



# Prepare for Important Medicare Decisions Ahead

Introduction to Medicare

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## Medicare decisions should reflect your unique situation

When facing important decisions, it's natural to seek advice from your personal network. However, when it comes to Medicare, following the lead of a friend, neighbor or even a spouse can wreak havoc on your future health care plans.

Medicare is complex, often misunderstood and very personal. Making the same choices that seemed to work well for someone else could cost you thousands of dollars, and even impact your access to health care coverage in retirement. As a result, it's critical you make choices based upon your unique situation.

The key considerations in this guide can help you prepare for important Medicare decisions ahead.

## Timing: must I enroll at age 65?

Contrary to popular belief, age 65 is not a magic number for Medicare enrollment. In fact, many instances exist where delaying Medicare Parts A, B and/or D beyond age 65 may be the best course of action. Remember, not everyone who delays Medicare will be subject to late enrollment penalties. For some people, enrolling in Medicare at age 65 can result in permanent, costly mistakes.

### Some factors that may impact your timing decision:

- Social Security benefits status
- Employment status
- Employer size
- Health Savings Account (HSA) status
- Type and quality of current health insurance coverage

### Potential impact of an enrollment timing mistake:<sup>1</sup>

- You may incur late enrollment penalties that permanently increase your premiums if you inappropriately delay Medicare Parts B and D.
- You may be responsible for unexpected health expenses — or not have a primary payer at all — if you make the wrong assumptions about how your current coverage will work after you turn 65.
- You may not be able to get a Medicare Supplement plan if you enroll in Part B too soon or too late and have preexisting medical conditions.
- You could face long delays in Medicare coverage if you miss your initial enrollment period and do not qualify for a special enrollment period.



## Sample timing scenarios for Medicare enrollment



### Meet Bill

Turns 65 in July

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Plans to continue working

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Would like to keep employer coverage, if possible

#### **Bill's Medicare timing determination:**

Because Bill works for a company with 20 or more employees, he could keep his coverage once he turns 65 and delay Medicare without penalty. However, Bill's coverage is a high-deductible health plan with a substantial monthly premium. As a result, he's determined that it's actually in his best interest to give up his current employer coverage and fully enroll in Medicare now.



### Meet Cynthia

Turns 65 in October

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Has coverage through her spouse's employer plan

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Believes she can delay Medicare

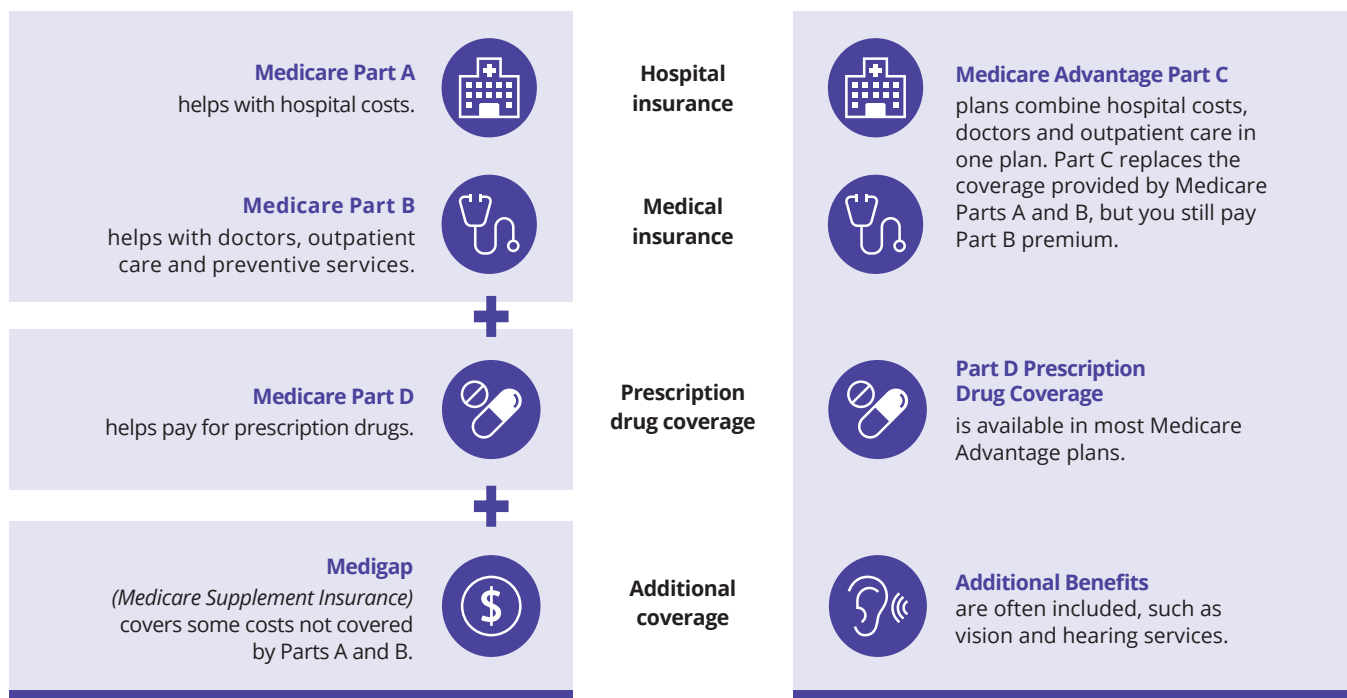
#### **Cynthia's Medicare timing determination:**

