

## NRLN PODCAST SHOW NOTES

Show Notes: NRLN: Series 4, Episode 2, October 15, 2022

TOPIC: October 15, 2022, start of the Medicare annual enrollment period

HOST: Bill Kadereit, President of the NRLN

### Slide 1

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Welcome, I am Bill Kadereit, President of the NRLN and your podcast host. The subject of this podcast episode is preparation for the October 15, 2022, start of the Medicare annual enrollment period. My goal is to emphasize the importance of,

- being prepared for the enrollment and
- to provide tips on how to do that, so you can get the best deal for you.

Do not feel rushed, you do not have to make final decisions early, **enrollment ends December 7**. Do not succumb to

- the pressure of direct calls,
- TV commercials,
- or literature in your mailbox.

We are interested in your feedback, comments, or requests for sources to get information but It is impossible for us to make your decisions, which is not what you should want from us either. We cannot settle specific claims or problems but will offer information on where to get more help. So please use [www.nrln.org](http://www.nrln.org) and the [contact@nrln.org](mailto:contact@nrln.org) email address to give us feedback. And sign up to get our emails.

Preparation is important If you are enrolling in Medicare for the first time or at any time during 2022 and in future years. Get prepared first – before you call an insurance agent or that advertised 800 number!

## Slide 2

# Medicare & You

The official U.S. government  
Medicare handbook

# 2023



### THE MOST IMPORTANT STEPS TO TAKE? –

- Read and understand your copy of “Medicare and You 2023”. Learning it could save you time and money, and it will build confidence and competence.
- If you did not get one in the mail you can get one by asking at [www.Medicare.gov](http://www.Medicare.gov) or simply click the icon at the lower end of the center column on our website homepage at [www.nrln.org](http://www.nrln.org).
- You may read it online or download and save it to read on later. Getting your own copy by mail each year is best.

- It is authoritative Medicare information, your Medicare bible, and is updated annually by CMS and easy to read. See Contacts for Information on Page 128 and for a Medicare Card replacement on Page 9.

“Medicare and You 2023” recommends that you start the signup process by comparing your plan or plans with others.

Personally, that is putting the cart before the horse. It places you in front of insurance agents and 800 call-in sales pressure you should avoid at this stage. Instead,

- first examine your economic situation, your affordability status,
- then your current health status and prospects for continued good health 10 years from now, including a health history review of ancestors (just like insurance companies do when they need to decide whether to insure you, or not).

You do not have to be perfect, just consider what you know and, also consider the chance for acute injury risks.

- This exercise is exactly a repeat of what your doctor requires you to fill out every year .... question beginning with ... have you ever had ...or has anyone in your family ever had ....
- These important risk factors should precede hearing insurance sales pitches or calling 800 numbers to make plan comparisons.
- We must know what we need before we can buy it.

Equally important is knowing your 2023 and beyond personal budget expectations, family income and costs.

- Our pension and Social Security income and investment income, including IRA and 401k dollars are critical pieces of the income side of the equation. ...

- this table of recently announced 2023 Medicare Premium and deductible information and Social Security data might be helpful.

### Slide 3

<b>2022 and 2023 MEDICARE and SOCIAL SECURITY CHANGES</b>				
<u>MEDICARE</u>	<u>2022</u>	<u>2023</u>	<u>\$ Change</u>	<u>% Change</u>
Monthly Medicare B Premium*	\$170.10	\$164.90	(\$5.20)	
Annual Medicare B Premium	\$2,041.20	\$1,978.80	(\$64.20)	-3.15%
Annual Medicare B Deductible	\$233.00	\$226.00	(\$7.00)	-3.00%
Annual Premium and Deductible	\$2,274.20	\$2,204.80	(\$71.20)	-3.13%
* This premium pays for 80% of <u>original Medicare</u> Part B benefit coverage. There is no Part A premium, but there is a Part A Deductible for Hospitalization.				
<u>SOCIAL SECURITY</u>	The amount of earnings subject to Social Security tax			<u>2023 % Change</u>
Announced on Oct. 13, 2022	increases to \$160,200 in 2023			8.70%

