

Health Insurance Info Sessions



MSU Retiree Association

Thank you for joining! Please allow a couple minutes for attendees to sign on and get comfortable.



Options for Retiree Health Insurance | April 2021

*Presented by the **MSU Retiree Association** in affiliation with **Montana State University** and the **Montana State University Alumni Foundation**.*



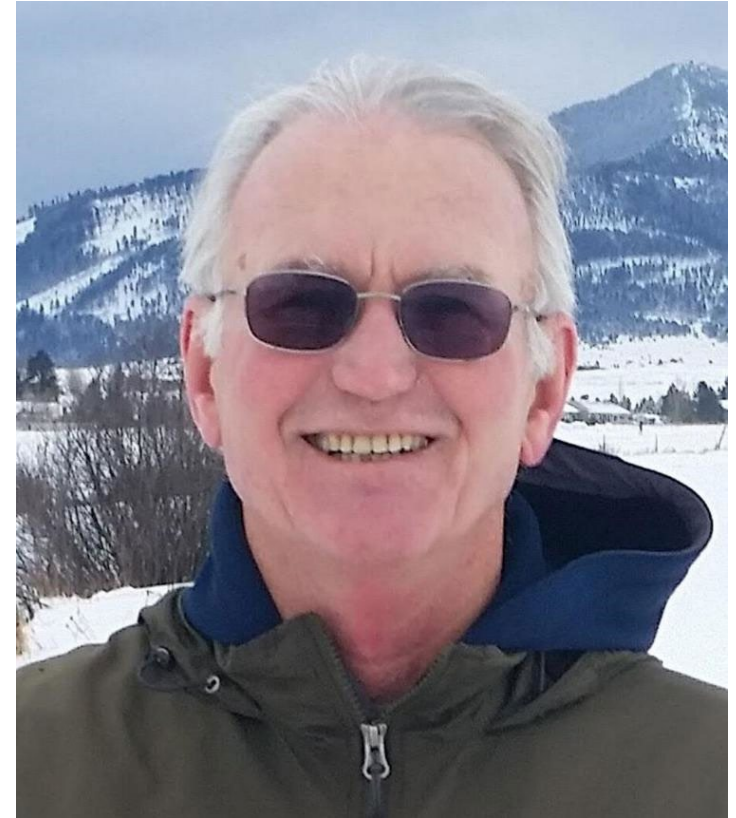
Re-enrollment period | Monday, April 26 to Friday, May 14

In Memoriam

As many of you already know, Doug Young passed away of cancer this last Autumn. For years, Doug served on the InterUnits Benefits Committee and gave these presentations to our retirees. In fact, this year's presentation is based on the work that Doug left us. We are forever grateful for Doug's contributions over the years and our deepest-felt condolences go to his family.

An obituary of Doug's rich and productive life can be found at:

<https://www.montana.edu/wonderlust/rip-doug-young/tribute.html>





Today's Purpose:

- Retirees have several options for Health Insurance Coverage
 - **What are the Options?**
 - **Where can you get more information?**

Disclaimer: The authors of this presentation, with helpful comments from many others, are not in any sense certified experts on health insurance. However, we have served for many years on the Montana University System InterUnits Benefits Committee which advises the Commissioner of Higher Education on the university's health insurance plan, known as "Choices." We have made presentations like this one for a number of years. Some people found them valuable. But this doc should not in any way be interpreted as a statement from, about, or for the Montana University System. All material is the sole responsibility of the authors as private individuals.



Options Depend on Age

Are You (and/or your Dependents)

1. All 65 years of Age or Older?
2. All younger than 65?
3. A Mix: Some 65+, some younger than 65?



Age Option #1 | 65 Years of Age or Older

- **Medicare (Enroll!)**
 - If you choose to help pay for what Medicare doesn't cover:
 - Montana University System (MUS)
"Medicare Retiree" Plan, **OR**
 - Non-MUS:
 - Medicare Advantage Plan, **OR**
 - Medicare Supplement + Part D, **OR**
 - Lasso Healthcare + Part D



What does Medicare Cover?

