

Healthcare in Retirement

Helping You Navigate Post-Employment Options Including the Marketplace



Toll-free: (877) 999-6442



michigan.gov/HICAP

What is Health Insurance?

Health coverage, or health insurance, helps to pay for doctor visits, hospital services and medications.

INSURANCE COMPANY NAME	COVERAGE TYPE
MEMBER NAME: JOHN DOE MEMBER NUMBER: XXX-XX-XXXX	EFFECTIVE DATE: XX-XX-XXXX
GROUP #: XXXXXX-XXX-XXX	PRESCRIPTION GROUP #: XXXXX
PCP CO-PAY: \$15.00 SPECIALIST CO-PAY: \$25.00 EMER. ROOM CO-PAY: \$75.00	PRESCRIPTION CO-PAY: \$15 GENERIC \$20 NAME BRAND
MEMBER SERVICES: 1-800-XXX-XXXX CLAIMS/INQUIRIES: 1-800-XXX-XXXX	

Health Insurance

Your type of coverage will determine what doctors and hospitals you see and how much you have to pay. You may get health coverage through:

- Your employer
- A government program like Medicaid, Medicare or Veterans Health Care program
- A health insurance company directly
- A health insurance plan chosen on the Health Insurance Marketplace

Healthcare Costs in Retirement

- Understanding your healthcare options *before* you retire is key to making a decision that best fits your needs.

Healthcare Costs in Retirement

- An average couple retiring at 65 will need about \$266,000 for their lifetime health care costs
- Ten years from now, for those turning 65 in 2025, that cost is expected to increase to \$320,000

Healthcare Costs in Early Retirement

- An couple retiring at 55 today will need approximately \$15,000 a year to purchase “silver level” coverage on the individual market in SW Michigan (if their income doesn’t qualify them for a premium tax credit)
- Out-of-pocket costs could be another \$13,000 a year

Two paths in early retirement for health coverage:

- Employer provided retiree coverage; or
- You're on your own to shop

Two paths in 65+ retirement coverage:

- Employer provided retiree coverage + Medicare; or
- Medicare + your choice of coverage (e.g. Medigap, Medicare Advantage)

Two paths in early retirement for health coverage:

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Two paths in 65+ retirement coverage:

- Employer provided retiree coverage + Medicare; or
- Medicare + your choice of coverage (e.g. Medigap, Medicare Advantage)

Things to think about when shopping for coverage

Ways You Can Buy a Plan:

- Through the Health Insurance Marketplace
- Directly from an insurance company
- With the help of a licensed agent
- With the help of a federally trained navigator or certified application counselor
- From an online health insurance seller.



Things to think about when shopping for coverage

- Do your best to balance the cost (monthly premium) of a policy with the protection it offers.
- Determine what you will have to pay for covered services in a deductible, coinsurance, copayments, and out-of-pocket limit.
- Determine what benefits are covered without having to meet the deductible in advance.
- Determine the access to care.

Key Health Insurance Terms

Premium – the amount that must be paid for your coverage, usually paid monthly

Deductible – a set yearly amount you have to pay towards health services before your insurance begins to pay

Coinsurance – the portion you pay for a service calculated as a percent of the total billed amount

Copay – the fixed portion you pay for a medical service

How has the Affordable Care Act changed things?

The Affordable Care Act (ACA) provides Michiganders with:

- New Options
- New Rights for Policyholders
- Expanded Coverage

New Options

- Health Insurance Marketplace
 - Through the Marketplace, Michiganders can compare qualified health plans, enroll in health coverage and find out if they are eligible for health programs like Medicaid or the Children's Health Insurance Program (CHIP)
- Healthy Michigan Plan
- Coverage for young adults to age 26
- No discrimination for pre-existing conditions

New Rights for Policyholders

- More value for your premium dollar
 - Insurance companies now have to spend at least \$.80 of your premium dollar on health care rather than administrative costs. This is called the 80/20 Rule.
- Rate review for premium increases
 - In every state, and under federal law, insurance companies are required to publicly justify a rate increase of 10% or more.
- Removal of lifetime/annual limits on health benefits

Expanded Coverage

- Covers Preventive Services with no deductible or co-pay
 - Services such as: colonoscopy, pap smears, mammograms, well-child visits and flu shots.
- Coverage for Essential Health Benefits

Ambulatory patient services	Prescription drugs
Emergency services	Rehabilitative and habilitative services and devices
Hospitalization	Laboratory services
Maternity and newborn care	Preventive and wellness services and chronic disease management
Mental health and substance use disorder services, including behavioral health treatment	Pediatric services, including oral and vision care (pediatric oral services may be provided by stand-alone plan)

ACA in 2014 and beyond



- Individual Mandate
- Medicaid Expansion
- Tax Credits to help with purchase of coverage
- Health Insurance Marketplace

Individual Mandate

Penalties for an individual without coverage-- the greater of two amounts:

- 2014-- \$95 or 1% of household income
- 2015-- \$325 or 2% of household income
- 2016-- \$695 or 2.5% of household income

