

Senior Healthcare

Change is the only constant



The 3 Cornerstones of Healthcare

1



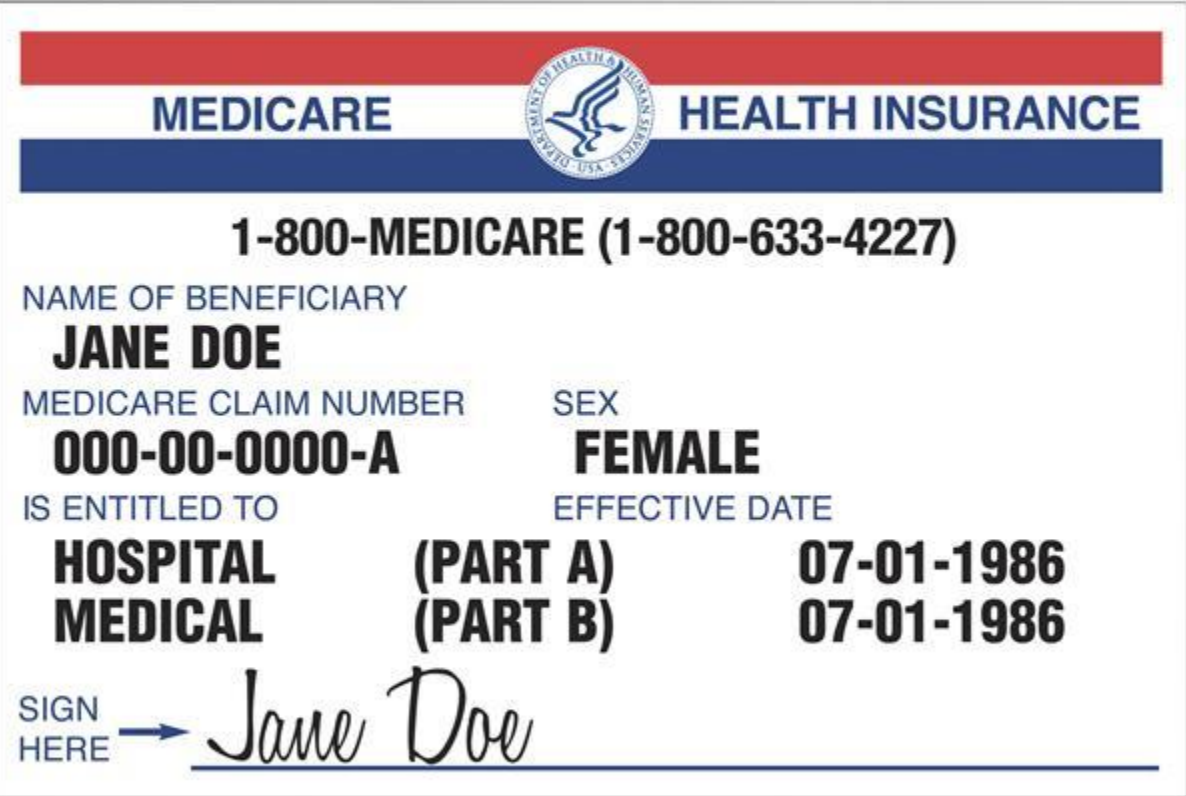
2



3



Current Medicare Card



MEDICARE HEALTH INSURANCE

1-800-MEDICARE (1-800-633-4227)

NAME OF BENEFICIARY
JANE DOE

MEDICARE CLAIM NUMBER
000-00-0000-A

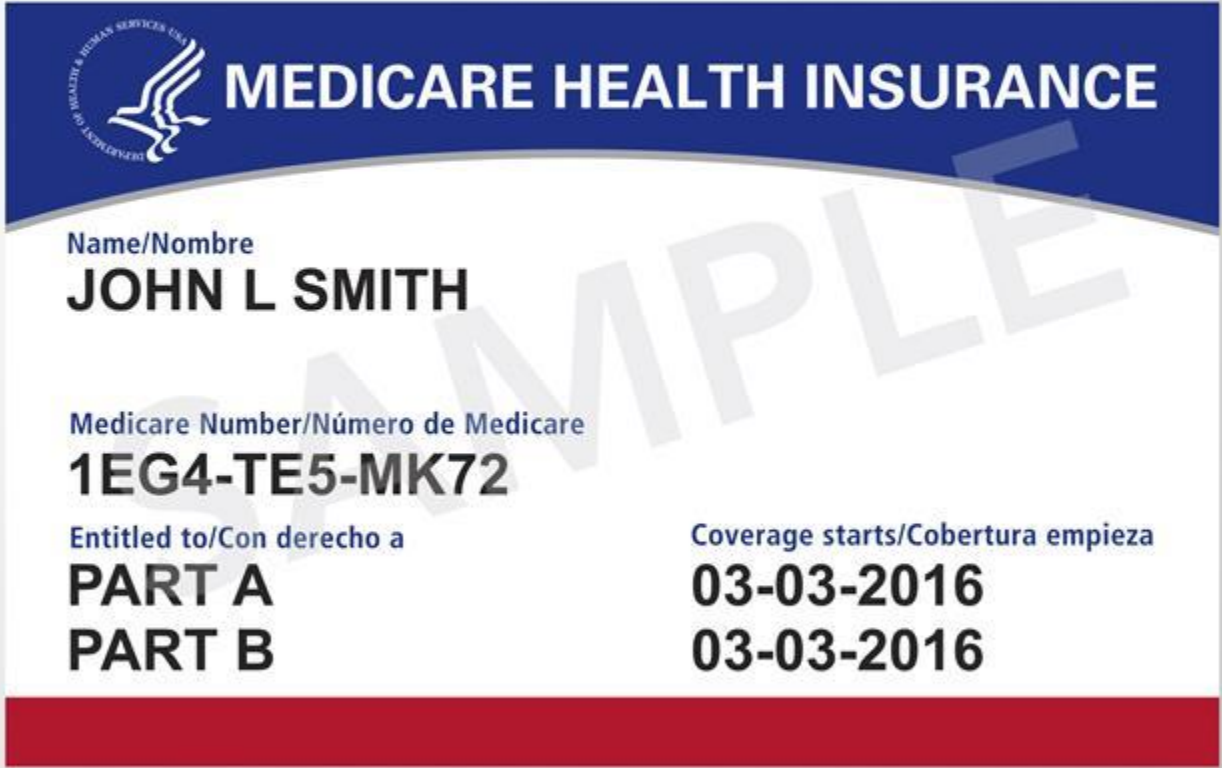
SEX
FEMALE

IS ENTITLED TO
HOSPITAL (PART A)
MEDICAL (PART B)

EFFECTIVE DATE
07-01-1986
07-01-1986

SIGN HERE → Jane Doe

New Medicare Card



MEDICARE HEALTH INSURANCE

Name/Nombre
JOHN L SMITH

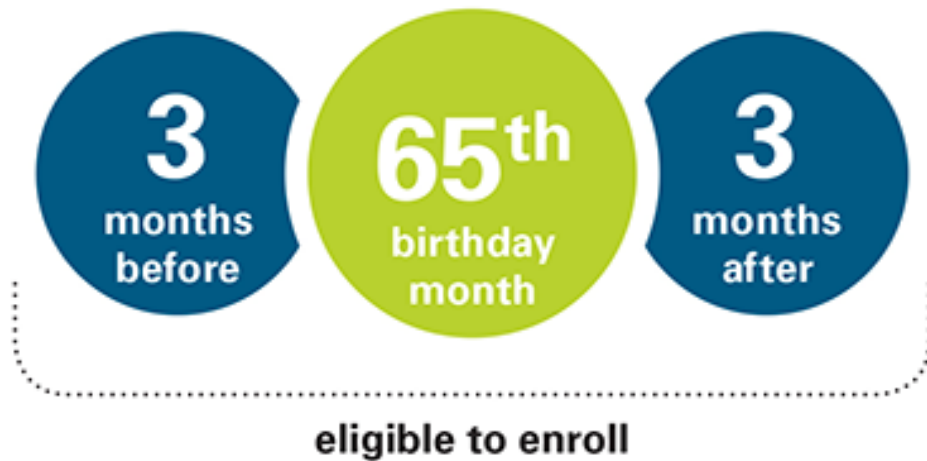
Medicare Number/Número de Medicare
1EG4-TE5-MK72

Entitled to/Con derecho a
PART A
PART B

Coverage starts/Cobertura empieza
03-03-2016
03-03-2016

If you received on these cards, you enjoy the benefits of the Medicare Healthcare System!

