Jon (00:00:13):

All right. Good afternoon everyone. We have Marcia Mantell here with us today to talk about 2024 changes to Medicare. Marcia's our Medicare expert here at Milestone Financial Planning and we try to get her to give us an update every year on what's new with Medicare. And in 2024, there's a lot of changes happening to include those with prescription drug plans, so that's going to be a highlight of what Marcia talks about. Marsha, welcome. Thank you so much for being willing to talk to our clients today and we're looking forward to what you have to say. Well, if anyone has any questions during the webinar, you can feel free to type those into the chat box and Marcia will answer those as she has time, and we'll also leave some time at the end for questions. Without further ado, Marcia the floor is yours.

Marcia Mantell (00:01:14):

Thank you, Jon. Thank you so much for inviting me back. It's always great to be here and talk about one of my favorite subjects, shouldn't be one of my favorites, but there you go. It's where I spend an inordinate amount of time during my weeks, getting ready to see what's going on with Medicare for the following year, using this time of year, especially as the open enrollment period, to see what is going on under the hood. And we'll tell you it is madness. I've gone from saying "We'll learn how to navigate the Medicare maze", to "It's just craziness out there." So I am going to spend about 45 minutes or so walking through what's going on in the various parts, mostly around pricing, and as Jon mentioned the Part D plans, I really appreciate that Milestone Financial brings this kind of information to their clients. It is so important, even if you're not yet in Medicare, the information that I'll present today becomes the foundation for you as you then move into Medicare. So say saddle up, put your questions in the Q and A or the chat, and we will get to them.

(00:02:30):

So what are we covering today? Well, I'm going to do some basics around Medicare A and B, so you can see what's coming for 2024 and how to address that. And then we're going to spend most of our time in sections two and three. So the big changes in Part D plans, and they're enormous, and then Medigap versus Medicare Advantage. All the ads that you see on TV at this time of year that make you less than happy, they do a good job of reminding people it's time to do something, but what can you really do? And it's not as much as you think you can.

(00:03:05):

And then we'll look at what actions you take if you aren't in Medicare right now during OEP, open enrollment period, and I'll leave you with a few resources as well. All right, so to level set and make sure in case anyone is not in Medicare yet on this call, there are two flavors of Medicare. There's the original traditional Medicare, which I call the quartet, that is part A and part B that you buy from the federal government. And then Medigap Insurance that pays your share of your costs that A and B don't cover. And then a part D insurance plan, a standalone insurance plan. On the other hand, you can choose the trio, which is a Medicare Advantage plan, or part C, and that's where you still enroll in A, pay for B, and then you buy into a Medicare Advantage plan that has a prescription drug plan wrapped right in it.

(00:04:02):

Those are the two choices you'll have or do have. And this idea at this time of year is that you can just willy-nilly switch between them, not so fast. We'll get to that a little bit later. So here are changes that are happening in A and B right now. Part A has no monthly premium for most people because you've paid FICA, but there are usage costs, and the big one is the $1,600 per event that land you in a hospital. So in 2023, the $1,600 deductible is what people are paying right now. Next year, coming in January, it jumps up to $1,632. So really very modest change in the part A underlying fees that you could be

subjected to. So not a lot there in Part A. Part B on the other hand, well Part B is the more misunderstood part of Medicare. Also, people thought that should have been free, but we never pay into Part B. And it always was a cost sharing that the consumer, the beneficiary would pay a 25% share of the average cost per month.

(00:05:17):

And so starting in 1966, that was $3, which was substantial back then. I know today we go, we'd kill for $3. It was really not so cheap back then, but it's more expensive today. You can see what's happened over the years with just the Part B premiums, and these are the base premiums. They were 170.10 in 2022, 164.90 last year, this year, 2023, and they jumped just about $10 going into 2024. So that's a hit that you will notice coming out of your social security checks.

(00:05:55):

And what we look at with Part B is what's it really costing you? What numbers do you need to work with your advisor on in updating your retirement income plan? So the standard Part B premium, as I mentioned 174.70, we are required as consumers to pay what Congress calls the first dollars in. So you need to pay a Part B deductible. It's once a year, usually it's your first visit of a specialist or some illness that you have. You'll get a bill for $240 in 2024, you'll pay that. And so you're looking at, in 2024, for the year over $2,300, that will be your Part B premiums. But keep in mind, just having Part B will only cover 80% of the cost of services. So you have to pay for the rest if you don't have a Medigap plan or don't get a Part C.

(00:06:54):

Also, it's important to note, you might not pay $174.70, per person per month, if you have high income in retirement. And many people do, they don't think it's high income and it's not like a million dollars necessarily. But if you increase, have enough savings in your tax deferred accounts, or if you are working full-time or part-time during retirement, you can relatively easily jump over these thresholds. So if you're a single filer, it's $103,000 in 2024, married filing jointly, 206,000. Once you go $1 over those limits in 2024, you're going to pay more than the $174.70, and that's called IRMA, not the girl like in 1950s, but rather income related monthly adjustment amounts. And you see them in this middle column. You're going to pay additional premium amounts to get your Part B premium, and you don't have any say in that, meaning it will just be calculated for you and removed from your social security check.

(00:08:06):

So it's not like most people are writing a check for Part B, you'll have that automatically taken care of out of social security benefits. So the numbers on the right are the ones you want to find which tier you're in. If you have income, married, filing jointly income, of say $300,000 in 2024, you are going to pay $349 per person per month for your Part B premium. And those are substantial numbers for people. They're not happy about it when they jump into these IRMA tiers. But I want to mention that you can appeal sometimes those IRMA upcharges. And what happens is social security looks at, and the way they come up with your Part B premium, is they look back at your income from two years ago. So for 2024 they looked at 2022. Well, let's say you had a banner year in 2022, you made a boatload of money and you look like you have high income, but you retired in 2023 or you'll be retiring in 2024.

