2020 - 2021
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.
Retirement Incentive Option

60 years of age by date of retirement, Age + years of service = 70 or greater.

Indicate interest - apply by 3-1-2021 with last day of work, 6-30-2021 or earlier.

Subject to approval.
Learn more before you go

- The checklists and a voice over PowerPoint presentation is found on the ISU web site for employees to review the process. [https://www.hr.iastate.edu/benefits/retiree-life](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 Specialist.
First steps

• Make a decision on a retirement date, what is the last day you will be working?
• 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. Discuss RIO/ date possibilities with an ISU Benefit Specialist.
RIO Retirement

• Have a discussion with advisors. Which option is best? 1) split 2 yrs $ and ISU MD/Rx/DN 2) 3 yrs $ or 3) 3 years ISU MD/Rx/DN  What date? Talk to ISU Benefits Consultant about the date.

• If close to Medicare eligibility, Medicare should not be declined if the retirement insurance would begin in the 3 month window for eligibility.

• Benefit Office has an additional paperwork process.
WD Regular Retirement

- This process is not for RIO retirees.
- Employees are able to choose Job Change - Retirement in Workday. Do this to indicate your last day!
- Go to the cloud icon or your picture in the upper right. Click for drop down and click on view profile.
- A blue banner menu appears on the left.
- Click on actions, slowly go to Job Change
- Resign pops up as a choice, click
Workday Retirement Process

• Enter proposed Separation date (this is the last day you are at work) – Enter date.
• Primary Reason - Voluntary
• After Voluntary is clicked, choices appear, Retirement is the last choice, click the circle, secondary reason and you may comment if you choose or upload letter, if you choose.
• There is still a paper process to complete with ISU Benefits Office for continuing or dropping ISU benefits.
Vacation/Sick Leave

• Unused sick leave automatically pays out up to the limit, or what you have, whichever is less.
• Unused vacation, vacation credit (AKA converted time) 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 taxes, the form must be requested & submitted by the 15th of month prior to the retirement month.
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.

- To qualify for the retiree term life: 10 years or longer of continuous participation in the group basic life plan up to the last day of work if retired by June 30, 2020.
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.
Basic Life Insurance

• Basic Life insurance terminates on retirement.

• If enrolled in ISU Basic Life continuously for 10 years or more up to the day you retire, and retire by June 30, 2021, ISU provides a Retiree Term Life policy of $4,000.00.

• After 6-30-2021, there will not be a retiree life policy. A continuation option may be possible.

• ISU mails a notice, if you qualify, shortly after retirement.
Understand the ISU Benefits before you retire!

• Review all benefits and understand end dates and what could continue.

• Pick up documentation for Social Security to get Medicare Part B to avoid the late enrollment penalty, if you or a spouse/partner are 65 or older.

• Form to sign to drop or continue ISU insurance.
Continuing Group Medical and/or Dental Insurance

Meet with an ISU Benefits Specialist:
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.
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
<table>
<thead>
<tr>
<th>Plan Provisions</th>
<th>Basic ISU Plan</th>
<th>Comprehensive ISU</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deductible</td>
<td><strong>$25</strong> on the first person with restorative service each year</td>
<td><strong>$50</strong> on the first person with restorative service each year</td>
</tr>
<tr>
<td>Maximum benefit</td>
<td>$750.00 per person per year</td>
<td>$1,500 / person / year except braces</td>
</tr>
<tr>
<td>Diagnostic/Preventative</td>
<td>2 visits per year – 100% &amp; doesn’t reduce $750.</td>
<td>2 / year, 100% but does reduce the $1,500.</td>
</tr>
<tr>
<td>Basic Restorative</td>
<td>Fillings 50% Gum disease 50% Extractions 50% Root Canal 50%</td>
<td>Fillings 80% Gum disease 80% Extractions 80% Root Canal 80%</td>
</tr>
<tr>
<td>Major Restorative</td>
<td>Crowns 50% Bridgework- not covered Dentures- not covered Implants- not covered</td>
<td>Crowns 50% Bridgework- 50% Dentures- 50% Implants- 50%</td>
</tr>
<tr>
<td>Orthodontics (Braces)</td>
<td>Not covered</td>
<td>Any age, $50.00 deductible then 50% to $2,000.00 in lifetime benefits</td>
</tr>
</tbody>
</table>
Dental Insurance

- Basic or Comprehensive plan options
- Diagnostic/preventative services: 100% within limits
- Restorative Service: Basic $25. / Comp $50. on first person
- Minor restorative services: Basic-50% / Comp-80%
- Major restorative services: 50% both plans
- Only the Comprehensive plan has coverage on new bridgework, implants, dentures and orthodontia services and a 3 year lock-in before you can elect to move back to the Basic plan.

