

**Thanks for joining**

**How Medicare Parts & Prices Fit into Your Retirement Plan**

The webinar will start in **10** minutes.

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FINANCIAL WELLNESS SERIES

**How Medicare Parts & Prices Fit into Your Retirement Plan**

Taking steps towards planning a fit retirement

 **Kevin Landen**  
Senior Financial Advisor

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Agenda

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**1**  
Health care costs in retirement
-   
**2**  
Medicare parts: A, B, D...and more
-   
**3**  
Medicare prices: "It's not free?"
-   
**4**  
Where Medicare costs fit in your retirement plan

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Section 1

# Health care costs in retirement

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### Do you know?

What percent of retirees report their health care costs are somewhat or much higher than they expected?

A) 12%	B) 24%
C) 38%	D) 46%

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### Do you know?

What percent of retirees report their health care costs are somewhat or much higher than they expected?

A) 12%	B) 24%
C) 38%	D) 46%

Source: EBR, Retirement Confidence Survey, 2023 <https://www.ebr.com/retirement/retirement-confidence-survey>

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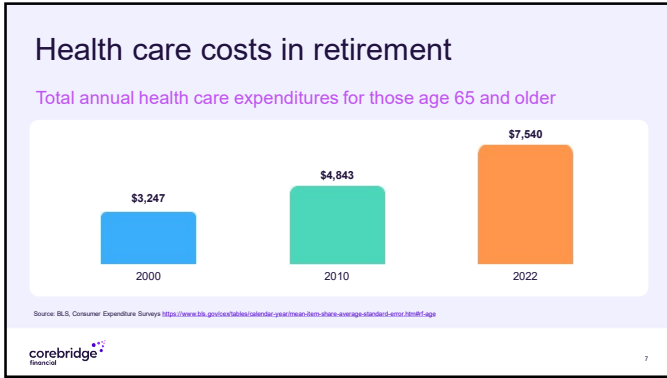
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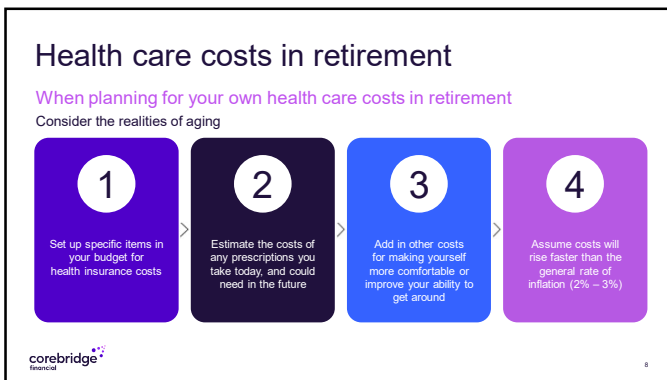
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Section 2

## Medicare Parts A, B, D... and more

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**Do you know?**  
 How many retirees are covered by Medicare today?

A) 25 million      B) 35 million

C) 45 million      D) 58 million

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**Do you know?**  
 How many retirees are covered by Medicare today?

A) 25 million      B) 35 million

C) 45 million      D) 58 million

Source: CMS Fact Facts, published Oct 2023 <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/CMS-Fact-Facts>

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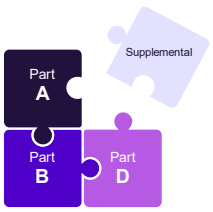
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**Medicare parts A, B, D...and more**

**What is Medicare?**

The health insurance program for US citizens age 65 and older

- Permanent legal residents who have been in the US for 5+ current years
- Green card holder married to a fully-insured US citizen or green card holder for at least 1 year
- Qualify by paying FICA taxes for 10 years or more



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### Medicare parts A, B, D...and more


When does Medicare start?

**1**




First day of the month containing your 65<sup>th</sup> birthday

**2**



After 24 consecutive months on Social Security Disability (SSDI)

**3**



If you have certain illnesses

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### Medicare parts A, B, D...and more

How do you "get into" Medicare?