ELIGIBILITY



Or

1. When you qualify for Medicare Part B
2. Permanent Disability for at least 2 years
3. You have end-stage renal disease
4. You have ALS or Lou Gehrig's disease

July 30th, 1965
Medicare
signed into law

1965

Medicare **Part C & Part D**
was created by the
Balanced Budget Act of
1997. Known as **Medicare
Advantage** Plans

2006

Plans change
Formularies change
Deductibles change
Medicare is always changing

2020

Medicare Changes

1983

Prospective Payment System formed
creating the Diagnostic Related
Groups (**DRG's**)
Impact: Nursing Home Admissions
increased by 45% **launching** the **LTC
crisis in America!**

2016

Medicare reimbursement
codes had a major
overhaul. Medicare
instituted the
"Observation Stay"

What are your Medicare choices?

You have two directions you can take...

Original Medicare

80%

Part A
Hospital
Insurance

Part B
Medical
Insurance

*Additional Coverage Recommended

20%

Medicare
Supplement
Insurance
(Medigap) Plans

Part D
Prescription
Drug
Coverage

Medicare Advantage Plan Part C

Most plans combine Part A and Part B
+
Part D
Prescription Drug Coverage
Plans vary by county

A Closer Look at Medicare's Parts

PART A

Hospital Coverage
inpatient care in hospitals, including critical access and long-term care hospitals

PART B

Medical Coverage
doctors' services and outpatient care when medically necessary

PART C

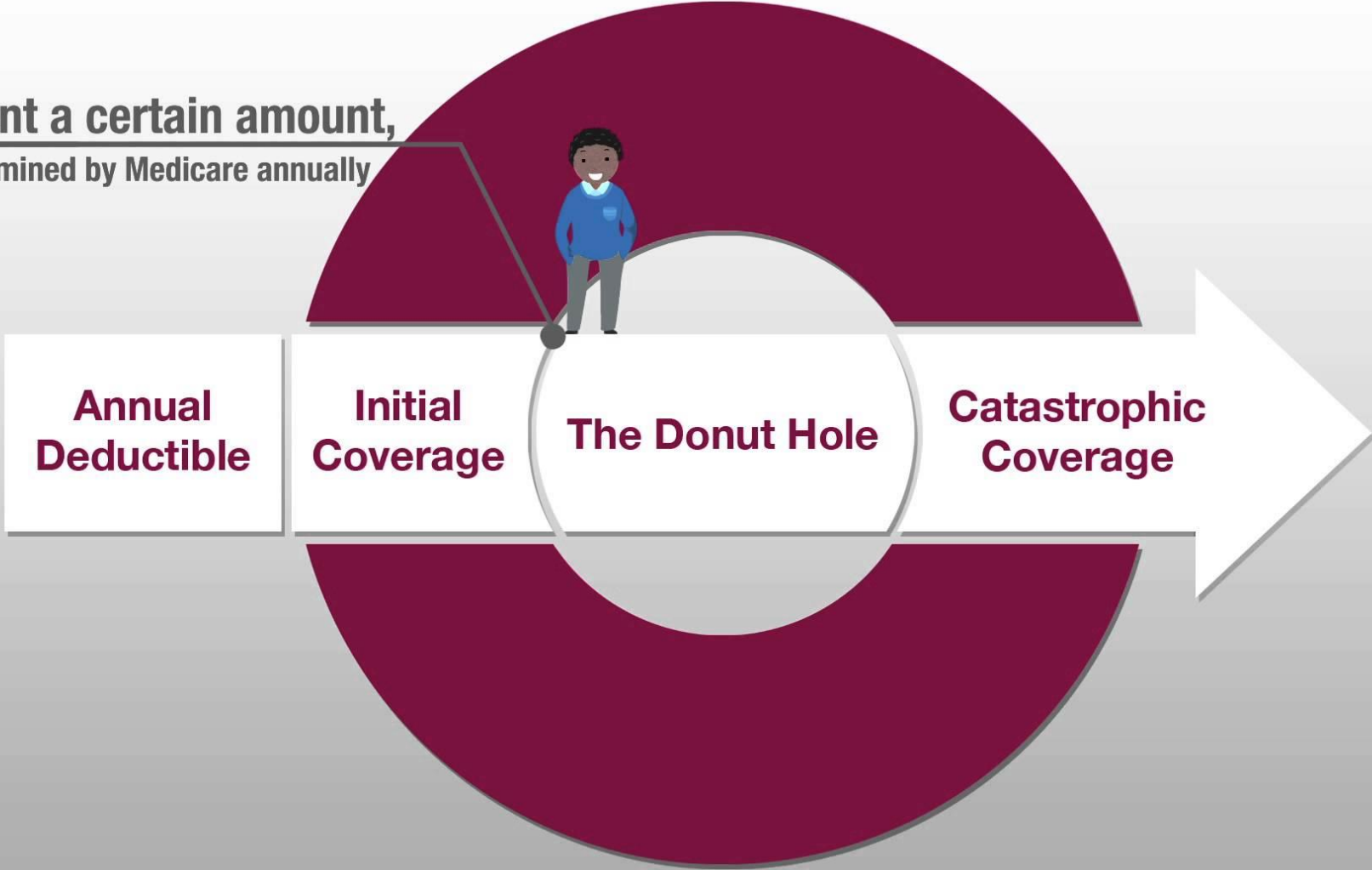
Medicare Advantage Plans
includes all of Parts A + B as well as extra benefits

PART D

Prescription Drug Coverage
available in standalone plans or as part of Medicare Advantage



Spent a certain amount,
determined by Medicare annually



**Annual
Deductible**

**Initial
Coverage**

The Donut Hole

**Catastrophic
Coverage**

Choosing not to enroll in a Part D plan can cost you?

Example of estimated penalty cost:

1% of the National Avg. Monthly Premium X # of months not enrolled = \$ penalty

Example

MRS. SMITH









$$\mathbf{\$33.19} \times \mathbf{31\%} = \mathbf{\$10.29}$$

\$10.29 is then rounded to the nearest \$0.10 = \$10.30



Mrs. Smith will pay a Part D penalty of **\$10.30** in addition to her Part D premium.

How are they different?

	Medicare Supplement Plan	Medicare Advantage Plan
 Doctors and Hospitals	You can select your doctors and hospitals as long as they accept Medicare Patients	You will normally be required to use doctors and hospitals in the plan network
 Specialist Referrals	You can see specialists without referrals	You may need referrals and may be required to use network specialists
 Networks	No network restrictions. Coverage goes with you across the United States	You may have network restrictions. Emergency care is covered for travel within the United States and sometimes abroad
 Enrollment	You can apply to buy a Medicare Supplement plan any time after you turn 65 and join Medicare Part B	Generally, there are specific periods during the year when you can enroll or switch to another Medicare Advantage Plan
 Costs	You pay a monthly plan premium in addition to your Part B premium. When you use services, your out-of-pocket costs are limited.	Generally, you pay a low or \$0 monthly plan premium in addition to your Part B premium. When you use services, you pay co-pays, co-insurance and deductibles
 Prescription Drug Coverage	Prescription drug coverage is not included. You will need to purchase a Medicare Part D Plan.	Prescription drug coverage is included in many plans. MAPD

How are they different?



