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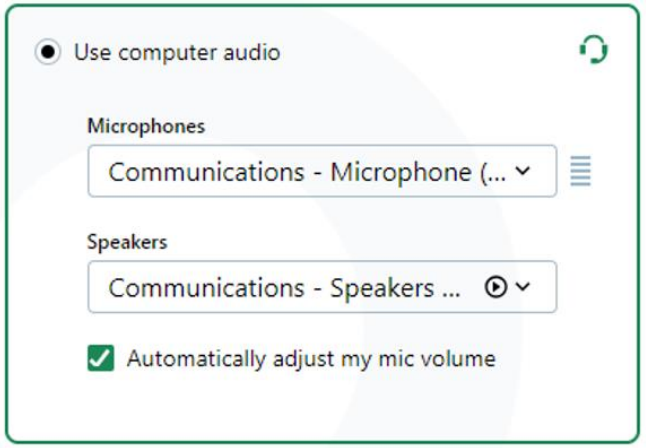

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Active Members

Understanding Your Medicare Options

Welcome to the webinar!

GoToWebinar

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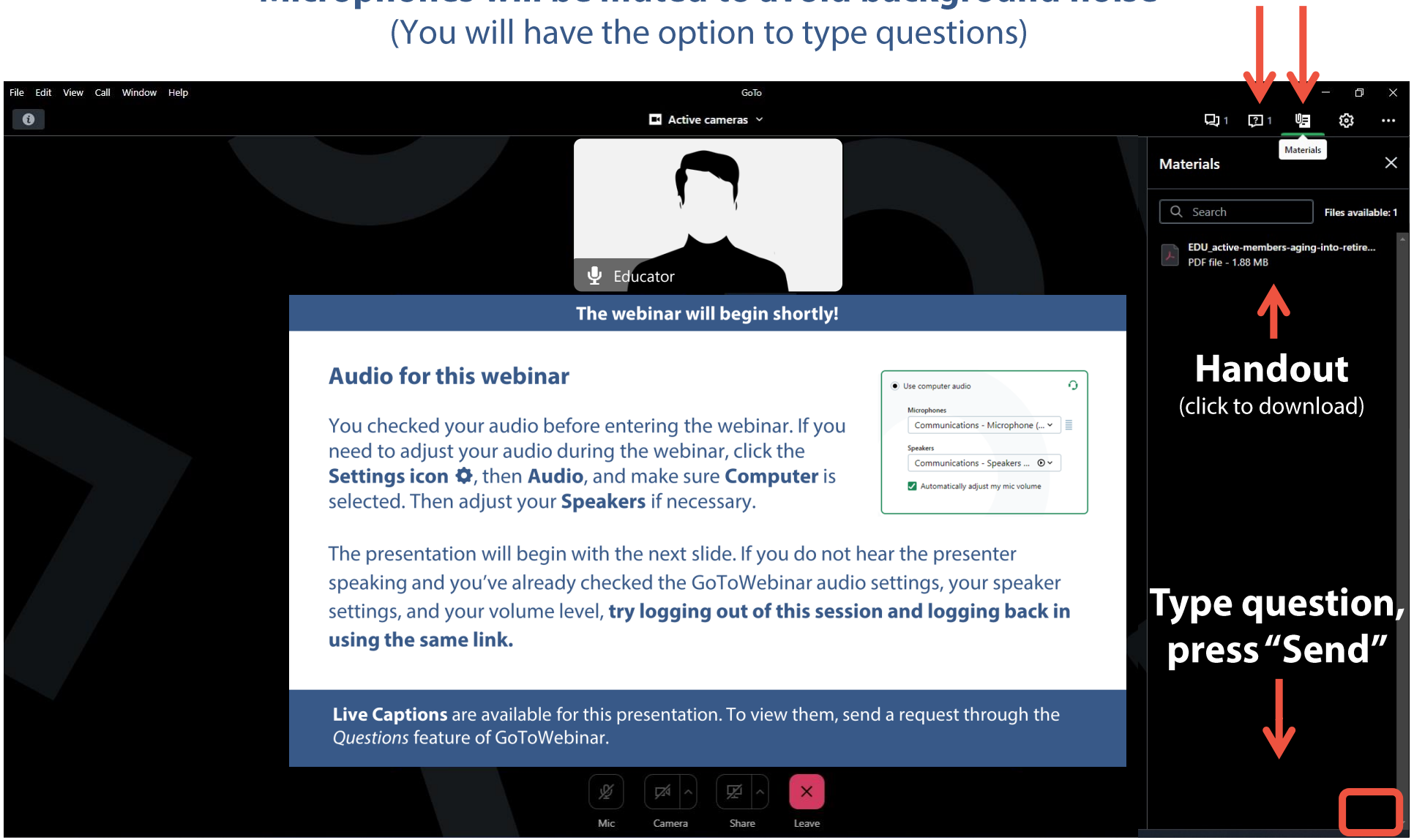
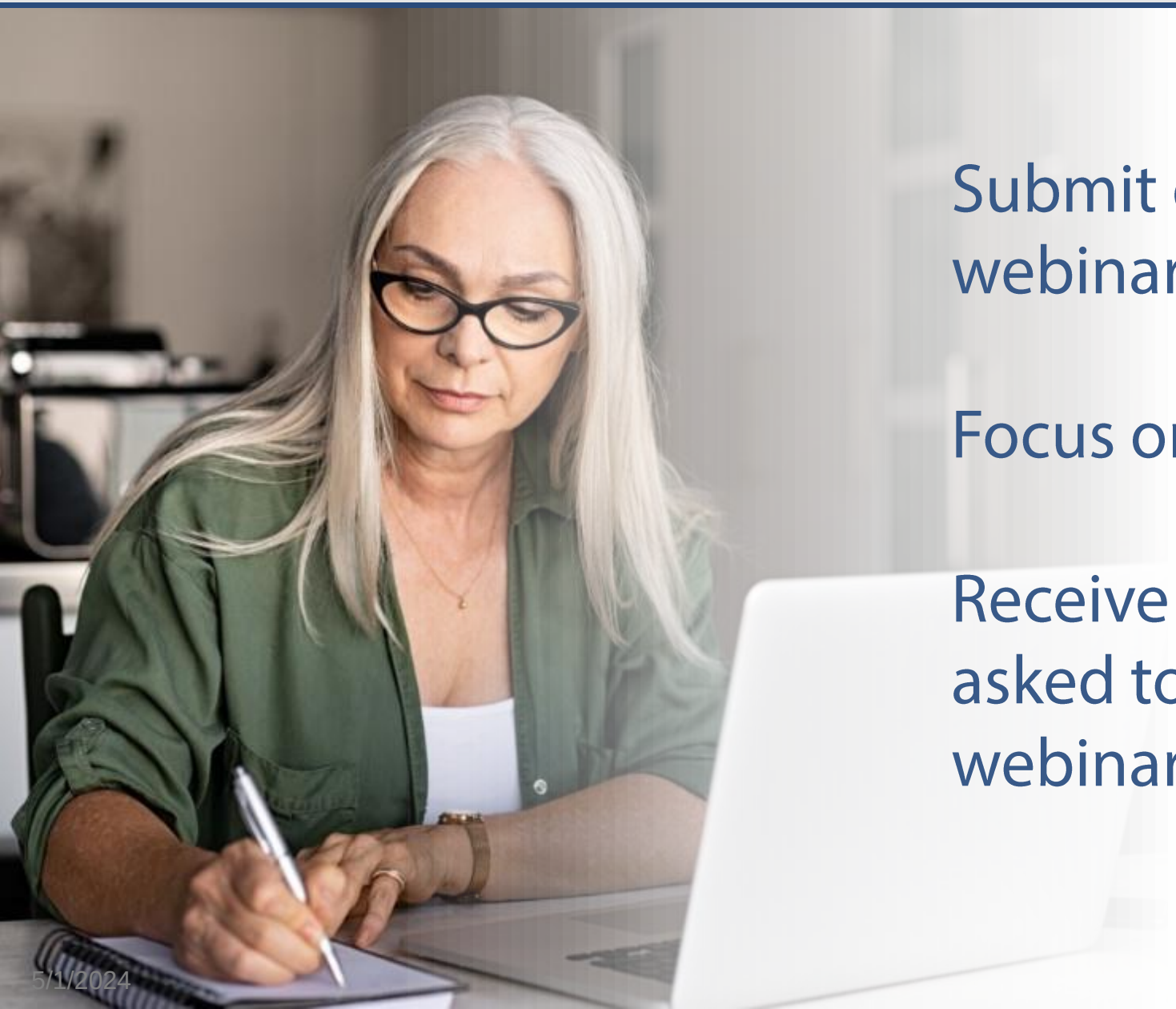
(You will have the option to type questions)



