Health & Retirement Services of Illinois
Newsletter June & July 2022

OUR NEWS LETTER

IRS Announces Inflation Adjustments for 2023 HDHPs and HSAs

The IRS has announced the inflation adjustments for 2023 High Deductible Health Plans (HDHP) and Health Savings Accounts (HSA). These adjustments include maximum HSA contributions, minimum deductible amounts and maximum out-of-pocket (OOP) limits.

The following adjustments apply to the calendar year 2023.

Contributions to an HSA:

- For the calendar year 2023, the annual limitation on contributions to an HSA under §223(b)(2)(A) for an individual with self-only coverage under an HDHP is **$3,850**.
- The annual limitation on contributions to an HSA under §223(b)(2)(B) for an individual with family coverage under an HDHP is **$7,750**.

Additional contribution amount (individuals age 55 and older)

- The catch-up contribution limit to an HSA under §223(b)(3)(B) is **$1,000.**
- There is no change from 2022.

High Deductible Health Plans

- An HDHP is defined under §223(c)(2)(A) as a health plan with an annual deductible that is not less than **$1,500** for self-only coverage or **$3,000** for family coverage.
- The annual out-of-pocket expenses (deductibles, copayments and other amounts, but not premiums) do not exceed **$7,500** for self-only coverage or **$15,000** for family coverage.

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	2023	2022
Minimum Individual Deductible	**$1,500**	$1,400
Minimum Family Deductible	**$3,000**	$2,800
Maximum Individual OOP	**$7,500**	$7,050
Maximum Family OOP	**$15,000**	$14,100
Maximum Individual Contribution	**$3,850**	$3,650
Maximum Family Contribution	**$7,750**	$7,300
Minimum Individual Embedded Deductible	**$3,000***	$2,800
Minimum Family Embedded Deductible	**$3,000**	$2,800

**According to IRS guidance, an individual deductible (an embedded deductible) provided under a family HDHP must be at least the family minimum for the year ($3,000 in 2023). Due to system limitations, groups with an embedded deductible family HDHP may not offer an employee-only HDHP with a deductible less than the family minimum ($3,000) unless separate benefit agreements are established for employee-only and family HDHP coverage. The IRS individual minimum is $1,500 for 2023.*

Please note that the HDHP limits on out-of-pocket expenses and the maximum out-of-pocket limits under the Affordable Care Act ("ACA") are NOT the same. The maximum out-of-pocket limits for 2023 are $9,100 for self-only coverage and $18,200 for other than self-only coverage.

Deadline Extended Medicare Enrollment/Disenrollment

The Centers for Medicare & Medicaid Services is providing equitable relief to individuals who could not submit premium-Part A or Part B enrollment or disenrollment requests timely due to challenges contacting us by phone. This relief applies to the 2022 General Enrollment Period, Initial Enrollment Period, and Special Enrollment Period.

If you were unable to enroll or disenroll in Medicare because you could not reach us by phone after January 1, 2022, you will be granted additional time, through December 30, 2022.

Most Consumers Choose To Pay Higher LTCi Premiums

Los Angeles, CA May 18, 2022 --(PR.com)-- The overwhelming majority of consumers experiencing a premium increase on their long-term care insurance chose to pay the higher premium. The findings of a new analysis were released today by the American Association for Long-Term Care Insurance.

"Between 50 and 60 percent of policyholders choose to keep their original policy benefit levels and pay the increased premium," explains Jesse Slome, American Association for Long-Term Care Insurance director. "While no one likes to pay more money, these individuals recognize the value of this protection because they are older and thus closer to the risk of needing long-term care."

According to the Association between 20 and 30 percent of individuals notified of an approved premium increase chose to adjust their policy provisions. "Many buyers initially selected the 5 percent inflation growth option," Slome notes. "When they review their policy benefits along with their present financial situation, it often makes sense to reduce the growth factor and thus avoid the premium increase. In some cases, they may even pay less money for their continued long-term care insurance coverage."

Between 10 and 20 percent of consumers elect the non-forfeiture option Slome shares. "Typically, these individuals will stop paying premiums but will still qualify for benefits should they need qualifying care," Slome notes. "The last time we conducted such an analysis, it was common for only 1-3 percent of policyholders to drop coverage," Slome adds.