Medicare Supplement

- Can choose doctor and hospital
- No Referrals Needed
- No Networks
- Coverage is not guaranteed
- Premium cost \$
- No copays or deductibles
- RX drugs not included



Medicare Advantage

- Must use plan doctors and hospitals
- May need referrals
- May have network restrictions
- Have specific enrollment periods
- Generally low or \$0 plan premium
- Co-pays & Deductibles apply
- RX drugs included with most plans

Which option is best for you?

Things to consider...



Plan
availability
where you
live?



Which
doctors
you use?



Your health
status?



What RX
drugs do
you take?

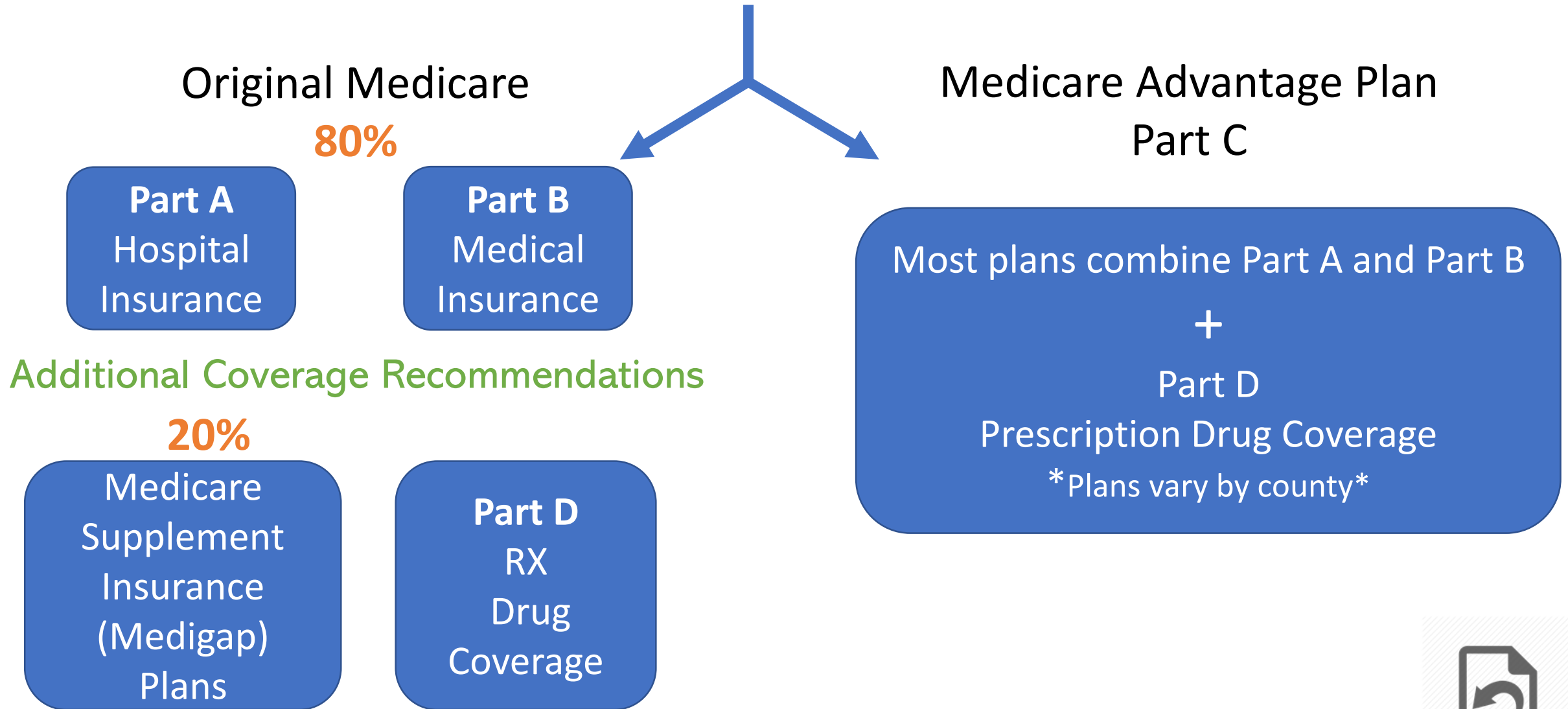


Do you travel
often or live in
multiple
states?



Premiums
vs
Co-pays?

Which way are you leaning?



LONG-TERM CARE PLANNING

Allows you to maintain independence & control

Addresses where care will be provided & who will provide it

Allows your loved ones to supervise care rather than provide care

Identifies the financial resources available to pay for care

Protects your retirement, estate & legacy plans



Medicare doesn't pay everything, what is not covered?

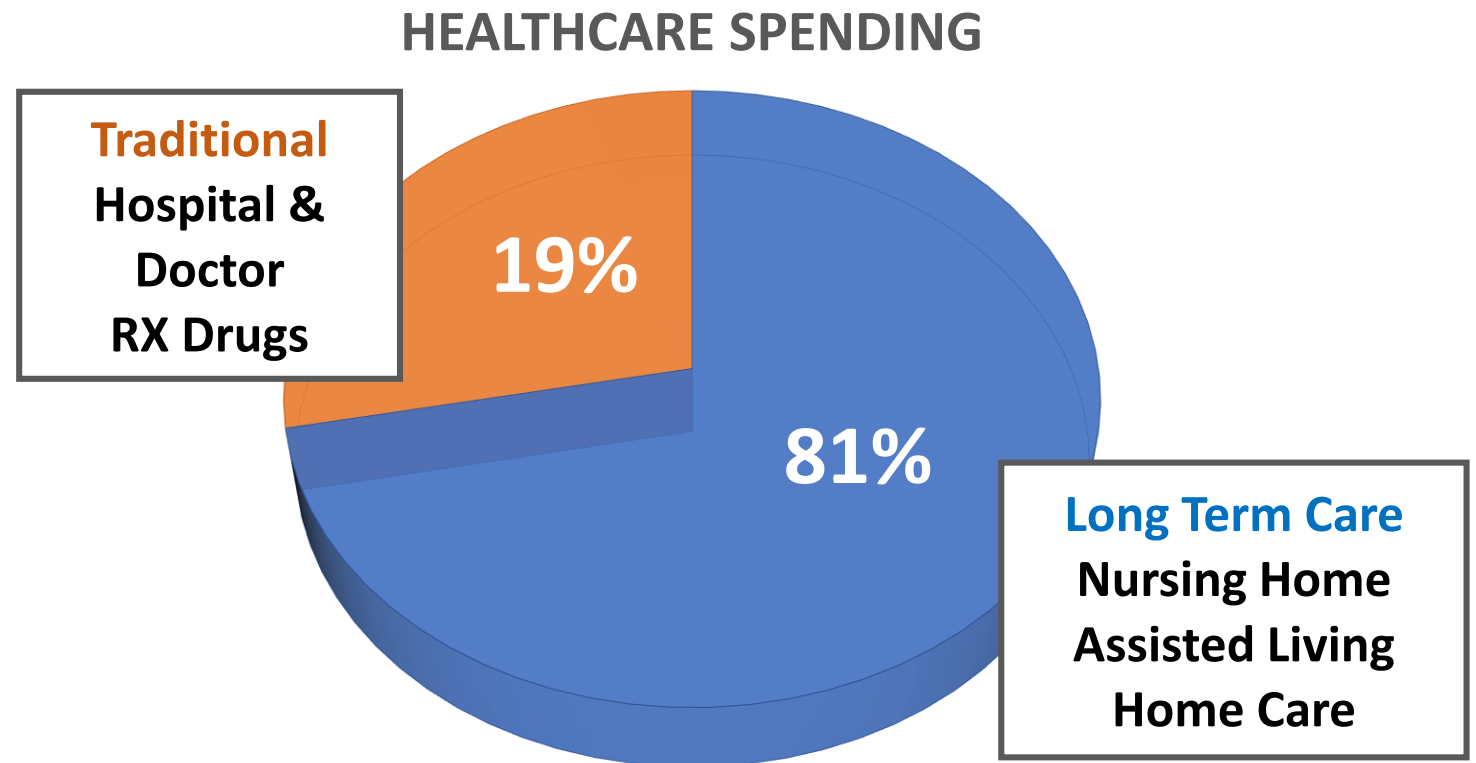
What are the
healthcare
risks that you
face?