Webinar Questions



Submit questions during the webinar

Focus on the content

Receive answers to commonly asked topics at the end of the webinar

Health Care Disclaimer

This presentation reflects current information.
There is no promise, guarantee, contract or vested right to access to health care coverage or a premium allowance.

The OPERS Board of Trustees has the discretion to review, rescind, modify or change the health care plan at any time.

Although health care is not a statutory requirement, OPERS understands that meaningful health care is part of a secure retirement.

Who Should be Attending This Presentation?

Members who are currently working and will turn 65 within 15 months

Members who are 65 and older and still working

Members younger than age 65 at retirement -- your Pre-Medicare HRA and enrollment process is entirely different.

But you're welcome to stay..!

Become an Empowered Consumer

You will be moving from your employer's group plan to an individual Medicare plan.

Your employer coverage and the amount you pay for that coverage are more of a one size fits all type of plan. Individual Medicare plan options come in a variety of packages.

The differences can be overwhelming at first, but we're here to help you!

We're Going to Review the Questions:

1. I plan on retiring when I turn 65, what should I do?
2. I will still be working when I turn 65, what should I do?
3. When should I talk to my employer and what should I ask?
4. How do I avoid a gap in my health care coverage?

Today You Will Leave Here Understanding:

- Common Health Care Terms
- Medicare and Individual Plan Options
- Health Reimbursement Arrangement (HRA) Model
- Timeline Summary & FAQs
- What's Next

Common Health Care Terms

Premium	The cost **you** pay for your health plan
Deductible	The amount **you** pay for covered services before your plan begins to pay
Coinsurance	The shared cost for a covered service (e.g., plan pays 70% - **you** pay 30%)
Copays	A fixed amount **you** pay for covered services at the time they're received
Out-of-Pocket Limit	The most **you** will pay for services in a plan year

As you did with your employer's health care plan, you will need to get familiar with the basic terms of your individual Medicare plan.

