part B services to members
- Most **individual** plans include Part D prescription drug services. It is important to confirm this coverage



Part C – Medicare Advantage

Added benefits

Many *individual* Medicare Advantage plans will provide additional coverage including:

- Routine chiropractic
- Free gym memberships (Silver Sneakers)
- Coverage of OTCs
- Transportation
- Hearing care coverage
- Personal Emergency Response System
- Senior Insulin Savings Plan
- Fall prevention kits
- Enhanced telemedicine
- Dental
- Vision
- Part B premium give back



Part D – Medicare drug plan

Part D is required for prescription drug coverage

- Offered by private insurance companies
- Formularies vary by carrier — important to choose wisely to save money
- Drugs at retail and mail order pharmacies
- You will pay a monthly premium
- May delay enrollment if active employee or covered by active employee (spouse) on employer plan with prescription drug coverage



Most retirees supplement original Medicare to gain full coverage



Original Medicare Parts A & B

MAPD

Medicare Advantage
with Prescription Drug
coverage (Part C)

+

OR

Medigap

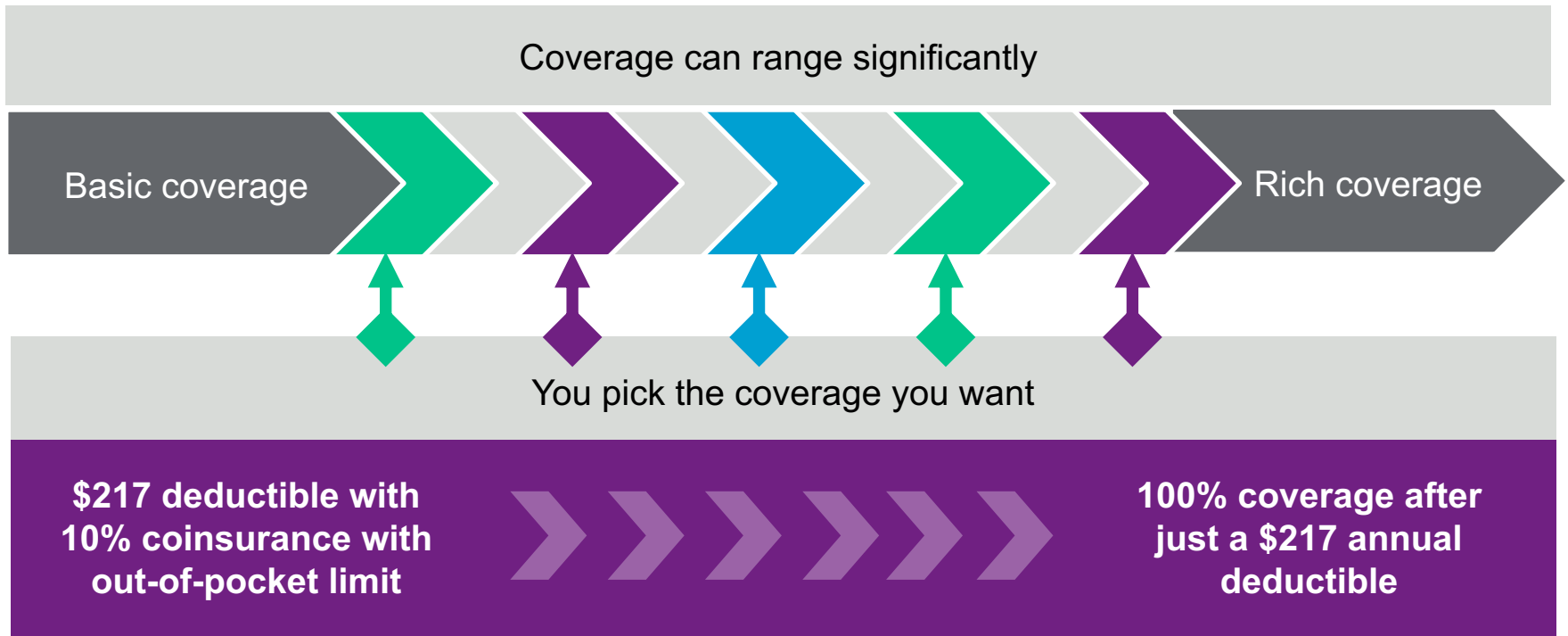
+
Prescription Drug Plan
(Part D) x

+

Additional coverage

Dental Plans/Vision Plans

Medicare Supplement Insurance or Medigap



Medicare plans and a sampling of insurers

Plans

**Medicare Advantage
(Part C)**

**Medicare Supplement
(Medigap)**

**Prescription Drug
(Part D)**

Minnesota Insurers



HealthPartners

MEDICA[®]

ucare

National Insurers

AARP[®]



UnitedHealthcare[®]

aetna



Cigna

Humana



EXPRESS SCRIPTS[®]
Medicare (PDP)

SilverScript[®]

WELLPOINT

Dental and Vision Plans Available

Individual Medicare plans are typically more affordable



Many **group** Medicare plans cost:
\$275 – \$400 a month

Average Medicare advantage
individual plan (with Rx) premium is
\$33 a month

Many **individual** MAPD
plans across the nation are
\$0 a month



The individual Medicare Marketplace is affordable

Huge risk pools ~42 million retirees are enrolled in individual Medicare plans



Guaranteed issue . . . no adverse selection issue



Carriers compete on price

- Standardized plans
- Low premium rates

Best-in-market plans and providers



CMS/Pharmaceutical industry subsidies for ALL, not just plan sponsor



Retiree health care considerations

- Do you travel or are you a snowbird? Some plans, mostly Medicare Advantage, are network-based plans and may not work when outside the service area
- If you choose a Medicare Advantage Plan, are your providers, including specialists, in-network?
- What prescription drugs do you take? Are they on the prescription plans' formulary? If not:
 - You may need to change your medications
 - You may need to pay significantly more if you cannot change your medications
- What is the value of the supplemental benefits NOT provided by Medicare — such as hearing aid coverage?
- While the focus is on medical coverage, don't ignore dental and vision coverage. The needs of seniors can often be quite extensive and expensive
- Medicare does not cover care outside of the U.S. If traveling out of the country, you may want to consider a short-term travel medical policy
- Health plans, including Medicare, do not cover long-term care such as a nursing home or assisted living. Have you adequately planned for this coverage through long-term coverage? Medicaid will pay, but only after most of your assets have been spent down

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