- Studies on the financial impact on retirees spending regarding healthcare services show that the majority of out of pocket expenses will come from something other than traditional medical expenses...

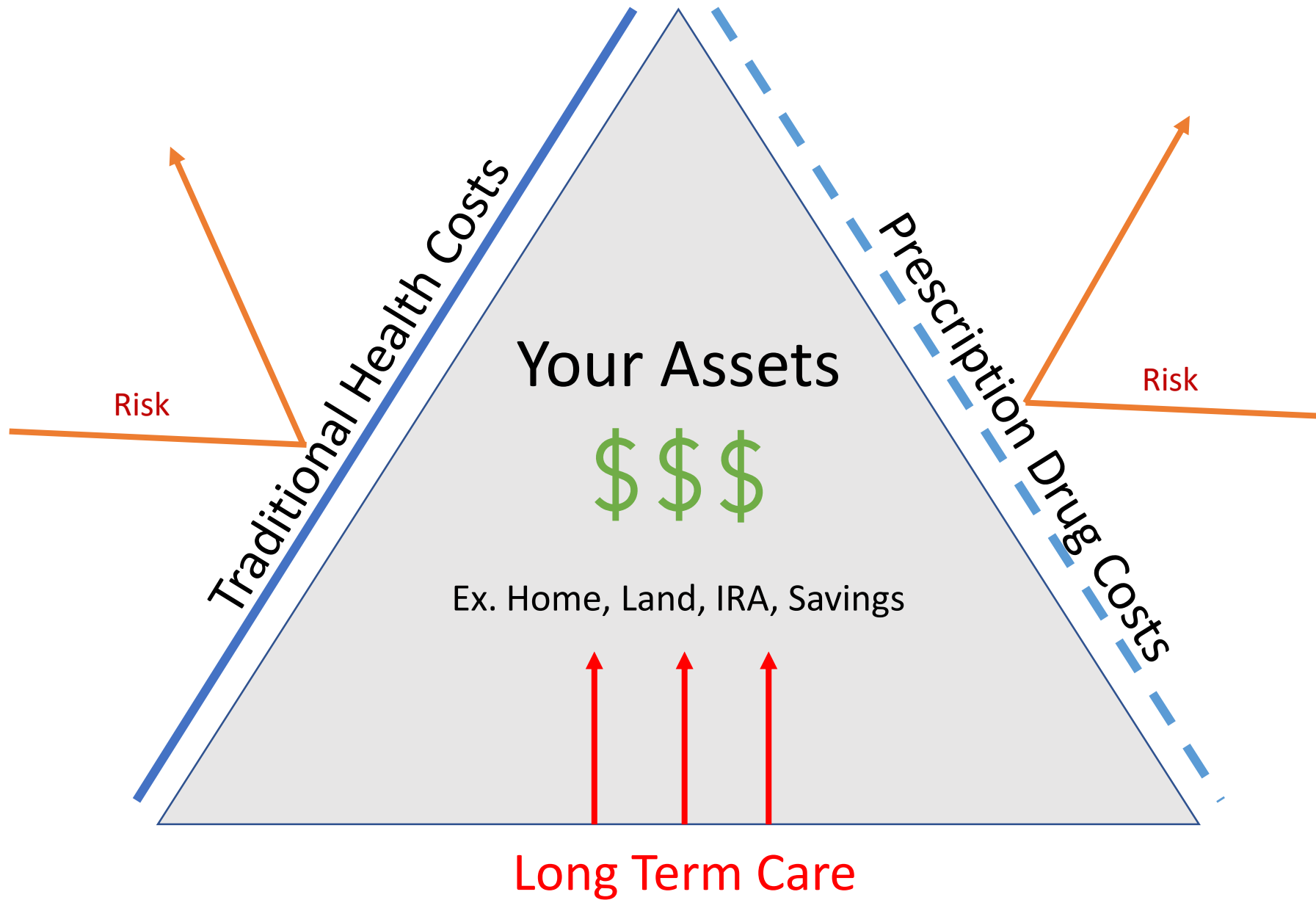
• *Research from Harvard school and Kaiser Permanente*

Where will your dollars go for health care in retirement?

- Here is a closer look at where you are most likely to experience a financial impact for healthcare related spending in retirement.



- *Research from Harvard school and Kaiser Permanente*



Risk

Traditional Health Costs

Your Assets

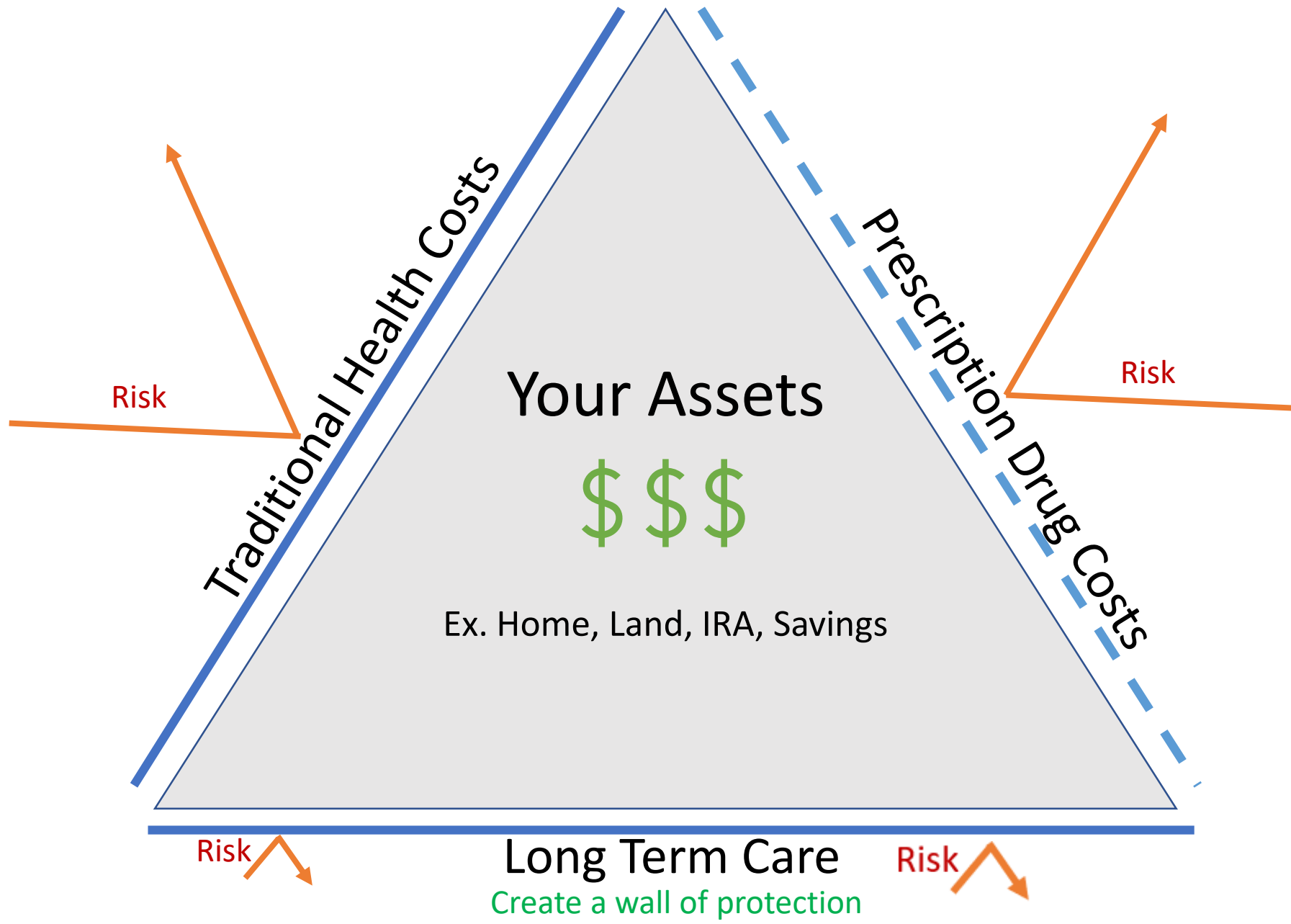
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Ex. Home, Land, IRA, Savings