More information at: www.irs.gov/aca

Individual Mandate

Exemptions	Hardship Exemptions
Religious exemption	Homeless or evicted
Cost more than 8% of income	Domestic violence survivor
Not lawfully present in U.S.	Bankruptcy
Incarcerated individuals	Death of or increased expenses caring for a family member
Members of Indian tribes	Unpaid medical expenses
Health Care Sharing Ministry members	Substantial damage to your property (e.g. fire, flood)

Medicaid Expansion

Healthy Michigan Plan

- New public act expanded Medicaid in April 2014
- The expanded Medicaid coverage is called the Healthy Michigan plan
- Applications accepted year round



Medicaid Expansion Healthy Michigan Plan

Eligibility:

- Michigan resident
- Ages 19-64
- Income at 133% of federal poverty level or lower



Medicaid Expansion Healthy Michigan Plan

Healthy Michigan eligibility-- income at 133% of federal poverty level or lower:

Family Size	Yearly Income
1	\$15,521
2	\$20,920
3	\$26,320
4	\$31,720

Medicaid Expansion Healthy Michigan Plan

For more information call
Medicaid directly at

(855) 789-5610 or go to:

www.healthymichiganplan.org



Tax credits to Purchase Health Insurance

- Credits only available if coverage is purchased on the Marketplace
- Credits only available to those who don't already have health coverage through an employer or Medicare/Medicaid
- Credits available for those with income between 100% and 400% of the federal poverty level

Tax Credits to Purchase Health Insurance

Family Size	Income Range for Tax Credits
1	\$11,670 - \$46,680
2	\$15,730 - \$62,920
3	\$19,790 - \$79,160
4	\$23,850 - \$95,400

Tax Credits to Purchase Health Insurance

- Apply for coverage at the Marketplace
- Provide income information for most recent tax filing year
- Marketplace determines the amount of tax credit you're eligible for
- Take the tax credit as "advanceable" or wait until you file your taxes and take as a refund
- Notify Marketplace if you have a change in income as it impacts the amount you're eligible for

Health Insurance Marketplace

A marketplace (or exchange) for individuals and small businesses to shop for health coverage.

HealthCare.gov

Marketplace Call Center (800) 318-2596

Health Insurance Marketplace

- Can apply online, by phone, with a paper application, or by using a Navigator, Certified Application Counselor, or licensed agent (more information to follow).
- Tax credit and premium estimators available:
<https://www.healthcare.gov/see-plans/>

Health Insurance Marketplace

Levels of Coverage	Plan Pays On Average	Enrollees Pay On Average* <i>(In addition to the monthly plan premium)</i>
Bronze	60%	40%
Silver	70%	30%
Gold	80%	20%
Platinum	90%	10%

*Based on the aggregate cost under the plan when benefits are provided to a standard population. This may not be the same for every (or any specific) enrolled person.

Open Enrollment

For health coverage in the Marketplace (or outside of the Marketplace), there is an annual open enrollment period.

- Open enrollment for coverage in 2016 will be **November 1, 2015 through January 31, 2016.**
- Open enrollment for coverage in 2015 was from **November 15, 2014 through February 15, 2015.**
- Can get coverage outside of open enrollment if you qualify for a special enrollment period.

Re-Enrolling in the Marketplace

Active vs. Passive re-enrollment

- Active – enrollee returns to the Marketplace during open enrollment, re-applies and selects a plan for the new year (strongly recommended)
- Passive (auto re-enrollment) – enrollee who does not return to the Marketplace by 12/15/15 will be re-enrolled in current coverage

ACA – Employer Responsibility

The law does not require employers to provide health insurance.



- Large employers (50+) will be charged a \$2000 per employee fee if not providing coverage
- Small employers (less than 50) will not be subject to fees, may be eligible for tax credits to help with the cost

ACA and Tax Filing

People who used the Marketplace to buy coverage:

Marketplace Advanced Premium Tax Credit (APTC) notice

- Notice issued on form 1095-A
- Mailed by end of January
- Documents coverage by month
- Documents total premiums paid by the member
- Documents total APTC received



Reporting to IRS

- Refundable tax credits and APTC's are reported on tax form 8962*
- Form 8962 is filed with Form 1040

ACA and Tax Filing

You will now see a line when filing your taxes to indicate if you had health coverage for the year

Form 1040 Other Taxes section showing line 61 "full-year coverage" checked



57	Self-employment tax. Attach Schedule SE	57		
58	Unreported social security and Medicare tax from Form: a <input type="checkbox"/> 4137 b <input type="checkbox"/> 8919	58		
59	Additional tax on IRAs, other qualified retirement plans, etc. Attach Form 5329 if required	59		
60a	Household employment taxes from Schedule H	60a		
b	First-time homebuyer credit repayment. Attach Form 5405 if required	60b		
61	Health care: individual responsibility (see instructions) Full-year coverage <input checked="" type="checkbox"/>	61		
62	Taxes from: a <input type="checkbox"/> Form 8959 b <input type="checkbox"/> Form 8960 c <input type="checkbox"/> Instructions; enter code(s)	62		
63	Add lines 56 through 62. This is your total tax ▶	63		

Who Can Help?

