

# TVARA CHATTANOOGA CHAPTER MEETING

---

October 17, 2023



# Cost Changes to 2024 TVA Plan

- PPO Premium Increase (8.7%)
  - \$886 Individual / \$2,129 Family increased from \$815 / \$1,961
- CDHP Premium Increase (8.7%)
  - \$520 Individual / \$1,238 Family increased from \$478 / \$1,138
- PPO In-network Deductible **No Change**
  - \$550 Individual / \$1,100 Family
- PPO Out-of-network Deductible **No Change**
  - \$1,100 Individual / \$2,200 Family
- CDHP In-network Deductible Increase (6.6% per IRS)
  - \$1,600 Individual / \$3,200 Family increased from \$1,500 / \$3,000
- CDHP Out-of-network Deductible Increase (6.6% per IRS)
  - \$3,200 Individual / \$6,400 Family increased from \$3,000 / \$6,000

Out-of-Pocket Maximums have not changed for either the PPO or CDHP plans

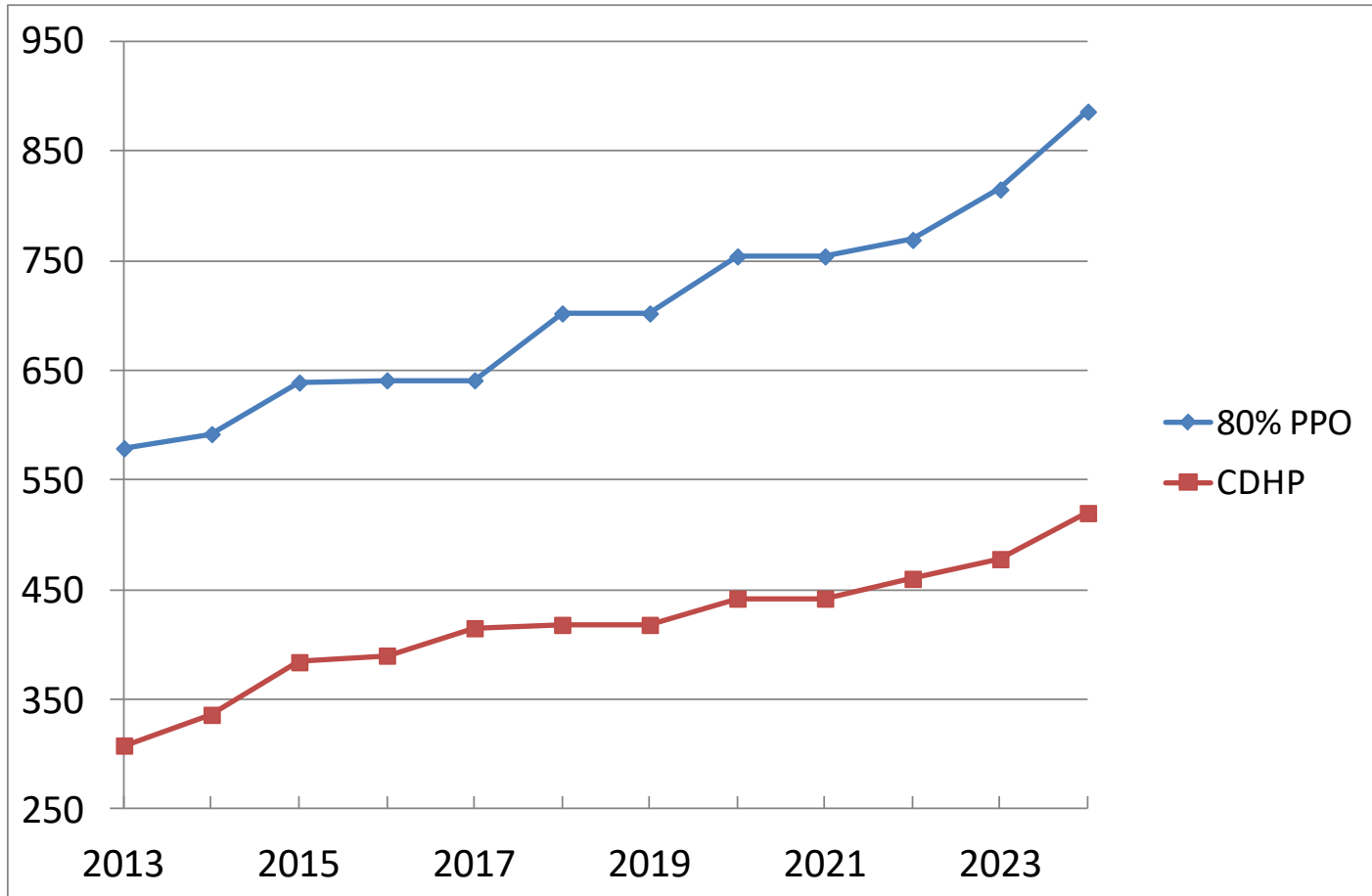
# TVA RETIREE MEDICAL PLAN <65

PLAN	2013	2014	2015	2016	2017	2018 2019	2020 2021	2022	2023	2024
PPO										
Individual	\$579	\$592	\$639	\$641	\$641	\$702	\$754	\$769	\$815	\$886
Family	1,393	1,424	1,536	1,543	1,543	1,688	1,814	1,850	1,961	2,129
CDHP										
Individual	\$308	\$336	\$384	\$390	\$415	\$418	\$442	\$460	\$478	\$520
Family	\$737	\$806	\$919	\$932	\$992	\$995	1,053	1,095	1,138	1,238

<https://www.tva.gov/Careers/Retiree-Resources/Retiree-Health-Care-Benefits>

Annual Election Period (OCT 18 to NOV 15, 2023)

# Retiree Individual Plan Premiums <65





# What About 2025? (2023 thru Q2)

- 2023 Health care expenses (\$95.9M YTD) are in line with budget (0.6% above forecast).
- Medical expenses are 9% **lower** compared with the first half of 2022, driven primarily by a reduction in the frequency and severity of high-cost claimants who required inpatient care.
- This was offset by a nearly 25% **increase** seen in prescription drug costs under Express Scripts.
  - While utilization has remained stable, the cost of the average drug prescribed to a participant has increased 20% year-over-year.
- Dental costs increased 10% from 2022, driven by increases in the number of visits and treatments.



# Benefits/Actions to consider under the TVA Group Plan before turning 65!

1. Vision Insurance: \$10 copay for exam, lens, etc.
  - Vision coverage is not subject to the deductible
2. Hearing Aids: \$1500 allowance every 3 years
3. Preventive Care Benefit:
  - Annual routine exam
  - Mammogram screenings
  - Prostrate screenings
  - Audiology screenings

**BEFORE** the first day of the month you turn age 65



# Health Insurance Coverage at Age 65

- TVA group health insurance coverage ends on the last day of the month before your 65th birthday.
- Decide on Medicare Part A (Hospital) and Part B (Docs, etc) coverage:
  - Automatic if receiving SS benefits 4 months before
  - Part A premium is zero (most have already paid during working yrs)
  - Part B premium varies based on income (std premium will be \$174.70 in 2024, up \$9.80 from \$164.90 in 2023)