How are they applied?

How much will you pay for each one?

Common Health Care Terms

What is a prescription formulary?

A formulary is the list of drugs covered by a carrier's insurance plan:

- Many plans have a formulary, where drugs are divided into groups called “tiers”
- In general, the lower the tier, the lower the cost to you
- Make sure you understand what tier your prescriptions fall under and how much you’ll pay for them

Formulary Tiers

Preferred Generic Drugs
Tier 1 $

Non-Preferred Generic Drugs
Tier 2 $$

Preferred Brand Drugs
Tier 3 $$$

Non-Preferred Brand Drugs
Tier 4 $$$$

Specialty Drugs
Tier 5 $$$$$

Knowledge Check

Paying $35 for a physician office visit and $8 for a generic medication are examples of:

A. Deductibles
B. Coinsurance
C. Copays

Today You Will Leave Here Understanding:

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What is Medicare?

Medicare is federal health insurance for individuals:

- Age 65 and over
- Under 65 with certain disabilities
- Any age with end-stage renal disease or ALS

What are the Parts of Medicare?

Medicare Part A
Hospital Insurance

Medicare Part B
Medical Insurance

Medicare Part D
Drug coverage

Medicare Part A and Medicare Part B are referred to as **Original Medicare**

Medicare Part A – Hospital Insurance

Coverage includes	Inpatient care in hospitals, some skilled nursing facility care and some home health and hospice care. *Long-term nursing home stays or non-medical, in-home care are not covered.*
Eligibility and Premium	You qualify for **premium-free** coverage with 40 quarters of Medicare Social Security credit – you may qualify through a spouse's work record

Medicare Part B – Medical Insurance

Coverage includes	Doctor's services (physicians and specialists), outpatient care, some lab work, X-rays, therapy and durable medical equipment
Eligibility and Premium	All Americans are eligible for Medicare Part B at age 65, regardless of whether they paid into Social Security. The standard monthly premium based on income for 2024 is **$174.70**.

Cost is determined by Social Security and may be higher depending on your income.
High income earners should visit **medicare.gov** to see their premiums.

Medicare Part D – Drug Coverage

Coverage includes	Generic, brand name and specialty drugs at participating retail pharmacies and home delivery.	
Available One of Two ways	Purchase from a private company as a separate Medicare Part D policy adding drug coverage to Original Medicare and a **Medigap Plan**	Purchase from a private company combined with hospital and medical coverage in a **Medicare Advantage Plan**

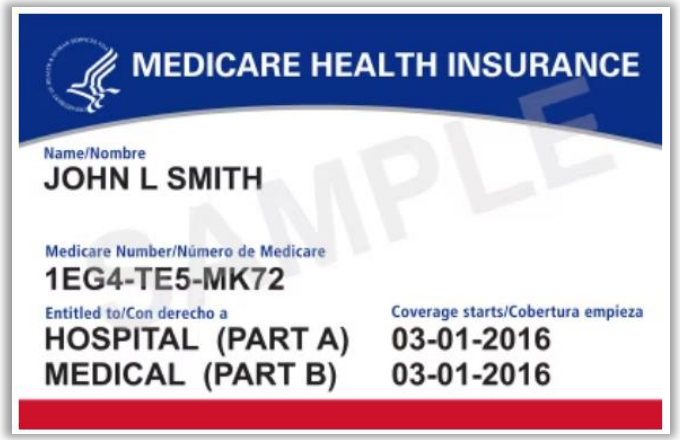
When Do I Enroll in Medicare?

Initial Enrollment Period

- Apply for Medicare Part A and B **three months before you retire at age 65**.

Special Enrollment Period

- If you plan to work beyond age 65, apply for Medicare Part A and B **three months before your planned retirement date**.



If you're eligible for, and already getting Social Security, you'll automatically get enrolled in Part A and Part B starting the first day of the month you turn 65.

Medicare Part B Penalty

If you don't sign up for Part B when you're first eligible, which is typically when you terminate employment, you may have to pay a late enrollment penalty for as long as you have Part B.

Your monthly Part B premium may go up 10% for each full 12-month period that you could've had Part B but didn't sign up.

For those who do not qualify for premium-free Medicare Part A, if you don't sign up for Medicare Part A when first eligible, the late enrollment penalty will also apply for it as well.

Medicare penalties do not apply if you're still employed and have coverage through your employer.

Medicare Part D Penalty

When you terminate employment, you will pay a Late Enrollment Penalty for any period of 63 or more days in a row that you do not have Medicare drug coverage or other creditable drug coverage.

You'll generally have to pay the penalty for as long as you have Medicare drug coverage.

The penalty is calculated by multiplying 1% of the national base beneficiary premium by the number of months you were without coverage.

Medicare penalties do not apply if you're still employed and have coverage through your employer.

Penalty on HSA Contributions

Contributions cannot be made to a Health Savings Account (HSA) once an individual is enrolled in any part of Medicare.

To avoid an IRS tax penalty on what are considered "excess contributions", make your (and your employer's) last HSA contribution the month before your coverage begins.

This also includes a six month look back period if you've delayed enrollment in Medicare past age 65.