Long Term Care

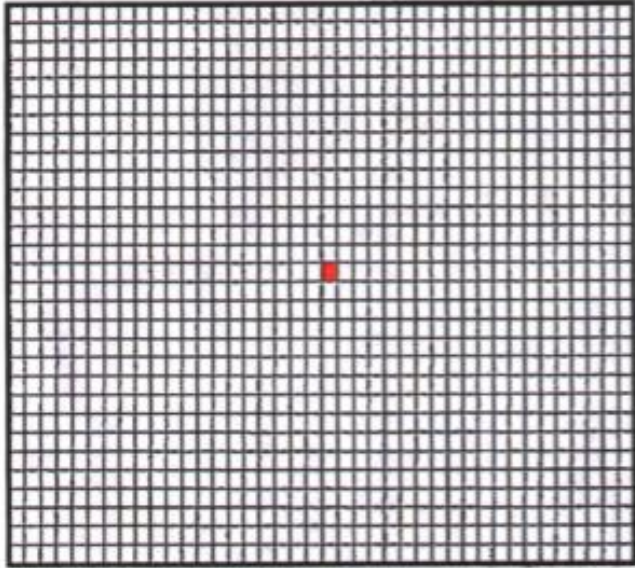
Risk

Prescription Drug Costs



Home

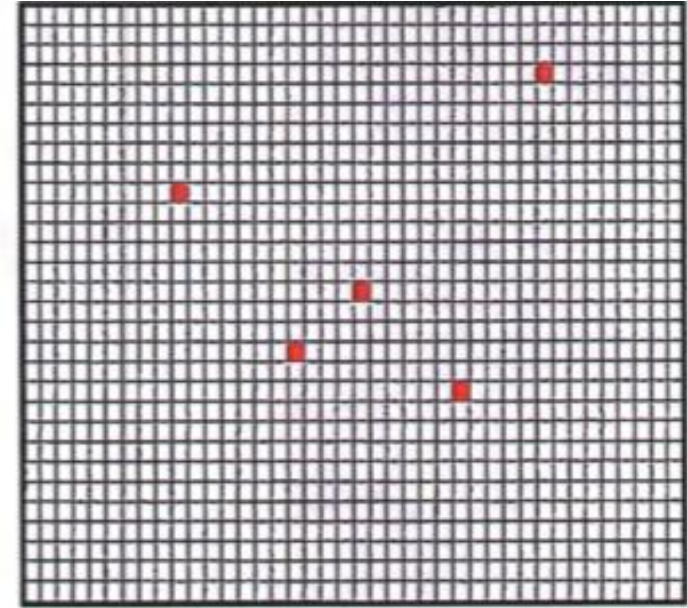
1 in 1000



Risk per 1000

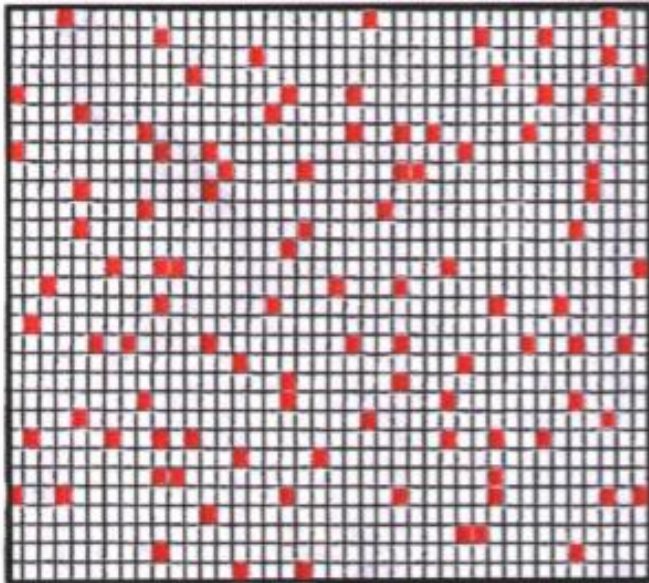
Car

5 in 1000



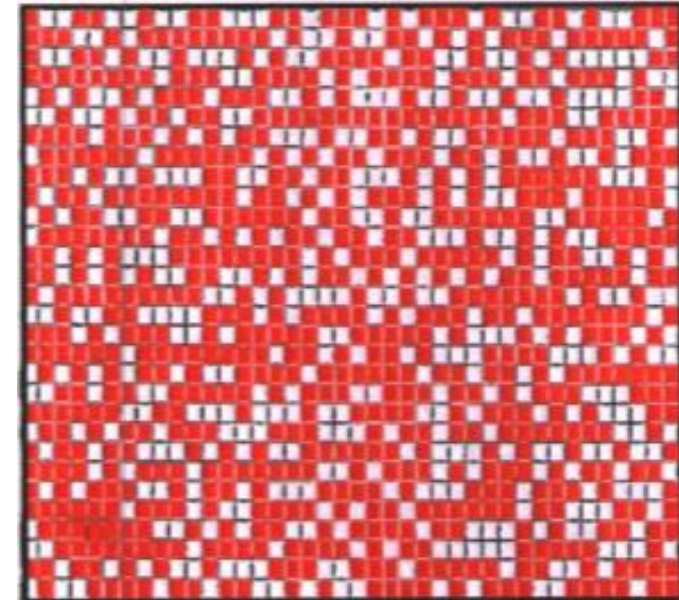
Hospital

100 in 1000



700 in 1000

LTC / STC

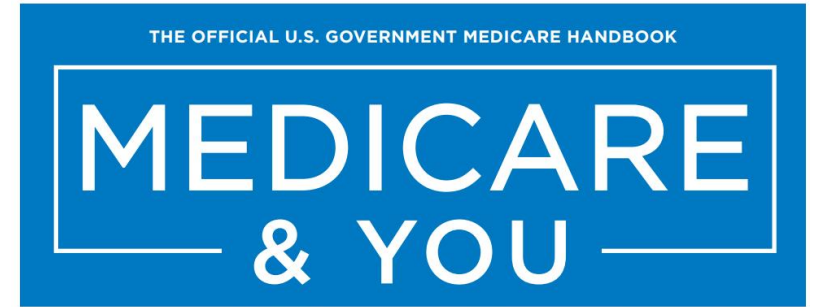


What does Part A cover?

Part A (Hospital Insurance) helps cover:

- Inpatient care in a hospital
- Inpatient care in a skilled nursing facility (**not custodial or long-term care**)

To qualify for skilled nursing facility care coverage, your doctor must certify that you need daily skilled care (like intravenous fluids/medications or physical therapy) which, as a practical matter, can only be provided to you as an inpatient of a skilled nursing facility. Medicare doesn't cover long-term care (see page 50) or [custodial care](#).



