

2022
Preparing for
Retirement/Insurance/Medicare

For Faculty and Staff
contemplating retirement

Qualification for Retirement

55 years of age or older, regardless of years of service.

Learn more before you go

- The retirement checklists can be found on the ISU Retiree website for employees to review the process.

<https://www.hr.iastate.edu/benefits/retiree-life>

- Call 294-4800 to set up a time to discuss possible retirement dates, start the benefits paperwork process and review the steps with an ISU Benefits Consultant.

Retirement steps

- Make a decision on a retirement date, what is the last day you will be working?
- B base faculty retire in May or December unless they work in the summer or need to retire due to other circumstances.
- The last day of work has bearing on insurance continuation and possibly on Medicare effective dates.

Retirement

- If retirement is within 3 months of Medicare eligibility for you or a dependent, Part B should not be declined.
 - Contact the Benefits Office to discuss timing of Medicare enrollment
- Benefits Office has an additional paperwork process for the Special Enrollment Period for those who had previously declined Part B.
 - Avoid late enrollment penalty

Workday Retirement Process

- Employees may submit their retirement notice
- Click on the cloud icon/picture in the upper right corner and click View Profile.
- A blue banner menu appears on the left.
- Click on Actions, click Job Change
- Click Resign
- Enter proposed Separation date (this is the last day you are at work)
- Click Voluntary then click “Worker Resignation > Voluntary > **Retirement**” (last option)

Vacation/Sick Leave

- Unused sick leave automatically pays out up to \$2,000 maximum
- Unused vacation, vacation credit, if eligible, will be paid out.
- The payout is at the end of the month following the retirement month.
- If interested in sheltering the payout from most (not all) taxes, the form must be requested & submitted by the 15th of the month in which you retire.
 - Questions and return form to Fringe Benefit Accounting & Compliance Office
 - fbac@iastate.edu
 - 515-294-7662

Basic Life Insurance

- Basic Life insurance terminates at retirement.
- Notice within Workday on option to continue Basic Life insurance as a personal policy.

Long Term Disability Insurance

- Do health issues have you contemplating an earlier retirement?
- LTD insurance ends upon retirement date.
- Explore benefits of applying for LTD
 - replacement income
 - life insurance paid by LTD insurance
 - ISU Plan Medical/Rx/Dental continuation
- Limitations? - Paperwork, approvals, possible delayed access to retirement account funds.

Qualifying for ISU Retiree Insurance

- To qualify to continue to participate in ISU retiree group medical/prescription and/or dental insurance:
 - Continuous enrollment in the University group plan(s) for **5** years or longer up to the last day of work.

Continuing Group Medical and/or Dental Insurance

Meet with an ISU Benefits Consultant:

- If continuing ISU insurance, choose your plan and line up Medicare, if qualified.
- Complete forms for continuing coverage, including Medicare Part D if eligible and submit to ISU Benefits Office prior to the date active employee insurance ends.

Retiree Open Enrollment

- Each year: October 15th – December 7th
- Effective dates of changes:
 - January 1st of the next year
- Events that take place outside of open enrollment must be reported within 30 days of the event
 - Examples: Martial status change, dependent no longer eligible, dependent gain/loss other coverage

ISU Plan Dental Insurance

- Administered by Delta Dental of Iowa
- If previously dropped, you cannot enroll.

- PPO plus Premier Network
- Two Plan Choices:
 - Basic Plan
 - Comprehensive Plan



Plan Provisions	Basic ISU Plan	Comprehensive ISU – 3 year lock in
Deductible	\$25 on the first person with restorative service each year	\$50 on the first person with restorative service each year
Maximum benefit	\$750.00 per person per year	\$1,500 / person / year except braces
Diagnostic/ Preventative	2 visits per year – 100% & doesn't reduce \$750.	2 / year, 100% but does reduce the \$1,500.
Basic Restorative	Fillings 50% Gum disease 50% Extractions 50% Root Canal 50%	Fillings 80% Gum disease 80% Extractions 80% Root Canal 80%
Major Restorative	Crowns 50% Bridgework- not covered Dentures- not covered Implants- not covered	Crowns 50% Bridgework- 50% Dentures- 50% Implants- 50%
Orthodontics (Braces) has a life time benefit limit	Not covered	Any age, \$50.00 deductible then 50% to \$2,000.00 in lifetime benefits

2022 Dental Insurance Premiums

Plan Tier	Basic	Comprehensive
Retiree or Surviving Spouse	\$22.00	\$38.00
Retiree & spouse/partner	\$52.00	\$99.00
Retiree & child(ren)	\$59.00	\$104.00
Retiree & family	\$67.00	\$118.00