Knowledge Check

If I'm working beyond age 65, will any of the Medicare enrollment penalties impact me?

A. Yes

B. No

Knowledge Check

Do I need to apply for Medicare Part A and B if I'm still working beyond age 65?

A. Yes

B. No

Selecting Additional Coverage

Original Medicare	Medigap	Medicare Advantage
Refers to Medicare Part A (Hospital Insurance) and Part B (Medical Insurance).	Extra insurance you can buy that fills in the "gaps" that Original Medicare does not cover.	Plans that provide Medicare Part A, Part B, and usually Part D, and may offer some extra benefits beyond Original Medicare.

start with this

add one of these

Medigap

1. **Original Medicare**
   PARTS A AND B
2. **Supplement Plan**
3. **Rx Coverage**
   PART D

3 Parts **(3 Cards)**

VS

Medicare Advantage

1. **Hospital, Medical, and Prescription Coverage**

All-Inclusive **(1 Card)**

Medigap

- Higher monthly premiums
- Lower out-of-pocket cost
- Any state
- No network
- Medicare Part D separate
- Plans and benefits are identical regardless of carrier

VS

Medicare Advantage

- Lower monthly premiums
- Higher out-of-pocket cost
- Your state, by region
- Has network
- Medicare D usually included
- Plans and benefits vary by carrier

Medigap

Guaranteed issue *during your Initial Enrollment Period* when enrolling in Original Medicare at age 65 or during a *Special Enrollment Period if working beyond age 65*. Medical underwriting does not apply.

- Underwriting may apply if you select a Medigap Plan outside of the Initial Enrollment Period.

VS

Medicare Advantage

Guaranteed issue *always* for individuals with Original Medicare. Medical underwriting does not apply.

- Will remain guaranteed issue whenever you can enroll in a new plan.

Think about your 80-year-old self. You may be in good health now, but what will your health be in 15 years? Guaranteed Issue Rights look after your future self.

Why Purchase Additional Coverage?

Original Medicare	Medigap	Medicare Advantage
Refers to Medicare Part A (Hospital Insurance) and Part B (Medical Insurance).	Extra insurance you can buy that fills in the "gaps" that Original Medicare does not cover.	Plans that provide Medicare Part A, Part B, and usually Part D, and may offer some extra benefits beyond Original Medicare.

start with this

add one of these

Help With Plan Selection and HRA Administration

Introducing VIA BENEFITS®

- Help with plan research and enrollment assistance
- Help with mediating carrier issues
- Provide ongoing support and annual plan evaluation
- Manage the reimbursement of claims

Work With a Licensed Benefit Advisor

An unbiased licensed Benefit Advisor will partner with you to understand:

- Your medical and pharmacy needs
- Your lifestyle and budgetary considerations

And help you determine an individual plan that suits your needs

Knowledge Check

Will my Original Medicare have the same effective date as my individual Medicare plan?

A. Yes

B. No

Knowledge Check

If Medigap plans have higher premiums and lower out-of-pocket costs, is the coverage more comprehensive than Advantage plans?

A. Yes

B. No

Knowledge Check

What happens if I stop paying my Medicare Part B premium?

A. I lose Medicare Part B coverage and I'm disenrolled from my individual Medicare plan

B. I lose Medicare Part B coverage but still have my Individual Medicare plan

C. Nothing

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Health Care Allowances From OPERS

OPERS provides eligible retirees with a monthly allowance to be reimbursed for some of the qualified expenses associated with your health care plan.

Allowance Percentages are calculated using your:

- Age at the time of eligibility
- Years of qualified health care service credit

How Allowances are Calculated

The OPERS **Base Allowance** is the dollar amount that is used to calculate your monthly HRA allowance.

Base Allowance (Medicare): **$350**

x

Allowance Percentages range: **66%** to **90%**

=

Allowance Amounts range: **$231** to **$315**

Years of Service/Age	65 and over
20	66%
21	68%
22	70%
23	72%
24	74%
25	76%
26	78%
27	80%
28	82%
29	84%
30	86%
31	88%
32	90%

The Goal of the HRA Allowance

- 37% of retirees receive a 70 - 79% allowance from OPERS
- These allowances average $260 per month

EXAMPLE	
Average Allowance	**$260**
Medigap Plan G	$205
Part D Rx Plan	$57
Health Care Premium Total	**$262**
Allowance to Premium Ratio	**99%**

Based on retirees currently enrolled in Ohio-based plans

Medicare Recipients Have a Closed HRA

You **must** use Via Benefits to enroll in an individual Medicare medical plan to receive a deposit into a Health Reimbursement Arrangement (HRA)

- Via Benefits assists members who contact them to select a plan
- They specialize in connecting retirees to plans with an abundance of plan options
- Most plans have the ability to report enrollment and payments to Via Benefits

The Reimbursement Process

Via Benefits serves as the HRA administrator and will process your expense reimbursement requests.

OPERS
deposits your allowance into your HRA

YOU
must pay eligible medical expenses first

YOU
submit a reimbursement claim

VIA BENEFITS
will reimburse you via direct deposit

Knowledge Check

Why doesn't OPERS just deposit my allowance to my bank account?