- Medicare Initial Enrollment Period (IEP) – seven months
  - 3 months before + Birthday month + 3 months after



# Medicare Enrollment at Age 65

Medicare covers about 80% of the cost of hospital (Part A) and doctors (Part B), for the remaining 20% you can:

1. Enroll in Medicare and self insure the remaining 20%;

OR

2. Enroll in Medicare and Purchase Medicare Supplement Insurance (Medigap) for the remaining 20%;

OR

3. Purchase an Advantage Plan (Part C) which provides:

- The same coverage as Medicare Part A & Part B
- Prescription Drug Coverage (Part D)
- Supplemental coverage – the remaining 20%
- And other coverages: Dental, Vision, “Silver Sneakers”, etc





# Medicare Advantage Open Enrollment Period

- Starting in 2019, between January 1 – March 31 each year
- If in an Advantage Plan, can switch to another Advantage Plan
- Can switch back to Original Medicare & enroll in a Plan D
- If enrolled in an Advantage Plan during the Initial Enrollment Period, can switch back to Original Medicare or to another Advantage Plan within the first 3 months you have Medicare
- Only one switch is allowed during this period and is effective on the first of the month after the plan gets your request



# Medicare Advantage vs Medicare Supplement

- Medicare Advantage (Part C) Plans (HMO-type)
  - Usually have low or even no monthly premium (7 out of 10)
  - Require copays at the point of service for most everything
  - Require picking from a list of contracted service providers (network)
  - Access to specialists thru the Primary Care Physician only
  - 99% of plans require prior authorization for most services
  - Formulary is usually more restrictive
- Medicare Supplement (Medigap) Plans
  - Higher monthly premiums rather than paying at the point of care
  - Plans honored by all providers who accept Medicare (no network)
  - Access to specialists not restricted to referrals thru the PCP only
  - No concerns over traveling/spending time outside of a “network”
  - Requires purchasing a separate Prescription Drug Plan (Part D)



# Health Insurance Plan Pricing

- **Community-rated** or no-age-rated plan, all beneficiaries pay the same premiums, regardless of age.
  - Very difficult to find
  - Least expensive, comparable to group insurance pricing policies
- **Issue-age-rated** or entry-age-rated plan, premiums are based on your age when you first enroll.
  - Also scarce – difficult to find
  - More expensive at first but premiums do not increase due to age
- **Attained-age-rated** plan, premiums are based on your current age in a given year.
  - Most common
  - Expensive over the long term since premiums increase due to age

## How do I compare Medigap plans?

The chart below shows basic information about the different benefits that Medicare Supplement Insurance (**Medigap**) plans cover for 2023. If a percentage appears, the Medigap plan covers that percentage of the benefit, and you're responsible for the rest.

