

BOOMER

INSURANCE GROUP

AGENCY INC.

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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**

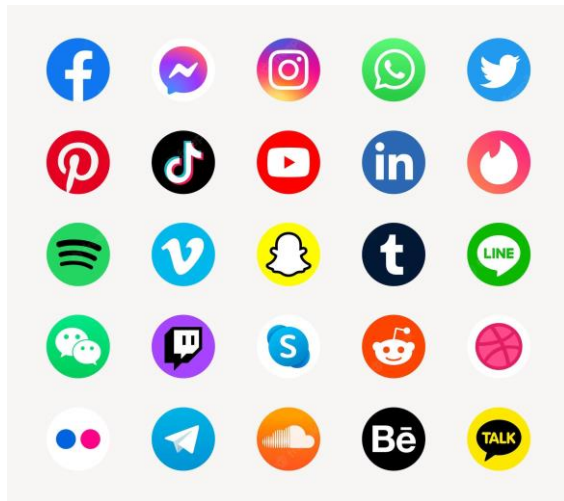
Worrying happens when an unexpected need arises.



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 65th birth month or any month after your 65th birth month.
- When does Part A start? The first day of your 65th 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 65th birth month or any month after your 65th 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 65th 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 65th 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 15th-Dec 7th) and new drug plan will start January 1st.
- 2nd 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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