



GUIDE TO **MEDICARE** & GOLDEN RETIREMENT

PRESENTED BY
THE LAW OFFICES OF
**DAVID L.
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ESTATE PLANNING & ELDER LAW

MEDICARE CHAT Q & A

This list of Q and A reflects the chat experience during our live event. Content is shared verbatim.

Q: If you are just starting Medicare, and don't sign up for Medigap or advantage, are there risks or disadvantages to adding at a later year?

A: Medigap plans have limited "guarantee issue right" periods. The main one is a 6 month window after you turn 65 and start part B. After that period, you might have to go through underwriting. This could result in you having a higher premium, waiting periods for services to be covered, or be denied having a plan sold to you. If you do not have any type of creditable prescription coverage (work, VA, Part D, etc), you could face a part D penalty when enrolling in a Medicare Advantage plan.

Q: Are some providers reluctant to accept Medicare? Is there a difference in the acceptance of Medigap and Medicare Advantage plans?

A: Traditional Medicare is accepted by the vast majority of providers across the country. Medigap plans do not have provider networks, as long as traditional Medicare pays, the Medigap will pay its portion. The Advantage plans do have provider networks, so you need to verify if you plan is accepted by your providers. for example, we have a couple companies that offer advantage plans and they are in network at all 3 of our health systems here in Kent County. We also have one company that is not in network with any of our medical systems. Always review provider network before final selection of Advantage plan.

Q: What are the advantages of Medigap compared to Advantage plans?

A: Depending on the Medigap plan, you will only pay the premium and the Medigap will pay some or nearly all of the Medicare A/B deductibles and copays. They have nationwide coverage, networks don't apply, if Medicare pays, the Medigap will follow.

Q: What is the interaction adding one spouse to Medicare who currently receives health insurance on spouse's work?

A: Generally, employer insurance is always primary and Medicare is secondary. You are allowed to have both. If the non-working spouse were to drop the employer plan, you could save on possible premium costs with employer. However, you will start having to pay the Medicare premiums. The financial factors of premiums, deductibles, co pays, and maximum out of pocket all play a role in determining if the non-working spouse should remain on employer plan or move fully to Medicare.

Q: If you are still full time employed at 65 and have employer provided health care, do you need to sign up for anything?

A: No. you can delay enrollment in all parts of Medicare as long as your employer prescription coverage is creditable. Many people enroll in Part A as there is no premium cost. However, if you want to make contributions to a Health

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Savings Account, you must delay enrollment in Part A. HSA contributions while enrolled in Part A will face a penalty from the IRS.

Q: Is there a penalty if you sign up for Medicare while you are working full time?

A: You can enroll in Medicare if you are still working, even if you have employer coverage. There is no penalty for this. However, if working and covered by employer coverage, you can delay enrollment in Medicare without penalty.

Q: My wife turns 65 next March, I turn 65 next June. Do we enroll during this fall enrollment period?

A: No, you will have an initial enrollment period (IEP), a 7-month window that surrounds the month you turn 65. Your wife's IEP will start December 1. Yours will start March 1. If you enroll in coverage the three months before turning 65, your coverage will start the first of the month you turn 65.

Q: Can I still contribute to an HSA if I'm still working at 67 and have not yet signed up? Can you contribute to the HSA as long as you're not collecting Social Security or the spousal SS?

A: When you start your Social Security Retirement benefits, you are required to take Medicare Part A when eligible. When enrolled in Part A, IRS will assess a tax penalty for HSA contributions. If you want to continue to make HSA contributions, you must delay enrollment in SSA benefits and Medicare Part A.

Q: What is the website that lets us compare plans in Michigan?

A: Medicare.gov

Q: Do Medicare Advantage plans cover chemotherapy? Do they have to accept you regardless of your medical history?

A: Yes, chemotherapy can be covered under Part B or D, depending on the medication. If Part B, you will pay 20% of the cost under most Medicare Advantage plans. If Part D, the cost depends on the tier that the medication falls on in the Medicare Advantage plans formulary. Medicare Advantage plans will also allow enrollment regardless of health history.

Q: How can a supplement plan have a zero premium per month?

