

## Get To Know the Basics of Medicare

# Your New-to-Medicare Guide

Medicare is often a confusing topic for Americans to understand. From learning about the different parts and plans to understanding when and how you become eligible, there is a lot of information to digest.

Having a strong understanding of the Medicare basics can ensure you are making the right decisions for your needs and your lifestyle. Plus, you can prevent yourself from making many of the common Medicare mistakes that plague older adults.

And if you're still unsure how to navigate Medicare, there are questions you can ask an expert to better understand your eligibility requirements while also learning how to differentiate plans and enrollment periods.



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# Enrollment Periods 101

You should sign up for Medicare when you first become eligible. For most Americans, that's when you turn 65. You will have a seven-month window to sign up, which includes the three months before your 65th birthday, the month of your birthday and the three months after.

## How To Enroll in Medicare

- Visit the Social Security website
- Apply in-person at your local Social Security office
- Call 1-800-772-1213



### PRO TIP

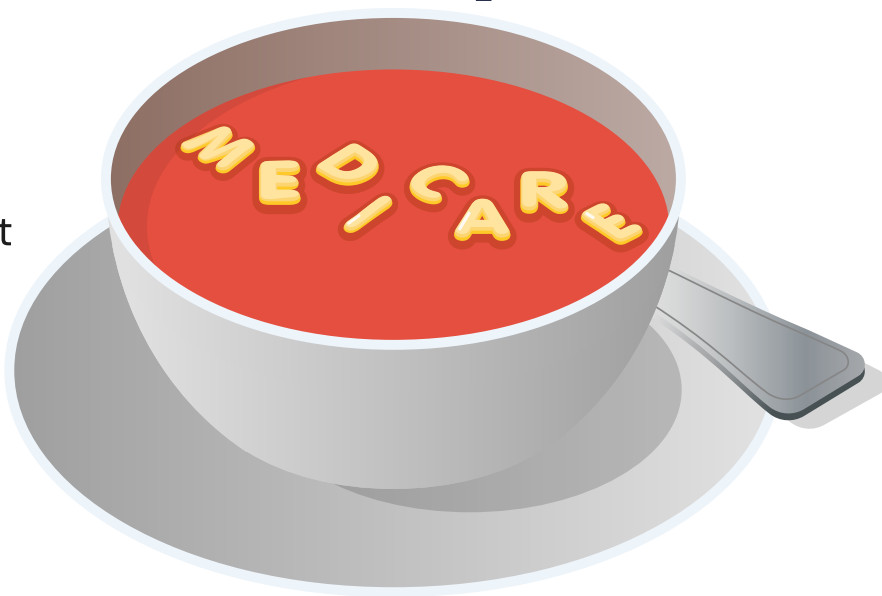
If you are already receiving Social Security when you turn 65, then you do not have to manually enroll in Medicare. You will be automatically enrolled in Parts A and B. You should receive a packet of information about Medicare in the mail around your 65th birthday.

Below, you can compare the difference between the five enrollment periods.

<b>Enrollment Period</b>	<b>Timeframe</b>	<b>Actions Possible</b>
<b>Initial Enrollment Period</b>	Seven months. Includes the three months before you turn 65, the month of your birthday and the three months after.	Enroll in Original Medicare, Medicare Advantage or a Part D plan.
<b>Open Enrollment Period</b>	Oct. 15 to Dec. 7	Join, drop or switch your plan.
<b>Medicare Advantage Open Enrollment Period</b>	Jan. 1 to March 31, or the first three months after you enroll in Medicare Advantage.	If you already have Medicare Advantage, you can switch to another private plan or switch back to Original Medicare with the option to join a drug plan.
<b>Medigap Open Enrollment Period</b>	The first six months after you enroll in Part B.	Buy any Medigap policy regardless of any pre-existing health conditions.
<b>Special Enrollment Period</b>	Triggered by a dramatic or unexpected life change. The period varies by event.	Depends on the event that triggered the period.

# Medicare's Alphabet Soup

Part of the confusion surrounding Medicare is the sheer number of options, with different types of plans being identified with different letters. Medicare's alphabet soup can be overwhelming if you don't know what you're looking for, so it's important to learn about each part and what it covers.



## Original Medicare (Parts A and B)

When you hear the term “Original Medicare,” it’s referring to Part A and Part B. These are the Medicare options that are provided by the federal government. Part A covers inpatient insurance and hospital stays while Part B covers outpatient care like doctor visits, treatments and services.

Original Medicare is the standard health care program in America for those 65 and older. You must meet certain requirements in order to qualify.

## Medicare Advantage (Part C)

Part C, also known as Medicare Advantage, is entirely separate from Original Medicare and is not provided by the federal government. With Part C, you get Medicare coverage through a private insurance company.

These private plans must, at minimum, cover everything Original Medicare does, but they often cover additional areas like vision or dental as well. Medicare Advantage plans are never paired with other plans. If you have Part C, then you can only have Part C.

# Medicare Prescription Drug Plan (Part D)

Next, you have Part D, which covers prescription drugs.

Like Part C, it is a private plan. However, Part D can be paired with Parts A and B. So, if you have Original Medicare, then you can also buy a Part D plan to handle your prescription drug coverage.