- $750.00 annual maximum benefits on Basic plan
- $1500.00 annual max benefit on Comprehensive plan (except orthodontia - $2000.00 life time max).
## Paying for Dental Insurance

<table>
<thead>
<tr>
<th>Plan Description</th>
<th>Basic</th>
<th>Comprehensive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retiree or surviving spouse</td>
<td>$22.00</td>
<td>$38.00</td>
</tr>
<tr>
<td>Retiree &amp; spouse/partner</td>
<td>$52.00</td>
<td>$99.00</td>
</tr>
<tr>
<td>Retiree &amp; children</td>
<td>$59.00</td>
<td>$104.00</td>
</tr>
<tr>
<td>Retiree &amp; Family</td>
<td>$67.00</td>
<td>$118.00</td>
</tr>
</tbody>
</table>
ISU Plan Medical Insurance Plans

- Administered by Wellmark Blue Cross/Blue Shield
- Plan Design changes and new cards for 2021

  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)
Two Health Plan Choices

- Requires 5 years of participation in an ISU group medical plan up to retirement date to continue a plan in retirement.

BluePPO by Wellmark BC/BS of Iowa is a national network plan, consider if moving out of Iowa or if a large network is preferred.

BlueHMO by Wellmark is an Iowa doctor network, a PCP must be designated and updated if changing PCP. You must have an Iowa residence.
Options for those considering **leaving** the ISU group plan for other plans -

- Individual purchase plans such as the Healthcare Marketplace or a Medigap company that offers to early enrollees.
- Transfer to other group options (spouse’s employer plan, a new employer’s plan, Professional Associations, etc.)

What happens to these choices if: you would get divorced, survive your spouse, your spouse retires, or your health changes?
For those **leaving** the group plan for individual Medigap or Medicare Advantage plans - Visits to CLINICS / HOSPITALS Claims go to either or

**MEDICARE PART A / PART B followed by**

Medigap individual plans

2020 choices in Iowa region

(Policy A, B, D, High Deductible F, G, K, L, M, or N) No C or F in ‘20

Medicare “C” or Advantage Plans for individuals (some PDP D - Rx)

Pharmacy

Rx PDP D
Medicare eligible – Do I need anything else?

- Medicare A is for in-patient hospitalization.
- Medicare B is for out-patient hospital, clinic care, durable medical equipment. Neither covers all medical expenses. There are limits, deductibles and no coverage for prescription drugs that aren’t considered medical. (A & B are traditional or original Medicare)
- Medicare C is Medicare Advantage plans, an alternative to Medicare, private companies which contract with Medicare to provide Medicare A & B benefits and sometimes Medicare D.
Medicare eligible – Do I need anything else?

- Medicare D – Prescription Drug Plans approved by contract with Medicare.
- Most retired people prefer to have some supplement insurance and a PDP to eliminate possible catastrophic expense.
- The ISU plan in retirement does require Medicare to be the primary insurance when a person is Medicare eligible and retired.
- The ISU Plan following Medicare is a secondary plan, not a supplement and includes a prescription drug (Part D, PDP) coverage.
Medicare eligible – RIO Participants

- The ISU plan *even with RIO* does require Medicare to be the primary insurance when a person is Medicare eligible and retired (RIO or regular retiree).
- The RIO participants and any Medicare eligible dependent must pay for their own Part B, it is not a part of RIO.
- The ISU Plan RIO participants with Medicare as primary will be required to have the ISU Part D with Humana which is part of what RIO pays for. Those not on Medicare will have Express Scripts.
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. 2019 income will determine your 2021 Medicare Part B premium.

Required minimum distributions from retirement plans can trigger higher Medicare premiums a couple of years later.
## Medicare Part B 2020 Premiums

If your yearly adjusted income in 2018 was...