(00:09:10):

Well, in that case, you have what they call a life-changing event. It's one of these eight, and if you do have a life-changing event, you could fill out the form the SSA-44. It's simple, it's one page. And you check which life-changing event applies to you, and that signals to Social Security that you have a big

change happening in your income and they should recalculate your benefits, your premium charge for Part B. And they will do that. So it's an important form. This is something you might want to note, so SSA-44. You can just Google it and it pops right up, pre-fillable form.

(00:09:52):

The other thing I wanted to mention, and this is so important to work with Jon and the team at Milestone, is on how can you strategize what to do when you're living in retirement and you keep getting these IRMA upcharges that you don't want? Well, to some degree, when you're fully retired, you control the amount of income that you create until required minimums begin. So what I'm suggesting here is if you have multiple tax vehicles, so you have some tax deferred accounts, those are usually the big accounts, then you've got a brokerage account and then you've got a Roth IRA and you've got some cash, work with your investment professional and make sure you're figuring out the best way to draw down those sources so that you might not trigger an IRMA charge. Or the other side is to just know, it's going to be a fact of life that you worked enough and saved enough and you have this great big portfolio, all tax deferred money, and you're just going to be subject to IRMA every year and not be so frustrated about it.

(00:11:06):

You can also do things like start your RMDs early. You don't have to wait until 73 or 75. You can actually take money out of your IRAs, and that way you start to reduce them a little bit for, ultimately, your IRMA years and your RMD years. You don't have to spend the money. You might just be able to move money around. So use this as a real planning opportunity and just discuss strategies with your financial advisor and your tax advisor to connect all these dots and see if there's something you might do.

(00:11:40):

That's Parts A and B. Now, here's where the big changes come in this year. It's Part D, these are your prescription drug plans. And what's important to know, there's such a complication behind the scenes that goes on every year with three powerful players. So we buy as individuals, we're just buying an insurance plan, right? We buy our Part D plan and think that's the end of the story, but it isn't. We have the plans that are offered by the zip code. There's the formulary, so what does that insurance company offer as plans on their coverage list? They don't have to cover your drugs, they get to pick which drugs they cover and whether you fit in there or not, it's another story.

(00:12:29):

And then the pharmacies are involved as well, not to mention the manufacturers and the pharmacy benefit management, which sort of coordinates and negotiates pricing amongst and between all the players. So it's important to know it's particularly the pharmacies that you're going to want to watch for when you re-shop your plans every year. And it really is an every year activity. So most people, you're not going to pay any premium for your Medicare Part D to Medicare, but you will pay a Part D premium to the insurance company. And this is just extra layers with Part D, including an IRMA.

(00:13:16):

So if you again, are a high income person and you are subject to the Part B premium, well you are also subject to the annoying, it's much smaller, Part D IRMA. You can see those numbers here on the table over on the right, it's 12 bucks, 33 bucks per person per month, again, up to $81. Well, that's not almost $600, but it's an annoyance charge, and again, it comes out from your social security checks. So it's this layering upon layering when you have high income in retirement, and if you don't have high income in retirement, you won't pay anything to Medicare, but you will pay to the Part D insurer that you've chosen.

(00:14:05):

And here's what's happening in 2024, and Jon and I talked before this, Milestone has clients in Massachusetts, New Hampshire, and Florida as the bulk of things. If you're in a different state that I didn't cover here, I'm happy to run a few numbers for you if you need it after the session. But the three states I looked at, Massachusetts, I live in Massachusetts, so it's always the first place I start, and I use Plymouth County. So down here on the South Shore, plugged in two generic drugs and said, "Okay, what are the plans looking like, the Part D plans for 2024?" In 2023, the lowest monthly premium was $6.80 or $6.70, six bucks we'll call it. And the very first result I got was WellCare, that's never the lowest. It's in the top three, but it's never the lowest. They're charging only 50 cents per month for a premium.

(00:15:05):

It's like really 50 cents, like less than a dollar? So what'd you see here, these are screenshots right out of the Medicare Plan Finder. I'll show you where to find that if you don't use it as it is already. But it's a relatively easy tool to use, you just need to know what to look for. WellCare Value Script PDP, Prescription Drug Plan, it's 50 cents a month and it will cost, for these two generics, a whopping six bucks for the year. That's it. The generics happen to be $0. Who knew? SilverScripts, which is usually the lowest cost premium, or has been for the last several years, is up to $15.70 per month, and so it'll cost $188 for the year. Well, as a consumer, do I want to pay six bucks or $188?

(00:15:57):

Is that even a question? Of course I want to pay six bucks. But you can't stop here, you need to keep looking underneath the tool to see is there anything else changing? Is there anything quirky? So in the case of WellCare, you put in your two generics, I added Dupixent now, what I call a designer drug. This is a specialty drug that sometimes gets covered by a plan and sometimes does not, so I want to see what happens there. So if I don't just have two generics, is there a price change? Well, I went from six bucks a year to, the premium stayed the same in this case. It doesn't always stay the same. This now, I end up paying $3,300 if this is my drug combination. And it's very important to know how much you'll pay based on the pharmacy you choose. And there's a whole list in the tool, you have to pick.