ISU Plan Medical Insurance Plans

- Administered by Wellmark Blue Cross/Blue Shield
 - Blue PPO (the Preferred Provider Organization, a national network of the Blue Cross Blue Shield Association)
 - Blue HMO (the Wellmark Health Plan of Iowa Network)



Your Health. Well Protected.™

BluePPO

- Self-Referral
- Using providers in the national network of preferred providers organization (PPO) contracted by BC/BS for best benefits.
- Routine preventative services physicals, eye exams
- Reduced coverage when using non-network providers
 - May balance bill
 - No routine services (preventative tests, physical, eye or hearing exams)
- Out-of-pocket maximum begins on effective date through calendar year

BlueHMO

- Iowa network of providers:
 - Must name a Primary Care Physician (PCP)
 - Wellmark Health Plan of Iowa (WHPI) network – always verify the PCP is accepting new patients
 - PCP required for routine services
 - You may self-refer to network chiropractor, eye doctor for routine exam or acupuncturist
- Out of WHPI network: benefits only by prior authorization or emergency room
- Guest membership arrangement available:
 - Out of network for 90 – 180 days
 - Routine Services Allowed
 - May not set up retroactive
 - Turn off when resuming in-network
 - College students
 - Custodial Parents

Medical Plan Comparison

Plan Provisions	BluePPO In-Network	BluePPO Out-of-Network	BlueHMO
Deductible <ul style="list-style-type: none"> • Single • Family 	\$0	\$400 \$800	\$0
Coinsurance	10%	20% after deductible	0%
Out-of-Pocket Maximum, effective date of hire to end of calendar year <ul style="list-style-type: none"> • Single • Family 	\$2,000 \$4,000	\$4,000 \$8,000	None
Office Visit	\$25 copay Does not apply toward out-of-pocket maximum	None	\$15 copay
Emergency Room	\$125 copay, then 10% coinsurance	\$125 copay, then 20% coinsurance	\$125 copay

ISU Group Health and Prescription Monthly Premium 2022: A Retiree or a Retiree's surviving spouse

Plan Tier (price <u>includes</u> appropriate prescription coverage)	PPO and Rx	HMO and Rx
Single plan (retiree or surviving spouse)		
Merit Not Medicare eligible	\$783.00	\$759.00
Faculty, P & S, S & C Not Medicare eligible	\$569.00	\$551.00
Medicare eligible	\$341.00	\$325.00

ISU Group Health and Prescription Monthly Premium 2022: A Retiree & Spouse or a Partner

Plan Tier (price <u>includes</u> appropriate prescription coverage)	PPO and Rx	HMO and Rx
Retiree and a Spouse or Partner		
Merit - Two not Medicare eligible	\$1,787.00	\$1,739.00
Faculty, P & S, S&C - Two not Medicare eligible	\$1,297.00	\$1,261.00
Merit - One with Medicare, one without Medicare	\$1,121.00	\$1,081.00
Faculty, P & S, S&C - One with Medicare, one without Medicare	\$907.00	\$873.00
Two Medicare eligible	\$679.00	\$647.00

ISU Group Health and Prescription Monthly Premium 2022: A Retiree with eligible children

Plan Tier (price <u>includes</u> appropriate prescription coverage)	PPO and Rx	HMO and Rx
Retiree and Child(ren) only		
Merit - Retiree is not Medicare eligible	\$1,396.00	\$1,361.00
Faculty, P&S, S&C - Retiree is not Medicare eligible	\$1,013.00	\$987.00
Merit - Retiree is Medicare eligible	\$954.00	\$927.00
Faculty, P&S, S&C - Retiree is Medicare eligible	\$785.00	\$761.00

ISU Group Health and Prescription Monthly Premium 2022 – Family

Plan Tier (price <u>includes</u> appropriate prescription coverage)	PPO and Rx	HMO and Rx
Retiree and Family with children		
Merit – 3 or more, no one has Medicare	\$2,290.00	\$2,211.00
Faculty, P&S, S&C - 3 or more, no one has Medicare	\$1,661.00	\$1,603.00
Merit - 3 or more, only 1 has Medicare	\$1,624.00	\$1,553.00
Faculty, P&S, S&C - 3 or more, only 1 has Medicare	\$1,271.00	\$1,215.00
Merit - 3 or more, 2 have Medicare	\$1,182.00	\$1,119.00
Faculty, P&S, S&C - 3 or more, 2 have Medicare	\$1,043.00	\$989.00