Benefits	Medigap plans									
	A	B	C	D	F*	G*	K	L	M	N
Medicare Part A coinsurance and hospital costs (up to an additional 365 days after Medicare benefits are used)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Medicare Part B coinsurance or copayment	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%***
Blood (first 3 pints)	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
Part A hospice care coinsurance or copayment	100%	100%	100%	100%	100%	100%	50%	75%	100%	100%
Skilled nursing facility care coinsurance			100%	100%	100%	100%	50%	75%	100%	100%
Part A deductible		100%	100%	100%	100%	100%	50%	75%	50%	100%
Part B deductible			100%		100%					
Part B excess charges					100%	100%				
Foreign travel emergency (up to plan limits)			80%	80%	80%	80%			80%	80%
							Out-of-pocket limit in 2023**			
							\$6,940	\$3,470		

\*Plans F and G also offer a high-deductible plan in some states. With this option, you must pay for Medicare-covered costs (coinsurance, copayments, and deductibles) up to the deductible amount of \$2,700 in 2023 before your policy pays anything. (You can't buy Plans C and F if you were new to Medicare on or after January 1, 2020. Go to page 75 for more information.)

\*\*For Plans K and L, after you meet your out-of-pocket yearly limit and your yearly Part B deductible (\$226 in 2023), the Medigap plan pays 100% of covered services for the rest of the calendar year.

\*\*\*Plan N pays 100% of the Part B coinsurance. You must pay a copayment of up to \$20 for some office visits and up to a \$50 copayment for emergency room visits that don't result in an inpatient admission.

Visit [Medicare.gov](https://www.Medicare.gov) later this fall for 2024 amounts.



# Prescription Drug Coverage (Part D)

Medicare Advantage Plans include Part D coverage **BUT**

If you select Original Medicare and purchase a Medigap Plan, you will need to purchase a separate Part D plan if you want Prescription Drug Coverage (PDC).

If you have little or no prescription drug use and wait until you need this coverage, there will be a monthly penalty added later to the premium based on the length of delay.

Purchasing this insurance separately allows for switching drug coverage yearly as drug requirements change without impacting hospital or medical coverage.



# Changes to Medicare in 2024

- The standard Part B premium is increasing to \$174.70 for 2024.
- The Part B deductible is increasing to \$240 in 2024, up \$14 from \$226 in 2023.
- Part A premiums (free for most), deductible, and coinsurance are all increasing for 2024.
- The income brackets for high-income premium adjustments for Medicare Part B and D will start at \$103,000 (MAGI) in 2024 (up from \$97,000 in 2023) or \$206,000 for those who file a joint tax return.
- Medicare Advantage enrollment is expected to continue to increase while average premiums decrease.

- The maximum allowable out-of-pocket cap for Medicare Advantage plans is increasing to \$8,850 from \$8,300 in 2023 (but most plans have lower out-of-pocket caps).
- Part D donut hole no longer exists in 2024, but a standard plan's maximum deductible will increase to \$545, a \$40 increase from \$505 in 2023.
- In 2024, after paying the deductible, a person on Original Medicare will pay 25% of drug costs until reaching the catastrophic coverage phase (which increases to \$8,000 from \$7,400 in 2023) where out-of-pocket spending decreases to zero. But the Inflation Reduction Act ensures that Part D enrollees no longer have to pay for covered vaccines, and will have access to insulin for no more than \$35/month.



- For the first time (maybe, there are lawsuits), Medicare will be able to negotiate directly with manufacturers for the price of certain high-spending brand-name Medicare Part B and Part D drugs that don't have competition.
- In 2023, the first drugs were selected for negotiation.
  - Negotiated prices for these first drugs will be effective on **1/1/26**.
- Medicare will select and negotiate costs for:
  - 15 Part D drugs in 2025 (effective in 2027).
  - 15 Part B and Part D drugs in 2026 (effective in 2028).
  - 20 Part B and Part D drugs in 2027 (effective in 2029).
  - 20 Part B and Part D drugs in 2028 and every year after.