(00:16:57):

I always pick mail order, and then you want to pick the big players as the first run. So CVS, Walmart, Walgreens, and then I looked for an out of network pharmacy as well, to just see what's the range of pricing. If somebody wanted to go to High Point Pharmacy, can they do that? Well, the answer really is no, because High Point Pharmacy is out of network and it turns out Dupixent costs $51,000 a year retail price. So you don't want to be going to High Point Pharmacy, even if it's two doors down from where you live. You need to get into these tools and take a look at what has changed. Now, high Point Pharmacy could have been out of network last year also, but there are seniors who don't know they need to go shopping for the drug prices. And not only is it bad enough that Dupixent is not covered at this pharmacy because they're out of favor, out of network with the provider, but it also changes, dramatically, your generic drug costs.

(00:18:07):

So these are two, I use the same drugs every year when I do this analysis. These just happen to be two of the blood pressure meds on the market. These are two that I look at. It's 72 cents for one of them, 88 cents for the other here at CVS. But if you look at High Point, they've jumped also to $138. This is per month. And $171, oh, let me look again... Based on the pharmacy. These are total for the year, sorry. So it's $138 for the year, or $171 a year, versus 88 cents. So you need to know to look, because I call them shenanigans. These shenanigans are going on behind the scenes that none of us regular, normal people would know about.

(00:18:58):

Now, how's New Hampshire? Well, for those of you who live in New Hampshire, I've picked a Manchester zip code. WellCare is also 50 cents a month with a $6 total charge for the drugs, those two generic blood pressure meds. And SilverScript where it was $15 in Massachusetts, it's $9, 10 bucks, we'll call it in New Hampshire. Why? Because they can. Your pharmacies, again, are really important, even if you just have generics, there's no specialty drug here, right? There's just two generic blood pressure meds that are zero mail order. They're zero at CVS, zero at Osco. What the heck, they're 60 bucks at Amazon. Amazon now has a pharmacy, it's quite new. It is in network, but it's not preferred in network. And of course, this other one, I picked Genoa Healthcare, out of network, it's $138 and $171. So you really, again, need to get under, go behind the Oz curtain, the Wizard of Oz's curtain, to see are you lined up correctly with the right pharmacy for the drugs you take.

(00:20:20):

And again, the premium can change. It doesn't have to be 50 cents, but sometimes it is, this year. When you add Dupixent in New Hampshire, what happens? It looks the same as Massachusetts, it turns out. You get the same $51,000 retail cost and you're paying over $3,000 for your drugs otherwise, when you're in an in-network, preferred pharmacy. Now here, interestingly, PillPack by Amazon actually worked out about the same, but they're still charging you more for your generics. They should be $0 a month or up to a dollar a month. Generics are pretty, they're not standard. There's nothing standard in Part D plans, but they tend to hover around the dollar per month mark. But these 72 cents, 88 cents, that's noise, and these are charging you 12 bucks. Again, keep your money.

(00:21:25):

Now Florida, Florida's quite different. Jacksonville is the zip code I looked at in Florida. Here WellCare is doing completely premium-free. So someone who has two generics in Florida, we'll see they don't have to pay anything to be in the WellCare Value Plan. Now, if they were in SilverScripts last year, which ran again around six bucks, they have to take an action, right? They have to enroll in WellCare. You can't just see this and go, "Oh, they're going to switch me to WellCare." No one does anything for you in these plans. So you have to go in and take an action before December 7th and get your WellCare relationship set up, and get rid of whatever else you might have. SilverScripts doubled to about 13 bucks. And there's again, a lot of playing around, including you need to be very aware that different pharmacies are owned by different insurance companies today.

(00:22:28):

There's a mass consolidation in the healthcare industry that goes on. Hospitals may be owned by insurance companies, or pharmacies owned by, and retail pharmacies, and just the pharmacy piece of it, it's all a gigantic industry. So here's a great example. In Florida, pharmacies may have switched out of network without you knowing. So in this case with WellCare, CVS is the preferred in-network pharmacy charging you zero. But if you always go to Walgreens because it's three doors down, well you need to stop because they're going to charge you $309 for the exact same drug that you can get for zero. And next year it could switch again because WellCare could be even more in alignment with Walgreens next year, or maybe they were this year. You won't know until you go shopping. And all of this action happens all the time.

(00:23:33):

So as I mentioned, pharmacies are merging with insurers. So Aetna, SilverScripts is now part of Aetna. Optum, Optum Drug, OptumRx is part of UnitedHealthcare. Cigna owns Express Scripts. There are a lot of other examples. The new players coming in are just disrupting everything we knew about Part D plans. So Amazon now has a pharmacy, Costco has a preferred plan pharmacy teaming up with eHealth.

There's just a lot of change going on. And so the two questions I get the most, besides what in God's name is going on, and it just takes more than a few minutes to explain that. But the questions I get are, "Do I have to have a Part D plan", and "Do I have to use my Part D plan?" Both excellent questions.

(00:24:25):

Do I have to have a Part D plan? My answer is generally yes, and it's not necessarily because you need it right now when you're 65 or 70 and you're not taking anything, you're taking one generic drug. You don't need it from a financial perspective this year. You don't know what's coming down your path. So they're cheap, they're very accessible, and you can switch every year with no harm, no foul with Part D, standalone drugs, drug plans. So yes, you need them, otherwise you pay a penalty, but you have to use them. Ah, that's the better question. And the answer is no. You can use GoodRx. You can use SingleCare. You can go to AARP's site. They have a drug, what do they call it, prescription discount. You see here, it's powered by OptumRx.