The long-term care insurance executive attributed the change to "premium increase fatigue" as well as two other factors. "The long-term care insurance industry has failed to convey to consumers how this protection is benefiting hundreds of thousands of families each year," Slome shares.

"And, for some, the value of accrued benefits are perceived to be sufficient for meeting future needs. Paying continued premium is viewed as no longer making financial sense." To access the latest long-term care insurance statistics go to https://www.aaltci.org/long-term-care-insurance/learning-center/ltcfacts-2022.php.

The American Association for Long-Term Care Insurance (AALTCI) advocates for the importance of long-term care planning and supports insurance professionals who market both traditional and hybrid long-term care solutions. To access information go to https://www.aaltci.org or call the organization at 818-597-3227

Most Americans think they can afford their retirement

Kerry Hannon

Most workers are upbeat about having enough money to live throughout retirement, according to the latest annual survey by the Employee Benefit Research Institute (EBRI) and Greenwald Research.

More than 7 in 10 workers and nearly 8 in 10 (77%) retirees said they are very or somewhat confident they (and their spouses) will have enough money to live comfortably throughout their retirement years, according to a January 2022 online poll of 1,545 workers and 1,132 retirees.

To put this enthusiasm in perspective, in 2009 coming out of the Great Recession, just a little over half (54%) of workers and 67% of retirees were confident about retirement.

“Workers and retirees, for the most part, have remained optimistic coming out of the pandemic,” Craig Copeland, director of Wealth Benefits Research at EBRI, a nonpartisan, nonprofit research institute based in Washington, D.C., and chief researcher for the group's 32nd annual Retirement Confidence Survey, told Yahoo Money. “2020 and 2021 were trying times with significant financial impact on both American workers and retirees. Yet overall confidence in having enough money to live comfortably throughout retirement remains positive.”

But a lot has happened since this poll was conducted. Inflation has been on a tear, interest rates are inching upward, and the stock market has been slipping and sliding, along with growing global economic concerns about the impact of the Russian invasion of Ukraine and China's COVID-zero policy on supply chains.

Still, in the EBRI poll, retirees were buoyant. Nearly 7 in 10 retirees reported that the COVID-19 pandemic has not changed their confidence in their ability to live comfortably throughout their retirement. Four in 5 retirees said that their overall lifestyle, including traveling, spending time with family, or volunteering, is as expected or better.

Workers, on the other hand, were less ebullient. Half said that the pandemic did ding their confidence. For nearly one-half of the workers surveyed, debt had negatively impacted their ability to save for retirement.

Worker confidence in having enough money for expenses is dropping

Although a substantial number of workers, 70.4%, were confident that they have enough money to take care of basic expenses in retirement, that's a decline from 77% in 2021.

Not surprisingly, the workers least confident about retirement included women, those in fair or poor health, and individuals with household incomes below $35,000. Other factors darkening worker confidence included major debt, no retirement savings, those who were not married, workers with no college degree, and those lacking an employer-provided defined retirement contribution plan such as a 401(k).

In fact, 42% of workers who felt less confident did not have a defined contribution plan, according to the findings.

"Access to a retirement plan is an important driver of confidence— roughly half of American workers don't have that," Copeland said.

EBRI's findings are in line with other recent surveys. More than a third of those who don't contribute to retirement plans say it's because they can't afford to do so, according to a MagnifyMoney survey of more than 1,200 working Americans. And nearly 50% of those with annual income of less than $50,000 said they've never had a retirement account, according to a Bankrate report.

Retirement savings were not a priority relative to the current needs of their family for one in three workers, according to the EBRI findings. Four in 10 workers said that saving for or paying off a child's college education reduces the amount they can save for retirement, and the same percentage said that debt is negatively impacting their ability to save for retirement.

And when asked about the pillar retiree benefits programs– Social Security and Medicare, only 14% of workers said they were very confident the Social Security system will continue to provide benefits of at least equal value to the ones retirees receive today, down from 17% a year ago. And a scant 15% of workers are very confident the Medicare system will continue providing benefits of at least equal value to those retirees now receive, a drop from 18% in 2021. To be fair, both of those "very confident" votes were more than triple what they were four years ago.

COVID-19 at-home tests

Every U.S. household can get up to 3 orders of at-home, rapid COVID-19 tests at no cost!

Visit COVID.gov/tests to place your order. You'll need to enter your name and mailing address. (You can also give your email address if you want status updates on your order.)