A: It cannot. The \$0 premium plans that were referred to were Medicare Advantage plans.

Q: Is cataract surgery covered under Medicare?

A: Yes, it is covered. Under Original Medicare you will pay 20% of the cost for cataract surgery to implant an intraocular lens and 20% of the cost for corrective lenses after each cataract surgery.

Q: I have retirement healthcare through the State of MI. Will I only need A&B, does this act as supplement?

A: For your retiree coverage to work properly, you will need to enroll in Part A and B of Medicare. As long as your prescription coverage is considered creditable, you will not need a Part D. Caution, for many retiree plans, if you enroll in a Part D plan, it can disenroll you from your retiree plan.

Q: Have heard there are "doughnut drugs" for certain medical conditions that aren't covered by Medicare... where do you go to find out that type of info? Can you also explain donut hole limits and coverage amounts?

A: Medicare does have some medications that



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they do not cover, such as medications that have over the counter versions. easiest way to find out is to go to the Medicare plan finder. When typing in the medication, if it does not come up it is not a covered medication. Some insurance companies also have helpful tool like this on their websites. The donut hole has two limits, \$4,430 and \$7,050. to enter the donut hole, when you and your insurance pay a total of \$4,430 for medications, you will enter the donut hole. at that time, all your medications will move to a flat 25% coinsurance. Then, once you reach the true out of pocket amount of \$7,050 is reached, you will move into catastrophic coverage. True out of pocket is a combination of what you pay for the medication deductible, what your portion is at initial coverage level, what you pay during the donut hole, and the 70% discount provided by brand name manufacturers.

Q: Can you explain how 'primary' and 'secondary' works?

A: Primary insurance pays first, secondary pays after primary pays their portion. For example, if I work for an employer with less than 20 people, Medicare will be considered my primary coverage and my employer would be secondary. In order for my employer coverage to then pay for anything, I would need my Medicare in place to pay first. Nearly all retiree plans are like this, Medicare is primary and retiree coverage is secondary.

Q: I signed up with Part A during my initial eligible period around my 65th birthday but was under the impression I could use a "special enrollment period" for signing up for Part B - without incurring a penalty -- because I'm currently covered under my husband's plan. Am I correct? And what is the form or forms I should be looking for when I sign up for Part B during the applicable special

enrollment period once my coverage under my husband ends?

A: You are correct. There are two forms that you will need to complete and submit to Social Security, the CMS-40B and the CMS-L564. 40B is a simple for to complete. in the remarks section at the bottom of the form, you will want to note the date you would like the Part B to start. the L564 also has a small section for you to complete, plus your husband will need to take the form in to have his HR department fill out. this will include the dates of employment and the dates covered by the health plan. this information is what is used to negate any penalty and allow for the special enrollment period.

Q: Can you switch between medigap and Medicare advantage plans?

A: You can but there are some things you'll want to keep in mind. Medigap insurance companies are generally allowed to use medical underwriting to decide whether to accept your application and how much to charge you for the Medigap policy. However, even if you have health problems, during your Medigap open enrollment period you can buy any policy the company sells for the same price as people with good health. This period automatically starts the first month you have Medicare Part B and you're 65 or older. If you decide to drop your Medigap plan and join a Medicare Advantage Plan for the first time, and you aren't happy with the plan, you'll have special rights under federal law to get the same Medigap policy back if the company still sells it. If it isn't available, you can buy another Medigap policy. You have these rights if you return to Original Medicare & buy a Medigap policy within 12 months of joining a Medicare Advantage plan and you can only make this change once.



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Q: Why do Federal employees have to give up secondary FEHB to get a Medicare Advantage plan?

