

MYBENEFIT  
ADVISOR



# Medicare & Your Group Health Plan

Cost Comparison Workbook





# Comparing Medicare to Your Group Health Plan

The following pages will provide you with basic information about Medicare and its costs, how to enroll in Medicare, and a simple worksheet to help you decide which coverage best fits your needs and budget.

If you have questions or need assistance during this process, please contact us at: [www.mybenefitadvisor.com/medicare](http://www.mybenefitadvisor.com/medicare)

## ■ Where to Begin

These five key questions will help guide you through the process of comparing Medicare to your group health plan.

### 1. Will you be penalized for not enrolling in Medicare when first eligible?

If you do not enroll in Medicare when you first become eligible\*, you could be subject to a late enrollment penalty unless you meet any of the following conditions:

- You are covered on a group health plan that is based upon your or your spouse's current employment status. (Note, COBRA coverage does not qualify as coverage that is based upon current employment status.)
- You enroll in Medicare at any time while covered on a group health plan that is based upon your or your spouse's current employment status.
- You lose group health coverage that is based upon your or your spouse's current employment and you enroll in Medicare Part A and B before the end of your 8-month Special Enrollment Period.
- You lose group prescription drug coverage that is considered Part D creditable coverage and you enroll in Medicare Part D within the first two months after losing that coverage.

**\*Note:** You are first eligible to enroll in Medicare during the three months prior to your 65th birthday, the month of your 65th birthday, and three months following your birthday month, for a total of seven months, which is your Initial Enrollment Period. Rules differ if you are eligible for Medicare due to reasons other than age 65.

## 2. Which option will result in lower monthly payments for you?

Use the Medicare Cost Comparison Worksheet on Page 10 or contact a My Benefit Advisor Representative to help you compare costs for each option. Information on Page 6 shows your cost to enroll in Medicare Part A and B; however, the workbook does not include rates for Medigap Plans, Medicare Part D Plans, and/or Advantage Plans. You will need to obtain those rates from your MBA representative.

Next, look at your employment pay stub to determine your cost for the group health plan each month, excluding non-medical coverage such as dental and vision. If you're not paid monthly, you will need to convert this number to a monthly premium amount for comparison purposes. Also, be aware there may be certain tax advantages to you when paying for group health premiums as an active employee, which may not be available to you when paying for Medicare Part A and B, a Medigap, Part D, or Medicare Advantage Plan.

If you are eligible, there are other sources that could help to lower your costs for medical expenses in combination with Medicare, such as a state Medicare Savings Program or TRICARE if you or your spouse have served in the military.

- **Medicare Savings Programs** - If you meet certain financial conditions, you may qualify to get help from your state in paying for your Medicare Part B premiums, as well as helping with Medicare Part A and B deductibles, coinsurance, and copayments. For more information, go to <https://www.medicare.gov/index.php/your-medicare-costs/get-help-paying-costs>.
- **TRICARE:** may be available to help you pay Medicare's deductibles, coinsurance and copays, if you or a family member is an active or inactive member of the U.S. military. For more information, go to <https://tricare.mil/Plans/Eligibility/MedicareEligible>

## 3. How do the benefits compare?

When comparing the coverage of an employer group health plan to your options with Medicare, consider such things as future claim expenses and how each plan would pay them, including deductibles, copays, prescription drug benefits, and maximum out-of-pocket limits. In addition, don't forget to check whether either plan would limit your access to medical providers or prescription drugs that are important to you.

## 4. How does the group health plan coordinate with Medicare when paying claims?

In general, if the group plan pays first (primary) for your medical expenses and Medicare pays second (secondary), you probably do not need to enroll in Medicare. However, if Medicare pays first, you should probably enroll in Medicare Part A and B.

If you're not sure how these rules apply to you, check with your employer or plan administrator. More information about whether Medicare or the employer group plan pays first can be found on Page 8.