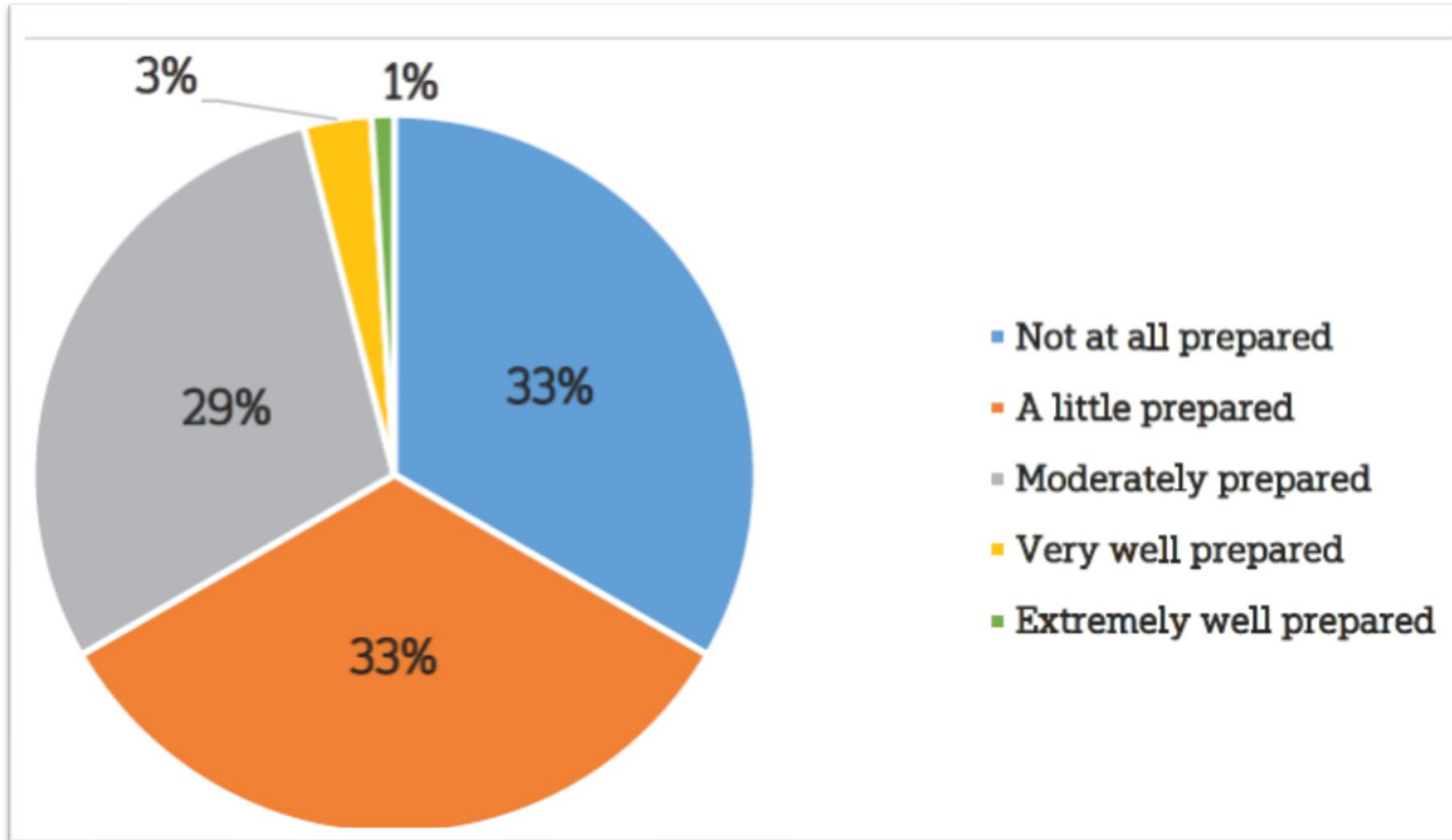
2020



Medicare's position is very Clear, it is your responsibility!

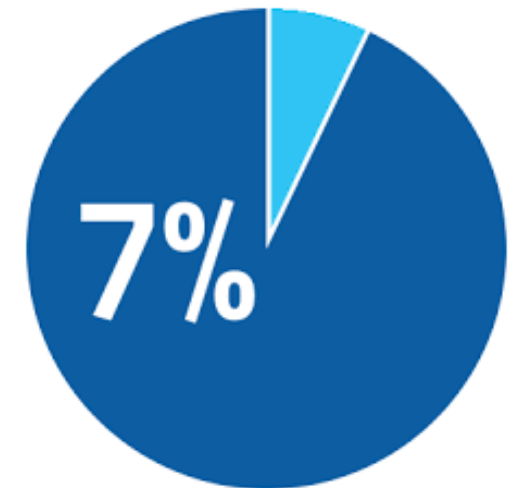
- Skilled Care – Covered ✓
Medicare Supplement: Up to 100 days only
Medicare Advantage: will vary by plan (Limited days, copays apply)
Key Fact: Medicare's average approved stay for Skilled Care is only **22 Days**
- Intermediate Care – Not Covered ✗
- Custodial Care – Not Covered ✗
90% of all care performed at Home or Assisted Living are **Custodial** care!

How prepared are you?



FACT!

Percentage who have a LTC Plan?