With the Marketplace:

- Navigators
- Certified Application Counselors (CACs)
- Insurance Agents

With your general health insurance questions, concerns and complaints:

- HICAP

**Health Insurance
Got You Confused?**



We can help.



michigan.gov/HICAP

DIFS's Health Insurance Consumer Assistance Program (HICAP) can help you:

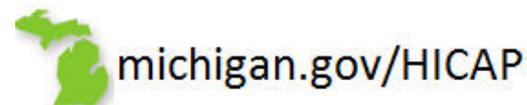
- Find out about your coverage options
- Learn about your rights under ACA
- Resolve a complaint against an insurer
- Appeal a denial of service or treatment
- Find an in person assister

Michigan Resource for Health Insurance Information



michigan.gov/HICAP

Health Insurance Consumer Assistance Program (HICAP)



**Health Insurance
Got You Confused?**
HICAP can help.
michigan.gov/HICAP | 877.999.6442

At HICAP we offer free help to anyone looking for Health Insurance information. We can help you with questions, worries, disputes, and complaints. If you need health insurance assistance, please call 877-999-6442 or email us at DIFS-HICAP@Michigan.gov.

Options for Individuals Whose Health Plans Will Be Discontinued

-  Are You Shopping for Health Insurance?
-  How Do I Use My Coverage?
-  Want to Learn about the Health Insurance Marketplace?
-  Want to Know About the Affordable Care Act?
-  Need Assistance with the Health Insurance Marketplace?
-  Need to Know Health Insurance Basics?
-  Want to Review Marketplace Plans and Rates?
-  Interested in Applying for Medicaid?
-  Have a Dispute with a Health Insurer?
-  Interested in More Health Insurance Information?

In Conclusion

- ACA has resulted in major changes to the health insurance.
- Michigan citizens will need help navigating those changes.
- HICAP can help. 877-999-6442.

Final Conclusion



Health Insurance Marketplace

www.healthcare.gov

(800) 318-2596

Michigan Department of Insurance and Financial Services

Health Insurance Consumer Assistance Program (HICAP)

www.michigan.gov/hicap

DIFS-HICAP@michigan.gov

Medicaid/Healthy Michigan Plan

<http://www.mibridges.michigan.gov/access/>

www.healthymichiganplan.org

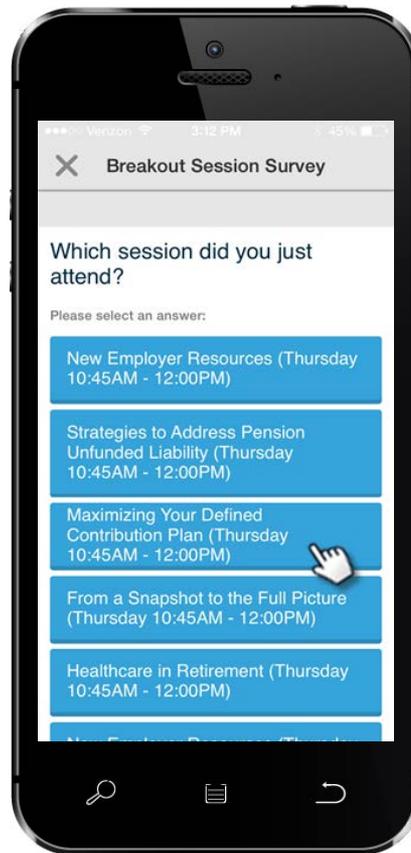
(855) 789-5610

Please Complete a Session Survey!



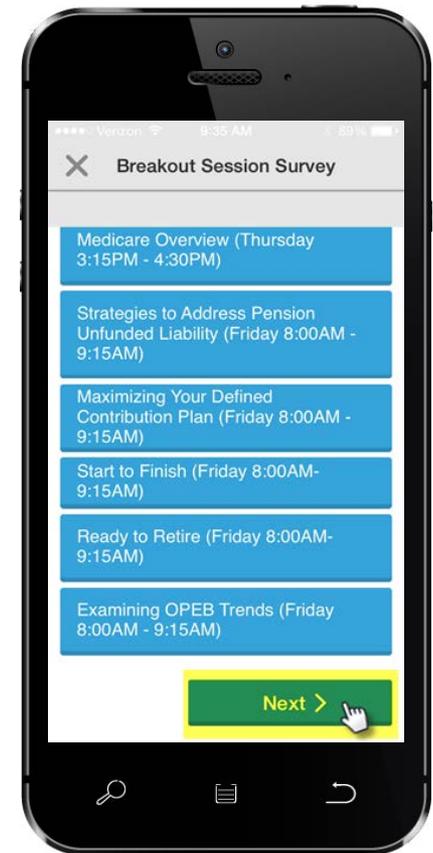
Step 1:

Locate and access the "Breakout Session Surveys" Icon



Step 2:

Select the date and time of the session you just attended



Step 3:

Scroll down and click "Next" to complete the survey