- **Part A: Hospital Coverage**
 - No Premiums
 - Deductible and Copays
- **Part B: Physician Coverage**
 - Premium: \$148.50 per month for most people
 - Deductible and Coinsurance
- **Plans discussed here help to cover deductibles, copays, coinsurance and drugs**

All require enrollment in Parts A & B!



4 Types of Plans to help pay for expenses Medicare Doesn't Cover:

1. MUS Medicare Choices
2. Medicare Advantage
3. Medicare Supplement + Drug Plan
4. Lasso + Drug Plan



Plan Type #1 | Montana University System (MUS)

- Similar to plan for Active Employees
- Covers many drugs
- Copays and Coinsurance based on in- and out-of-network
- Deductible(s):
 - **\$1,250** per Person
 - **\$2,500** per Family
- Premium(s):
 - **\$368** per month for individual
 - **\$736** per month for couples



Plan Type #2 | Medicare Advantage Plan (MAP or Part C)

- Plan covers Medicare deductibles, copays and coinsurance
- Patient responsible for copays for some medical services
- Plan covers **some** drug costs
- **May** cover dental, vision, gym and hearing
- Only provider in Gallatin County is **Blue Cross Blue Shield**
- Classic: **\$40**/month per person
- Optimum: **\$131**/month per person



Plan Type #3 | Medicare Supplement (Medigap) *AND* a Drug Plan

TWO Plans (in addition to Medicare):

Supplement	Part D: Drug Plan
Helps cover copays, deductibles, etc.	Covers some drug costs
Plans: A, B, C, F, G, N	
Premiums vary	Premiums vary
Many companies	Many companies



Plan Type #4 | Lasso Healthcare MSA

- Zero premium, copays and coinsurance
- Two plans:
 - Growth
 - Growth Plus
- **High Deductible:**
 - Growth - **\$5,000** per year
 - Growth Plus - **\$8,000** per year
- **Lasso Deposits** (into a Medical Savings Account in your name):
 - Growth - **\$2,000** per year
 - Growth Plus - **\$3,000** per year
- **Net Out of Pocket Maximum:**
 - Growth - **\$3,000**
 - Growth Plus - **\$5,000**
- **No** drug, gym, dental or vision benefits
- **Note:** Midyear (July 1) signup works differently. Check the details:
<https://lassohealthcare.com>



Age Option #2 | All Under 65 Years of Age

- **Montana University System (MUS)**
 - “Non-Medicare” Retiree
 - COBRA
- **Affordable Care Act (ACA)** aka “Marketplace” or “Obamacare”
- **Medicaid** (and Healthy Montana Kids)
 - Adults with incomes <138% of Poverty Level
 - Kids are eligible even with higher family incomes



COBRA & ACA Subsidies

The recently passed American Rescue Plan Act (ARPA) has greatly enhanced the subsidies for both COBRA and ACA premiums. Those applying for COBRA or ACA may now qualify for premium reductions. Even higher income individuals might qualify for these enhanced subsidies, making plans far more affordable.

It is important to note that **ARPA phases out these COBRA subsidies at the end of September 2021 and ACA subsidies at the end of December 2022.**

The amount of these subsidies has not been fully determined since this legislation is so recent. **What do we know?**