(00:25:21):

There are other ways you can get your meds. Now it takes some work. My mom was telling me, she takes 10 different drugs and some of them she uses for her Part D plan because they're the cheapest there. Others, she will call her doctor back when it's refill time and say, "I want you to send my prescription this month to Big Y", the grocery store five miles from her house because GoodRx has a coupon there this week for that med. So you become much more involved in your drug management, your prescription drug management when you are in Medicare. And even single prescriptions. So if you've got Paxlovid for COVID, or if you need penicillin for something, you don't have to. Your Part D plan isn't typically set up to cover these one-off prescriptions that you need. Use the AARP discount card, don't pay more than you have to. But you have to be involved.

(00:26:22):

So that's the drug fund, and it's only going to get worse because the drug, Part D insurers are very, very nervous that their profit margins are going to take a big hit next year, 2025. The Inflation Reduction Act makes it so that the Part D insurers can only charge, in total, $2,000 to anyone on Medicare for the year. That includes the premium and any drugs they're taking. So if you have that one example where it's $3,300 for the two generics plus Dupixent, you're going to pay $3,300 in 2024, but in 2025, that number's going to be capped at $2,000. Well, someone has to pick up that cost, and it's the insurers and the manufacturers, and the federal government may pick up some of the cost. It's all that stuff going on behind closed doors. That's why we're seeing such dramatic changes right now because the insurers are unhappy that they're not going to be getting as much revenue, and therefore profit, coming up in 2025.

Jon (00:27:34):

Marcia, why would WellCare offer a zero premium or 50 cent premium plan? How do they make money doing that?

Marcia Mantell (00:27:41):

Excellent question. And they don't this year, 2024. I suspect, they wouldn't tell me. I called them and got a big run around. My suspicion is they are looking to up their roles. They want to just get as many seniors onto WellCare this year because seniors don't tend to move. Once they pick a plan, they tend to stay in that plan even though it's costly to them. And they know that. So they're going to have a whole bunch more, millions more people in WellCare then SilverScripts has. And then in 2025, when they raise the price from 50 cents to say five bucks, it still doesn't seem like a big move, right? I mean, it's still noise for most people's budgets. So that's what's going on, that there's a whole lot of repositioning in the

insurance market, knowing that they all have to cap the amount they can charge next year. So it'd be interesting to see what happens for sure, but that's my best guess. Thank you for that question.

(00:28:51):

Okay, let's now turn our attention to Medigap for the Medicare Advantage and what can you really change? Oh, let me just, one more thing about Part D plans. When you're re-shopping right now in this open enrollment period, and you should re-shop every single year that you're alive, from now until forever. There is no harm or follow with Part D plans. They're designed that seniors come in, they go out, they move around, they shift. It's all okay, and every state allows this. You just go and pick a new plan for a year. Medigap and Medicare Advantage, not so much. So again, Medigap is the insurance policy you buy, you can decide to buy, but pays your 20% share of Part B, it pays that 1600 and change for your Part A deductible, those kinds of costs that you would otherwise have to pay. All right, so it pays your share.

(00:29:49):

Medicare Advantage plans though, are these wrapped, and you can see I have a box here. It's all the parts in a box, usually with a bow on it. That is a network. There's a whole different pricing, movement of money, between the federal government and, ultimately, the doctors. With Medigap, the payment goes from the federal government to the doctor or the hospital. With Medicare Advantage plans, the federal government pays the Medicare Advantage Company, it might be an HMO or a managed care system. United Health Group, for example, is a system. So there's a two-step, federal government to the system, then to the doctors and hospitals. So it's this network, local network, that includes your A and B. You basically assign your A and B to the Medicare Advantage plan. You get your drug plan all wrapped together, and you stay within a network to get the best pricing possible.

(00:30:58):

The monthly premiums are low, they're zero a lot of times, but it's the nickel and dime copays, co-insurance, every time you see a doctor, every time you get an X-ray, every time you get a shot of something that's not preventive, you're paying something, might be 20 bucks, it might be 40 bucks, but it's this constant, you're paying something out. The biggest piece of information that is never talked about with Medicare Advantage Plans is that you have an out-of-pocket maximum of over $8,000 if you stay in network, that's this year. Went up higher than that for 2024. Over $12,000 out of network if you're going in and out of network. So you have to be really careful the years you get really, really sick, you need to be able to write a check for 8,300 bucks. And yeah, you didn't pay a premium that month, but you wrote a check for $8,000. So that's a big cautionary tale of the Medicare Advantage Plans.

(00:32:03):

Now in Massachusetts, it's different. I'll show everybody else what you have to work with, but in Massachusetts, we only have two options with Medigap. You get a Core Plan or Supplement 1-A Plan. Stupid names I know, but this is what we have. The Core Plan covers the basics. Supplement 1-A covers everything under A and B that you would otherwise have to pay for. It's really just that simple, you get some coverage or you get all coverage. And only in Massachusetts can you switch between Core and Supplement 1 whenever you want. And generally you can move out of a Medicare Advantage Plan midyear, well this time of year, and be able to buy a Medigap plan. It's called continuous open enrollment, and only four states allow it, Massachusetts, Connecticut, New York, and Maine. That's it. So in Massachusetts, we can switch plans relatively easily with no chance of being denied coverage.