A. Because the HRA is a non-taxable account

B. OPERS is more concerned with holding onto the funds for investment profit

C. Because the reimbursement process is more convenient

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Retiring When You Turn 65

Initial Enrollment Period

- **6 months prior to 65**
  Contact OPERS to discuss your retirement options
- **3 months prior to 65**
  Request proof of creditable coverage (or proof of insurance coverage) from your employer and apply for Medicare Parts A and B
- **2 months prior to 65**
  Apply for retirement with OPERS 2 to 6 months prior to age 65
- **After receiving the OPERS Health Care Confirmation letter**
  Contact Via Benefits to schedule your enrollment call and to enroll in an individual Medicare plan

Retiring When You Turn 65

When is your effective date?

Pamela is retiring with 20 years of service.
She turns 65 on July 12.

Medicare effective date August 1

First of the month following service termination

Pension & HRA effective date August 1

Pamela's eligibility is based on meeting both **age 65 and 20 years of service**. Her OPERS pension and HRA effective date will be the first of the month following her service termination.

James is retiring with 33 years of service.
He turns 65 on July 12.

Medicare effective date July 1

First of the month in which he turns 65

Pension & HRA effective date July 1

James already met OPERS pension and HRA eligibility with **32 years of service**. His OPERS pension and HRA effective date can coincide with his Medicare effective date on July 1.

Continuing to Work When You Turn 65

Talk to Your Employer

- **3 months prior to 65**
  Talk to your employer about the option to remain with their group coverage versus enrolling in Medicare and an individual Medicare plan through Via Benefits - weigh the pros and cons. Remaining with your employer's plan may be mandatory.

  If you find that remaining with your employer's coverage is your best or only option, do not enroll and pay for Medicare Part B.
  If you contribute to an HSA through your employer, do not enroll in any part of Medicare until you're ready to retire. Otherwise, you may pay a tax penalty.

Working and Retiring Past Age 65

Special Enrollment Period

- **6 months prior to your planned retirement date**
  Contact OPERS to discuss your retirement options
- **3 months prior to your planned retirement date**
  Request proof of creditable coverage from your employer and apply for Medicare Parts A and B with an effective date the first of the month following termination of your employer coverage
- **2 months prior to your planned retirement date**
  Apply for retirement with OPERS 2 to 6 months prior to your retirement date
- **After receiving the OPERS Health Care Confirmation letter**
  Contact Via Benefits to schedule your enrollment call and to enroll in an individual Medicare plan

FAQ #1

Q. **If I don't like the plan I enrolled in, when can I change?**

A. Every year, the Open Enrollment period (Oct. 15 – Dec. 7) allows you to change your Medicare Advantage or Medicare Part D Prescription Drug plan.

Medigap policies don't have an Open Enrollment period. You are free to apply for a different policy at any time.

However, after your Guarantee Issue Period, you may have to go through medical underwriting.

FAQ #2

Q. **Can my spouse use Via Benefits to research and enroll in a plan?**

A. Yes. Via Benefits helps many people determine an individual plans that best suits their needs.

FAQ #3

Q. **If I need assistance, can someone else speak with a Via Benefits licensed benefit advisor on my behalf?**

A. Yes, but they must have your verbal permission or, if you can't provide your verbal permission, someone with your Power of Attorney can complete the enrollment on your behalf.

FAQ #4

Q. **What's the difference between the OPERS HRA and an HSA?**

A. The **OPERS HRA** is an account funded by OPERS that provides tax-free reimbursement for qualified health care expenses.

A **Health Savings Account (HSA)** is an individually owned account that helps pay for eligible health care expenses associated with a High-Deductible Health Plan (HDHP). Once enrolled in Medicare, contributions can no longer be made.

FAQ #5

Q. **I'll have the OPERS HRA and an HSA. Can both accounts be used for similar qualified expenses?**

A. Yes, but as is always the case when it comes to tax-advantaged accounts, there's no double-dipping allowed. You cannot pay for a medical expense with tax-free money out of an HSA and also seek a tax-free reimbursement for the same expense from your HRA.