**Automatically Enrolled**

- If you claimed Social Security early, before age 65

**Proactively Apply**

- During your Initial Enrollment Period around your 65th birthday month
- When you are no longer an active-employee in a large group health insurance plan

**Delay first Then apply**

- You have coverage from a large employer group health plan
- May delay both Part A and Part B
- Sign up during a Special Enrollment Period when coverage is ending

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### Medicare parts A, B, D...and more

Medicare Part A: Hospitalization

- Inpatient hospital stays
- Skilled Nursing Facilities
- Hospice Care
- Certain home-health services



Part A

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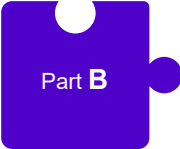
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### Medicare parts A, B, D...and more

#### Medicare Part B: Doctors and Outpatient Services

- Physicians and Specialists
- Outpatient Services, such as chemo
- Certain home-health services



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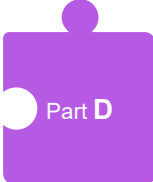
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### Medicare parts A, B, D...and more

#### Medicare Part D: Prescriptions

- Prescriptions requested by a physician or health provider
- May be generic or brand
- Only limits your OOP spending on Rx's



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### Medicare parts A, B, D...and more

#### Medicare Supplemental Insurance Coverage

- Additional coverage for Medicare-approved costs that you would otherwise pay OOP
- Can choose a "Medigap" policy
- Or can choose a "Medicare Advantage" plan

Important: You may have another form of supplemental coverage available to you (Federal or State government, union, certain types of "retiree" plans, TrICARE for Life, etc.). It is up to you to check your options.



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Section **3**

# Medicare Prices: "It's not free?"

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## Do you know?

How much was spent on Medicare Part A and Part B services in 2021?

\$400 billion

\$500 billion

\$600 billion

\$1 trillion

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## Do you know?

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\$400 billion

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Source: CMS Fact Facts, published Oct 2023 <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Research/CMS-Fact-Facts>

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### Medicare prices: "It's not free?"

\$325,000!

\$5,700/yr – or – \$475/mo

\$295,000!

Estimated annual cost for the average retiree's spending on Medicare, Medigap, Part D, or Medicare Advantage Plans for premiums and out-of-pocket expenses

\$390,000!

Sources (top): EBR; Fidelity Investments, Healthline Services (bottom):MarketWatch, How to pay for health care costs in retirement, Robert Powell, April 10, 2021

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### Medicare prices: "It's not free?"

#### Medicare Part A: Hospitalization – Usage Costs

Part  
A

**Inpatient Hospitalization**

- \$1,600 deductible per benefit period
- \$400, daily room rate after 60 days
- \$800, daily room rate after 90 days (max. for 60 lifetime days)
- 100% after day 150

**Skilled Nursing Facility**

- Days 1–20: \$0 for each benefit period
- Days 21–100: \$200 per day of each benefit period
- Days 101 and beyond: 100% of daily rates

Medicare.gov for 2023. Generally, costs will increase each year.

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### Medicare prices: "It's not free?"

#### Medicare Part B: Doctors and Outpatient Services – Monthly Premiums & Cost-Sharing

Part  
B

**Monthly premiums are means-tested**

- \$164.90 per person per month
- Additional "IRMAA" charges for higher MAGI
- Up to \$594+ per person per month for highest MAGI earners

**Cost-sharing**

- Annual deductible is \$226
- Then, Part B pays for 80% of approved services and doctor visits
- You pay the remaining 20% out of pocket

Medicare.gov for 2023. Generally, costs will increase each year. "IRMAA" is income-related monthly adjustment amount. "MAGI" is modified adjusted gross income.

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# Medicare prices: "It's not free?"

## Medicare Part D: Prescriptions – multiple types of payments



### Insurance Company

- Monthly premium
- Annual drug deductible
- Generic drug prices
- Brand name drug prices

### Medicare

- If you have high MAGI and pay a Part B IRMAA surcharge, you also pay a Part D surcharge
- Part D IRMAA ranges from \$12.20 to \$76.40 per person per month

**Important:** Your specific costs depend on your exact drugs and dosages, and your state, zip code and county, plus the insurance companies pricing and pharmacy network in your area.

Medicare.gov for 2023. Generally, costs will increase each year. "IRMAA" is income-related monthly adjustment amount. "MAGI" is modified adjusted gross income.