Regardless of who pays first or second, you have the right to waive employer coverage and enroll in Medicare and a private insurance plan, which could result in:

- lower monthly costs for you,
- coverage that better fits your needs, or
- improved access to doctors and hospitals that are important to you

## 5. If you waive employer coverage and enroll in Medicare, will your dependent lose coverage?

If you have dependents covered on the employer group health plan who are not Medicare eligible, check with your employer to determine whether they will lose coverage if you leave the group plan. If a dependent will lose coverage, find out the cost and benefits for other options available to them. Complete this investigation before you decide to waive group coverage.

# About Medicare

Medicare is the Federal health insurance program that is available to qualified U.S. residents who are eligible because they are 65 or older, disabled and receiving Social Security or Railroad Retirement Board benefits, have End-Stage Renal Disease (ESRD) or amyotrophic lateral sclerosis (Lou Gehrig's disease).

Medicare is organized into four parts, which are called Medicare Parts A, B, C, and D. In addition, Medigap Plans are available, to supplement Medicare Parts A and B.

■ The Federal government operates Original Medicare, which includes the following:

## Part A - Inpatient Hospital Coverage

Helps pay for:

- Inpatient Hospital Care
- Skilled Nursing Facility Care (Limited, Not Custodial or Long-Term Care)
- Hospice Care
- Home Healthcare (Limited)

## Part B - Outpatient Medical Coverage

Helps pay for:

- Outpatient Hospital and Ambulatory Surgical Center services
- Services from Doctors and Other Health Care Providers
- Diagnostic Testing Services, (Laboratory and Imaging)
- Outpatient Care, (Chemotherapy, Radiation Therapy, and Kidney Dialysis)
- Ambulance Services
- Durable Medical Equipment
- Blood
- Preventive services, such as yearly wellness visits, certain vaccines, and cancer screenings

## ■ Private Insurance Carriers Operate

### Part C - Medicare Advantage Plan

(You must also enroll in Medicare Part A and B)

- Provides the option to receive your health care coverage through a Medicare-approved private insurance company rather than Medicare
- Includes all benefits and services covered under Medicare Parts A and B, and may include extra benefits and services, such as dental and vision coverage
- Plans often include Medicare Part D prescription drug coverage

### Part D - Prescription Drug Plan

(You must also enroll in Medicare Part A or B)

- Helps cover outpatient prescription drug costs not covered by Medicare Part A and B
- May help lower your prescription drug costs and protect against higher costs in the future resulting from late enrollment penalties

### Medigap or Medicare Supplement Plans

(You must also enroll in Medicare Part A and B)

- Helps pay the Medicare Part A and B deductibles and copays and some services not covered by Medicare
- Does not include Part D prescription coverage, which must be purchased separately
- Provides coverage throughout the U.S. and access to all doctors that accept Medicare



# Your Cost: Medicare Part A

There is no cost to enroll in Medicare Part A if you or your spouse have paid into the Social Security/Medicare system for 40 quarters (10 years).

If you are eligible for Medicare, but you or your spouse have not fully paid into the system, you can buy Medicare Part A.

If eligible for Part A, but not premium-free Part A, and you don't enroll when first eligible, you will have to pay a 10% higher premium when you do enroll, which will last for twice the number of years that you could have had Part A but did not.

For information about enrolling in Medicare, see Page 9.

# Your Cost: Medicare Part B

Regardless of whether you have paid into the Social Security/Medicare system, you will be charged for Medicare Part B when you enroll.

If your income is above a certain limit, you will pay an additional amount to Medicare, called Income-Related Modified Adjustment Amount (IRMAA), which will be based on your Modified Adjusted Gross Income (MAGI), as shown below. MAGI is the total of your household's Adjusted Gross Income plus any tax-exempt interest income you may have received. This amount can be found on IRS form 1040.