<table>
<thead>
<tr>
<th>Income Range</th>
<th>Individual Tax Return</th>
<th>Married File Joint Tax Return</th>
<th>Married File Separate Tax Return</th>
<th>Each Person Pays</th>
</tr>
</thead>
<tbody>
<tr>
<td>$87,000 or less</td>
<td>$174,000 or less</td>
<td>$87,000 or less</td>
<td>$144.60</td>
<td></td>
</tr>
<tr>
<td>Above $87,000 to $109,000</td>
<td>Above $174,000 to $218,000</td>
<td>Not applicable</td>
<td>$202.40</td>
<td></td>
</tr>
<tr>
<td>Above $109,000 to 136,000</td>
<td>Above $218,000 to $272,000</td>
<td>Not applicable</td>
<td>$289.20</td>
<td></td>
</tr>
<tr>
<td>Above $136,000 to $163,000</td>
<td>Above $272,000 to $326,000</td>
<td>Not applicable</td>
<td>$376.00</td>
<td></td>
</tr>
<tr>
<td>Above $163,000 and &lt; $500,000</td>
<td>Above $326,000 and &lt; $750,000</td>
<td>Above $87,000 and less than $413,000</td>
<td>$462.70</td>
<td></td>
</tr>
<tr>
<td>$500,000 or above</td>
<td>$750,000 and above</td>
<td>$413,000 and above</td>
<td>$491.60</td>
<td></td>
</tr>
</tbody>
</table>
What choices with Medicare, other than ISU?

• Medigap plans - sold by private companies but coverage is standardized by the Federal government and known by letter names: Policy A, B, C, D, F, High Deductible F, G, K, L, M, N.

• Variety of premiums- May be based on issue age, attained age, or community rated, also gender and tobacco use can be considered.

• Medicare Advantage plans, benefits vary.

• Regionally based, if you move, you may need to change plans.

• Some have international coverage but lifetime limits.

• Also join an individual Medicare D Prescription Drug Plan (PDP) to add drug coverage.
Medicare Part C: with or without D?

**MEDICARE PART A and B**
(you keep paying for B but the Medicare Advantage plan processes/settles claims in place of Medicare)

**A Medicare Advantage Plan card which could include D for prescription drugs (nothing is in front of nor follows this plan)**

Prescription card – If the Medicare Advantage plan that is purchased doesn’t include D, you would need to shop for an individual plan
For those **staying** in the ISU group plan when Medicare eligible
- Claims for visits to CLINICS / HOSPITALS / Rx
  - **MEDICARE PART A**, or **Part B** followed by
    - Wellmark BC/BS PPO or HMO
    - **Humana**
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 plans, 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.
For those **STAYING** with the ISU Group Plan - CLINICS/HOSPITALS

MEDICARE PART A & B

ISU Group - Wellmark Traditional Plan: 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.
- Allowed amount differences between the two.
- Some other circumstances could require payment. ASK about filing to Medicare.
After Retirement – Paying Premiums

• When continuing the ISU medical/prescription insurance, Wellmark sends the bill to the retiree for the total package. You have to stay with the ISU group prescription drug plan to stay in the group medical plan.

• Automatic withdraw available to let Wellmark pull the premium directly from your bank account. The premiums paid go into the retiree pool. ISU uses pool funds to pay your premium to the Prescription Drug plan.
After Retirement – Paying Premiums

- Before Medicare eligibility, Merit staff retiring, that are not Confidential or Supervisory, currently have a different premium to pay than the retiring Faculty, Professional and Scientific, and Confidential / Supervisory Merit retirees.

- This is due to limited cost history and the need to built up plan reserves for the Merit staff previously on the State of Iowa plans. The intent is to blend over time.
ISU Group Health and Prescription Monthly Premium 2021: A Retiree or a Retiree’s surviving spouse

<table>
<thead>
<tr>
<th>Plan Tier (price includes appropriate prescription coverage)</th>
<th>PPO and Rx</th>
<th>HMO and Rx</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Single plan</strong> (retiree or surviving spouse)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Merit Not Medicare eligible</td>
<td>$745.00</td>
<td>$722.00</td>
</tr>
<tr>
<td>Faculty, P &amp; S, S&amp; C Not Medicare eligible</td>
<td>$541.00</td>
<td>$524.00</td>
</tr>
<tr>
<td>Medicare eligible</td>
<td>$333.00</td>
<td>$318.00</td>
</tr>
</tbody>
</table>
# ISU Group Health and Prescription
## Monthly Premium 2021: A Retiree & Spouse or a Partner