ISU Plan as Medicare Secondary Plan

- Keep Original Medicare (A & B) Medicare is required and must be the primary insurance for those eligible for Medicare when retired.
- The ISU Wellmark plan, as secondary insurance, will calculate the benefits the plan would pay if it were the only insurance, then applies what Medicare has already paid, and settles on the difference.
- The plan normally pays remaining balance.
- Patient liability is a rare occurrence but could happen. If you have an amount to pay at a clinic or hospital, you may want to follow up on why.
- **ISU Benefits Office will mail information to upcoming newly Medicare eligible members 3 months before Medicare eligibility.**

ISU Plan as Medicare Secondary Plan

- Medical claims are filed through Medicare Part A & B
- After Medicare reviews, claim is reviewed by Wellmark (BlueHMO or BluePPO)
- Typically you pay \$0.00, exceptions may be:
 - Care is not a Medicare covered service but is a Wellmark covered service
 - Not a covered service for Medicare or Wellmark
 - Allowed amount differences between the two
 - Some other circumstances could require payment
 - ASK about filing to Medicare if provider says they won't.

Medicare Part B Premiums

- Each year, Part B is based on income from 2 years earlier. Pay attention each year to gross income and possible capital gains. 2020 income will determine your 2022 Medicare Part B premium.
- Required minimum distributions from retirement plans can trigger higher Medicare premiums a couple of years later.

Medicare Part B 2022 Premiums

If your yearly adjusted income in 2020 was...			...then
File Individual Tax Return	Married File Joint Tax Return	Married File Separate Tax Return	Each Person Pays
\$91,000 or less	\$182,000 or less	\$91,000 or less	\$170.10
Above \$91,000 to \$114,000	Above \$182,000 To \$228,000	Not applicable	\$238.10
Above \$114,000 to 142,000	Above \$228,000 to \$284,000	Not applicable	\$340.20
Above \$142,000 to \$170,000	Above \$284,000 to \$340,000	Not applicable	\$442.30
Above \$170,000 and <\$500,000	Above \$340,000 and < \$750,000	Above \$91,000 and less than \$409,000	\$544.30
\$500,000 or above	\$750,000 and above	\$409,000 and above	\$578.30

Options for those considering leaving the ISU group plan for other plans

- Contact SHIIP for assistance with Medicare options
 - Statewide: 1-800-351-4664
 - (TTY 1-800-735-2942)
 - Website: www.shiip.iowa.gov
 - Email: shiip@iid.iowa.gov
- Transfer to other group options (spouse's employer plan, a new employer's plan, Professional Associations, etc.) or Healthcare Market Place

After Retirement – Paying Premiums

- When continuing the ISU medical/prescription insurance, Wellmark sends the premium billing to the retiree.
 - **You have to stay with the ISU group prescription drug plan to stay in the group medical plan.**
- Delta Dental sends the premium billing to the retiree
- Automatic withdraw available to let Wellmark/Delta Dental pull the premium directly from your bank account.

Prescription coverage with your Health Insurance Plans

- The ISU Wellmark Plan price includes the Express Scripts / Humana Part D Prescription Drug Plan (PDP)
- There is not a choice of prescription plans.
- Express Scripts is until Medicare eligible.
- The ISU Humana PDP is required for retirees / any family members that are Medicare eligible and enrolled in the ISU Wellmark medical plan.
- The ISU Humana is a unique group Medicare Part D PDP.

Prescription Drug Plans – Pre & Post Medicare

- Express Scripts – Rx for those prior to Medicare eligibility
 - Deductible \$0.00
 - Out of Pocket Maximum \$2,000 per person per year. (\$4,000 family)
 - No “gap” or “donut hole”
- Humana – effective when Part B Medicare eligible
 - Deductible \$0.00
 - Out of Pocket Maximum \$2,500 per person per year.
 - Coverage in the “Gap” or “donut hole”