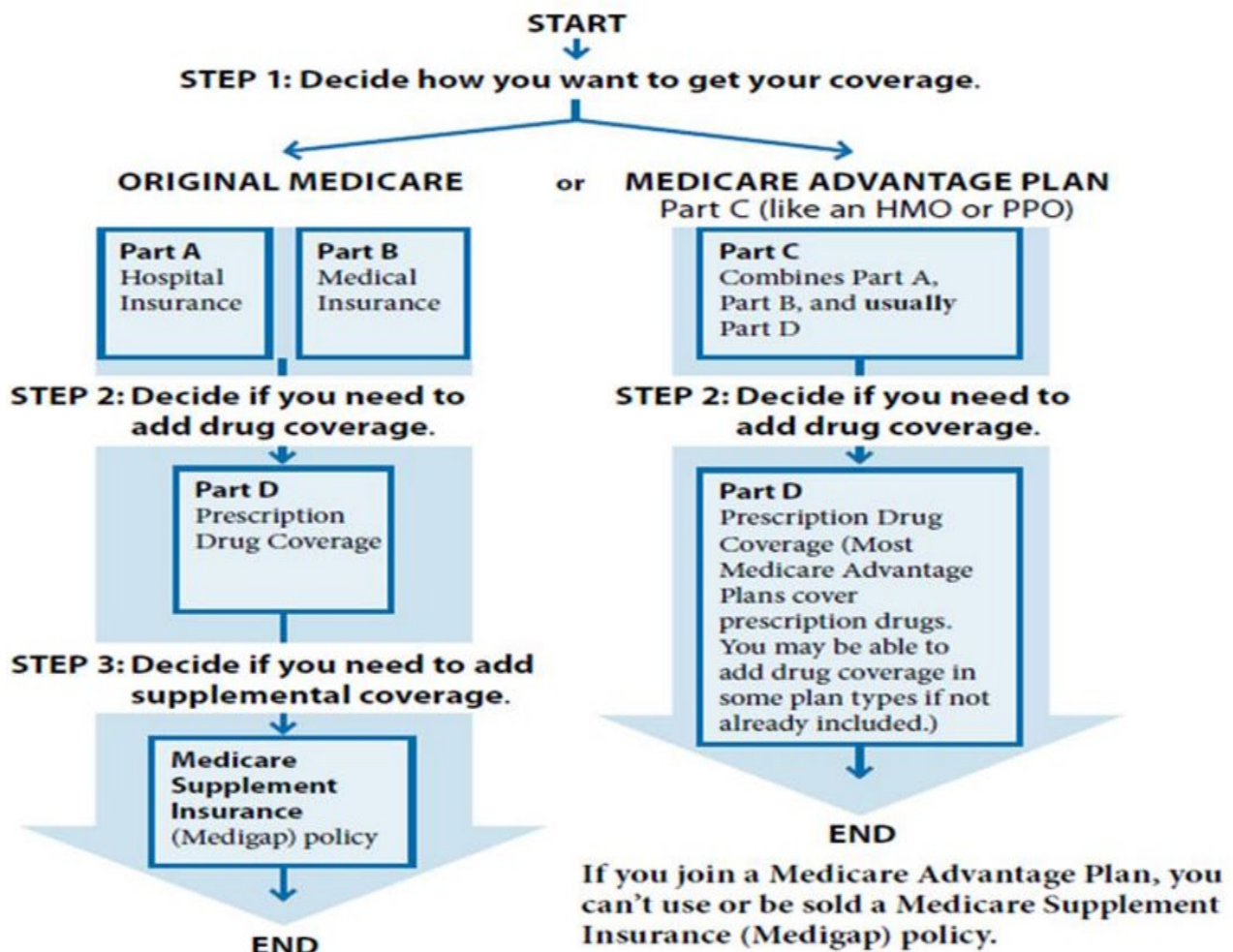
- Saving \$71.20 a year on Medicare and gaining an 8.7% increase in Social Security income could be important. The 8.7% would add \$87 for every \$1,000 you are receiving from Social Security this year. **Your personal home and other expenditures are predictable, even including your guess at how inflation will affect your budget.**

You do not have to be precise, just estimate how much you could afford to spend on healthcare, monthly and annually to protect yourself.

