

MEDICARE SURVIVAL GUIDE

If you're approaching three (3) months before your 65th birthday, you need to start thinking about Medicare enrollment. There's a lot to consider. In our Medicare Survival Guide, we explain your options, give you helpful links, and provide tips to keep you out of the penalty zone.



LIVING WELL IN RETIREMENT

When life's possibilities expand beyond your career, we help you prepare for the adventure ahead.

WHICH COVERAGE IS RIGHT FOR YOU?



Basically, there are two ways to receive your Medicare benefits: Original Medicare offered through the government or a Medicare Advantage Plan offered through private insurers. Our Medicare Survival Guide will help you choose the option that's right for you.

ORIGINAL MEDICARE

MEDICARE ADVANTAGE PLAN

PART A: HOSPITAL INSURANCE

Covers

Inpatient care in hospitals, skilled nursing facilities (SNF), hospice, and some home health care.

Out-of-Pocket Costs (2026)

For each benefit period
Premium: \$0 (in most cases)
Deductible: \$1,736/benefit period

Hospital Stay	Costs	Skilled Nursing Facility	Costs
Days 1-60	\$0	Days 1-20	\$0
Days 61-90	\$434/day	Days 21-100	\$217/day
Days 91-150 (lifetime reserve days)	\$868/day	After 100 Days	You pay all costs
After 150 Days	You pay all costs		

PART B: MEDICAL INSURANCE

Covers

Doctors' and other health care providers' services, outpatient care, some medical equipment, and some home health care. Also preventative services to maintain your health.

Out-of-Pocket Costs (2026)

Premium: Ranges from \$202.90 to \$689.90 per month, per person based on income and tax filing status.
Deductible: \$283 with 20% coinsurance.

PART D: PRESCRIPTION DRUG COVERAGE

Covers

Provides benefits for certain drugs.

Out-of-Pocket Costs (2026)

Premium: Premiums range from plan to plan based on your income and tax filing status. Go to <https://www.medicare.gov/basics/costs/medicare-costs> to estimate your premium.

MEDICARE SUPPLEMENTAL INSURANCE (MEDIGAP)

Covers

These plans add additional coverage and reduce the gaps in traditional Medicare. Many cover deductibles, premiums, and other out-of-pocket expenses. They also cover other medical expenses such as medical care when traveling outside the U.S. They are offered by private insurance companies, but must follow state and federal regulations.

Benefits and prices vary. To compare plans, visit <https://www.medicare.gov/supplements-other-insurance>

Out-of-Pocket Costs

There are typically 3 pricing methods:

1. Community-rated or no-age rated: May be more expensive initially but can be the least expensive over time.
2. Issue-age rate: Based on your age when you buy the policy. Premiums will increase due to inflation, not your age.
3. Attained-age rate: Lower initial premium but increases as you get older. Over time this may be the most expensive policy.

ALSO CALLED PART C: COMBINES PARTS A, B, AND SOMETIMES D

Covers

These Medicare-approved health plans are offered by private insurance companies and provide the same Part A and B benefits plus additional coverage. There are many different options for customizing a plan. Your options include HMO and PPO type plans.

Out-of-Pocket Costs

There are many Medicare Advantage providers, and costs vary based on benefits and coverage. The government's Medicare website lets you filter options, such as whether you want to see any doctor or show only those plans that have no restrictions for your drugs. To learn more about plans in your area, visit <https://www.medicare.gov/health-drug-plans/health-plans>

PART D: PRESCRIPTION DRUG COVERAGE

Most Medicare Advantage Plans cover prescription drugs. You may add coverage to some plans if it's not included.

MEDICARE SUPPLEMENTAL INSURANCE (MEDIGAP)

Usually, no supplemental insurance coverage is necessary if you join a Medicare Adv. Plan.

GOOD TO KNOW

The costs for Medicare Part A and B can add up quickly with high deductibles for hospital stays, a 20% copay for some doctor visits and no out-of-pocket limit. To curb these expenses, you may want to consider either a Medigap policy or Medicare Advantage Plans.

Source: Centers for Medicare and Medicaid Services

ENROLLMENT MUST KNOWS

WHEN SHOULD I ENROLL?

1 Your Seven Month Enrollment Period



3 months prior to, the month of, and 3 months after you turn 65

If you missed the boat, you can sign up during the General Enrollment period between January 1 and March 31. Your coverage will begin on July 1, but you may have a gap in coverage and/or a late enrollment penalty.

2 Special Enrollment Period (SEP)

If you are covered by an employer plan before and after your 65th birthday, you may qualify for a SEP which gives you an 2-month window to enroll in Medicare after your coverage ends. We recommend that you apply at least 30 days before you want your Medicare coverage to begin to avoid a lapse in coverage.

TO SEE THE LIST OF SPECIAL CIRCUMSTANCES TO CONSIDER:
Go to www.medicare.gov and search for "Special Enrollment Period."

3 Penalties For Late Enrollment

Part A: No penalty for most participants.

Part B: 10% permanent increase in your Part B premium for every year you were not enrolled past your initial eligibility, unless you qualify for a Special Enrollment Period.

Part D: 1% more for every month that you delayed past your initial eligibility.

HOW DO I ENROLL?

You can enroll online through the Social Security website at: www.ssa.gov/medicare call 800-772-1213, or visit a local office.

HELPFUL TIP

Record your application confirmation number. This is the only way that the Medicare office can track your application.

WHEN DOES COVERAGE START?

Coverage does not start immediately. Typically, it takes at least a month after applying to start, so give yourself plenty of time.

MAKING CHANGES: OCTOBER 15 - DECEMBER 7

Medicare Open Enrollment occurs each year from October 15 to December 7 (January 1 to March 15 for Medicare Advantage). During that time, you can shop and compare Advantage Plans, Prescription Drug plans, and Medigap policies. With changes in your situation and the health care industry, it's a smart idea to review your options, as there may be a better, more cost-effective plan available to you.

The government offers a comprehensive Medicare website, and we encourage you to visit it for more information at www.medicare.gov or download *Medicare & You*, the Official U.S. Government Medicare handbook.

FREQUENTLY ASKED QUESTIONS

I have coverage through an employer/spouse, so do I need to enroll?

That depends on how your current coverage integrates with Medicare. As a general rule, small employer group health plans rely heavily on Medicare, so you would need to sign up. If your employer is fairly large, you'll need to ask your HR department or health insurance agent.

My spouse is under 65 and will lose my employer group coverage because I am retiring. What are our options? Frankly, not many because Medicare doesn't offer family coverage. One option would be to work longer until your spouse turns 65, or your spouse can enroll in a private plan. If your company offers COBRA, you can enroll your spouse for 18 months, but you'll likely have to pay the full premium. You can also consider buying an individual policy, or enroll through your state's Affordable Care Act exchange.

How does Medicare work with a Health Savings Account (HSA)?

Once enrolled in Medicare, it is no longer possible to contribute to an HSA. However, money accumulated in an HSA can still be used to pay Parts B and D premiums and other qualified medical expenses. However, it cannot be used towards Medicare Supplement (Medigap) premiums.

What is IRMAA and how does it affect my Medicare premiums?


IRMAA (Income-Related Monthly Adjustment Amount) increases your Medicare Part B and D premiums if your income is above certain thresholds, based on your tax return from two years ago. It's possible to lower IRMAA through a petition based on certain qualifying life events, such as retirement, divorce, or loss of income. More info is available at <https://www.medicare.gov/basics/costs/medicare-costs>





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**As of 02/29/2024*

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