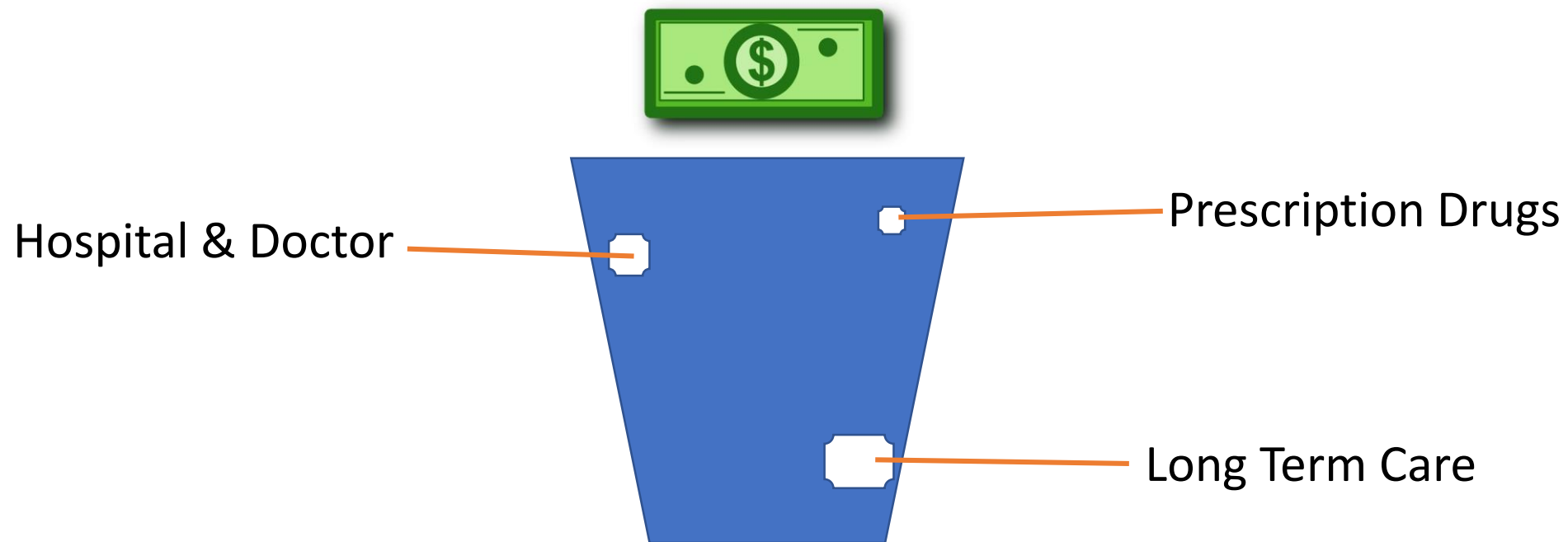


Poll on preparedness for LTC and spending 2017 by national committee on aging



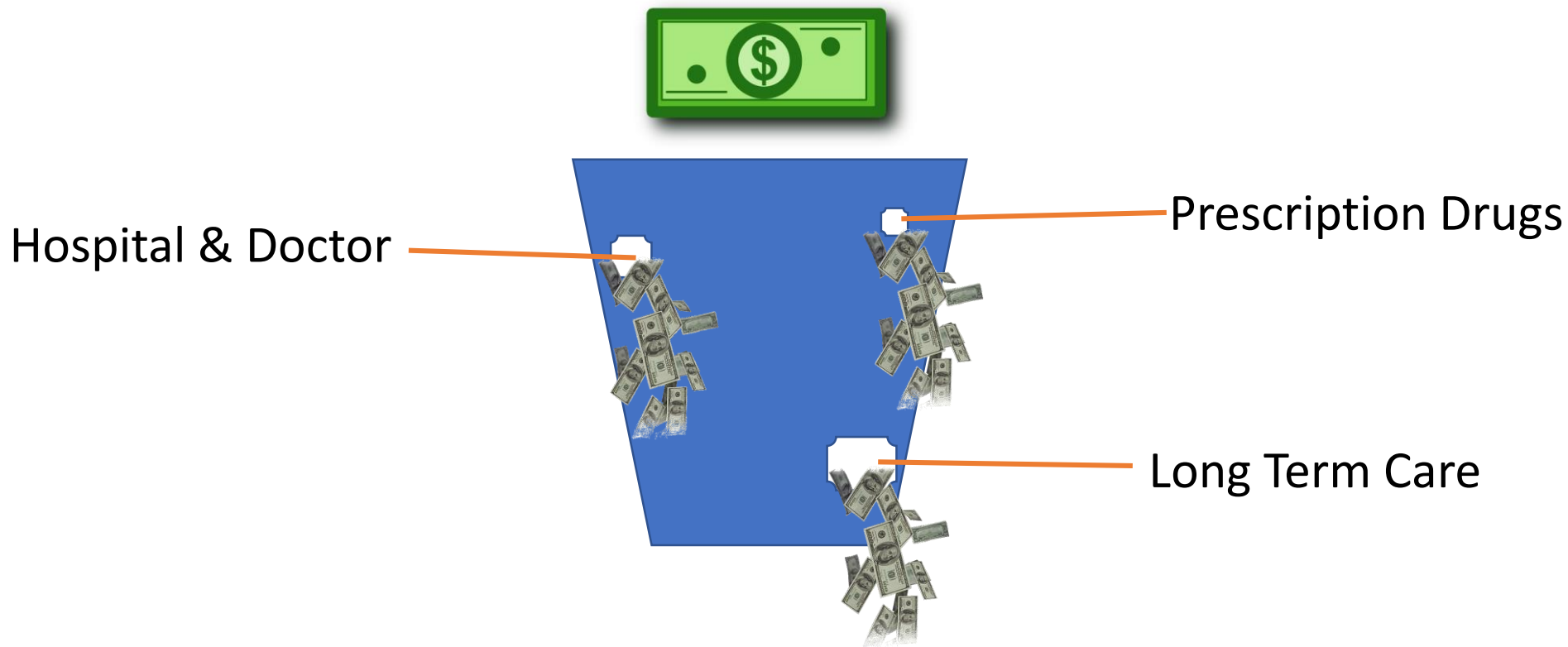
When you retire, your financial resources are sensitive to loss.

Where are the losses most likely to occur relating to healthcare?

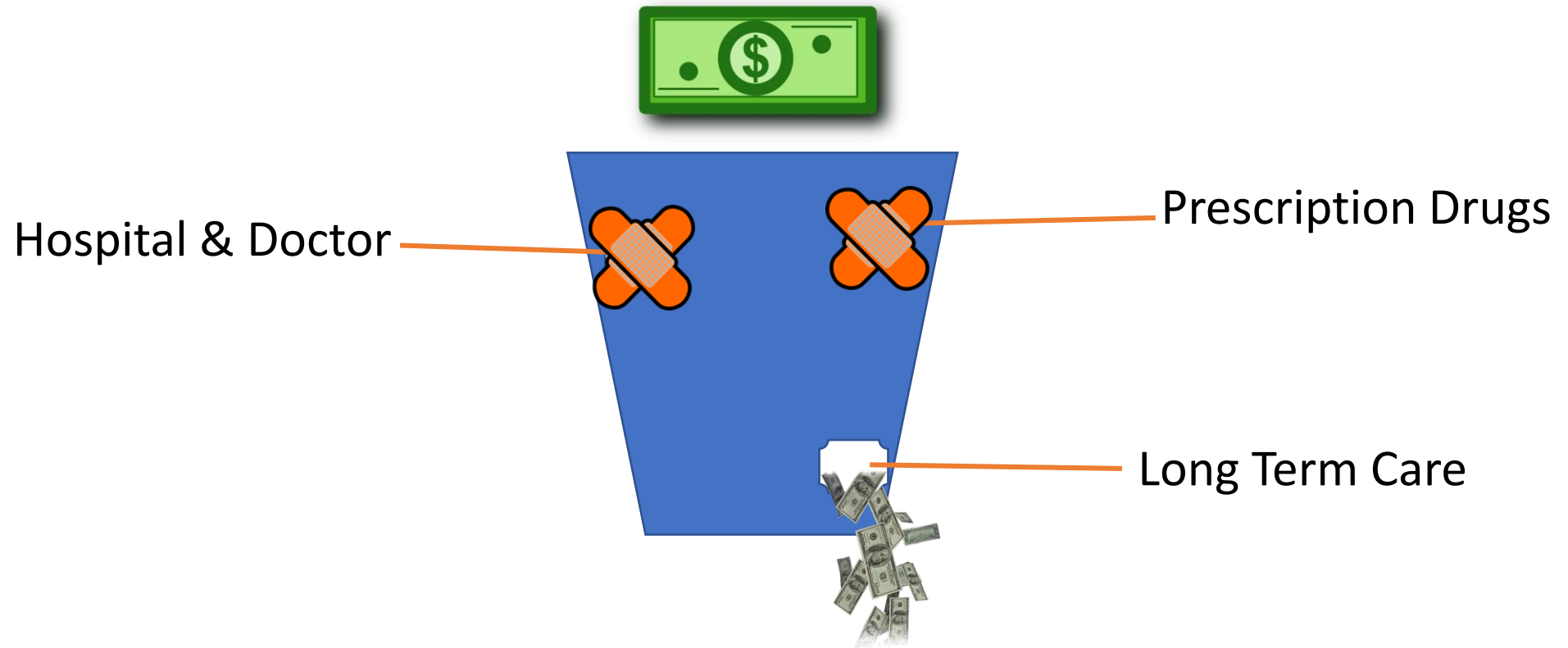


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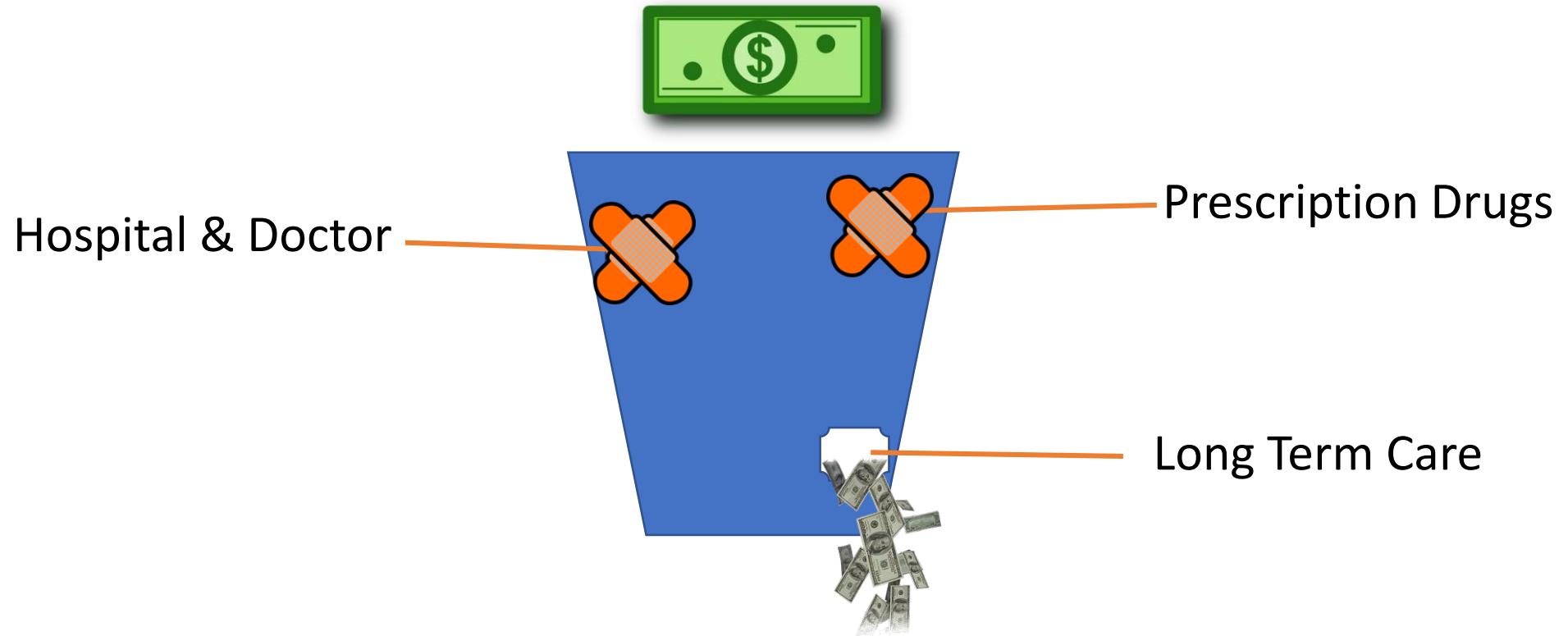


