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Top three Medicare retirement tips to consider for layoffs, furloughs

Oklahoma HMO offers best practices for coverage during sudden income shift or retirement

OKLAHOMA – Due to the recent economic climate, many Americans find themselves facing retirement unexpectedly, whether through layoffs or furloughs, and thus enrolling in Medicare for the first time. GlobalHealth, an Oklahoma-based health insurance provider, is sharing three tips to make retirement-age Oklahomans aware of important deadlines to help them avoid spending more money for coverage than necessary during a complicated time.

“If an Oklahoman has lost benefits from being laid-off or furloughed, and qualifies as a Medicare beneficiary, GlobalHealth can help them find a health plan that works for them,” said Scott Vaughn, GlobalHealth president and CEO. “There is a lot of information to consider so be sure to research your health insurance options in advance of needing care. Whether it’s an individual looking for Medicare answers or HR professionals looking to connect current or past employees with resources, GlobalHealth can help walk Oklahomans through benefit options.”

Beyond the layoffs and furloughs, according to the Stanford Center on Longevity, almost one third of baby boomers had no retirement account as of 2014. With an estimated 75 million people over the age of 65 in the U.S. expected by 2031, it is important that Oklahoma seniors wanting to retire make the proper arrangements for their healthcare coverage, and these three tips are universally helpful.

1) Know when to apply. Many Americans go on Medicare at age 65 because they do not have qualifying coverage through a job or because they are no longer working. Medicare-eligible individuals can enroll in a Medicare Advantage plan during the seven-month window around their 65th birthday – three months before you turn 65, the month you turn 65 and three months after your birthday month.

Additionally, there are certain qualifying events that may allow Medicare plan changes throughout the year. If you have recently moved, are new to Medicare or are leaving your employer or union coverage, you may be eligible for a Special Enrollment Period (SEP). You may also be eligible if you qualify for Extra Help. Many people on Medicare do not realize they may qualify for Extra Help when paying for their prescription drug costs. To qualify, you must have Medicare Part A and/or Part B, and fall under a certain income threshold.

2) Know your options. In general, as long as you have a qualifying 10-year work history, Medicare Part A (hospital coverage) costs nothing. Medicare Part B (covering outpatient care and medical equipment) and Part D (prescription coverage) have monthly premiums, with higher-income enrollees paying more. In 2020, the standard monthly premium for Part B is \$144.60 and the national monthly average for Part D is expected to be \$42. It's important to remember that in order to enroll in a Part D plan, you must have had "creditable coverage" under a former prescription drug plan or enroll in the Medicare Part D plan within 63 days of becoming eligible for Medicare.

It is important to understand your options regarding employer coverage and how your current coverage works with Medicare. According to Medicare.gov, if you aren't getting benefits from Social Security (or the Railroad Retirement Board) at least four months before you turn 65, you'll need to sign up with Social Security to get Parts A and B. However, depending on the size of the employer, you may be able to delay Parts A and B without having to pay a penalty if you enroll later. If you continue to work beyond age 65, in most cases, you don't need to do anything regarding Medicare enrollment until you (or your spouse) retire or you lose the employer coverage. If you didn't enroll when you were first eligible, the size of the employer determines whether you have to pay a penalty if you enroll later. It is good to discuss your options and applicable timing with your employer's health benefits coordinator or human resources department.

3) Know important dates. As your retirement date approaches and you lose workplace coverage, remember important Medicare deadlines so you can avoid paying a penalty.

- Medicare Initial Enrollment Period (IEP) is the seven-month window around your 65th birthday – three months before you turn 65, the month you turn 65 and three months after your birthday month
- Medicare Annual Enrollment Period (AEP) runs Oct. 15 through Dec. 7, 2020 for coverage effective in 2021
- Special Enrollment Period (SEP) is for beneficiaries with qualifying events

You have two months from when your workplace coverage ends to sign up for Part D and eight months to sign up for Part B. If you fail to meet the Medicare Part D prescription coverage deadline and don't have creditable coverage, the late-enrollment penalty is 1% for every month you could have been signed up.

About GlobalHealth

GlobalHealth is changing health insurance in Oklahoma by providing genuine care and optimal health for the members it serves. As an industry leader, GlobalHealth is an Oklahoma-based

health insurance provider covering individuals in all 77 Oklahoma counties. Working proactively with its members, GlobalHealth engages a personalized management plan to address their specific needs and ensure the best possible health outcomes. GlobalHealth utilizes cutting-edge, predictive data technology as a foundation to deliver improved healthcare as part of its commitment to making health insurance more affordable. Its membership includes individuals who are eligible for Medicare, state, education and municipal employees and federal employees. To learn more, visit www.GlobalHealth.com.

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