



# Informed Medicare Choices

Speaker: Aaron Zolbrod  
www.mhealthinsurancestore.com  
Sept. 26, 2019

Host: Tom Dickson  
E: [tom@financialexpertsnetwork.com](mailto:tom@financialexpertsnetwork.com)  
C: 412.580.5954

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# Financial Experts' Loan Officer Clients

- Joe Damo, AAG (Multiple)
- Mac Tennant, Access Reverse Mortgage (FL)
- Hank Rhoads, RMF (CA)
- Steve Kaye, C2 Financial (CA)
- Harbor Mortgage (MA and RI)

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## Social Security Q&A Guide 2019

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## Upcoming Webinars

[FINANCIALEXPERTSNETWORK.COM](http://FINANCIALEXPERTSNETWORK.COM)

<a href="#">Financial Planning with Alex Kotlikoff</a> Presented by Alex Kotlikoff	Tuesday, October 1, 2019 at 4:00 PM ET
<a href="#">Expert Advice on Fafsa &amp; College Financial Aid</a> Presented by Mark Kantrowitz	Thursday, October 10, 2019 at 4:00 PM ET
<a href="#">Changing How Clients Pay for College</a> Presented by Joe Messinger, CFP®, ChFC®, CLU®	Thursday, October 24, 2019 at 4:00 PM ET
<a href="#">Today's LTCI Options for Financial Advisors and Planners</a> Presented by Tom Biekse	Thursday, November 7, 2019 at 12:00 PM ET

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## 2020 Medicare Educational Seminar



Presented by:




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Are we an insurance company?

**NO**

- Today we will:
- Explain Medicare basics to you.
- Help clarify confusing facts
- Make sure your clients aren't paying too much or making errors in plan choice.

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## 2019 General Medicare Changes

- Medicare Part B cost is \$135.50 in 2019.  
Not announced for 2020.

- Single family household making with AGI \$85,000 or more and married couple with AGI over \$170,000 will pay more.

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## What to expect with Original Medicare Parts A and B

- Cost - \$135.50 that is deducted from your Social Security Check.
- Expect it to go up if there is an increase in Social Security for 2020.

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## Original Medicare Parts A and B What is covered?

\*Part A – Hospitalization: at a high deductible, \$1,364 for the first 60 days, \$335 per day from days 61-90, and \$682 per days 91-150.

\*Part B –Medical: Common outpatient procedures like doctors' visits, testing (blood tests, MRI's, X-Rays), surgical procedures (Cataract, Carpel Tunnel) , durable medical equipment (Oxygen), etc is paid for at 80% of the cost. The Beneficiary is responsible for the other 20%.

- Benefits – It is better then nothing.

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## Medicare Advantage Plans VS Medicare Supplements

I estimate 95% of Seniors don't know the difference between them.

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### Medicare Advantage Plans

- Advantage Plan- A Health Care choice that allows a Medicare approved private health insurance company to administer benefits and pay claims.
- **These plans are HMOs or PPOs.**
- **These are NOT Supplements!!**
  - They are not designed to pay the 20% Medicare does not pick up!
  - Pay in place of Medicare or are "replacements" so to speak.

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### Medicare Advantage Plans

- In layman's terms, if you choose an Advantage Plan, Medicare no longer will pay any portion of your claim. Instead Medicare pays the company you choose approximately \$800 per month on your behalf. It then becomes that company's job to pay all claims minus deductibles, co-pays, or co-insurance.
- If you have an Advantage plan you will NOT show your Medicare card at a doctor or hospital.

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### Medicare Advantage Plans

- Companies that provide these plans must offer benefits that are equal to or better than original Medicare Parts A and B and provide a cap on what you can be billed in a calendar year.
- Medicare has no limit.

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### Medicare Advantage Plans

**Coverage-** All companies must offer the same 29 categories of benefits. The only difference between companies is:

- 1) Monthly premium. (range from \$0 to \$300).
- 2) what your copays, coinsurance, and deductibles are for the same services.
- 3) How much you can be billed in a calendar year (\$3400-\$6,700), known as the Maximum out of pocket or MOOP.