Most retirees solve Traditional Healthcare Risks with Medicare Supplement or Medicare Advantage Plans...



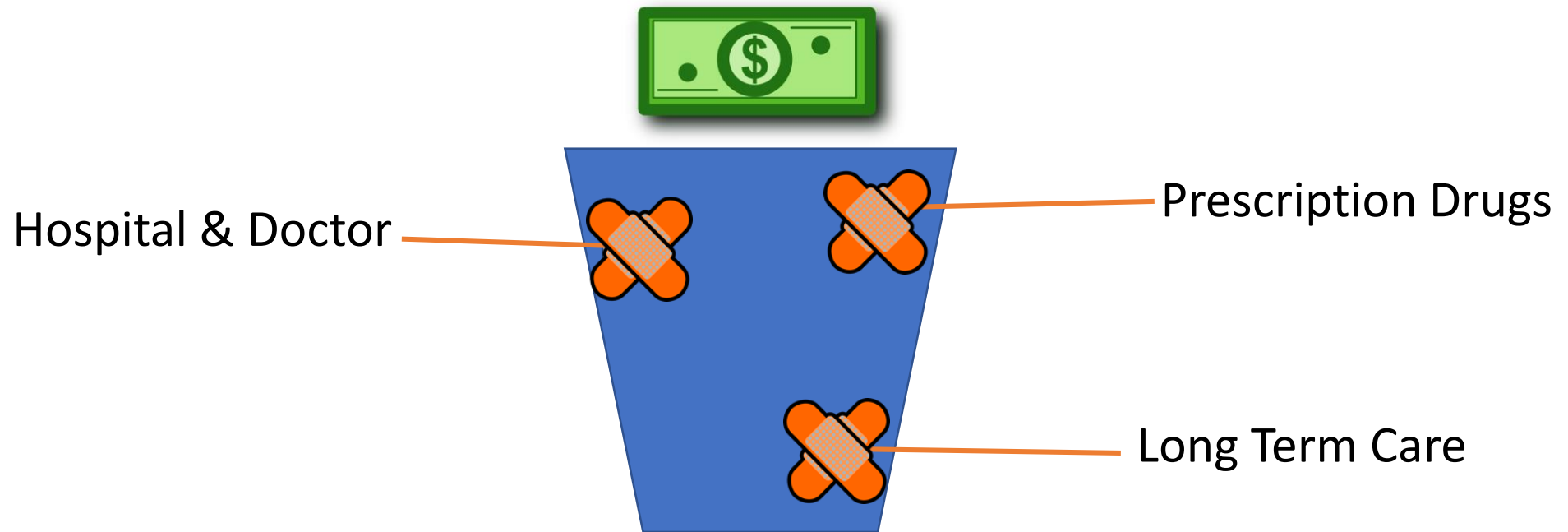
Why Stop There?

Why not enjoy **complete** protection from healthcare related risks?



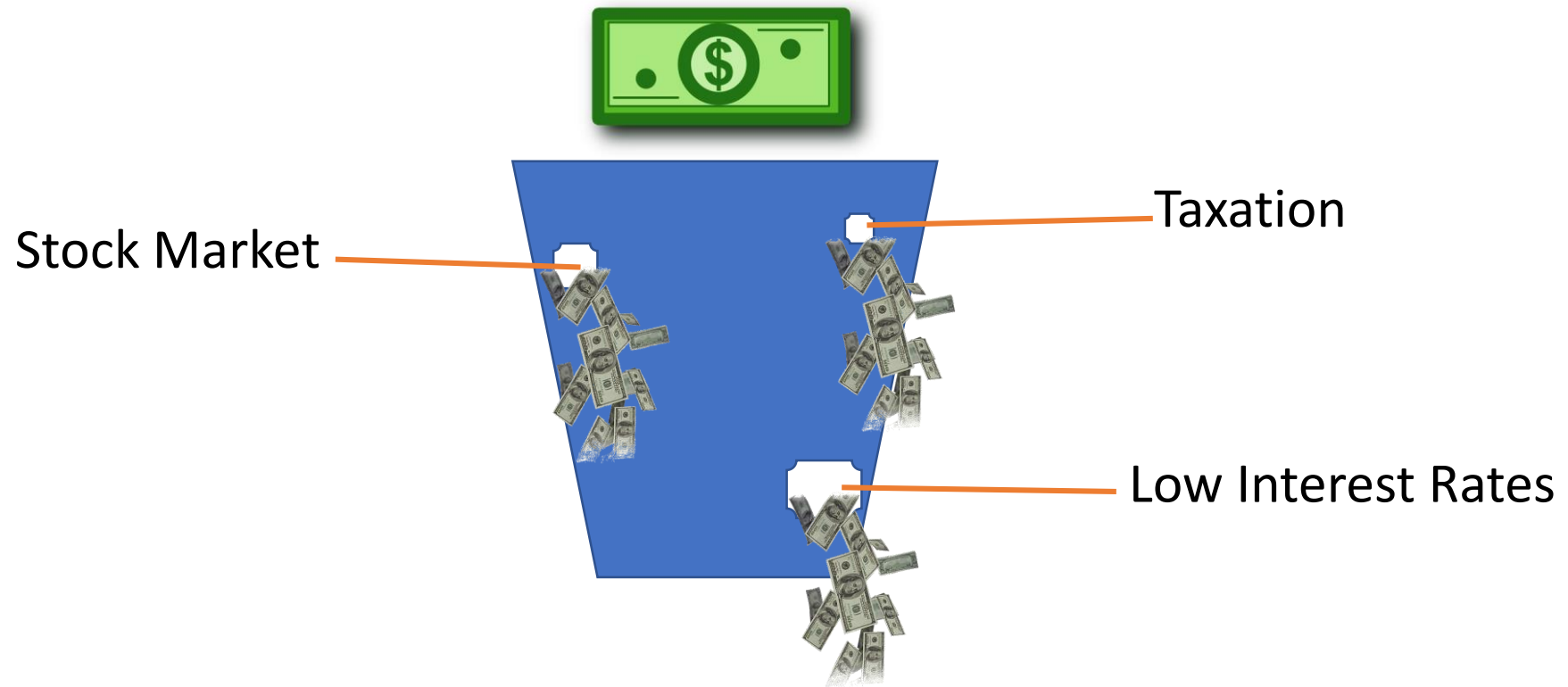
What do you want your healthcare to do for you?

We have ideas



When you retire, your financial resources available to you are sensitive to loss.

Retirement savings are sensitive to loss due to market volatility. Maintaining financial stability is important as you move into your retirement years.



There are ways to eliminate market risk, reduce taxes and enjoy higher returns...SAFELY!

We have ideas