<table>
<thead>
<tr>
<th>Plan Tier (price includes appropriate prescription coverage)</th>
<th>PPO and Rx</th>
<th>HMO and Rx</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retiree and a Spouse or Partner</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Merit - Two not Medicare eligible</td>
<td>$1701.00</td>
<td>$1655.00</td>
</tr>
<tr>
<td>Faculty, P &amp; S, S&amp;C - Two not Medicare eligible</td>
<td>$1234.00</td>
<td>$1200.00</td>
</tr>
<tr>
<td>Merit - One with Medicare, one without Medicare</td>
<td>$1076.00</td>
<td>$1038.00</td>
</tr>
<tr>
<td>Faculty, P &amp; S, S&amp;C - One with Medicare, one without Medicare</td>
<td>$872.00</td>
<td>$840.00</td>
</tr>
<tr>
<td>Two Medicare eligible</td>
<td>$664.00</td>
<td>$634.00</td>
</tr>
</tbody>
</table>
ISU Group Health and Prescription Monthly Premium 2021: A Retiree with eligible children

<table>
<thead>
<tr>
<th>Plan Tier (price includes appropriate prescription coverage)</th>
<th>PPO and Rx</th>
<th>HMO and Rx</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retiree and Child(ren) only</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Merit - Retiree is not Medicare eligible</td>
<td>$1,329.00</td>
<td>$1,295.00</td>
</tr>
<tr>
<td>Faculty, P&amp;S, S&amp;C - Retiree is not Medicare eligible</td>
<td>$964.00</td>
<td>$939.00</td>
</tr>
<tr>
<td>Merit - Retiree is Medicare eligible</td>
<td>$917.00</td>
<td>$891.00</td>
</tr>
<tr>
<td>Faculty, P&amp;S, S&amp;C - Retiree is Medicare eligible</td>
<td>$756.00</td>
<td>$733.00</td>
</tr>
</tbody>
</table>
ISU Group Health and Prescription Monthly Premium 2021 – Family

<table>
<thead>
<tr>
<th>Plan Tier (price includes appropriate prescription coverage)</th>
<th>PPO and Rx</th>
<th>HMO and Rx</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retiree and Family with children</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Merit – 3 or more, no one has Medicare</td>
<td>$2,180.00</td>
<td>$2,105.00</td>
</tr>
<tr>
<td>Faculty, P&amp;S, S&amp;C - 3 or more, no one has Medicare</td>
<td>$1,581.00</td>
<td>$1,526.00</td>
</tr>
<tr>
<td>Merit - 3 or more, only 1 has Medicare</td>
<td>$1,555.00</td>
<td>$1,488.00</td>
</tr>
<tr>
<td>Faculty, P&amp;S, S&amp;C - 3 or more, only 1 has Medicare</td>
<td>$1,219.00</td>
<td>$1,166.00</td>
</tr>
<tr>
<td>Merit - 3 or more, 2 have Medicare</td>
<td>$1,143.00</td>
<td>$1,084.00</td>
</tr>
<tr>
<td>Faculty, P&amp;S, S&amp;C - 3 or more, 2 have Medicare</td>
<td>$1,011.00</td>
<td>$960.00</td>
</tr>
</tbody>
</table>
Prescription coverage with your Health Insurance Plans

The ISU Wellmark Plan price includes the Express Scripts / Humana Part D PDP.

There is not a choice of prescription plans.

- Express Scripts is just 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 Prescription Drug Plan (PDP).
- Avoid Late Enrollment Penalty
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 2021

$445.00 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 $4,130.00.