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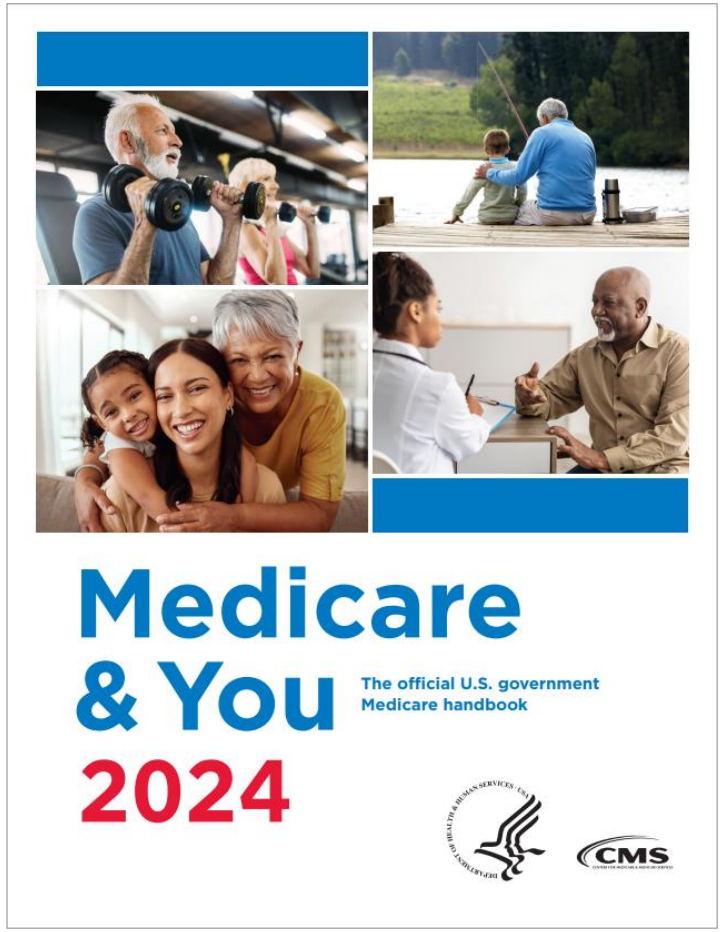
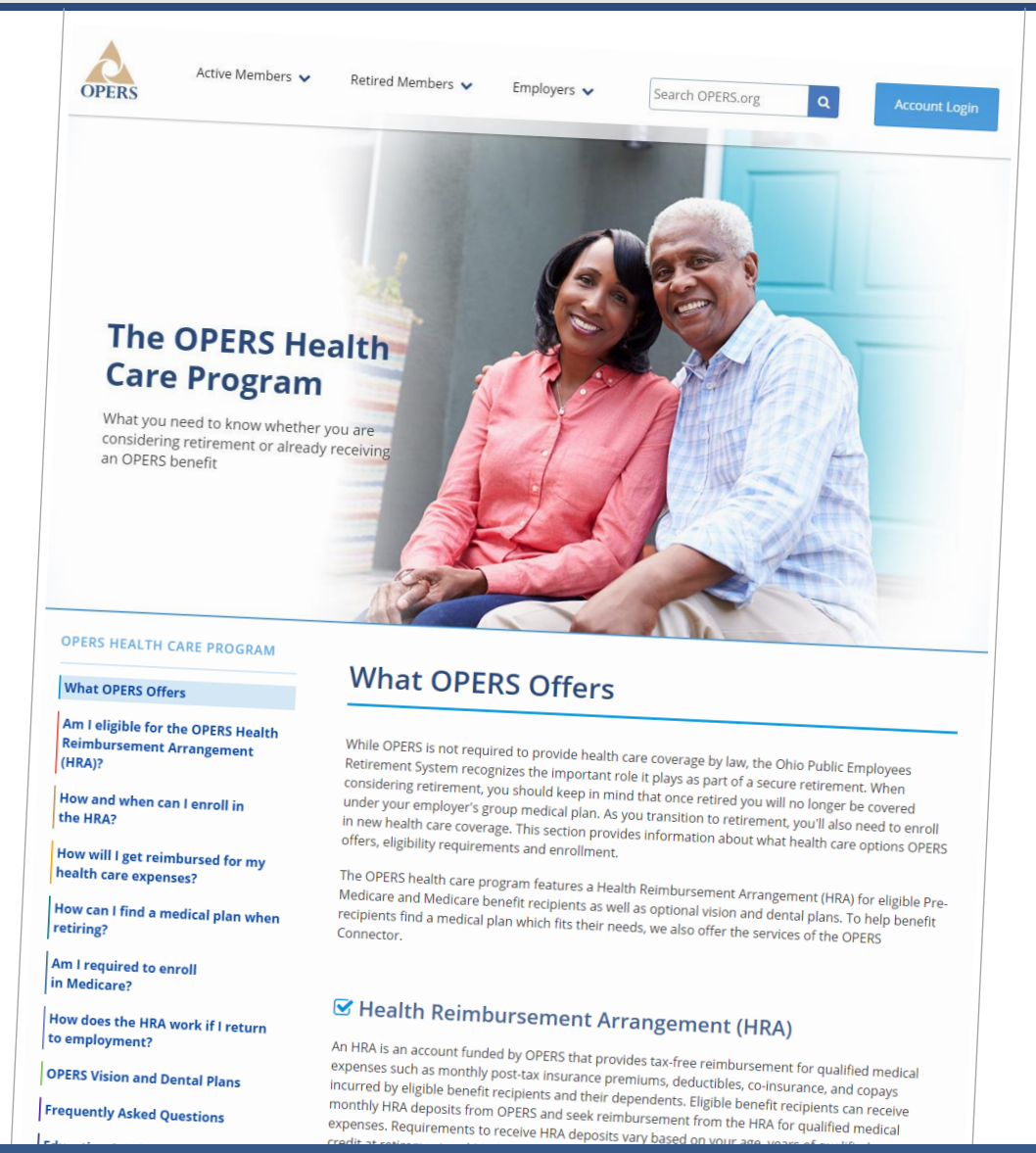
Medicare: Important Mailings & Website

- Look for important communications from Social Security about Medicare
- Visit **medicare.gov** for more information about the parts of Medicare, premiums, and what Medicare covers
- Download **Medicare & You,** a comprehensive guide to understanding Medicare