Each new order includes 8 free COVID-19 tests shipped to your home at no cost — 2 separate packages of 4 tests each.

At-home tests, or "self tests," give rapid results and can be taken anywhere, regardless of your vaccination status or whether or not you have symptoms. **Visit CDC.gov** to learn when to test yourself, how to use an at-home test, and what your test results mean.

COVID-19 Treatments and Medications

What You Need to Know

- If you test positive for COVID-19 and are an older adult (ages 50 years or more) or someone who is at high risk of getting very sick from COVID-19, treatments are available that can reduce your chances of serious illness.
- Don't delay: Treatment must be started within days after you first develop symptoms to be effective.
- Other medications can help reduce symptoms and help you manage your illness.
- The Test to Treat Locator (hhs.gov) can help you find a testing location that can also provide treatment if you test positive.

Treating COVID-19

If you test positive and are more likely to get very sick from COVID-19, treatments are availableexternal icon that can reduce your chances of being hospitalized or dying from the disease. Medications to treat COVID-19 must be prescribed by a healthcare provider and started as soon as possible after diagnosis to be effective. Contact a healthcare provider right away to determine if you are eligible for treatment, even if your symptoms are mild right now.

Don't delay: Treatment must be started within days after you first develop symptoms to be effective.

People who are more likely to get very sick include older adults (ages 50 years or more, with risk increasing with older age), people who are unvaccinated, and people with certain medical conditions, such as a weakened immune system. Being vaccinated makes you much less likely to get very sick. Still, some vaccinated people, especially those ages 65 years or older or who have other risk factors for severe disease, may benefit from treatment if they get COVID-19. A healthcare provider will help decide which treatment, if any, is right for you.

Types of Treatments

The FDA has issued emergency use authorizations (EUA) for certain antiviral medications and monoclonal antibodies to treat mild to moderate COVID-19 in people who are more likely to get very sick.

- **Antiviral treatments** target specific parts of the virus to stop it from multiplying in the body, helping to prevent severe illness and death.

- **Monoclonal antibodies** help the immune system recognize and respond more effectively to the virus. They may be more or less effective against different variants of the virus that causes COVID-19.

The National Institutes of Health (NIH) provides COVID-19 Treatment Guidelines for healthcare providers to help them work with their patients and determine the best treatment options for them. Several options are available for treating COVID-19 at home or in an outpatient setting. They include:

Nirmatrelvir with Ritonavi (Paxlovid)
Antiviral

Adults; children 12 years and older

Start as soon as possible; must begin within 5 days of when symptoms start

Taken at home by mouth (orally)

Remdesivir (Veklury)
Antiviral

Adults and children

Start as soon as possible; must begin within 7 days of when symptoms start

Intravenous (IV) infusions at a healthcare facility for 3 consecutive days

Bebtelovimab
Monoclonal antibody

Adults; children 12 years and older

Start as soon as possible; must begin within 7 days of when symptoms start

Single IV injection

Molnupiravir (Lagevrio)
Antiviral

Adults age 18 years and older

Start as soon as possible; must begin within 5 days of when symptoms start

Taken at home by mouth (orally)

Some treatments might have side effects or interact with other medications you are taking. To find out if medications to treat COVID-19 are right for you, you have options:

- Talk to your healthcare provider
- Visit a test to treat location
- Contact your local community health center or health department

If you are hospitalized, your healthcare provider might use other types of treatments, depending on how sick you are. These could include medications to treat the virus, reduce an overactive immune response, or treat COVID-19 complications.

Managing COVID-19 symptoms

Most people with COVID-19 have mild illness and can recover at home. If you are worried about your symptoms, the Coronavirus Self-Checker can assist in the decision to seek care. You can treat symptoms with over-the-counter medicines, such as acetaminophen (Tylenol) or ibuprofen (Motrin, Advil), to help you feel better.

Understanding Medicare enrollment periods

A week does not go by where somebody is calling for advice on enrolling in Medicare. With knowledge of the Medicare enrollment periods, much of the mystery can be removed.

Initial Enrollment Period (IEP)

The IEP applies to the individual turning age 65. If individuals are eligible for Medicare when they turn 65, they may enroll in Medicare Part A and/or Part B. This is a seven-month period that begins three months before the month an individual turns 65, the month of their birthday and three months following. Note: If the birthday is the first of the month, then the seven months move back a month. As an example, for an individual with a Nov. 1 birthday, the IEP begins on July 1 and the effective date would be Oct. 1 if they sign up in one of the three months preceding.