Remember, you cannot have Part C and Part D at the same time. Fortunately, many Part C plans already include prescription drug coverage.

## Medigap

The final plan option is Medigap. This is a form of supplement insurance that has its own list of alphabetical plans. Medigap covers some of the gaps left in Original Medicare coverage. Similar to Part D, Medigap can only be paired with Parts A and B. There are 10 total Medigap plans, lettered A through N. Each plan covers varying levels of benefits to better fit your health care needs.



### FAST FACT

Are you confused as to why some letters are missing from the list of Medigap plans? That's because some plans are no longer available. Plans C and F specifically are not available to anyone who joined Medicare in 2020 or after.



# Comparing Medicare Plans

Different beneficiaries have different needs. Being able to make sense of Medicare's alphabet soup is critical to ensuring you pick the right plan for yourself.

Medicare Plan	Government or Private?	What It Covers	What It Can Pair With
Part A	Government	Hospital stays and inpatient care	Part B, Part D and Medigap
Part B	Government	Outpatient care, doctor visits and medically necessary treatment	Part A, Part D and Medigap
Part C	Private	Everything Parts A and B cover, as well as additional benefits sometimes	Nothing
Part D	Private	Prescription drugs	Part A and Part B
Medigap	Private	Coverage of most out-of-pocket costs, copayments and coinsurance	Part A and Part B

# How To Avoid Common Mistakes



Medicare can be a remarkably complex topic. It's easy to mix up plans, coverage and eligibility, which can lead to serious mistakes for first-time enrollees. Consulting an expert can help alleviate the stress of having to make sure you don't commit a common mistake.

## Don't Miss Your Enrollment Window

Missing your enrollment period can result in serious consequences. If you miss your window, you may have to go some time without any sort of health care coverage.

Going any length of time without coverage is risky. Plus, you may not be able to sign up until the general enrollment period unless you qualify for a special period. It could also result in significant long-term expenses when you do sign up, since several parts of Medicare charge late enrollment penalties.

### DID YOU KNOW?

Even if you didn't sign up for Medicare during your enrollment window, you can avoid a penalty if you have another form of health coverage that's similar to what Medicare offers. For example, you can still use coverage through your employer if you are working at 65.





## Be Aware of Late Enrollment Penalties

If you are eligible for Medicare but don't sign up, then there can be serious financial consequences.

You may have to pay a penalty to get Part B if you don't sign up when you're first eligible. The penalty is not a single fee, but a percentage permanently added to your premiums. This can become a huge expense. Your premium typically increases by 10% for each year you don't sign up.

Most Americans qualify for Part A premium-free, but there is a penalty for those who do not qualify and miss their window.

Similarly, if you skipped signing up for Part D when you're first eligible and didn't have creditable prescription drug coverage elsewhere, then you may face a penalty when you do sign up. You will have to pay an additional 1% for each month that you missed.

## Understand the Costs Associated With Your Plan

A big mistake that new enrollees tend to make is enrolling in a plan that they can't afford. Be sure that you know what you're signing up for.

It may be easy to gravitate toward low monthly premiums when comparing plans, but there is much more to your health care expenses than that.

Make sure you compare the actual cost of coverage — such as deductibles and coinsurance — for the plans you are interested in. You may find that a plan with very low premiums could cost you more in the long run due to its light coverage.



## Remember, Medicare Enrollment Isn't Always Automatic

If you are already taking Social Security when you turn 65, then you will be automatically enrolled in Parts A and B.

If you are interested in Part C or Part D plans, then you will have to sign up on your own.

If you are not yet receiving Social Security when you become eligible, then you'll need to manually sign up for Medicare. You can do so by contacting Social Security.

## Speak to an Expert

There are many common mistakes that beneficiaries can make when enrolling in Medicare. One of the easiest ways to avoid those errors is by speaking to an expert.

It can be daunting to start from scratch when trying to find the right Medicare plan. First, you must decide whether you want a federal or private plan, then determine what types of plans you need to pair together, and finally compare the costs of your options. In addition, you must understand the many enrollment periods, how they apply to you and what you can do during each.

An expert can offer guidance and take on much of the heavy lifting to help you identify the right plan. They can also help you find a plan that exists within your constraints by presenting options that are within your budget and match your lifestyle. You can simplify the process by leveraging their expertise.

# Questions To Ask an Expert

When speaking to an expert about your Medicare options, you should come prepared with a list of questions.

The aim of these questions should be to help you get a better understanding of Medicare while also learning about the plans and options that make the most sense for you.



1. Can you go over the basics of Medicare?
2. Do I need Original Medicare or Medicare Advantage?
3. Do I qualify for any cost-saving programs?
4. Should I buy Medigap?
5. Should I buy a Part D plan?
6. When can and should I enroll in Medicare?
7. How do I avoid any late penalties?
8. What is the difference between HMO and PPO plans, and which makes sense for me?
9. What happens if it turns out I don't like the plan I end up with?
10. What details do I need to pay the most attention to when comparing plans?

Download our free notepad to help guide your conversation with an expert and take notes during the process.

[DOWNLOAD NOTEPAD HERE](#)

# Contributors

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