Now that we have an inventory of our current health status and affordability it is time to evaluate what plan or plans might be best for us.

- If you are not in Medicare or Medicaid, chances are that all you know is what a former employer provided for you, a company plan.
- You had to pay a premium and your co-share amount but now you are stepping into a new world of healthcare insurance for seniors, where chances for chronic illness, accident prone trips, forgetfulness, and slower reflexes, put us at higher risk at the same time we need a good price deal.
- Those of us already in Medicare who are aware of the old age risk, might be exploring switching plans to find the better deal.

**Slide 4**



The Medicare diagram on this slide clearly shows that we have two basic choices,

- Original Medicare (OM) or a private plan Part C, Medicare Advantage (MA). Part A hospital insurance was paid for by the 1.45% payroll tax we contributed during our working years, however there is sizeable Part A deductible for each hospital benefit period if you select a MA plan and it's not covered by a Medigap plan..
- All Original Medicare Part A and Part B benefits must be included in Medicare C plans.
- Medicare pays 80% of Part B benefit costs but you must pay 20%, which could be a sizable amount if you encounter significant injury or a long-term chronic illness. This 20% risk and your affordability to pay for it is at the heart of our insurance decisions.
- Chronic illnesses like diabetes, varieties of cancer and other costly illnesses and your ability to choose doctors and specialty centers like Mayo, Johns Hopkins, MD Anderson, etc. are key factors.
- There is a comparison list of Original Medicare vs MA benefits on page 11 of Medicare and You.

At the bottom of page 11 it is claimed that if you choose an MA plan “You can't buy and don't need Medigap”. This statement is not correct!

- While it is true that if you select a MA plan, that the law prohibits you from buying a Medigap plan, while you are in a MA plan, but that does not mean you... “don't need Medigap.”
- MA plan enrollees cannot pick their doctors or clinics of excellence, out-of-network doctors or specialist excess charges may not be covered or are priced exceedingly high, claims are sometimes denied, and upcoding and falsifying risk scores have led to multiple lawsuits against MA insurers.

- Seniors are switching from MA to a Medigap Supplemental for financial protection, better quality, and service.
- The risk in choosing a MA plan depends upon your current state of health and prospects for good health as you age.

**Step 2 on Slide 4** points out that prescription drugs, Plan D, is an important cost to consider. Create your own [www.mymedicare.gov](http://www.mymedicare.gov) account where you can upload your prescription drugs and see a record of all your personal Medicare Part A and B benefit claims and payments by provider. If you choose OM with or without Medigap, you must buy a separate drug plan. On page 122 of “Medicare and You”, all drug plans and prices for your state only are listed. Go to [www.Medicare.gov](http://www.Medicare.gov) to see specific pricing of plans that cover the drug information you uploaded to your My Medicare account.

About 75% of MA plans include a drug Plan D. Premiums of about \$15 /mo.) and Tier I generic copays of about \$3-\$5 /month total about \$18-\$20 /month. MA plan costs may be offset by rebates paid to insurers. These variables make it difficult to us assess pricing and value. Use your “My Medicare.gov” tools to find the best plan D.

If you choose a MA plan, after 12 months in it, while you can switch back to Original, Medicare within 12 months, after 12 months you must meet Medigap insurance underwriting requirements to get the 20% Medigap protection that Medicare does not pay. Failure to meet medical requirements would result in a denial or conditional acceptance and/or exorbitant premium charges.

Now it is time to use your health and budget data to review the Medigap alternatives.