(00:33:12):

Everyone else, New Hampshire, Florida, and whatever other states are listening in, you cannot do that. So here's how your Medigap plans work. You follow the federal structure, is what it's called, and Medigap plans are numbered, or lettered, with capital letters, A through N. The ones you don't see are retired plans, so you can't buy them anymore. Plan G in the middle, that's highlighted, we call it the Cadillac Plan. That covers everything that's possible to be covered. And so most people, including in New Hampshire and Florida, most people just put Plan G. Frankly, it's just easy. It's more expensive than the other plans because it's going to cover everything, but it's not so appreciably more expensive that people who want Medigap can't afford it.

(00:34:03):

The other plans that are becoming more popular, because they're a little more cost-comfortable for your monthly payments, Plan D covers everything that Plan B covers except Part B excess charges. And in both New Hampshire and Florida, your doctors can charge you more for Medicare service than just taking the Medicare price. So you could get 15% higher bill, Medicare is only going to pay their a hundred bucks and you have to pay the other 15.

(00:34:45):

If you have Plan D and Plan N, you expose yourself to a little additional cost, but it might be worth it for lower premiums. So it's a matter of looking at the degree to which you use the healthcare system as you're young and moving into Medicare, and what you think you will be using when you're much older. Now, how can you possibly know that? Well, you can't, so you have to make as best a decision as you can at the point you're entering Medicare. Because if you're in these federal programs, and not in Massachusetts, Maine, Connecticut, and New York, you are relatively stuck with the plan you choose.

(00:35:36):

But where it gets interesting this time of year, there is a lot of pressure put on people to look for other plans, specifically Medicare Advantage Plans. The managed money system wants all of us in the Medicare Advantage Plans, they make more money. It's just that simple. And now there are new players coming in. So Mass General Brigham, for those of you in the Boston area, know Mass General system, it's huge. They started, last year, actually this year, 2023, and now they're doing a full marketing campaign for 2024, enticing people to come into their Medicare Advantage Plan where the Mass General system is the network. It's currently available. You see here, only in Massachusetts, in these counties, but I expect the expansion by 2025, 2026, probably will cover Southern New Hampshire, will go further west in Massachusetts and such. So we get new players now entering this market. On the other hand, we get players exiting the market. News yesterday, just yesterday, is that Cigna is looking for a buyer for its Medicare Advantage piece of that company. So Medicare Advantage is more susceptible to movement where Medigap is not.

(00:37:02):

So keep in mind, my big message is you cannot switch Medigaps in most cases. You do get to choose any Medigap you want when you're first entering Medicare, because a six-month period, it's called the Medigap Open Enrollment period. It's one time in your life. You are 65 or older, your Part B started, you have six months to join a Medigap plan. You cannot be denied for existing conditions, preexisting conditions. You can't be charged more than your neighbor or your spouse. That's your one time, all doors are open to you. But if you want a Medigap later in retirement, say at 80, these are the other questions I get from the children calling saying, "Oh my God, my mom had a heart attack. Her Medicare Advantage Plan is not providing the care and the coverage we need. It's open enrollment season. Can I get my mom into a Medigap plan now for maximum flexibility?" Answer is generally no.

(00:38:04):

You are subject to medical underwriting, plans will, and absolutely, deny you. I mean, when do you want to switch plans? It's when you're sick. No one wants you when you're old and sick. That's kind of the bottom line. You can be charged a much higher premium. You might have to wait six months before your current illnesses and conditions will even be covered. So while it sounds like you can switch between Medicare Advantage and back to original Medicare and buy a Medigap plan, you cannot. But you'll see a lot of ads telling you you can switch and "Hey, this is the time to switch", and "Call for extra benefits because you know you're probably missing out." You probably aren't.

(00:38:56):

All these extra benefits are not so extra. They're a few dollars, it's $150 towards some eyeglasses. It's maybe up to a thousand dollars towards major dental. But there are other ways to get some coverage if that's what you need, rather than ending up in a Medicare Advantage Plan in a state where you really cannot switch to the more flexible, everyone must accept Medigap plans. So you have to be very, very cautious, and just sort of ignore all the noise that you're hearing on TV. And what the best and the brightest in the industry, the healthcare industry, tell us is you need to consider that whatever decision you are making when you enter Medicare, the gap versus Medicare Advantage, it's a 30-year decision, unless you're in one of those four states.

(00:39:57):

All right, so let's look at the actions that you really can take during OEP. Well, if you aren't in Medicare yet, there is a sequence of events that you need to get the timing right to even join Medicare. And what I would tell you is you want to start three months before you are going to enter Medicare. Medicare only starts the first day of a month. So if you're joining September 1st, you need to start in July, get your A and B in place, and then in August you need to sign up for Medigap and your Part D, or Medicare Advantage, so that all the pieces start for you and you're fully covered on September 1st. Otherwise you have a gap in coverage, and you will be responsible. If you get hit by a car on September 3rd and you don't have all your pieces in place. Yeah, A and B will cover some of your costs, but you're on the hook for the rest.

(00:40:59):

Then once you're in Medicare, use the OEP, the open enrollment period, every year to re-shop what's happening with your drugs. And the reason you get to also do the Medicare Advantage re-shop is because that's where your drugs are. And so you need to make sure that the Medicare Advantage Plan that you picked for this year is covering your drugs next year. Again, they don't have to. So there is a lot, a lot of movement. Or is it as inexpensive next year as it was this year, but you don't have the monthly premiums on Medicare Advantage, but the drug costs can go up and down and all around. So you still need to check for these behind the scenes activities, that's the nicest word I can come up with. And you need to make your final decision by, and on, December 7th, that's your final answer. And then your new plan starts January 1st, and it goes for the entire year.

