

Medicare and the Health Options Program Video Transcript

[Narrator] No matter what your age, health insurance can be complicated, and Medicare is no exception. That's why we've created this video. It offers an overview of Medicare and an introduction to the Health Options Program, which is a special Medicare program available only to PSERS retirees and their eligible family members.

If you're turning 65 soon, you've probably been getting a lot of mail about Medicare, much of it from insurance companies. Chances are, you've seen offers for two different types of Medicare coverage. One is an add-on to Original Medicare and is called a Medicare Supplement. The other replaces Original Medicare completely and is called a Medicare Advantage Plan.

If you don't choose one of these types of coverage, you'll still be enrolled automatically at age 65 in Original Medicare. So, you have three choices. You can have Original Medicare by itself, you can have Original Medicare and add a Medicare Supplement, or you can decline Original Medicare and enroll in a Medicare Advantage Plan instead.

Before you can choose, you have to understand the differences. So let's look at each option a little more closely.

First, if you choose Original Medicare by itself, you'll have basic hospital and medical coverage anywhere in the US, as long as you use a provider that accepts Medicare. However, you may get large bills because Original Medicare pays only a portion of the cost and you pay the rest, which can include high deductibles and co-insurance.

That's why many people choose the second option and buy a Medicare Supplement or Medigap Plan as it's sometimes called. You still have Original Medicare, but the Supplement pays all or a portion of the deductibles and co-insurance that you would have to pay without it. In addition, if you exhaust your Original Medicare benefits, a Medicare Supplement will provide on-going coverage.

The third choice, a Medicare Advantage Plan, is instead of Original Medicare. These plans are required by law to provide all the benefits available under Original Medicare, plus many go a step further by replacing co-insurance with fixed co-pays or adding additional benefits, like limited vision or dental. In some ways, Medicare Advantage Plans can be very different from Original Medicare. For example, you're required to use doctors and hospitals that are part of the plan's network to receive maximum benefits.

So before you make a decision, be sure to assess all of your health care needs. Whether you want Original Medicare or a Medicare Advantage Plan, the Health Options Program is available to you because of your affiliation with PSERS, and it offers a number of advantages over insurance company plans.

One of the best may be Premium Assistance. If you enroll in the Health Options Program and you're eligible for Premium Assistance based on past employment, you'll

get up to a \$100 reimbursement each month for your out-of-pocket premium expense, which you won't get if you sign up for health insurance outside of the Health Options Program.

In addition, the Health Options Program gives you the opportunity to select coverage that's right for you, which means you have choices, and your choices depend on which path you take; Original Medicare or a Medicare Advantage Plan.

If you go with Original Medicare, the Health Options Program has two Medicare Supplement options. The first, called the HOP Medical Plan, pays many of the deductibles and co-insurance that Original Medicare requires you to pay, such as if you go to the hospital. It also pays for 365 additional hospital days if your Medicare coverage is exhausted. When you go to your doctor, it pays your deductible and the co-insurance you'd have to pay. All you pay is a flat \$10 a visit.

The other Medicare Supplement, called the Value Medical Plan, is for retirees who want a low monthly premium, are willing to pay more out of pocket when obtaining services, and are not concerned about exhausting Medicare benefits. It is designed to provide financial protection in the event of unexpected high-cost hospital and medical expenses.

If you join the HOP Medical Plan or the Value Medical Plan, you can also buy other types of coverage through the Health Options Program to meet your needs. Three Medicare prescription drug options are available. Remember, if you don't enroll in a Medicare prescription drug plan when you first become eligible, you may pay a late enrollment penalty later on. A dental plan that reduces your cost for both routine and restorative dental care is also available with one of the Medicare Supplements.

Now, if you want a Medicare Advantage Plan instead of Original Medicare and a Medicare Supplement, you can get one through the Health Options Program. But unlike Original Medicare and a Medicare Supplement, Medicare Advantage Plans are local or regional. This means you have to choose a plan that's offered where you live, and costs and coverage vary from plan to plan.

All Medicare Advantage Plans in the Health Options Program include prescription drug coverage, and many add other benefits like vision or dental, but the additional coverage is not a la carte. In other words, if you choose a Medicare Advantage Plan, you'll get whatever coverage comes with it, and you won't be able to buy separate or additional insurance.

We hope this video helps you understand the different types of Medicare plans that are available. Since it provides only a few highlights, you're encouraged to find out more about the Health Options Program by reading our materials, visiting our website, and asking any questions you may have. Our dedicated customer service team is available to speak with you weekdays from eight to seven Eastern.