A: According to the Office of Personnel Management, an individual may enroll in another plan's Medicare Advantage plan and also remain enrolled in an FEHB plan. If an individual enrolls in a Medicare Advantage plan and remains enrolled in an FEHB plan, he/she must let his/her FEHB plan know. In order to correctly coordinate benefits with Medicare, the FEHB plan will need to know whether the enrollee has the Original Medicare Plan or a Medicare Advantage plan. Annuitants and former spouses can suspend FEHB coverage to enroll in a Medicare Advantage plan thereby eliminating the FEHB premium. (OPM does not contribute to a Medicare Advantage plan premium.) For information on suspending FEHB enrollment, an individual must contact his/her retirement office. Suspending (not cancelling) FEHB enrollment is a very specific action that requires assistance from the retirement office. An individual who later wants to re-enroll in the FEHB Program, can generally do so only at the next Open Season unless he/she involuntarily loses coverage or moves out of the Medicare Advantage plan's service area.

Q: What is the agents role and how do they help pick an insurance provider?

A: An agent helps to explain Medicare and takes time to understand your particular needs to help you identify the best plan option. Agents know the Medicare rules, they know when you qualify for coverage, what to look for based on your needs such as are your providers in the network, are your prescriptions covered and how much out-of-pocket you can tolerate. They follow up with you to make sure you understand your plan, explain how to use it and they are there to assist you with any additional questions you may have as long as you are enrolled.

Q: My mother lived to 99 years old without any medications. I am totally healthy now and am not using any medications. What drug plan would you advise for someone like myself?

A: If you are looking to have your coverage with traditional Medicare, many people select the lowest premium plan to have a plan in place and to prevent a Part D penalty. You can also select a Medicare Advantage plan that includes Part D coverage. Many of those plans have \$0 premium.

Q: Do you have to have prescriptions filled by mail order if you have an Advantage or Part D plan?

A: No, mail order is simply an option. you can still maintain using your local pharmacy.

Q: Do I have to be in a nursing home to get Medicaid?

A: For Nursing Home Medicaid, yes. There are also Community Medicaid programs for those not in a Long Term Medicaid program, Aged and Disabled Care and Medicare Savings Program. Income and asset limits apply to be eligible for these programs.

Q: Does your insurance company or employer give you the creditable coverage cert?

A: Those come from your employer, normally in October. Many employers provide those documents individually, however some include them in the benefit manuals that they provide employees. If you ever have questions, contact your Human Resources Department.

Q: As a retired 46 year state employee turning 65, does the state have Medicare advantage?

A: Yes. The state has different options available for



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different retirement groups. Check with Office of Retirement Services (ORS) to find out the options that are available to you.

Q: If you are still working and not collecting SS, how do you pay for Medicare?

A: SSA will send a bill for 3 months. You can also pay online or by setting up auto deduction from bank account.

Q: If I don't have Part B because I kept my FEHB plan into retirement. I'm 67 years old, can I get part B now without a penalty?

A: You will be assessed a penalty. Part B is a 10% penalty for each 12-month period. The clock starts after the end of your initial enrollment period and ends at the end of the last month of the general enrollment period in which you sign up in.

Q: If you have a high deductible plan through work can you still apply for Medicare?

A: No, you can't have any other health insurance when you're on a high deductible plan and Medicare is considered other health insurance.

Q: Why do Federal Employees have to give up FEHB Federal Employee Health Benefit Plans to get an Advantage plan?

A: Most retiree plans have rules that prohibit this. it varies between retiree plans, so you will need to verify with your retiree benefits admin.

Q: My High deductible plan at work is free, if I add part A am I billed for that?

A: You usually don't pay a monthly premium for Medicare Part A (Hospital Insurance) coverage

if you or your spouse paid Medicare taxes for a certain amount of time while working. This is sometimes called "premium-free Part A."

Q: How does Medicare begin and work for people on SSDI?

A: After the 24th months of receiving SSDI financial benefits, you are automatically eligible for Medicare. You can delay enrollment in Part B if covered by a spouse's employer plan. You can't turn down Part A. Surrounding that 25th month, you will have a standard MC initial enrollment period to pick other coverage. You will have a second initial enrollment period when you turn 65. you can pick new plans at that time, you will also have special protections to enroll in a Medigap at that time if you are interested in one of those plans.

Q: Can I continue with my retirement health benefits rather than sign up for Medicare?

A: Yes, but you'll probably need to enroll in Part A and B. Almost all Medicare retiree plans require a beneficiary to be enrolled in A/B before the retiree plan will pay any health costs.