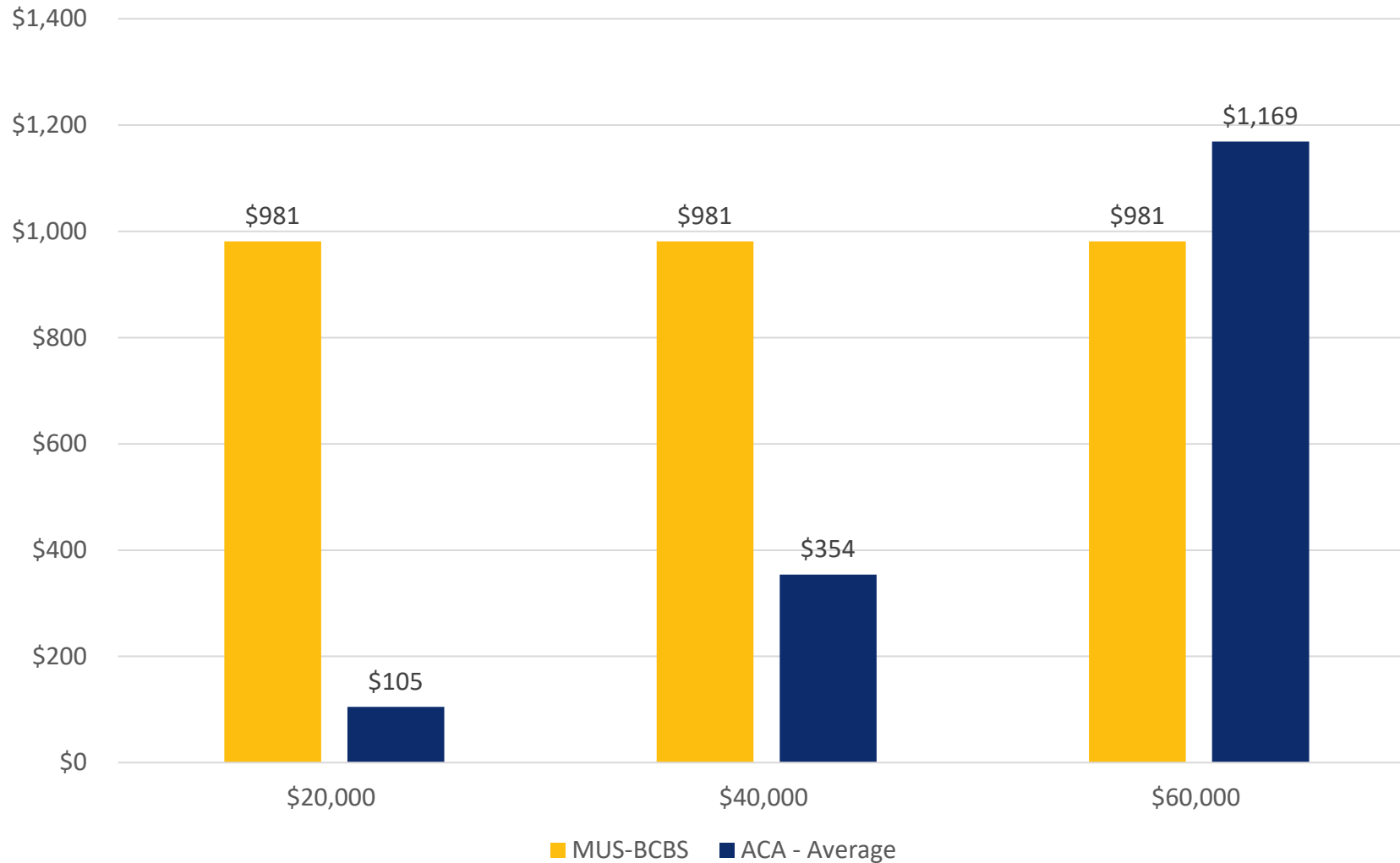
- **COBRA** | 85% or 100% subsidy ending September 2021
- **ACA** | Various subsidies based on plan and income. Higher income individuals may now qualify for subsidies and the net premiums for almost all will be greatly reduced until the end of 2022.

Bottom Line | Those contemplating retirement before age 65 (Medicare Eligibility) may now have a window of opportunity to get medical insurance at an affordable rate. The rules are complex (and somewhat undetermined at this point) and ***it is essential that you discuss your personal situation with a professional advisor.***