MEDICARE PART D Standard “FRAMEWORK” for 2022

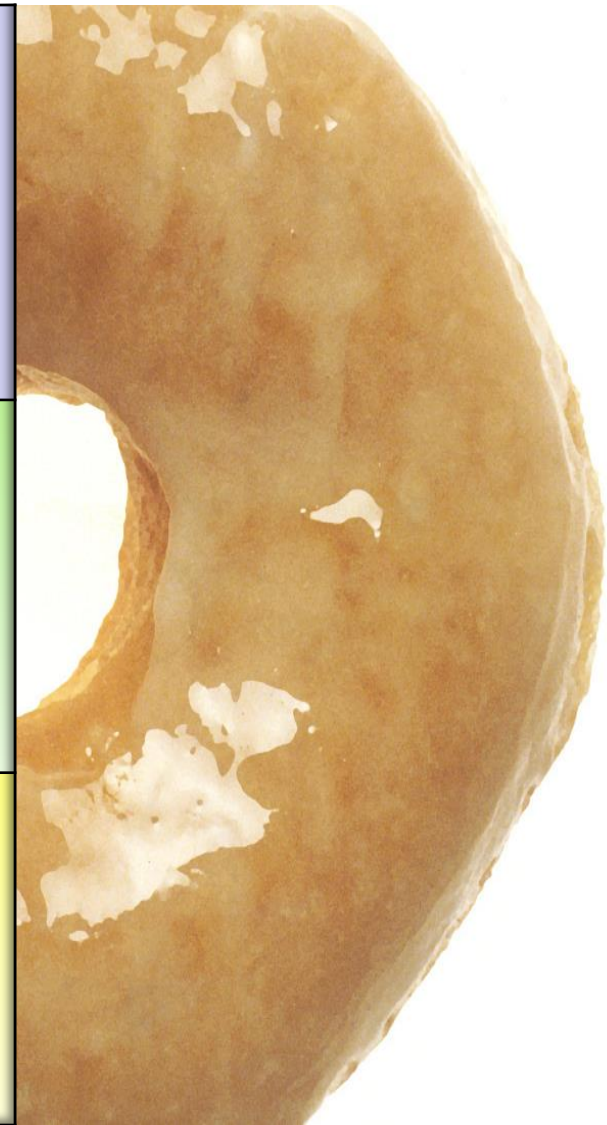
\$480.00 Deductible – Eliminated for a “buy up” to better coverage plans, like the ISU Plan.

Stage 1 or Initial Coverage Limit:

This is where we start each January. The stage begins at first purchase. \$0 until total drug cost reaches \$4,430.00.

Stage 2 or the Coverage Gap (donut hole): Begins at \$4,430.00 and lasts until your total drug costs reaches \$7,050.00. In the Coverage Gap, ACA regulations reduce the cost of medication for those in the gap. No one pays more than 30% of adjusted cost.

Stage 3 or Catastrophic: \$7,050 to end of the year. When the cost of all medication purchased reaches \$7,050.00 – For ISU Plan participants, once your Out-of-Pocket reaches \$2,500.00, Humana is paying 100% of your total drug costs.



The ISU PDP

- The ISU Plan, collectively, is better than the Standard Part D PDP offered to individuals.
- Drugs purchased that are not covered by Medicare Part D do not count towards the total amount to reach the gap.
 - Examples are: Drugs categorized as Medicare B eligible such as some diabetes test strips and immunosuppressive drugs. If Medicare B eligible, the Wellmark plan follows Medicare.
 - Prescriptions exempt from Part B & D examples: drugs used for cosmetic purposes, weight loss/gain and O-T-C medication purchased at a pharmacy.

Tiers according to Humana formulary

- Tier 1 - Generic or brand available at the lowest cost for this plan.
- Tier 2 - Generic or brand that Humana offers at a lower cost than Tier 3.
- Tier 3 - Generic or brand that Humana offers at a higher cost than Tier 2.
- Tier 4 – Specialty medication, some injectable or other high-cost prescriptions.

Initial Rx coverage by local Retail or Mail Order

• Express Scripts –

- Generic \$15 retail (30) or \$0.00 (90) if mail ordered.
- 30% coinsurance for preferred brand name drugs up to \$125 max: 25% if mail ordered, up to \$300 max
- 50% for non-preferred brand drugs, up to \$250 max: 33% if mail ordered, up to \$600 max
- Specialty meds same as above and may be preferred or non-preferred.

- Humana – Stage 1 (\$0 - \$4,430)
- Tier 1 drugs: \$10.00 retail (30) or \$0.00 (90) if mail ordered.
- Tier 2 drugs: 30% coinsurance up to \$50 max: 20% if mail ordered, up to \$100 max.
- Tier 3 drugs: 50% coinsurance, up to \$50 max: 33% if mail ordered, up to \$100 max.
- Tier 4 drugs: 50% up to \$50 max. Typically not offered as mail order usually limited to a 30 day supply at retail pharmacy.