Cynthia's spouse works for a company with fewer than 20 employees. As a result, Cynthia needed to find out if she could actually keep this coverage once she turned 65. Medicare rules state that a small employer can require those 65 and older to enroll in Medicare. Cynthia found out that she cannot keep the employer plan when she turns 65 and, as a result, must fully enroll in Medicare.

## Type: three parts and two paths

You may have heard that Medicare has four parts: A, B, C, and D. This list too often leads to the incorrect belief that you must get each part. As a result, it's easier to think about Medicare as having three basic parts — Part A hospital insurance, Part B medical insurance, and Part D prescription drug coverage — with two unique paths, or ways, to get those three parts of Medicare. **Here is a simple way to think about it, and key things to remember about each path.**

CHOOSE YOUR PATH	
<b>Original Medicare</b> PARTS A+B+D+MEDIGAP PLAN	<b>Medicare Advantage</b> Part C (One package Parts A+B+D)
Administered by the U.S. government	Administered by a private insurance company
"Pay now" type of coverage — you pay regular, monthly premiums but then have little, if any, out-of-pocket costs for health care services	"Pay later" mentality — you pay little or nothing in monthly premiums, but then pay every time you use health care services. If you do not follow the plan's rules, you'll pay even more.
Doctors are in charge. There are no prior authorization requirements for most services.*	The insurance company can require prior authorization before you can use certain services, such as physical therapy, surgery, home health care, etc.
See any provider who accepts Medicare anywhere in the United States	See any provider within an approved provider network, often regionally based. These networks can change at any time. Care outside of the network may not be covered.



\*Authorization may be necessary for power mobility devices and some procedures, such as nose surgery, that could be considered cosmetic.



**Contact me for more information and resources that can help you prepare for important Medicare decisions ahead.**



This material was developed by Protective in collaboration with *65 Incorporated*, an industry leader in unbiased Medicare guidance. *65 Incorporated* was co-founded by Diane J. Omdahl and Melinda A. Caughill. Diane is a registered nurse and one of the nation's foremost Medicare experts and Melinda is a noted Medicare speaker. *65 Incorporated* helps consumers and financial professionals with Medicare information and individualized guidance.

To learn more, please visit [65incorporated.com](https://65incorporated.com).

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<sup>1</sup> Penalty amounts are subject to change every year.

This information is meant to present key, sample considerations and is not an exhaustive list of all considerations for enrollment timing and selection of the Medicare plan that may be right for you. It is meant to initiate important conversations and prepare you for important decisions ahead. You should work with your financial professional to discuss Medicare decisions that are right for you.

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