



Medicare Savings Accounts

A Medicare Scholar Presentation

What is a Medicare Savings Account?

- A Medicare Savings Account (MSA) is a type of Medicare Advantage plan
- Offered by private insurance companies
- It combines a High-Deductible Health Plan (HDHP) with a medical savings account
- If available, will be offered state-wide

High-Deductible Health Plan

- Plans have no monthly premium – you must continue to pay your Part A and/or Part B premiums
- Deductibles can start as low as \$5,000
- Deductible based on which month your plan goes into effect
- Example:
 - Coverage begins January - Full deductible
 - Coverage begins July – Half of the deductible



High-Deductible Health Plan

- After the deductible is satisfied, covers all Medicare-approved services 100% for the remainder of the calendar year
- Does not offer Part D coverage

Medical Savings Account

- Plan will create and deposit money into a savings account
- Can be used to pay for Qualified Medical Expenses occurred during the deductible period
- Deposits vary by plan and which month your coverage starts
- Example:
 - Coverage begins in January: receive the full deposit
 - Coverage begins in July: receive half the deposit (6/12 months)

Medical Savings Account

- Only the plan can make deposits into this account
- Any funds leftover at the end of the year will remain in the account
- If you stay on the plan year-over-year, the plan will make another deposit in January
- You can move the funds to a savings account that's offered through your own bank – however, you will be responsible for keeping track of your account balance

Claims – During the Deductible

Plan Example: \$5,000 deductible / \$2,000 deposit

- You receive cataract surgery: Medicare-approved amount is \$1,600
- You use the saving account to pay the \$1,600
- You have \$3,400 remaining on your deductible, and \$400 left in your savings account

Claims – After Savings Account

Plan Example: \$5,000 deductible / \$2,000 deposit

You've used all \$2,000 of your savings account and have \$3,000 left on your deductible

- You go in for some diagnostic imaging – Medicare-approved cost of \$360
- You pay the \$360 out-of-pocket
- You have \$2,640 left in your deductible

Claims – After the Deductible

Plan Example: \$5,000 deductible / \$2,000 deposit

You've satisfied your \$5,000 deductible this calendar year

- You go in for a 3-day hospital stay
- The plan pays 100% for all Medicare-approved charges



Provider Choices

- You can utilize any provider or facility that accepts Medicare
- Some providers may be unfamiliar with MSA plans – your insurance company may offer some assistance in educating your doctors

Eligibility

- Must have Medicare Part A and Part B
- Must have a permanent residence in the plan's service area
- You do not have health coverage that would cover the MSA plan deductible, like employer or union coverage
- You do not have another Medicare Advantage plan
- You do not have TRICARE, VA, Federal Employee Benefits, or Medicaid
- You are not currently receiving hospice care



When can you join an MSA?

- Turning 65 and receiving Medicare A and B for the first time
- During the Annual Enrollment Period (Oct. 15th thru Dec. 7th)
- During a Special Enrollment Period – specific situations like moving out of your plan’s service area, losing group coverage, moving into a long-term care facility, etc.

When can you cancel your MSA plan?

- During the Annual Enrollment Period
- During a Special Enrollment Period
- NOTE: If you leave your MSA mid-year, you will be required to PAY BACK a pro-rated portion of the plan's deposit based on how many months are left
 - Plan ends October 31st – pay back 25% of the deposit (3/12 months)

When to Consider a MSA

- Low medical utilization
- Ability to pay the difference between the deposit and the deductible
- Other health plan options are unaffordable
- Your doctors and/or hospitals don't accept other Medicare health plans
- Want the freedom to see any Medicare provider in the United States

Questions to Ask When Considering a MSA

- What's the plan's deductible?
- How much will be deposited into the account?
- How are services counted against the deductible
- Is there a limit on the charges that will count toward the deductible?
- What am I responsible for paying after I meet the plan's deductible?



Questions?



Thank You for
Attending!



Sources

- <https://www.medicare.gov/health-drug-plans/health-plans/your-coverage-options/MSA>