(00:42:00):

So the steps that I encourage everyone to take in October, or today, you're going to check all your prescriptions. Line up all your prescription bottles, go into MyMedicare account and make sure you have everything current in the net account so you can compare drug costs and Part D plans and Medicare Advantage opportunities. Then I use November 1st, mainly because I want this done before Thanksgiving, so I pick November 1st. If you have an MAPD, that's Medicare Advantage with Prescription Drug Plan, use the Medicare Plan Finder to review how your plan and coverage will change next year. If you have a standalone Part D plan, you also use Medicare's Plan Finder and you review next year's standalone Part D plans with the pharmacies checked off, make sure you're always looking at five

pharmacies to know what's going on, and then you can go back and run it again and pick another five, and look for your new pricing and see if you have to fill out a new application to get into a new plan, do that also on November 1st.

(00:43:10):

And whenever you pick a new plan, let's say you were in SilverScripts this year and you're intrigued enough by WellCare, so it's like, "All right, fine, I'm going to switch over to WellCare." When you call WellCare, make sure to confirm the pricing, make sure there isn't something else somewhere that you'd mistakenly picked a different pharmacy or the wrong pharmacy, or the whatever. We never know what changes could occur, so you want to take real proactive action here to make sure you know how much your drugs are going to cost next year and what the monthly premium is going to be. And review any paperwork they send you to confirm all of this. Then in early December, there's still another step, and that is your Social Security determination letter arrives and it's going to tell you how much your Social Security benefit is now for 2024, after the annual COLA was put in, the Cost of Living Adjustment, and it will tell you what your new Part B premium is going to be, including any IRMA.

(00:44:16):

So again, if you are in a situation where you should be appealing that additional charge for Part B, you're going to fill out the SSA-44, and you can send that in December or in January. Then January 1st, your new Part D, or your new Medicare Advantage Part D Plan is now in effect, it starts January 1st, 2024. And now you're still not done. You get a new card in the mail, and you do need to notify your doctors. Now, you don't have to proactively call them unless your meds are on auto renewal. Then you need to call your doctors, your specialists, anyone who's prescribing a drug for you. I have an eye doctor who prescribes. That's one call. Then your primary care, and then maybe you have a specialist. So make sure you're contacting everyone to give them your new Part D plan number or your new Medicare Advantage Plan number. And if there's been a change in the pharmacy, that's why they always ask you, "Well, what pharmacy do you want us to send this to?"

(00:45:18):

So that's the steps to take. And before questions, let me just go to some quick resources for you that are really important. And again, they're easy to use. It's time consuming, it's a little tedious at first. If you've never been on medicare.gov, this is the homepage and you're going to go right to find health and drug plans, either up on the top left or the second box of the four major things you do, and you're just going to switch on find plans now. You put in your zip code, your county if it asks for that, and then you load in your drugs, because it doesn't matter, generically, what's going on, you need to know the prices for your exact drugs. And they can swing wildly.

(00:46:09):

The spouses, a lot of times I work with couples, and they're so used to being on the same plan from work and they enter Medicare, it's like, "Well, what do you mean we're going to have two different Part D plans?" One will be with Cigna Express Scripts and another will be with WellCare. Well, it just depends. It depends literally on the drug and whatever they're taking in the dosage, in the form, in the manner. So I make a spreadsheet, in fact, I have 30 or 40 of them, but it's just what are your drugs? What are the dosages? What is the frequency, and which drug plans are offering and covering you in the best way possible?

(00:46:50):

A note here, this is what it looks like once you click on this plan find now, this is the page you go to. At this time of year, they do allow you to shop for coverage for next year, 2024, but some people are still

entering Medicare right now and they need a 2023 drug plan. So just be really careful that you know which year you are checking on pricing for. Most people who are already in, obviously they're looking at 2024, so that's the default. But if for some reason you need 2023, just click that radio button. And this is where you put your zip code, and over here on the left is setting up an account. Excuse me. This is called your MyMedicare account. You do want to set that up once you're in Medicare, it stores all your drugs, so you don't have to keep putting them in every year. You can just edit.

(00:47:45):

And the last note, I mean besides of course working with your team at Milestone, and Jon and team can always get ahold of me if there are some questions and such, but you have some free resources. Each state is required, in fact, to offer free resources to help you through, mostly, open enrollment period. Massachusetts and Florida, SHIP stands for State Health Insurance Assistance Program, there's no A. But SHIP is SHINE in Massachusetts and in Florida, but the E stands for something different in each of the states. And in New Hampshire, SHIP is just SHIP, but you get your information through the Service Link Resource Center. So just Google, literally Google SHIP in New Hampshire or SHIP in Mass, SHIP in Florida, and it will get you to the right place. And with that-

Jon (00:48:46):

Get a bunch of questions, Marcia.

Marcia Mantell (00:48:48):

All right, we will... I'm happy to get emails from you or answer other questions, but-

Jon (00:48:56):

Yeah, we get a bunch in the-

Marcia Mantell (00:48:59):

All right.

Jon (00:48:59):

So the first one was, is it ever advisable to self-insure above traditional B and D? And I asked a clarifying question, if that meant instead of getting a Medigap or Medicare Advantage Plan? And the person answered with "Yes, if you're healthy."

Marcia Mantell (00:49:18):

I would never answer that way. If you have a hundred million dollars we could talk, but if you don't have a hundred million dollars, forget it. There is no such thing as self-insuring. There is paying full price out of your own pocket, and this is money that won't go to your heirs. And it is not cheap. You saw that Dupixent drug, right? 50-some odd thousand dollars. That's nothing compared to the chemo drugs. They fall under Part B, as in boy. So just having a Part D does not protect you.