For up-to-date information on the cost of Medicare Part B based on your adjusted annual income, visit <https://www.medicare.gov/your-medicare-costs/part-b-costs>

# Your Cost: Medicare Part D

Medicare Part D can be purchased as a standalone insurance policy through an approved private insurance carrier or it may be included as part of a Medicare Advantage Plan.

In either situation and depending on your Modified Adjusted Gross Income (MAGI), you may be required to pay an additional Income-Related Monthly Adjustment Amount (IRMAA) to Medicare, which is in addition to the Medicare Part D Plan premium paid to an insurance carrier.

For up-to-date information on the cost of Medicare Part D based on your adjusted annual income, visit <https://www.medicare.gov/drug-coverage-part-d/costs-for-medicare-drug-coverage/monthly-premium-for-drug-plans>



## ■ Can you appeal Medicare's IRMAA cost if your income has changed?

If your income has gone down due to any of the following circumstances and that change makes a difference in your Medicare Part B or D IRMAA cost, you may contact Social Security with documented proof of the reason and request an adjustment. Reasons for a cost adjustment include:

- You married, divorced, or became widowed;
- You or your spouse stopped working or reduced your work hours;
- You or your spouse lost income-producing property due to a disaster or other event beyond your control;
- You or your spouse experienced a scheduled cessation, termination, or reorganization of an employer's pension plan; or
- You or your spouse received a settlement from an employer or former employer because of the employer's closure, bankruptcy, or reorganization.

# Who Pays Medical Expenses First: Medicare or the Employer Group Health Plan?

When you are entitled to Medicare and enrolled on an employer group health plan, there are rules regarding whether Medicare or the group plan will pay first for your covered expenses.

1. If you're 65 or older, have group health plan coverage that is based on your or your spouse's current employment, and the employer has <b>20 or more</b> employees*	Your group health plan pays first
2. If you're 65 or older, have a group health plan coverage that is based on your or your spouse's current employment, and the employer has <b>fewer than 20</b> employees*	Medicare pays first
3. If you are covered on a group health plan under COBRA	Medicare pays first
4. If you're under 65 and have a disability, have group health plan coverage that is based on your or a family member's current employment, and the employer has <b>100 or more</b> employees*	Your group health plan pays first
5. If you're under 65 and have a disability, have group health plan coverage that is based on your or a family member's current employment and the employer has <b>fewer than 100</b> employees*	Medicare pays first
6. If you have Medicare because of End-Stage Renal Disease (ESRD) and regardless of the number of employees or whether your coverage is under COBRA	Your group health plan will pay first for the initial 30-months after you become eligible for Medicare. Medicare will pay first after this 30-month period ends.
7. If you are Medicare eligible and have retiree insurance (insurance from your or your spouse's former employment)	Medicare pays first
8. Additional information on who pays first: <ul style="list-style-type: none"><li>• The insurance that pays first (primary) pays up to the limits of its coverage.</li><li>• The insurance that pays second (secondary) only pays if there are costs that the primary insurer didn't cover and might not pay all of your uncovered costs.</li><li>• If your employer's insurance is the secondary payer (regardless of the number of employees), you may need to enroll in Medicare Part B before your group insurance will pay anything.</li><li>• If you are covered as a domestic partner on an employer plan, check with HR or the plan administrator regarding whether it will be primary or secondary to Medicare.</li><li>• Medicare pays first; Medicaid pays second.</li><li>• If your personal status, employment status, or the number of employees at your work changes, it could impact whether the employer health plan or Medicare pays primary.</li></ul>	

\*If you are not sure of the number of employees check with HR or the Plan administrator. Medicare may be the secondary payer, regardless of the number of employees if your employer joins with other employers or employee organizations, such as a union or Professional Employer Organization (PEO), to sponsor a group health plan and any of those employers have 20 or more employees.



## ■ Are You Automatically Enrolled in Medicare when You Become Eligible?

If you are receiving Social Security retirement or Railroad Retirement Board benefits or enrolled in a state Medicaid plan, you will be sent information a few months before becoming eligible for Medicare and will be automatically enrolled in Medicare Parts A and B. You cannot delay coverage in Medicare Part A while collecting benefits from any of these programs; however, because you are required to pay for Medicare Part B in most situations, you may elect to delay enrolling in that coverage.