Non-Medicare Retiree Monthly Premiums

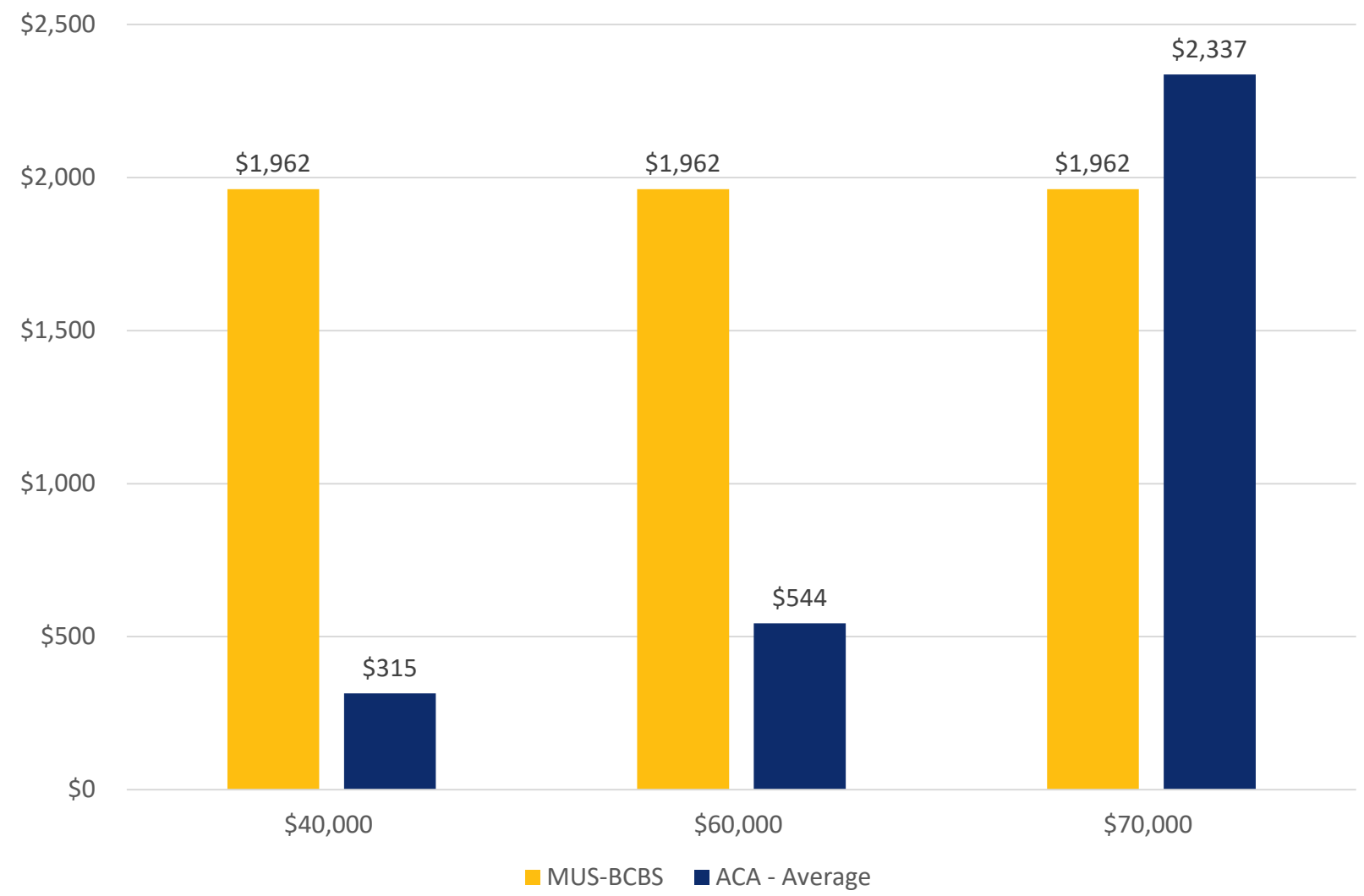
Single, Age 62, Non-Tobacco, Silver Plan





Non-Medicare Retiree Monthly Premiums

Married Couple, Age 62, Non-Tobacco, Silver Plan





Age Option #3 | A “Mixed” Family

Some age 65+; some under 65

- Medicare, Supplements, and Advantage Plans are sold to *Individuals*
- Dependents **under age 65** can not be covered by Medicare, Supplements, or Advantage Plans
- **Every Person should enroll in Medicare as he/she approaches 65**