## Slide 5

Benefits	Medigap plans									
	A	B	C	D	F*	G*	K	L	M	N
Medicare Part A coinsurance and hospital costs (up to an additional 365 days after Medicare benefits are used)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Medicare Part B coinsurance or copayment	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%***
Blood (first 3 pints)	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
Part A hospice care coinsurance or copayment	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
Skilled nursing facility care coinsurance			100%	100%	100%	100%	50%	75%	100%	100%
Part A deductible		100%	100%	100%	100%	100%	50%	75%	50%	100%
Part B deductible			100%		100%					
Part B excess charges					100%	100%				
Foreign travel emergency (up to plan limits)			80%	80%	80%	80%			80%	80%
							Out-of-pocket limit in 2022**			
							\$6,620	\$3,310		

\*Plans F and G also offer a high-deductible plan in some states. With this option, you must pay for Medicare-covered costs (coinsurance, copayments, and deductibles) up to the deductible amount of \$2,490 in 2022 before your policy pays anything. (You can't buy Plans C and F if you were new to Medicare on or after January 1, 2020. See previous page for more information.)

This **Slide 5** table on page 76, of your “Medicare and You” handbook, shows benefits available in each of 10 Medigap plans for sale in the United States. Excepting the asterisked notes, Medigap plans are commodities with common benefits in 50 states.



NOW IS THE TIME TO USE YOUR PERSONAL HEALTHCARE and AFFORDABILITY INFORMATION to select a Medigap plan that suits you! Lets' check out a Medigap G plan. This not just about cost, it is about your prospective healthcare needs and cost.

**This Slide 6 table** is one aid to consider using in helping to make your choice between signing up for MA or Original Medicare Fee-for-Service (FFS) and a Medigap G plan.

**Slide 6**

<b>NRLN OCTOBER 15, 2022 COMPARATIVE ANALYSIS OF ORIGINAL MEDICARE - FFS and MEDICARE ADVANTAGE - HMO CAPITATION (and Subsidies)</b>								
<b>Medicare Parts A and B - Premium, Deductible, Copay and Coinsurance</b>		<b>Original Medicare (OM) FFS vs Medicare Advantage (MA) Capitation Ages 65 - 70</b>			<b>Medicare Advantage (MA) Capitation Ages 70 - 85</b>			
		<b>Fee / Event</b>	<b>Events / YR</b>	<b>OM with a Medigap G</b>	<b>MA - HMO with an Out-of Pocket Max.</b>	<b>Fee / Event</b>	<b>Events / YR</b>	<b>MA - HMO with an Out-of Pocket Max.</b>
1	Medicare A Premiums	\$0.00	0	\$0	\$0	\$0.00	0	\$0
2	Medicare B Premium	\$165	12	\$1,979	\$1,979	\$165	12	\$1,979
3	Medicare B Added Premium - Some Plans	\$25		\$0	\$0	\$25	4	\$100
4	Medigap G Plan annual Premium	\$180	12	\$2,160		\$180		\$0
5	<b>MEDICARE A &amp; B PREMIUM</b>		24	<b>\$4,139</b>	<b>\$1,979</b>		16	<b>\$2,079</b>
6	Medicare A Deductible /Benefit Period)	\$1,650	0	\$0	\$0	\$1,650	1	\$1,650
7	Medicare B Deductible (Medigap G & MA)	\$226	1	\$226	\$226	\$226	1	\$226
8a	Medicare B Co Pay - Primary Care Visit	\$125	2	\$0	\$250	\$125	4	\$500
8b	Medicare B Co Pay - Specialist Visit	\$250	2	\$0	\$500	\$250	4	\$1,000
8c	Medicare B Co Pay - Chemo Drugs	\$5,000	0	\$0	\$0	\$5,000	12	\$60,000
8d	Medicare B Co Pay - Other "B" Drugs	\$200	1	\$0	\$200	\$200	12	\$2,400
8e	Medicare B Co Pay - Home Health Care	\$129	0	\$0	\$0	\$129	0	\$0
8f	Medicare B Co Pay - DME Equipment	\$130	4	\$0	\$520	\$130	4	\$520
9	<b>MEDICARE A &amp; B DEDUCIBLE &amp; COPAY</b>		10	<b>\$226</b>	<b>\$1,696</b>		38	<b>\$66,296</b>
10	<b>TOTAL MEDICARE A and B HEALTHCARE PROVIDER COSTS</b>			<b>\$4,365</b>	<b>\$3,675</b>			<b>\$68,375</b>
11	<b>Medicare Advantage Out of Pocket Max (est. average - max is \$7,400)</b>				<b>\$5,500</b>			<b>\$5,500</b>
12	<b>TOTAL MEDICARE A and B NET COST TO ENROLLEE</b>			<b>\$4,365</b>	<b>\$3,675</b>			<b>\$5,500</b>
13	<b>MA Part C vs Medicare &amp; Medigap G Monthly Cost to Enrollee</b>				<b>-\$58</b>			<b>\$94.58</b>