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# Medicare prices: "It's not free?"

## Medicare Supplemental Insurance Coverage: Medigap



- You pay a monthly premium to a private insurance company
- You choose the types of Medicare expenses you want insurance to cover
- There may be as many as 30 or 50+ plans offered in your zip code and county!



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# Medicare prices: "It's not free?"

## Medicare Supplemental Insurance Coverage: Medicare Advantage Plans



- Choose a network to provide your physicians and services
- You may or may not have a monthly premium
- Your total OOP – up to \$8,300 in 2023
- Typically, you'll choose a plan that includes prescription drug coverage
- There may be as many as 30 or 50+ plans offered in your zip code and county!

Medicare.gov for 2023. Generally, costs will increase each year.



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# Where Medicare costs fit in your retirement plan

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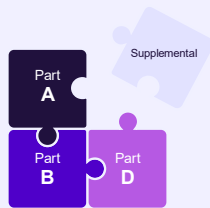
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## Where Medicare costs fit in your retirement plan

### Scenario 1: Example of Medicare costs with Medigap

Part A	\$0
Part B	\$164.90
Part D plan premium	\$15
Your Rx's	\$30
Supplemental/Medigap	\$200
Monthly Cost Est.	\$409.90
Annual Cost Est.	\$4,919



Hypothetical example for illustrative purposes only. Part B costs standard tier for 2023. Part D assumes low Rx usage and generic drugs. Medigap cost is a mid-range among plans offered across the country with a wide range of pricing. Each individual person's costs will be different.



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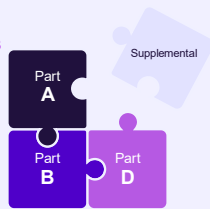
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## Where Medicare costs fit in your retirement plan

### Scenario 2: Example of Medicare costs with Medicare Advantage with PD

Part A	\$0
Part B	\$164.90
Part D	\$0
Your Rx's	\$35
MAPD Premium (avg)	\$15
Your copays, co-insurance, etc.	Up to \$8,300
OOP estimate/mo	\$226 - \$857
Annual Cost Est.	Up to \$9,371



Hypothetical example for illustrative purposes only. Part B costs standard tier for 2023. Part D assumes low Rx usage and small coinsurance. MAPD is the national average for 2023. Maximum OOP is \$8,300 for MAPD for 2023 in-network services and costs. Each individual person's costs will be different.



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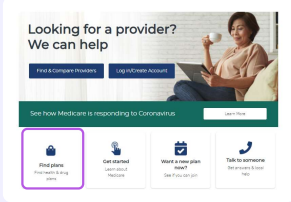
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### Where Medicare costs fit in your retirement plan

Step 1: Use Medicare.gov to estimate your costs

Shop "Find Plans" for:

- Medigap
- Part D
- Medicare Advantage



Looking for a provider? We can help

Get how Medicare is responding to Coronavirus

Find plans, Compare & enroll, Get started, Want a new plan, Talk to someone

Medicare.gov/home page

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### Where Medicare costs fit in your retirement plan

Step 2: Estimate your total health care costs in retirement

Part A	\$0
Part B	\$xxx
Part D	\$xxx
Your Rx's	\$xxx
Supplemental plan	\$xxx
Monthly Cost Est.	\$xxx
Annual Cost Est.	\$xxx

Medicare.gov/home page on 10/31/2023.

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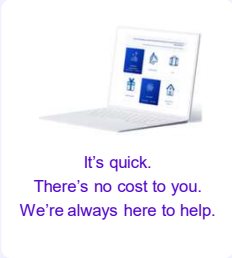
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### Where Medicare costs fit in your retirement plan

Step 3: Use the Corebridge Retirement Pathfinder® to build your retirement income plan

Register or log in to your online account to:

- Define your future goals
- Model scenarios instantly using a variety of market conditions
- Explore and adjust saving strategies



It's quick.  
There's no cost to you.  
We're always here to help.

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## Action steps

- Sign up [corebridgefinancial.com/rs/register](https://corebridgefinancial.com/rs/register) and get answers to help you plan for a more secure financial future.
- Enter this Registration Code: [REGISTRATION CODE]



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951 501-6432  
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# Thank you

## Questions?

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