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### Medicare Advantage Plans

- With many Advantage Plans, you could be billed as much as **\$6,700** in a calendar year for medical services alone.
- (not including prescriptions)

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### Medicare Advantage Plans

- **Coverage-** Coverage is based on a copay and coinsurance schedule and is broken down into what is called the *Summary of Benefits*.



Very thick book full of confusing co-pays and benefits!!

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## Positives of Advantage Plans

- 1) Low cost. As little as \$0 per month.
- 2) No underwriting. Everyone is accepted unless they have End Stage Renal Disease.
- 3) Provide vision, hearing, and dental benefits.
- 4) Many of these plans come with prescription coverage.
- 5) Come with free gym memberships.

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## Negatives of Advantage Plans

- 1) You must get your care from participating doctors, facilities, and hospitals.
- 2) Premiums tend to rise annually, sometimes increasing as much as 300%.
- 3) Benefits can change year to year, often resulting in higher co pays and out of pocket expenses.
- 4) Exposure to some potentially higher out of pocket costs in areas like skilled nursing facilities, durable medical equipment, prosthetic devices, chemotherapy or other infused or injected drugs, and hospitalizations.
- 5) Once enrolled in an Advantage Plan, it may become impossible to enroll in a supplement.

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## Medicare Advantage Plans

- Three groups of people who choose Advantage Plans: Those who can't afford one, those who can't pass Supplement underwriting, those willing to risk higher bills and being locked out of Supplements to save money on premiums.
- Do not overpay for Advantage Plans
  - It doesn't make sense to pay over \$60 per month!
- In 2020, the most popular plans will cost \$0-\$59 per month.

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Not all plans are created equal! Paying a higher premium may not always mean lower bills or better value! (Based on 2020 benefits)

Premium	5-day hospital stay	MOOP
Plan A (\$0)	\$300	\$3,400
Plan B (\$0)	\$750	\$6,700
Plan C (\$58)	\$275	\$5,900
Plan D (\$64)	\$1,100	\$5,500
Plan E (\$89)	\$1,400	\$4,900
Plan F (\$135)	\$250	\$6,700
Plan G (\$301)	\$175	\$3,400

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### Medicare Advantage Plans

- Common mistakes made by seniors when choosing an Advantage Plan are:
  - Not understanding differences between Advantage Plans and Supplements
  - Remaining on a non-competitive plan due to familiarity or length of time with the company.

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### Medicare Advantage Plans

- Additional common mistakes made by seniors when choosing an Advantage Plan:
  - Choosing an expensive plan out of fear that a lower premium plan may not cover something.
    - Remember, all plans cover the same 29 categories of benefits. Our agency rule for 2020: We will not be selling plans that cost more than \$60/month.
  - Choosing a plan based on what a friend or family member has.

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### Another Frequently Asked Question

- Question: Is acceptance into the plan based on my yearly income?
- Answer: No. Although there are special plans designed for individuals with low income, everyone can get plans priced as low as **\$0/month**.

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### **Important date to remember**

- October 15<sup>th</sup> to December 7<sup>th</sup> **EVERY YEAR** is the Annual Election Period (AEP).
  - Can make any changes to your plan at this time.
  - A lot of plans change every year-Don't get stuck with high co-pays!!!
  - Exceptions are if you have PACE/PACENET or have a low income you can change at any time
- January 1<sup>st</sup> through March 31<sup>st</sup> is Open Enrollment Period (OEP).
  - During this time, you can make one change from an Advantage Plan to Original Medicare and a Supplement or go from one Advantage Plan to another. This is not advertised and kept secret for some reason!