(00:49:55):

Or if you need an immunotherapy, I work with one client who has some particularly chronic and rare disease. She has to go twice a month for an infusion. It can only be given via infusion. It is a hundred thousand dollars a month. It's a Part B, as in boy, drug. So do not be fooled, none of us can afford to get caught with no insurance. I don't care how healthy you are today, and yay that you're healthy, you just

can't run the risk, or why would you take on such a risk. That just is not okay for older people. And I can assure you, when you're really old, you can't fight this stuff. So no, do not try to self-insure.

Jon (00:50:41):

All right, the next one is, my mother has AARP Medicare Supplement Plan that now has non-creditable coverage for prescription coverage. Will she be penalized if she moves to Medicare Part D during open enrollment, or since she's going to change during open enrollment, the premium won't be penalized because the current coverage has been non-creditable for many years?

Marcia Mantell (00:51:09):

I need one more piece of information there, and that is this a plan, this AARP plan offered through the employer? And how old is mom? Is she moving into Medicare right now? So that would be, to give you a specific answer, let me give you the general answer. If your work offers you a drug plan and it is not creditable, that will be a problem for you when you move into Medicare. You only have 63 days to get into a Part D plan. So as soon as you are leaving work and moving into Medicare, you need to get that Part D drug, but you have very, very short time to do so.

Jon (00:51:59):

She said she's 88 and it's not through an employer.

Marcia Mantell (00:52:04):

Well, then how is she getting coverage? There is no such thing as coverage for people north of 65 and not working.

Jon (00:52:15):

So if she hasn't been on a Part D plan, can she get on one now? Sounds like that might be the issue here.

Marcia Mantell (00:52:23):

Maybe that's the question. Let me just do a quick little math. Mom's 88 you said?

Jon (00:52:27):

Yes.

Marcia Mantell (00:52:27):

88 minus 65 is 23 years, times 12. She'll be charged a 276% penalty.

Jon (00:52:43):

Because she delayed?

Marcia Mantell (00:52:45):

Yeah.

Jon (00:52:46):

Okay.

Marcia Mantell (00:52:47):

She essentially has no drug coverage at all.

Jon (00:52:49):

And maybe we'll get up-

Marcia Mantell (00:52:50):

So if she wants to get in a plan, she can. Unlike Medigap or Medicare Advantage, no one's going to say, "No, you can't have a drug plan", but they're going to charge you. So what's 276 times 35, let's call it... She's going to pay about a hundred bucks a month for a drug plan. So I'd say we'll take this offline and see what's really going on.

Jon (00:53:17):

Sounds good. The next question was how might insureds be affected if Cigna is successful unloading its Medicare Advantage business?

Marcia Mantell (00:53:32):

Well, I would imagine the competitors are pretty excited about this because then they would get a whole new crop of seniors coming in. And the way things work between the federal government and the Medicare Advantage systems is for every individual you have as a, what do they call it? As a member, Medicare Part B pays you a per capita rate per month. So if I only go in to see a doctor one time a year, that's great, but that Medicare Advantage company has been paid times 12 for me.

(00:54:17):

So they love having bigger numbers of people on the plan or in their system. But what really happens, and if you're on a Cigna plan, do not worry. You will have a guarantee issue period. Here's a case where you could go to another Medicare Advantage Plan, because you're going to be without insurance, so they will not just dump you on the curb. There'll be a time period, you would be informed, and you have to take action. So you can go into UnitedHealthcare, the AARP-UHC Plan, or you can go to a Blue Cross Medicare Advantage Plan, or in this case, this is a guarantee issue that you can, at that point, look into changing to a Medigap plan and seeing what the pricing would be. This is an opportunity to perhaps move to a Medigap. So that's something to consider.

Jon (00:55:17):

All right, the next question is what fixes can the executive branch make without involving Congress? And I'm assuming this is in relation to Medicare.

Marcia Mantell (00:55:25):

Yeah, Medicare and Social Security are both gigantic laws. There's nothing really that can be done. This is so... Everyone is playing by the rules. Let me just say that the law is very big, is very robust, and we, as consumers, are stuck in the middle between a Congress that makes these ridiculously complicated laws and the insurers who implement those laws, and there's nothing the executive branch can do. I mean they can lament with us, they can say it's unfair, but basically there's nothing. It's a law, Congress has to fix it. They're not going to, FYI.

Jon (00:56:20):

How do you use the finder for an elderly mother in another state who does not have an account?

Marcia Mantell (00:56:28):

All you need is her exact prescriptions. And it's not enough for mom to say, "Oh, I take a blood pressure medicine and a cholesterol med." You need the exact name and her dosage, and if she can email that to your, take pictures of it and send them to you, so you have the pill bottles, then you will just enter, because you don't have to log in. You can run drug analysis on your own on that right hand side of the tool. So to go to the plan finder do the same thing, you're going to enter the drugs, the dosages, and pick the pharmacies in her zip code area to get a good comparison.

Jon (00:57:10):

All right, and the next question relates to people that live in two states or spend time in two states during the year. How do they approach this, these decisions?

Marcia Mantell (00:57:20):

Yeah, that's a great question. I know up here in New England, we have a lot of snowbirds. You have a few choices. So first and foremost, wherever you have your official residence, you can't have an official residence in two states, you're in one or the other. So if you have an official residence in New Hampshire, you have to go to Florida for five months of the year. You need to have a plan, you need to have selected a plan that goes with you. Usually that's a Medigap, but if you have a Medicare Advantage plan, a couple of them have a reciprocating relationship with their network down in Florida, and it's literally Florida, not North Carolina, South Carolina. So it all depends on where you spend your two parts of the year. But mostly what you have to do is buy a flexible plan right from the get-go.

