

Eye on 65 – Episode 6 Transcript

- Marianne** Hello, this is Marianne Steger, and you are listening to Eye on 65. Today, we're going to talk to a retiree whose employer ended their group Medicare plan and replaced it with a Medicare marketplace or exchange as some call it. She will share her firsthand account of how the change worked for her. Please welcome to the podcast, Donna Adassa. Donna, let me ask you, where did you work when you worked for the state and how long did you work there?
- Donna** I worked for the rehab services commission, the Bureau of Disability Determination, and I worked there for 25 years. I was a disability hearing officer for social security.
- Marianne** So you were the person who determined if somebody was truly disabled.
- Donna** Correct.
- Marianne** As I understand it, you were in the group Medicare plan and your share of the premium was \$77 a month. And now you are going to switch to this new Medicare marketplace model. Under this model, you would select your own plan to enroll in with the help of a benefit advisor. Did you have some anxiety about going to this new model?
- Donna** I did, until I went to the seminar. I think the important thing for me was to understand how Medicare works and then I could make better choices about what kind of insurance would work for me.
- Marianne** Yes, in my experience, a lot of Medicare retirees find that after attending a seminar about Medicare, about the Medicare marketplace and how the enrollment process works, they become confident in their ability to select the best plan for themselves. So, you actually went through the process, I presume on the phone with someone to enroll in a plan to supplement Medicare. What was that process like for you?
- Donna** Well first I had to look on the computer to pick my plan. Or pick what I thought would be my plan. We were advised to start with plan F if you can afford it. So start with the plan that pays the most.
- Marianne** What was the process like enrolling on the phone?

Donna So I had pretty much, by the time I called, pre-picked with the help of the computer and comparing the different plans, what I thought would work for me. I call in and I had to make an appointment. And then I called at that certain time, got an individual and then we went through the process.

Marianne Well, Donna enrolled through the telephone. Since then, there is now the option to enroll entirely online. We find younger retirees like the self-service option to enroll online while older retirees often prefer the high touch of enrolling on the phone with a benefit advisor.

Donna We did enroll me in the automatic payment. I get that reimbursed automatically. I don't have to fill out any paperwork.

Marianne We find many retirees really enjoy the automatic reimbursement feature once enrolled. It has sort of set it and forget it. The retiree pays their premium to the carrier who then informs the Medicare marketplace that they got the payment which causes the marketplace to reimburse the retiree from their HRA dollars. Unless the retiree changes plans, there is no further action to be taken in. In looking for a Medicare marketplace you want to make sure they have this feature. And that is preferably done by one company that can handle both enrollment and HRA administration. Did you find the process on the phone difficult?

Donna Well, I had my computer up at the same time, so I was looking at the things that we were talking about. So that helps me because I'm real visual.

Marianne And while Donna found using the computer helpful, it isn't necessary. Those who are not computer savvy can enroll completely telephonically again, with the help of a benefit advisor. Did you, in the end, feel like you picked the best plan for you?

Donna I did.

Marianne So, 2016 you enroll into an individual plan. Have you changed your medical plan since then?

Donna Yeah, I'm still with the same company. My prescription company changed their name. I think they got bought by somebody, but it's still the same insurance. It's still the same one.

- Marianne** Do you feel like this is an affordable program for you as a retiree?
- Donna** Yes, because it actually costs me nothing in the end.
- Marianne** So your allowances is sufficient to cover what you pay in premium and the out of pocket costs you have on the drug side.
- Donna** Correct.
- Marianne** So what is the best thing about this plan that you're in, this individual Medicare marketplace?
- Donna** Well, the best thing about it is that I have money that goes out. I budget for that every month. It's less than \$300, and I get it all back before the end of the month. I can save. There's a little bit left over from the actual premium costs that I have in my prescriptions. So I saved that up, and last year I bought my glasses with it. I even have used it for lab and for some dental copays that happened.
- Marianne** Okay, great. Because so you could use that money for any IRS allowable medical expenses, right?
- Donna** Right. I don't have durable medical expenses, but I'm going to guess it would cover those two.
- Marianne** What's the worst thing about it? What's the thing that bugs you?
- Donna** Nothing really. I mean, I think for some people it could be the thought of having to come up with \$150 to pay first. And what I figured out was once I get it rolling, it just keeps coming in. So it costs me X for my premium, my big premium. And then within 15 days I'm getting that money back. So somebody really only has to budget, I think once, to get it started. And then the money just rolls because of the automatic deduction in the automatic repayment.
- Marianne** And you could pay with a credit card and get the money back before the bills do.

- Donna** That is true.
- Marianne** So knowing what you know now, which model would you prefer?
- Donna** Well, this. As a happily retired state employee, I'm kind of, I'm not sure the word is embarrassed, but I don't really want to tell people that don't have this good deal about it. Because, it's a really good deal, and a lot of people really are struggling to pay their medical expenses. And this really helps a lot.
- Marianne** Do you think retirees can figure this out?
- Donna** I think so. I think the hardest thing was learning how Medicare works and once people understand how Medicare works, they can make a better decision about their own healthcare coverage. And when it's explained to you, "well, you know, we were spending a thousand dollars a month for you, but now we can spend \$500 or we can spend \$350. You can have that money and it will cover your costs." Then who's to complain?
- Marianne** You make an excellent point about how much retirees save in this model. Often \$1000 to \$2000 a year. Employers also save money. In many cases, we see employers saving 25% of their annual spend in big reductions in their OPEB liabilities. I so appreciate you taking the time and talk with our listeners today.
- Donna** You're welcome.
- Marianne** To learn more about the individual Medicare marketplace, visit www.optimizeretireebenefits.com. That's [optimizeretireebenefits.com](http://www.optimizeretireebenefits.com). And I hope you will subscribe to our Eye on 65 newsletter. Until next time, this is Marianne Steger. And yes, I'm still on my mission to preserve retiree healthcare for public employees.
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