If you are eligible for Medicare and not receiving benefits from the above programs, you must apply for Medicare Part A and B to begin receiving benefits; you will not be enrolled automatically. Regardless of how you enrolled in Medicare Parts A or B, you are not automatically enrolled in a Medicare Part D prescription drug plan, unless you are also enrolled in a state Medicaid program.

## ■ How to Enroll in Medicare?

Contact Social Security to make an appointment by calling 800-772-1213 or using the TTY number, 1-800-325-0778, if you're deaf or hard of hearing. You may also be able to enroll online at [www.medicare.gov](http://www.medicare.gov) or [www.socialsecurity.gov](http://www.socialsecurity.gov).

## ■ Where to Find More Information About Medicare?

The Medicare & You Guide is published by the Centers for Medicare & Medicaid Services is available here: <https://www.medicare.gov/pubs/pdf/10050-Medicare-and-You.pdf>. It contains information on Medicare and the types of insurance plans that work in tandem with Medicare. You can also find information about Medicare at [www.medicare.gov](http://www.medicare.gov).

## ■ How Can My Benefit Advisor Help You?

My Benefit Advisor is a subsidiary of USI Insurance that can provide you with a dedicated and personal agent to:

- Answer your Medicare questions and review its rules as they apply to you,
- Provide you with insurance coverage and cost options from a variety of major carriers,
- Guide you through the application process, and
- Deliver ongoing assistance to you

Best of all, there is no cost to you for this service and your insurance premium will be the same as buying directly from the carrier.

To connect with a My Benefit Advisor agent, go to:  
[www.mybenefitadvisor.com/medicare](http://www.mybenefitadvisor.com/medicare)

# Medicare Cost Worksheet

## Instructions

- Complete **Steps 1 through 3** to determine your total monthly cost for Medicare plus any additional insurance plans.
- If you have group health coverage, complete **Steps 4 and 5** to compare your costs for group Insurance vs. Medicare and private insurance plan options.

## Step 1

List your monthly premium for Medicare as shown on the Medicare monthly cost charts.

Medicare	Monthly Cost
Medicare Part A – Hospital Coverage (See Page 6)	\$
Medicare Part B – Medical Coverage (See Page 6)	\$
Medicare Part D – Prescription Drug Income-Related Monthly Adjustment Amount (See Page 6)	\$
Total Monthly Cost You Pay to Medicare	\$

## Step 2

List your monthly premium for a Medigap, Medicare Advantage and/or Part D insurance plan. Note, insurance quotes are necessary to complete this section. For assistance with quotes, contact us at [www.mybenefitadvisor.com/medicare](http://www.mybenefitadvisor.com/medicare).

Private Insurance Plan	Monthly Cost
Premium for a Medigap Plan + Part D Prescription Drug plan, or Medicare Advantage Plan w/ Prescription Drugs Included	\$

## Step 3

Add the totals from Steps 1 and 2 above.

Medicare, Private Insurance, and Prescription Drug Cost	Monthly Cost
Total Monthly Cost from Step 1 + Step 2	\$

## Step 4

If you are eligible for a group medical plan, to calculate your insurance and prescription costs for that plan.

Group Insurance Cost	Monthly Cost
Total Monthly Cost from Step 1 + Step 2	\$
If Enrolled in Medicare, List Total Cost from Step 1	\$
Total monthly cost	\$

## Step 5

Compare the total monthly cost found in Step 3 to Step 4 to determine whether Group Insurance or Medicare plus a private insurance plan will be your lowest cost option. Other factors to compare and consider include plan benefits, access to medical providers, taxes, and whether your decision to elect Medicare will cause a covered dependent to lose coverage.

**Note:** Medicare and private insurance rates are subject to change.

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