**Stage 2 or the Coverage Gap (donut hole):** Begins at $4,130.00 and lasts until **your** total drug costs reaches $6,550.00. 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:** $6,550 to end of the year. When the cost of all medication purchased reaches $6,550.00 – For ISU Plan participants, once your Out-of-Pocket reaches $2,500.00, Humana is paying 100% of your total drug costs.
### Part D Standard Framework Changes Over Time

<table>
<thead>
<tr>
<th></th>
<th>Deductible</th>
<th>Initial Coverage Limit (gap begins)</th>
<th>Catastrophic Level</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>First year</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>$250</td>
<td>$2250</td>
<td>$3600</td>
</tr>
<tr>
<td>2017</td>
<td>$400</td>
<td>$3700</td>
<td>$4950</td>
</tr>
<tr>
<td>2020</td>
<td>$435</td>
<td>$4020</td>
<td>$6350</td>
</tr>
<tr>
<td><strong>2021</strong></td>
<td><strong>$445</strong></td>
<td><strong>$4130</strong></td>
<td><strong>$6550</strong></td>
</tr>
</tbody>
</table>
The ISU PDP

The ISU Plan, in aggregate, 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. If Medicare B eligible, the Wellmark plan follows Medicare. Prescriptions exempt from Part B & D such as Viagra. 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 - $4,130)**
  - 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. Mail order is limited to a 30 day supply.
Stage 1 = $0 (first purchase) to Initial Coverage Limit (ICL) $4,130

When the total drug cost reaches $4,130.00
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 $4,130.00 to $6,550.00

When YOUR total drug costs reach $4,130.00. 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 (when total cost reaches $6,550.00)
- 5% coinsurance maximum. ISU participants in Humana have an annual cap on Out-of-Pocket Rx expenses. When you reach the maximum $2,500.00 paid, Humana pays 100% of the total drug costs the remainder of the year.
Stage 3 = True Out-of-Pocket Cost over $6,550.00

It is possible for a person to be in stage 2 and stage 3 with just a few expensive prescriptions.

If scripts total $6,556.00. The medication will be split into the stages, initial stage, the gap stage and the catastrophic stage. This can and does happen when a member may pay $2,500.00 out of their pocket in a month or two. It is also possible to get to $6,550.00 and go from paying 30%-50% to paying 5% due to not 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 ED meds like Viagra.
Paying for Prescription Insurance?

The cost for Express Scripts (ESI) and/or Humana is included in the premium paid to Wellmark. The premium is a blended rate for our medical/Rx based on our group claims history.

The retirees pay ISU Plan premiums to Wellmark. Wellmark pools the funds which are used to pay claims and the PDP with Humana or ESI. There isn’t an individual Rx premium bill. But, for the Humana Part D, there can be an adjustment to the premium based on your income two years previously, just like Medicare Part B.
# Medicare Part D & High Income

<table>
<thead>
<tr>
<th>2020 Part D Income-Related Monthly Adjustment Amount (IRMAA)</th>
<th>Amount deducted from Social Security income in addition to the premium you pay to Wellmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>If Your Yearly MAG Income in 2018 was</td>
<td>You Pay</td>
</tr>
<tr>
<td>File Individual Tax Return</td>
<td>File Joint Tax Return</td>
</tr>
<tr>
<td>$87,000 or less</td>
<td>$174,000 or less</td>
</tr>
<tr>
<td>Above $87,000 to $109,000</td>
<td>Above $174,000 to $218,000</td>
</tr>
<tr>
<td>Above $109,000 to $136,000</td>
<td>Above $218,000 to $272,000</td>
</tr>
<tr>
<td>Above $136,000 to $163,000</td>
<td>Above $272,000 to $326,000</td>
</tr>
<tr>
<td>Above $163,000 to &lt;$500,000</td>
<td>Above $326,000 to &lt;$750,000</td>
</tr>
<tr>
<td>$500,000 and above</td>
<td>$750,000 and above</td>
</tr>
</tbody>
</table>

Married, filing separate tax return: Above $87,000 and < $413,000 you each pay $70.00 each. If $413,000 and above you each pay $76.40 each.
Paying for Part D income adjustment

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 disenroll you from the Humana Group PDP. This creates a problem that causes issues for regaining the coverage.
Medicare Part D
Low Income Subsidy

Participants with low income may qualify for extra help from Medicare and the Part D cost should 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.
For those **STAYING** with the Group Plan - Paying for Group Plan

ISU plan continuation form – ISU gives notice to insurance companies to bill for retiree plan

ISU Group - Wellmark bills for medical and the Rx plan. Delta Dental bills for the dental plan.

You pay the appropriate premium directly to Wellmark and/or Delta. And you pay for Medicare Part B and any IRMAA charges.
CONTACTS

University Human Resources
Service Center –
515-294-4800 or 1-877-477-7485

3810 Beardshear Hall
Virtual appointments or phone calls preferred