OPERS Website

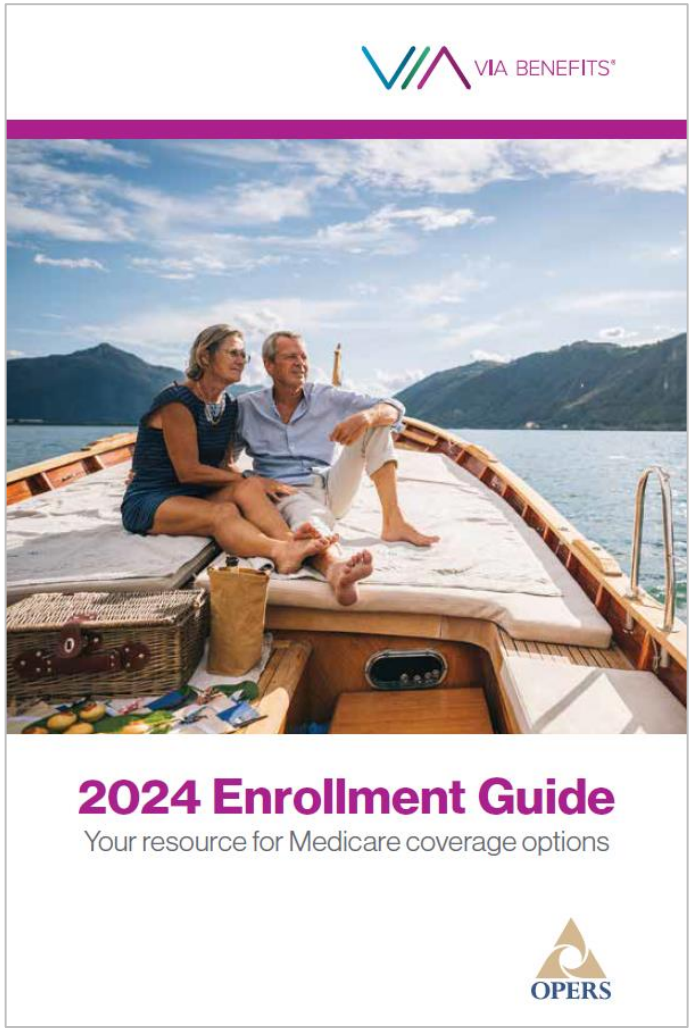
- Visit **opers.org** and navigate to Retired Members/Health Care
- This page provides HRA information, program eligibility, how to find a plan when retiring and where to find help
- You'll also find FAQs and links to other resources



Via Benefits Website

One of the best resources to review as you approach retirement is the **Enrollment Guide,** it covers:

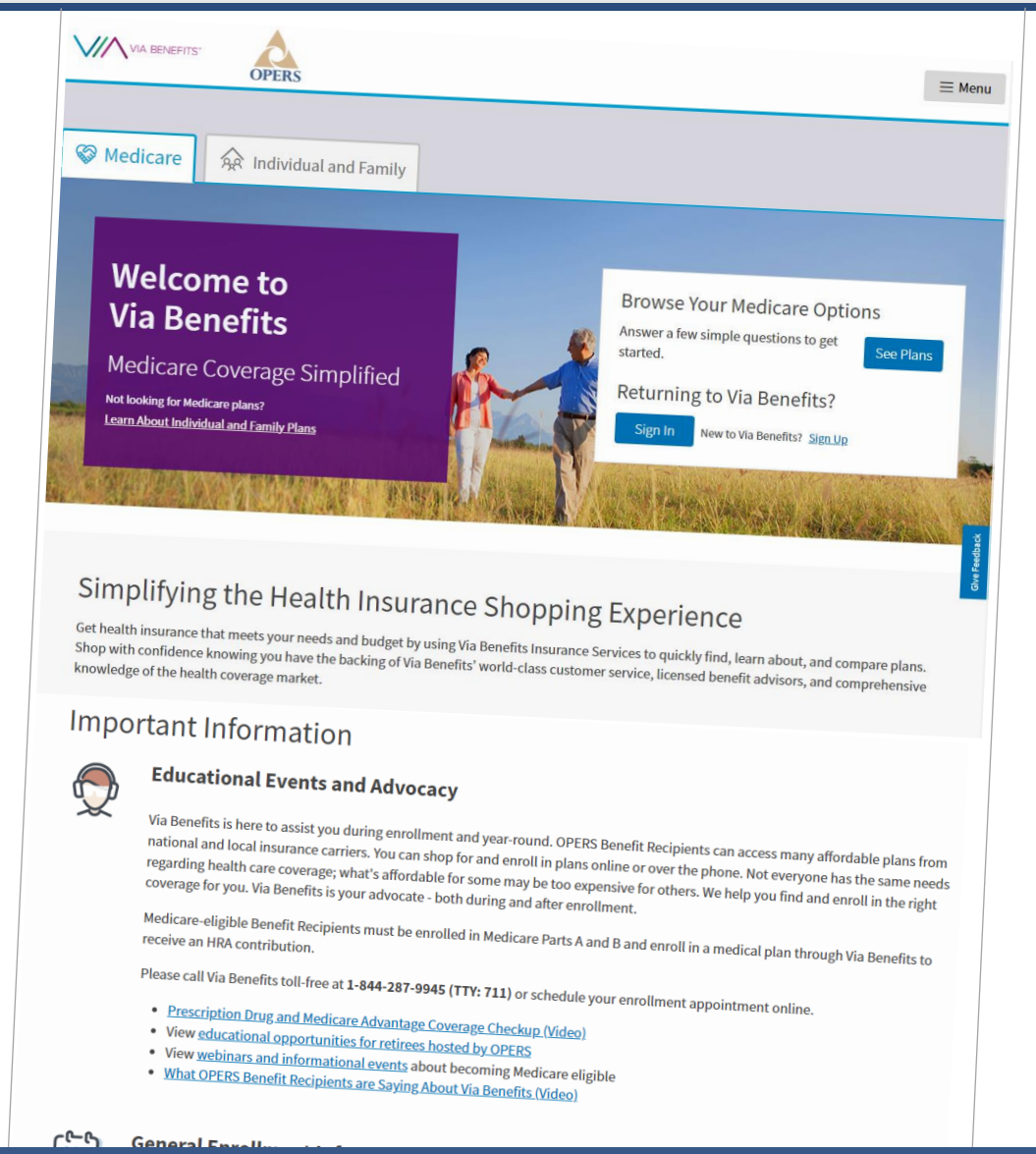
- Getting ready to enroll in coverage
- Understanding your new coverage options
- Three steps to enrollment - PREPARE, REVIEW and ENROLL
- What to expect after enrollment