A “Mixed” Family | Example A

- Example A: MUS Retiree is age 65+
 - John Doe age 73; spouse Mary a “mere” 63
- John enrolls in Medicare
- Mary covered *only if*
 - **John also** enrolls in **MUS** (“Medicare Retiree with Non-Medicare Spouse”) **OR**
 - Mary enrolls in **Marketplace** or **Medicaid** **OR**
 - Mary is covered by her employer



A “Mixed” Family | Example B

- Example B: MUS Retiree is under age 65
 - Joe retires from MUS at age 60 when spouse Sally turns 65
 - Sally enrolls in **Medicare**
 - Joe enrolls in:
 - **MUS Non-Medicare Retiree, *OR***
 - **ACA, *OR***
 - **Medicaid**



How to Choose | Example #1

1. Out of Pocket (OOP) expenses:
 - Premiums, Deductibles, Copays, Coinsurance, Out of Pocket Maximums
2. Guaranteed Issue Right



What is Guaranteed Issue Right?

- Right to choose a Plan *without Medical Underwriting*
- Medicare, Medicaid, Marketplace, Part D, and MAP **NEVER** require Medical Underwriting
- Medigap **MAY** or **MAY NOT** require Medical Underwriting

→ Discuss with your Advisor



How to Choose | Example #2

1. Out of Pocket (OOP) Expenses
2. Guaranteed Issue Right
3. Provider Network
4. Rx: What Drugs do you take?



Uncertainties

- Under 65:
 - ACA subsidies?
- All Plans:
 - Premiums, Copays, Coinsurance
 - Drug Formularies
 - Networks
 - Other Rules

What will *your* health be in 1, 5, or 10 years?



Medicare Supplement Monthly Rates

Plan G (effective May 1, 2021) – Rates per Person per Month

Company	Age 65	Age 80	Gym?
AARP – United Health Care	\$130.24	\$203.50	Renew Active
*Aetna – Continental Life	\$121.95	\$178.17	N/A
Blue Cross Blue Shield MT	\$125.72	\$212.87	N/A
*Mountain Health Co-op	\$107.74	\$159.00	N/A
*Cigna – American Retirement Life	\$145.27	\$237.76	Silver & Fit
**Humana	\$124.95	\$178.26	Silver Sneakers

*7% household discount from prices above

**5% household discount plus \$2 discount for ACH (automatic payments)



Conclusion

- **The options are pretty good and can fit a variety of budgets.**
- While the details are complicated, for most people **the most important thing is to make a choice**, rather than which specific alternative is chosen.
- **Enroll by Friday, May 14 to ensure that you are covered July 1, 2021.**
- **Once you leave the MUS plan, *you have no retreat rights.***



Helpful Resources | Web Resources

- Montana University System
 - Helena: <http://choices.mus.edu>
 - MSU HR: sydney.wagner@montana.edu
- Medicare: <http://Medicare.gov>
- Montana Commissioner of Securities and Insurance for Medicare Supplements, Advantage Plans, *and* Marketplace (ACA/Obamacare): <http://csimt.gov>
- Check eligibility for ACA Subsidy: <https://www.healthcare.gov/see-plans/#/>



Helpful Resources | Counselors & Agents

- **Nonprofit Counselors**

- Dana Mitchell (SHIP Counselor, Medicare)
(406) 587-5444
dmitchell@thehrdc.org
- Pam Frasier (ACA, Medicaid)
(406) 823-6329
frasierp@chphealth.org
- Jen Vero (ACA, Medicaid)
(406) 922-0851
veroj@chphealth.org

- **Agents who sell Policies**

- Mike McLeod or Kelly Jennaway
(406) 586-4367
mike@mcleodinsuranceservices.com
- Chris Mercier
(406) 252-3411
chris@rogerdanielagency.com

Helpful Resources | Retiree Association Contacts

- Get in touch with a former colleague who worked on the MUS insurance plan and has graduated to Medicare:
 - Jerry Coffey
(801) 829-8838
jerome.coffey@montana.edu
 - Ken Hapner
(406) 586-5500
kdhapner@gmail.com
 - Ron Brekke
(406) 586-9539
rontana55@hotmail.com

Health Insurance Info Sessions



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Thank you for taking the time this afternoon to learn about your health insurance options!