

# BOOMER

INSURANCE GROUP

AGENCY INC.

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**804-464-8960**

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**910-995-2457**

# Psychology of Medicare

- **Psychology:** *The scientific study of the human mind and its functions, especially those affecting behavior in a given context.*
- Why clients stress and worry about Medicare
- Worried about Medicare..... **When** & **How** to enroll
- Worried about Medicare **penalties**
- Worried about healthcare **costs** and **coverage**

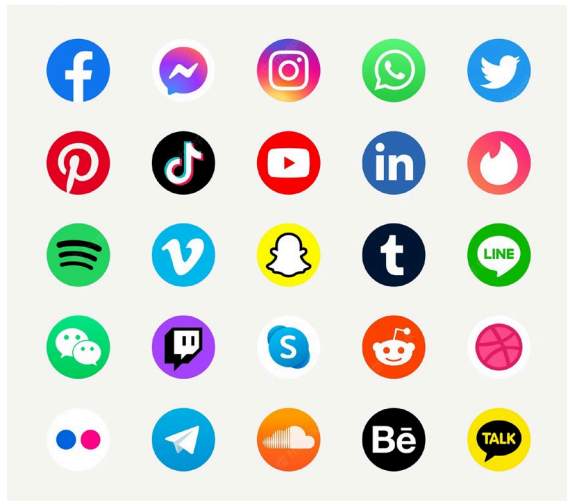
*Worrying happens when an unexpected need arises.*



# Enrolling???

**Anxious:** People are worried about WHEN and HOW to enroll.

## Worried?... Why???



# When to enroll

When to enroll ???.....*WHEN IT IS ACTUALLY THE RIGHT THING TO DO SO!*

## #1

- Retired
- Retiring

## #2

- On ACA

## #3

Small  
Group  
Less than  
20 fulltime  
Employees

## #4

Group plan too  
much or  
deductible too high

Top Tier  
Medicare Plan

Medicare	\$165
MedSupp	\$120
Drug Plan	<u>\$15</u>
Total	~ \$300

## #5

Spouse group  
coverage too high

Em Only           \$200

Em + Spouse     \$700

Spouse cost = \$500

# HOW to Enroll



# Medicare Penalties

## Part A Penalty

- If you (or spouse) do not have enough quarters of work history, and you are not covered by a group health plan then you must **buy** Part A, and if you don't buy it when you're eligible for Medicare, your monthly premium will go up 10%. You'll have to pay the penalty for twice the number of years you didn't sign up.
- Part A monthly cost without full 40 quarters / ten years work credit = \$506 (2023)
- When can you sign up for Part A: Anytime within the three months before your 65<sup>th</sup> birth month or any month after your 65<sup>th</sup> birth month.
- When does Part A start? The first day of your 65<sup>th</sup> birth month or back dated 6 months whichever is closest.

- Ask your "Medicare advisor" what the penalty is for Part A

# Medicare Penalties

## Part B Penalty

- \$164.90 (2023) Part B monthly payment.
- Part B Penalty: 10% of current monthly payment for every 12 consecutive months you went without Part B or a group health plan. And this is a lifetime penalty.
- When can you enroll into Part B? Anytime within the three months before your 65<sup>th</sup> birth month or any month after your 65<sup>th</sup> birth month as long as you are coverage by a group health plan or within 8 months of losing a group health plan.
- When does it start? On the first day of your 65<sup>th</sup> birth month, the date you've elected it to start while currently covered by group health plan, or date you choose after recently losing group health coverage.

# Medicare Penalties

## Part D Penalty

- Current national average monthly payment of a Part D drug plan = \$32.74
- Penalty: 1% of current average monthly payment for every month that the person was not covered by a Part D drug plan or a group health plan with creditable coverage.
- When to enroll in a Part D drug plan: Within the 3 months before your 65<sup>th</sup> birth month or within 63 days of losing group health coverage. If not enrolled by the right time you'll have to wait until the Medicare AEP (Oct 15<sup>th</sup>-Dec 7<sup>th</sup>) and new drug plan will start January 1<sup>st</sup>.
- 2<sup>nd</sup> Penalty: No coverage for medications and have to pay full price until the new drug plan can start.



# Health Care Costs

**Worried** they can't afford good coverage on a fixed income

- As advisors... show clients the budget line item for “Health Insurance” or “Healthcare”
- Talk about the **psychology** of budget shifting
- HSA funding (if time allows)
  - Don't fall for the “quit HSA contributions 6 months before Medicare”
  - Contribution Limits:  
(2023) Indv \$3,850 Family \$7,750 + individual catchups of \$1,000 each covered spouse
  - Make sure funds are invested properly

*Don't worry....*

*Don't Worry your clients getting ripped away or ripped off*

*Don't have your clients worry about making the wrong decisions*

*Don't Worry Be Happy - Bobby McFerrin -*

***Don't Worry....***

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