Thank you for joining! Please allow a couple minutes for attendees to sign on and get comfortable.
Options for Retiree Health Insurance | April 2023

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

Re-enrollment period | April 24 – May 12 2023
Today’s Purpose:

- Retirees have several options for Health Insurance Coverage
  - What are the Options?
  - How have these Options changed from last year?
  - Where can you get more information?

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

- The MUS Plan reserves are healthy
- **There are minimal changes to the plan options**
  - No changes in ACA/Obamacare Plan itself but subsidies have been increased for most but reduced for some depending on income
  - MUS plan rates are the same
  - The improvement in dental reimbursement rates added last plan year continue
  - The one-time hearing aid benefit also continues
  - An annual preventative routine hearing exam has been added. No co-pay if in-network. Additional exams subject to in- or out-of-network co-pays.
General Info (cont.):

• Approximately 7,600 are enrolled on MUS health insurance
  • ~800 (or 10%) are retirees (not actives)
  • **Overall, 84% of enrollees’ expenses are covered; 16% of expenses are paid out-of-pocket**
• Retirees 65+ expense ratio = 84% (target is 100%)
  • This lower ratio could be a result of COVID and folks deciding to defer care. However, this ratio remained steady even after Covid.
• Retirees under 65 expense ratio = 125% (target is 115%)
2023-24 Plan Changes:

- Increase in dental reimbursement rate (through Delta Dental)
  - “Enhanced Reimbursement” = 29% of total cost of routine care (crowns, fillings, etc.)
  - 100% of maintenance and preventative care is still covered (cosmetic is not)
  - Restorative as a result of an accident is covered under the medical plan
- Added one-time medical benefit of $2,000/ear/lifetime for hearing aids, plus one in-network hearing exam
Options Depend on Age

Are You (and/or your Dependents)
1. All 65 years of Age or Older?
2. All younger than 65?
3. A Mix: Some 65+, some younger than 65?
Age Option #1 | 65 Years of Age or Older

- **Medicare** (Enroll!)
  - If you choose to help pay for what Medicare doesn’t cover:
    - Montana University System (MUS) “Medicare Retiree” Plan, **OR**
    - Non-MUS:
      - Medicare Advantage Plan, **OR**
      - Medicare Supplement + Part D, **OR**
      - Lasso Healthcare + Part D
What does Medicare Cover?

- **Part A: Hospital Coverage**
  - No Premiums
  - Deductible and Copays

- **Part B: Physician Coverage**
  - Premium: $164.90 per month for most people
  - Deductible ($226 for medical) and Coinsurance

- Plans discussed here help to cover deductibles, copays, coinsurance and drugs

*All require enrollment in Parts A & B!*
4 Types of Plans to help pay for expenses Medicare Doesn’t Cover:

1. MUS Medicare Choices
2. Medicare Advantage
3. Medicare Supplement + Drug Plan
4. Lasso + Drug Plan
Plan Type #1 | Montana University System (MUS)

- Similar to plan for Active Employees
- Covers many drugs
- Copays and Coinsurance based on in- and out-of-network
- Deductible(s):
  - $1,250 per Person
  - $2,500 per Family
- Premium(s):
  - $368 per month for individual
  - $736 per month for couples
Plan Type #2 | Medicare Advantage Plan (MAP or Part C)

- Plan covers Medicare deductibles, copays and coinsurance
- Patient responsible for copays for some medical services
- Plan covers *some* drug costs
- **May** cover dental, vision, gym and hearing
- Only two providers in Gallatin County: **Blue Cross Blue Shield and Humana**
- Prices range from $0 to $220
Medicare Advantage Plans

All have some dental, vision, and drug coverage. Some include gym and fitness benefits. Plans differ in copays, co-insurance, deductibles and maximum out-of-pockets.

**A. Humana**
- Choice – $0
- Gold Plus – $36
- Choice PPO- $64

**B. Blue Cross Blue Shield of Montana**
- Choice Plus -$0
- Dental Premier - $5,000
- Classic - $33
- Optimum - $129
- Flex – 220
Plan Type #3 | Medicare Supplement (Medigap) AND a Drug Plan

**TWO Plans (in addition to Medicare):**

<table>
<thead>
<tr>
<th><strong>Supplement</strong>*</th>
<th><strong>Part D: Drug Plan</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Helps cover copays, deductibles, etc.</td>
<td>Covers some drug costs</td>
</tr>
<tr>
<td>Plans: A, B, C, F, G, G+ (BCBS only)*, K, L, M, N</td>
<td></td>
</tr>
<tr>
<td>Premiums vary</td>
<td>Premiums vary</td>
</tr>
<tr>
<td>Many companies</td>
<td>Many companies</td>
</tr>
</tbody>
</table>

*Starting **May 1, 2022**, BCBS is offering G+ plans which include dental, vision, and hearing benefits.
*Additionally, BCBS will also be offering a **7% household discount** on the supplement/Medigap plans beginning on **May 1, 2022**.
Plan Type #4 | Lasso Healthcare MSA

- Zero premium, copays and coinsurance
- Two plans:
  - Growth
  - Growth Plus
- **High Deductible:**
  - Growth - $5,000 per year
  - Growth Plus - $8,000 per year
- **Lasso Deposits** (into a Medical Savings Account in your name):
  - Growth - $2,000 per year
  - Growth Plus - $3,000 per year
- **Net Out of Pocket Maximum:**
  - Growth - $3,000
  - Growth Plus - $5,000
- **No** drug, gym, dental or vision benefits
- **Note:** Midyear (July 1) signup works differently. Check the details: https://lassohealthcare.com
Age Option #2 | All Under 65 Years of Age

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

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

It is important to note that these ARPA ACA subsidies are subject to change

- ACA | Various subsidies based on plan and income. Higher income individuals may now qualify for subsidies and the net premiums for almost all will be greatly reduced.