Stage 1 = \$0 (first purchase) to Initial Coverage Limit (ICL) \$4,430

When the total drug cost reaches \$4,430.00

Made up retail example:

- A 30 day supply of Eliquis is ~\$580.00
- It is a tier 2 medication.
- In stage 1, Eliquis would be \$50.00
- 8 months of total drug cost would be \$4,640.00
- So the 8th purchase begins the gap

Stage 2 Rx coverage

- **Express Scripts** – see previous example.
 - There aren't Stages with Express Scripts as it is not a Medicare D plan.
 - Members that transition to Humana need to be aware of the Stages and the change in price for medication that could happen as the year progresses.
- **Humana** – Stage 2
 - Tier 1: \$10.00 retail (30) or \$0.00 (90) if mail ordered.
 - Tier 2: 30% coinsurance up to \$50 max/30: 20% if mail ordered, up to \$100 max/90
 - Tier 3: 30% and 30% if mail ordered
 - Tier 4: 30%/30 and mail order limited to 30 day supply, also 30%/30.

Stage 2 = Coverage Gap from \$4,430.00 to \$7,050.00

- When YOUR total drug costs reach \$4,430.00. This is adding up the drug cost from the beginning, but in the gap, the Affordable Care Act rule is a drug cost must reduce for the member in the gap.
- The \$580 Eliquis would change to \$290.00. The ISU Humana member still pays \$50.00
- You could quickly go through Stage 1 but Stage 2 could take the rest of the year as the tally is only on your total drug cost, it does not include what was discounted.

Stage 3 Rx coverage

- Express Scripts – see previous slides.
- There isn't a Stage 3 with Express Scripts as it is not a Medicare D plan.

- Humana – Stage 3 (total cost reaches \$7,050.00)
- Members pay - Greater of \$3.95 generic/multiple source/ \$9.85 for all other tiers or 5% coinsurance (even if mail order was \$0. previously).
- ISU participants annual Out-of-Pocket is the maximum \$2,500.00. After this is paid, Humana pays 100% of the total drug costs the remainder of the year.

Stage 3 = True Out-of-Pocket Cost over \$7,050.00

- It is possible for a person to be in stage 2 and stage 3 with just a few expensive prescriptions.
- If the prescription total \$7,050.00, the medication would be split into the appropriate stages: initial stage, the gap stage and the catastrophic stage. A member may pay \$2,500.00 out of their pocket in a month or two.
- It is also possible to get to \$7,050.00 and go from paying zero for mail order and max of \$50.00 to the 30%-50% or paying \$3.95, \$9.85 or 5% due to not yet reaching the \$2,500 out of pocket maximum.

Humana Part D Smart Summary

- Center for Medicare (CMS) rules require reporting to participants at least quarterly. There is an option to look at these on-line if you set up a Humana portal but the on-line version is not quite accurate for our plan, it was created for the standard plans.
- The summary includes the drug purchases, the stage you are in, the OOP cost and TROOP, updates contact, patient rights. What it does not include is any non-Part D purchases such as diabetes test strips, or non-covered prescriptions.

Paying for Part D income adjustment

- Income Related Monthly Adjustment amount or IRMAA is determined by Center for Medicare and Medicaid Services (CMS) and will be reported to you, if you must pay.
- The amount will be deducted from the Social Security Income (SSI) each month.
- If you decline the deduction for IRMAA, CMS will dis-enroll you from the Humana Group PDP. This creates a problem that causes issues for regaining the coverage.

Medicare Part D & High Income

2022 Part D Income-Related Monthly Adjustment Amount (IRMAA)		Amount deducted from Social Security income <u>in addition</u> to the premium you pay to Wellmark
If Your Yearly MAG Income in 2020 was		You Pay
File Individual Tax Return	File Joint Tax Return	
\$91,000 or less	\$182,000 or less	\$0
Above \$91,000 to \$114,000	Above \$182,000 to \$228,000	\$12.40
Above \$114,000 to \$142,000	Above \$228,000 to \$284,000	\$32.10
Above \$142,000 to \$170,000	Above \$284,000 to \$340,000	\$51.70
Above \$170,000 to <\$500,000	Above \$340,000 to <\$750,000	\$71.30
\$500,000 and above	\$750,000 and above	\$77.90
Married, filing separate tax return: Above \$91,000 and < \$409,000 you each pay \$71.30 each. If \$409,000 and above you each pay \$77.90 each		

Medicare Part D Low Income Subsidy

- Participants with low income may qualify for extra help from Medicare and the Part D cost could be reduced.
- Humana is informed by CMS and alerts ISU to the adjustment to the Part D premium.
- We alert Wellmark to reduce the premium for the subsidy amount reported to us by Humana.

CONTACTS

University Human Resources
Service Center –
3810 Bredshear Hall

515-294-4800 or 1-877-477-7485

benefits@iastate.edu

*Appointments are encouraged