Q: I have Original Medicare A & B and Tricare for Life. Do I need additional coverage?

A: A/B with Tricare is great coverage. You don't need a Medicare prescription plan, but you can sign up for one later without any penalty.

Q: Is Medicare part A enough insurance to avoid the MI auto insurance coverage in your auto bill?

A: No. A person with Medicare Parts A & B or Part C (Medicare Advantage) can choose to opt out of PIP medical coverage and rely on Medicare coverage for auto accident injuries.



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Q: Is the penalty for late signup for Part D start from the end of initial signup and continue to compound each month past that date and will the monthly rate be capped when you eventually signup?

A: Penalty is 1% for each month you go without. They add up the number of months from the end of your initial enrollment until the end of the enrollment period that you sign up for. That penalty percent is multiplied against a "Part D penalty benchmark". For 2021, the benchmark is \$33.06. For example, if I went 30 months without, my Part D penalty would be $30\% \times \$33.06 = \9.92 . That means I would have a \$9.90 penalty. I'd have to pay that in addition to my normal Part D premium every month that I have a Part D for the rest of my life. The 30% will never change, but Medicare does adjust the penalty benchmark every year, so the penalty could increase or decrease based on the change of the benchmark.

Q: What is Medigap Plan F?

A: Medigap Plan F is a Medicare Supplement plan option. Plan F is only available to those that were eligible for Medicare prior to 1/1/20.

Q: If I have a credible employer plan, can I wait until I leave my job to sign up without any penalties?

A: Yes, you will have a couple forms to fill out for Social Security, your employer will have to fill a portion of one of those to negate the Part B penalty. As for the prescription coverage, your employer will provide you a letter each year (usually around this time of year). You'll need that letter to provide to your prescription plan to negate the Part D penalty. If you lost that letter, check with your HR and they should be able to provide you that letter.

Q: If cost isn't a problem what is the best solution?

A: The best solution is to pick a plan that covers your medications at an out of pocket cost that you can tolerate.

Q: Cigna (and probably others) offers a plan with \$0 co-pay for Tier 1 and Tier 2 drugs when the prescriptions are filled by Express Scripts. \$0 co-pay sounds too good to be true. Is there a catch or a downside?

A: Many plans offer some type of deal for Tier 1 and possible Tier 2 for mail order. This is not a scam. Some brick-and-mortar pharmacies also have this benefit if they are a preferred location.

Q: If I sign up for a D plan this year, then next year I need a new expensive drug on my choice D plan, how easy is it to switch plans next year during open enrollment to a D plan that covers this "new drug"?

A: It is very easy to change plans. You should check plans every year! Plans will change formularies, costs, and pharmacies that they participate with. Complete a plan review and enroll into the new plan. There is no negative impact on changing drug plans each year.

Q: What is Bob Callery's contact information?

A: The main number for our program is 1-800-803-7174. You can also call Area Agency on Aging of Western Michigan at 888-456-5664 or my email is bobc@aaaawm.org.

Q: What zip codes offer credits against Medicare premiums that you see on TV?

A: Medicare Advantage plans that offer this benefit are very limited. All our west Michigan counties



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have one of these plans, but you'll want to review the benefits and provider network with these plans. Priority Health has one of these plans as does WellCare. Make sure to review the coverage of these plans and their network before enrolling. also, the benefit is only for a portion of the premium.

Q: Can we please restate the SSA forms cited in Bob's previous answer about the special enrollment period?

A: 40B and CMS L564 are the two forms.

Q: What if you are on NO prescription medications- do you still need to pay for a part D plan? Is it worth is to pay roughly \$240.00 per year for "insurance" in case you end up needing some medication that may or may not be covered by the one you chose?

A: Yes, but most Advantage plans include the Part D in their plans with no additional cost to the premium. So, if you don't have any prescriptions you don't pay anything for Part D. And cost depends on the Plan you have. There is a wide variety of plans available now.

Q: What is Humana?

A: Humana is an insurance company.

Q: Are any plans international?

A: I am not aware of any international plans

Q: Will a recording of this webinar be available to attendees?

A: YES!