What we are doing with this table is using what we know about our health and budget, and Medicare FFS provider costs to compare the cost of Original Medicare (OM) plus a Medigap G plan with a MA HMO plan for age **65–70-year-old retirees, the adjacent green and gray shaded columns.**

Then compare the same MA-HMO plan only using our estimate of increased occasions and cost expected for the older age **70–85-year-old retirees**.

The list of benefits in common with Medigap and MA are in the first column.

- Plan premiums are listed on rows 1-5,
- deductibles on rows 6 and 7,
- copayments on rows 8a-9.
- **Row 10** is the total of FFS provider costs incurred by Original Medicare (OM) with a Medigap G plan and MA HMO plans for younger enrollees ages 65-70.

MA costs shown on lines 1 - 11, in bold Red are Provider Charges shown on pages 119-127 in "Medicare and You" handbook.

**Row 11** shows an MA-HMO out-of-pocket maximum of \$5,500. **Row 12** is net cost to enrollees after adjusting for the \$5,500 OOP maximum enrollee cost. **Row 13** shows that those in the **age 65-70 group in MA would pay \$690 a year or \$58 a month less** than those with OM and Medigap G. If you were not overly concerned about future healthcare risks you might choose a Medicare Advantage – HMO plan today..

The MA lower total cost at age 65 erodes with age **for those**. In this example, **those age 70-85 in Medicare and Medigap G would be ahead by \$1,135 a year or \$95 monthly**. If you estimate much higher healthcare risk after age 70, you might choose OM and Medigap G today.

The **most important data in this exercise** are your estimated “**Fee Charges**” and the number of times (“**Events**”) you estimate.

**Make the best estimates possible, then choose but then call a SHIP counselor to test your plan and selection, then an insurance company, directly, first, then an agent or 800 number, maybe!**

## Slide 7

NRLN OCTOBER 15, 2022 ANALYSIS OF MEDICARE ADVANTAGE - HMO CAPITATION "COST - SHARING" and "EXTRA BENEFIT" SUBSIDIES					
			OM with a Medigap G	MA - HMO with an Out-of Pocket Max. Ages 65 - 70	MA - HMO with an Out-of Pocket Max. Ages 70 - 85
	TOTAL MEDICARE A , B and D HEALTHCARE PROVIDER COSTS		\$4,365	\$3,805	\$5,500
14	Federal MA Cost-Sharing Subidy-12 X 51% of the 2022 \$165/Enrollee			\$1,010	\$1,010
15	NET TOTAL MEDICARE A, B and D NET COST TO ENROLLEES		\$4,365	\$2,795	\$4,490
16	MA Part C vs Medicare & Medigap G Monthly Cost to Enrollee			-\$131	\$10.43
17	Plus Federal MA Extra Benefits Subsidy of 49% of the 2022 \$165 rebate.			\$970	\$970

**Slide 7, Row 14** reveals the impact of taxpayer funded “**Cost-Sharing**” subsidies of **\$1,010** a year for 27 million MA enrollees, that appear to reduce enrollee cost. These artificial savings create and even bigger cost gap. **Row 17 reveals that** taxpayers also pay for to subsidize “**Extra Benefits**” - **\$970** a year for every MA enrollee, an obvious scheme that gives private plans an unfair competitive advantage that they use to entice new sign ups. Older retirees in OM and Medigap (about 30 million of them) are cheated, they do not benefit from cost sharing or have access to “**Extra Benefits**” yet they too pay for a piece of every dollar paid in income taxes, not payroll tax or premiums – taxes paid weekly, monthly, quarterly or on April 15, for Extra Benefits.