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### Supplements/Medigap

- **Supplements (a.k.a. Medigap)- Designed to pay the portion of health care related costs that Medicare does not (hospital deductible, Part B coinsurance of 20%).**
- **Used as a secondary insurance to Medicare. You show both cards at the doctor**
- **Example of companies that some may have in this area are Bankers Life, AARP, New Era, CIGNA, Mutual of Omaha, TransAmerica**

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## Supplements/Medigap



+ SUPPLEMENT +

SEPARATE

PART D  
PLAN



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## Benefits of Supplements /Medigap

- 1) Very easy to understand. You pay your premiums and almost nothing else. There are no copays for surgical procedures, hospitalizations, blood tests, MRIs, ambulance, skilled nursing, diabetic supplies, Chemotherapy, etc...
- 2) You have the right to go to any doctor or facility in the country that accepts Medicare Assignment. No matter what company your supplement is with, the doctor or hospital must accept it.
- 3) Medicare, not the insurance company decides what's covered.
- 4) Benefits rarely, if ever change.

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## Negatives of Medicare Supplements /Medigap

- More Expensive than many Advantage plans. Generally start at approximately \$85-\$105 per/mo for 65-year-old and premiums increase as you get older.
- People in their mid-80's to 90's could be paying as much as \$250-\$300 per month.
- No vision, dental, or hearing aid benefits.
- Plans are medically underwritten. Those who don't choose one when first going on Part B may never be able to enroll if they have current or pre-existing medical conditions.

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### What is the Prescription Drug "Doughnut Hole?"

- In 2020, you are only allowed to receive \$4,020 in prescription drug benefit. Once exhausted, you are in your "Doughnut Hole." 2019 not yet announced
- While in the "Doughnut Hole," you will pay 37% for the cost of generics and 25% for brand name until you spend approximately \$2,000 or more out of your own pocket.

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- Question: Can I avoid the "doughnut hole" by choosing a different company or prescription plan?

- Answer: No. The "doughnut hole" will occur regardless of the Part D plan or company you choose. The only exceptions tend to be a retiree or employer provided insurance plans.

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### PACE and PACENET

- PACE and PACENET are state pharmaceutical prescription programs designed to help seniors avoid many out of pocket costs of Part D premiums and co pays as well as the prescription drug "doughnut hole."

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Qualifications for PACE and PACENET  
Pennsylvania Only  
(Not available in all states)

- \$29,108/year for Single Person
- \$38,716/year for Married Couple
- \*Assets are not counted when determining eligibility for PACE and PACENET.

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Qualifications for PACE and PACENET

- **QUESTION:** Does it matter if I have a 401K, savings, property, life insurance etc?
- **ANSWER:** No, only the income you earned the previous year is taken into account. You literally could have 1 million dollars in a 401K. If you are not collecting on it, it is not considered as income.

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About The Health  
Insurance Store

- Founded in 2008 by Aaron Zolbrod
- Have helped more than 10,000 people choose a Medicare or Health Insurance plan that fits their unique needs.
- Licensed to sell plans from virtually every local and national company in the market ensuring unbiased advice.

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### Why Call The Health Insurance Store?

- We save people thousands in premium costs every week.
- We help you get the best fit plan for you, whether it is a \$0 plan to work with PACE or a Supplement to best fit your needs.
- Dedicated staff to answer any questions or resolve problems with your insurance as they arise.
- **Consultations are always free of charge!!**

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### What can you do to help your clients?

- Advise them to see a broker who represents multiple companies and both Advantage Plans and Supplements.
- Supplements, Supplements, Supplements! If they can afford and qualify, this is the way they want to go.
- If they have residence in Pennsylvania, West Virginia, or Florida, refer them to The Health Insurance Store.

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### The Future of The Health Insurance Store

- We just built state of the art studios to provide what we are calling virtual appointments. If someone has a computer or iPad and the internet, they can interact with an agent and get the same information and thorough evaluation as if they were in our office.
- We will begin licensing in other states the first part of 2020, starting with the most populated.

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Health Insurance Contact Information

Phone: Toll free- 866-670-3432  
Local- 724-603-3403

Email: [aaron@GetYourBestPlan.com](mailto:aaron@GetYourBestPlan.com)

- Website: GetYourBestPlan.com
- Facebook: The Health Insurance Store

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