If an individual waits until the last four months of their IEP, then their coverage will be delayed as follows:

If enrolling in the month of Initial Enrollment Period

Coverage begins:

The month turning 65

One month after enrollment

One month after turning 65

Two months after enrollment

Two months after turning 65

Three months after enrollment

Three months after turning 65

Three months after enrollment

However, thanks to the Consolidated Appropriations Act of 2021, these delays in effective dates will be a thing of the past in 2023.

People who enroll in Medicare during their birthday month or the three months following their birthday month will see their coverage begin the first day of the month following the enrollment.

Individuals on Social Security Disability for 24 months will be automatically enrolled into Medicare at the 25th month. They will also have an IEP when they turn 65.

It is important to note that if beneficiaries decline to be covered when first eligible and continue on their COBRA or individual plans without enrolling in Medicare, they may end up having to wait for the next General Enrollment Period to apply for Medicare coverage and may be subject to penalties.

Enrollment for most people turning 65 is not automatic. You must enroll yourself. If you are receiving early Social Security benefits, then you receive your Medicare card automatically about three months before your effective date.

Special Enrollment Period (SEP)

Once the IEP ends, the individual may sign up for Part A and Part B but only if they meet certain requirements of the SEP. If an individual is covered under a group insurance plan based on current (active) employment, they have an SEP to sign up for Part A and/or Part B at any time, as long as the individual or the spouse is working and covered by a group health plan through an employer or if in a union plan based on work for coverage.

The effective date for coverage varies as it is based on when the enrollment request is made if enrolling during the SEP. After Social Security receives and processes the request for enrollment, the Medicare coverage typically begins the first month or, at the individual's option, the first day of any of the following three months. Usually, a late-enrollment Part B penalty does not apply. The SEP also does not apply to individuals with end-stage renal disease and coverage under Veterans Affairs or individual health insurance marketplace coverage.

Important Note: Individual and retiree plans are not considered creditable coverage based on current employment. People under these plans are not considered eligible for a Special Enrollment Period and must apply during the General Enrollment Period. COBRA is also not considered creditable coverage and beneficiaries must enroll in Medicare within eight months of their last day of active work. Otherwise, they will need to wait for the next GEP to apply.

When I meet with prospects, I remind them that timing is everything with Medicare. Their delays to enroll in Medicare could result in penalties for Part A and Part B and in a delay in coverage. Individuals who lose their group coverage have up to eight months to

sign up for their Part B. The individual must have both Medicare Part A and Part B to sign up for the Medicare Advantage or Medicare Supplement plans. They may have either Part A or Part B to enroll in the Stand-Alone Prescription Drug Plan. They only have 63 days after the loss of their employer coverage to enroll in a Medicare Advantage Plan or Stand-Alone Part D plan. Individuals have six months from the initial date of their Part B to sign up for a Medicare Supplement plan on a guaranteed-issue basis.

General Enrollment Period (GEP)

The GEP runs from Jan. 1 to March 31 each year and is a time when people who missed their initial enrollment period for Medicare can sign up for Parts A and/or B.

In the past, however, GEP applicants would face a delay in their effective date until July 1. However, beginning in 2023, that gap in coverage will be eliminated. Benefits for GEP applicants will begin on the first of the month following the date on which they applied.

In most cases, individuals, if signing up for Part B of Medicare, will be subject to the Part B late-enrollment penalty of 10% for each 12-month period they were not covered under Part B. The penalty continues as long as they have Part B. Don't neglect to review the possible Part D penalty as well for the delay in coverage under Part D (Medicare Advantage prescription drug plan or a stand-alone prescription drug plan). Note that veteran drug coverage is considered creditable coverage for Part D.

Refer to medicare.gov for information regarding the Part A late-enrollment penalties.

Many insurance agents and HR managers do not understand the Medicare enrollment periods and eligibility. You could be subject to delays in coverage, penalties and added medical and prescription drug costs just because of the un-informed decisions you make when delaying Medicare Part A and B coverages, especially if the health coverage is not creditable for later enrollment.

To contact us: go to www.healthcareil.com or Call (800) 739-4700