Jon (00:58:22):

Okay. And when we talk about vision and dental coverage, that's one of the things that Medicare Advantage Plans seem to advertise as being benefits. What's the value in that coverage on those plans? And do Medigap plans offer any dental and vision coverage?

Marcia Mantell (00:58:45):

So we'd start back with 1965 and the Medicare law. The Medicare law specifically in order to get this law passed through Congress. I mean, our current Congress isn't the only non-functioning Congress. We've always have them. So back in 1965, to get hospitals paid and doctors paid, the Congress at that time eliminated, specifically, coverage for dental, vision, hearing, podiatry. And that was that, you had to pay for that. Now, it was also pretty cheap back then. Today, as we move forward, we see a convergence of the two kinds of plans. So Medicare Advantage Part C, when it came into being, it was actually coming in to give you some money back on dental, vision, hearing, podiatry, and they covered prescription drugs before we had Part D.

(00:59:41):

They don't cover much. What they do is they stick you in a network, and two cleanings a year are covered, probably one X-ray a year is covered. But then when you're older, the things that we tend to need are implants and crowns and bridges, and those things are all quite expensive, three to $6,000. It doesn't cover any of that, these Medicare Advantage plans. They give you a set dollar amount toward them. It typically is a thousand dollars, maybe I've seen a couple plans at $1,500. But to think that you're

not going to have to pay for dental is a misplaced piece of data. You pay a lot for your dental even in Medicare Advantage plans. With vision, most of them are in EyeMed, the network EyeMed. So you have to go to EyeMed, an EyeMed place, and they tend to give you $150 every two years toward your glasses or contacts.

(01:00:50):

I don't know how much you guys pay for your glasses, but I'm more in the $1,200 range with the specialty glasses. So $150 isn't going to go very far. So you're better off shopping right now, elsewhere. Look at Delta Dental and see if you want to plan there, talk to your dentist. The dentists all have, they have all figured out how to be profitable for lots of people who don't have any dental plans. So just call your dentist, or be willing to switch to a network that has whomever as the dentist. Call your vision company. Hearing aids are now over the counter, that's brand new this year or at the end of last year. That is a game changer. Now, you may ultimately need a specialty set of hearing aids. Again, three to $6,000. You tend to get, I want to say it's $600 back in a Medicare Advantage Plan every couple of years, but that's it. So these are very expensive pieces to your budget. In Medicare, you need to plan upfront for all of them.

Jon (01:02:07):

Okay. And so you can get a standalone dental policy?

Marcia Mantell (01:02:13):

Yep. I look at Delta Dental. Also, some of the Medigap plans are now... Medigap, again, it's regulated. It can only cover those eight benefits I showed you on that big ugly chart. But the insurance company can bolt on other benefits. And so just for 2023, I started seeing, Blue Cross comes to mind. I want to say [inaudible 01:02:38], but I could be wrong. Anyway, Blue Cross for sure. They have two levels of dental plans that they're adding on as riders, if you will, to their Medigap. So you can just take a look at whichever insurance company, if you have a Medigap plan, see if they're offering, excuse me, dental or vision plans. Because they're now starting to kind of come à la carte, if you will. So it's really interesting that what Medicare Advantage started to do, which was provide some cost-sharing for you in dental, hearing, vision, now they're being riders on Medigap plans. So basically the two sides of the industry are coming together in the middle and it's just a matter of shopping.

Jon (01:03:30):

Great. If you move to one of the four states that you mentioned, Connecticut, New York, Mass, or Vermont was the last-

Marcia Mantell (01:03:38):

Maine.

Jon (01:03:39):

Or Maine.

Marcia Mantell (01:03:39):

Yep.

Jon (01:03:40):

And you have an Advantage Plan, are you able to then switch to one of the Medigap plans?

Marcia Mantell (01:03:46):

Yep.

Jon (01:03:46):

You are? Okay.

Marcia Mantell (01:03:47):

Yeah. That gives you a guarantee issue. When you relocate states, it does. When you relocate within the state, you have a guarantee issue, maybe. It depends. It's not like if you're moving from Boston to Western Mass, it doesn't usually apply. Well, Massachusetts is a bad example. From Eastern to Western Kentucky, it doesn't apply so much.

(01:04:15):

But again, you should never hesitate to call. And my rule is always you call three times. If you're at, you picked Blue Cross, you picked UnitedHealthcare, whoever you picked as your insurer, you're going to talk to different levels of knowledge among the rep population. So call three times and see if you get the same answer three times. They're like, "Hey, I'm moving from Harrodsburg, Kentucky to Louisville, Kentucky. Can I", fill in the blank. I want to buy Medigap plan there. I have Medicare Advantage now. Or can I take my Medicare Advantage Plan with me, it's out of network now? So often, really self-advocate. This is the time in life where you have to be on your game with this Medicare stuff. And if you're not comfortable doing it, whichever kid of yours is the meanest and most aggressive, that's the one you want calling on your behalf.

Jon (01:05:13):

All right. Thank you, Marcia. Those are some really good questions and I appreciate everyone for attending today. We'll be sending out the slides to all of our participants after the call, and we did record this today, so the recording will be going on our website. So thank you to everyone who joined today, and if you do have any follow-up questions, please contact your advisor directly and we can help you answer them, either here or with help from Marcia.