# Four signs you need to change your Medicare Part D coverage

- Plan formularies change from year to year. Be sure to check yours.
- If your prescription changes, a plan switch could save you money.
- If your plan doesn't have one or two conveniently located pharmacies in-network, that alone is a good reason to contemplate a switch.
- If you're paying a high premium for a plan you're hardly using, consider a lower-cost plan.



## Part A Deductible and Coinsurance Amounts for Calendar Years 2023 and 2024 by Type of Cost Sharing

	2023	2024
Inpatient hospital deductible	\$1,600	\$1,632
Daily hospital coinsurance for 61 <sup>st</sup> -90 <sup>th</sup> day	\$400	\$408
Daily hospital coinsurance for lifetime reserve days	\$800	\$816
Skilled nursing facility daily coinsurance (days 21-100)	\$200.00	\$204.00



# Medicare Advantage Plan Outlook

- If trends hold, more people will choose a Medicare Advantage plan over traditional Medicare during the open enrollment season that began Sunday.
- Fifty-one percent of eligible beneficiaries are currently enrolled in Medicare Advantage (MA) — an 8% increase from 2022.
- Nearly 4,000 MA plans were marketed Nation-Wide for 2023, a 6% increase from what was available last year. Federal officials have started to rein in misleading marketing of some plans.
- That's amping up concern about the way plans are marketed, how the government pays insurers who administer benefits and the way they've **turned down** millions of requests for coverage of services and drugs.
- Congress is leaning on Medicare administrators to revamp the process MA plans use to approve medical services and prescriptions after an inspector general's report last year found high rates of denials.



# Medicare Open Enrollment Period (OEP)

The time each year (October 15 to December 7) when you can review your coverage and make changes to your plans. You can:

- Change from Medicare Parts A & B (Original Medicare) to a Part C (private Medicare Advantage) plan
- Change from Medicare Advantage back to Original Medicare (but medical underwriting may be required to obtain a Medigap plan)
- Join, drop or switch a Part D prescription drug plan (strongly encouraged to shop this plan every year)
- Switch Medicare Advantage plans



# Health Insurance Purchase Considerations

- You **MUST** use Via Benefits (formerly known as OneExchange) for the purchase of health insurance if you are receiving a TVA Health Care Credit or Contribution and wish to continue this credit through the operation of a Health Reimbursement Arrangement (HRA) account operated by Via Benefits.
- **Get your discounts** (like discounts for women, non-smokers, or people who are married; discounts for paying yearly; discounts for paying your premiums using electronic funds transfer; or discounts for multiple policies).



# Additional Recommendations

- You do not have to go through Via Benefits to purchase health insurance (unless you MUST) but the consultation is free so you should hear what they recommend.
- Talk to SHIP, if the recommendation is a different type of coverage, tell them what Via Benefits said and sort it out.
- SHIP will have information on more policies offered in your state.
- The insurance brokers that are cold calling your phone.
- Call the insurance companies directly.
- Independent Insurance Agents are another good resource.
- Retirees not using Via Benefits claimed to have saved money.
- Medicare has greatly improved their website for selecting plans at [www.medicare.gov](http://www.medicare.gov)



# Remember

Medicare Advantage Plans are essentially guaranteed issue.

- Medicare Advantage plans must cover any pre-existing conditions you may have before enrolling in the plan with the exception of end-stage renal disease (ESRD) or lateral sclerosis (Lou Gehrig's disease).

## Health Savings Account (HSA)

- The HSA is vested and portable. Once you reach 65 you may use these funds for Medicare premiums (not Medigap) or other medical expenses on a tax-free basis or for other purposes and pay ordinary income taxes. If you use the HSA funds for other purposes before age 65 you will pay a 20% tax penalty in addition to the income tax.
- If you drop out of the CDHP you can continue to use the HSA funds until depleted but can no longer contribute to the account.

## TVA Benefits

- [www.tva.com/retireeportal](http://www.tva.com/retireeportal) 1-888-275-8094



# Medicare Selection Help

The following provide **free** insurance selection counsel:

- VIA Benefits – under contract to TVA to provide Medicare covered retirees with access to a private insurance exchange
  - <https://my.viabenefits.com/tva> 1-844-620-5725
- State Health Insurance Assistance Program (SHIP) – have more options for coverage since they are not limited to policies on a private insurance exchange
  - <https://www.medicare.gov/contacts/> for TN 1-877-801-0044
- Medicare.gov – get on this website and set up MyMedicare.gov
  - <https://www.medicare.gov/medicare-and-you>(the white book)
  - <https://www.medicare.gov/health-drug-plans/medigap/basics>  
<https://www.medicare.gov/sign-up-change-plans/decide-how-to-get-medicare/your-medicare-coverage-choices.html>