Bottom Line | Those contemplating retirement before age 65 (Medicare Eligibility) may now have a window of opportunity to get medical insurance at an affordable rate. The rules are complex and it is essential that you discuss your personal situation with a professional advisor.
Age Option #3 | A “Mixed” Family

Some age 65+; some under 65

- Medicare, Supplements, and Advantage Plans are sold to Individuals
- Dependents under age 65 can not be covered by Medicare, Supplements, or Advantage Plans
- Every Person should enroll in Medicare as he/she approaches 65
Example A: MUS Retiree is age 65+
  • John Doe age 73; spouse Mary a “mere” 63
  • John enrolls in Medicare
  • Mary covered only if
    • John also enrolls in MUS (“Medicare Retiree with Non-Medicare Spouse”) OR
    • Mary enrolls in Marketplace or Medicaid OR
    • Mary is covered by her employer
Example B: MUS Retiree is under age 65
- Joe retires from MUS at age 60 when spouse Sally turns 65
- Sally enrolls in Medicare
- Joe enrolls in:
  - MUS Non-Medicare Retiree, OR
  - ACA, OR
  - Medicaid
How to Choose | Example #1

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

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

→ Discuss with your Advisor
How to Choose | Example #2

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

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

What will *your* health be in 1, 5, or 10 years?
# Medicare Supplement Monthly Rates

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

<table>
<thead>
<tr>
<th>Company</th>
<th>Age 65</th>
<th>Age 80</th>
<th>Gym?</th>
</tr>
</thead>
<tbody>
<tr>
<td>AARP – United Health Care M/F</td>
<td>$153.60/$136.32</td>
<td>$240/$213</td>
<td>Renew Active</td>
</tr>
<tr>
<td>*Aetna – Continental Life</td>
<td>$142.19</td>
<td>$207.83</td>
<td>N/A</td>
</tr>
<tr>
<td>*Blue Cross Blue Shield MT</td>
<td>$138.10</td>
<td>$233.84</td>
<td>Silver Sneakers</td>
</tr>
<tr>
<td>*Mountain Health Co-op M/F</td>
<td>$129.45/$118.45</td>
<td>$190.29/$174.11</td>
<td>N/A</td>
</tr>
<tr>
<td>*Cigna – Health and Life</td>
<td>$129.83</td>
<td>$190.54</td>
<td>Active &amp; Fit</td>
</tr>
<tr>
<td>**Humana</td>
<td>$131.71</td>
<td>$203.77</td>
<td>Silver Sneakers</td>
</tr>
<tr>
<td>Lumico M/F</td>
<td>$122.33/$109.58</td>
<td>$179.50/$160.83</td>
<td>N/A</td>
</tr>
<tr>
<td>Mutual of Omaha</td>
<td>$131.26</td>
<td>$193.99</td>
<td>N/A</td>
</tr>
</tbody>
</table>
Conclusion

- The options are pretty good and can fit a variety of budgets.
- While the details are complicated, for most people the most important thing is to make a choice, rather than which specific alternative is chosen.
- Enroll by Friday, May 12 to ensure that you are covered July 1, 2023.
- Once you leave the MUS plan, you have no retreat rights.
Helpful Resources | Web Resources

- Montana University System
  - MSU Benefits: msubenefits@montana.edu
  - MSU HR: msuhumanresources@montana.edu
  - MUS Choices Benefits information: choices.mus.edu
- Medicare: http://Medicare.gov
- Check eligibility for ACA Subsidy: https://www.healthcare.gov/see-plans/#/
Helpful Resources | Counselors & Agents

Nonprofit Counselors

Dana Mitchell (SHIP Counselor, Medicare)
The HRDC
(406) 587-5444
dmitchell@thehrdc.org

Pam Frasier (ACA, Medicaid)
Community Health Partners
(406) 823-6329
fraiserp@chphealth.org

James Wheeler (ACA, Medicaid)
Community Health Partners
(406) 924-5747
wheelerja@chphealth.org

Heather Barnaby
The Roger Daniel Agency
(406) 551-1025
heather@rogerdanielagency.com

Additional Resources

Jesse Radoslovich
Arkell Asset Management
Wealth Manager
(406) 577-2006
jradoslovich@arkellam.com

Kelley Shields
Montana University System – Benefits
Benefits Communications Manager
(406) 449-9163
kshields@montana.edu

Agents who sell Policies

Mike McLeod or Kelly Jennaway
McLeod Insurance Services
(406) 586-4367
mike@mcleodinsuranceservices.com
Helpful Resources | Retiree Association Contacts

• Get in touch with a former colleague who worked on the MUS insurance plan and has graduated to Medicare:
  • Jerry Coffey
    (801) 829-8838
    jerome.coffey@montana.edu
  • Ken Hapner
    (406) 586-5500
    kdhapner@gmail.com
  • Ron Brekke
    (406) 586-9539
    rontana55@hotmail.com
Thank you for taking the time this afternoon to learn about your health insurance options!