This data shows that at a point when annual Medicare Advantage HMO plan premiums, deductibles, copays and coinsurance combined reach or exceed the plan out-of-pocket annual maximum of \$5,500 (in this example - on Row 11) that in this example you would be better off with a Medigap G plan, paying only \$4,365.

Our example on Slide 6 assumed a Medigap G premium of **\$180**. **Finding the \$180 premium** is not an easy task because insurance companies and their agents do not want you to know about pricing of policies they do not sell, especially if they are less expensive. Lower premiums mean lower sales commissions for those in the supply chain. Nothing illegal here but if Congress wants lower Medicare costs they can help.

Florida (and maybe some other states) discloses all premiums. The state does not promote the service to seniors, but the service is excellent. Slide 10 shows the results of an October 10 review of Florida Plan C, D and G policies.

**Slide 8**

<b>MEDIGAP C, D, AND G PREMIUMS - SUMTER COUNTY, THE VILLAGES, FLORIDA</b>							
<b>Source: State of FL Insurance Website - Oct 10. 2022</b>							
<b>MEDIGAP PLANS</b>	<b># Plans</b>	<b>HIGH</b>	<b>MEDIAN</b>	<b>LOW</b>	<b>AVERAGE</b>	<b>HIGH to LOW SPREAD</b>	<b>% HIGH to LOW SPREAD</b>
<b>Medigap Plan C</b>	<b>10</b>	<b>\$3,533</b>	<b>\$2,846</b>	<b>\$2,318</b>	<b>\$2,787</b>	<b>\$1,215</b>	<b>34.4%</b>
<b>Medigap Plan D</b>	<b>7</b>	<b>\$3,338</b>	<b>\$2,443</b>	<b>\$2,237</b>	<b>\$2,587</b>	<b>\$1,101</b>	<b>33.0%</b>
<b>Medigap Plan G</b>	<b>38</b>	<b>\$3,437</b>	<b>\$2,468</b>	<b>\$2,127</b>	<b>\$2,513</b>	<b>\$1,310</b>	<b>38.1%</b>

**Data indicates that Medicare G Plans are popular and are competitively priced.**

The **\$180 premium** we used on the Slide 6 table would be \$2,260 a year. The lowest price in Sumter Co., the Villages FL is \$2,127 or a **\$177 premium**. Among the 38 Medicare G plans listed, seven (7) are priced at under the \$2,280, and three... Hartford, BCBS FL, and United Healthcare are prominent but not the lowest. **The insurer whose premium is \$3,437 is 61% higher than the \$2,127!**

Before you enroll, you may have more questions. If you do, call your State Health Insurance Assistance Program (SHIP). Their counselors are usually well trained and can work on your personal plan with you. If you have or will get a copy of your “Medicare and You Handbook”, your SHIP number is on the back cover just below your personal name and address. SHIP can help you find pricing information by plan.

I hope this episode convinced you that it will be worth your time to prepare, and that in the process, you can become confident enough to make good choices.

That's it for today! Unless you plan to switch and need time to apply for a Medigap plan acceptance, do not jump the gun, enrollment does not end until December 7.

**Do not forget to sign up for our messages at [www.nrln.org](http://www.nrln.org) ...watch for our next podcast date.**

**Slide 9**

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**NATIONAL RETIREE LEGISLATIVE NETWORK**

**Lobby Congress in D.C. & At-Home - all 50 States**

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*As always, remember, seniors are special!*