1-844-287-9945 Monday – Friday, 8 a.m. – 7 p.m. my.viabenefits.com/opers

Via Benefits Website

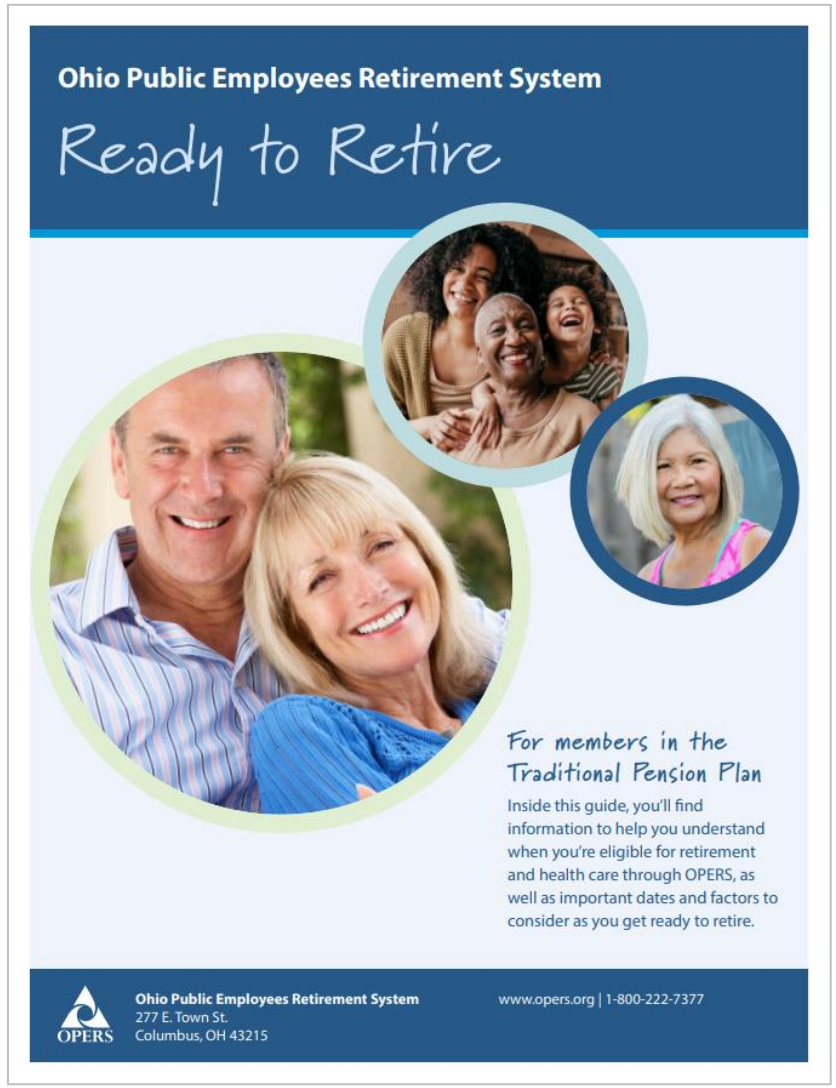
- Visit **my.viabenefits.com/opers**
- You can begin browsing Medicare plans directly from the website
- You'll find information about other educational events, "how to" videos, expense reimbursement and enrollment



Attend a Ready to Retire Seminar

Attend when you're within 12 months of retirement to hear more about:

- Eligibility and allowances for the OPERS Health Care program
- How the HRA works
- What to know if you're considering re-employment



Thank you for attending!

When the webinar closes, please take a minute to complete the survey. We'd like to know your level of understanding of several topics presented in today's webinar.

Understanding Your Medicare Options - Rating from 1-5, please share your confidence level for each topic

1. I know what I need to do if I'm retiring at age 65

1	2	3	4	5
Low		Moderate		High

2. I know what I should do if I'm still working past 65

1	2	3	4	5
Low		Moderate		High

3. I know when I should talk with my employer

1	2	3	4	5
Low		Moderate		High

4. I know what I should ask my employer

1	2	3	4	5
Low		Moderate		High

QUESTIONS

ANSWERS